

## MANULIFE INVESTMENT MANAGEMENT I PLC

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

### Addendum to the Prospectus (the “Addendum”)

This Addendum is supplemental to, forms part of and should be read in conjunction with, the Prospectus for Manulife Investment Management I plc (the “**Company**”) dated 1 April 2021 and the Addendum to the Prospectus dated 7 December 2021 (together the “**Prospectus**”).

Distribution of this Addendum is not authorised unless accompanied by a copy of the Prospectus.

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

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Addendum. For the purposes of interpretation, in the event of any conflict between this Addendum and the Prospectus, any such conflict shall be resolved in favour of this Addendum.

Dated: 30 November 2022

## **AMENDMENTS TO THE PROSPECTUS**

The following amendments apply to the Prospectus of the Company:

### **1. INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS – INTEGRATION OF SUSTAINABILITY RISKS**

The following paragraph is inserted as a final paragraph in the sub-section 'INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS' of the Prospectus:

“For each of the Funds, the relevant Sub-Investment Manager does not currently consider adverse impacts of investment decisions on sustainability factors – i.e., the sustainability “outputs” of investment decisions – for their own sake as part of the investment process, because these elements are not part of the Funds’ stated goals and strategies, and a focus on impacts, rather than material risks and returns, could be inconsistent with those goals and strategies.”

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### **Addendum to the Prospectus (the “Addendum”)**

This Addendum is supplemental to, forms part of and should be read in conjunction with, the prospectus for Manulife Investment Management I plc (the “**Company**”) dated 1 April 2021 (the “**Prospectus**”).

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

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Addendum. For the purposes of interpretation, in the event of any conflict between this Addendum and the Prospectus, any such conflict shall be resolved in favour of this Addendum.

Dated: 7 December 2021

## **AMENDMENTS TO THE PROSPECTUS**

The following amendments apply to the Prospectus of the Company:

### **INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS – INTEGRATION OF SUSTAINABILITY RISKS**

The following paragraph is inserted as a final paragraph in the sub-section 'INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS' of the Prospectus:

“Unless otherwise indicated in the relevant Supplement for a Fund, investments underlying a particular Fund do not take into account the EU criteria for environmentally sustainable activities.”

IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR (“PROFESSIONAL ADVISORS”)

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

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***MANULIFE INVESTMENT MANAGEMENT I PLC***

(an open-ended investment company with variable capital constituted as an umbrella fund with segregated liability between its Funds under the laws of Ireland authorised and regulated by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as may be amended, supplemented or consolidated from time to time)

**PROSPECTUS**

Dated 1 April 2021

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The Funds of the Company are referred to in the “INTRODUCTION” section which lists the Funds existing at the date hereof. The Directors do not anticipate that any active secondary market will develop in Shares of any Fund. The Company issues a Supplement to this Prospectus at the time of establishing each Fund. Each Supplement forms part of and should be read in the context of and together with, this Prospectus.

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## IMPORTANT INFORMATION

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All capitalised terms used in this Prospectus shall have the meanings given to them in the “DEFINITIONS” section unless the context requires otherwise.

### Investor Responsibility

Prospective investors should review this Prospectus carefully and in its entirety and should consult with their Professional Advisors in relation to (i) the legal requirements in their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (ii) any currency exchange restrictions to which they are subject; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming, or disposing of Shares; and (iv) the provisions of this Prospectus.

### Central Bank Authorisation

The Company is both authorised and supervised by the Central Bank. The Central Bank shall not be liable by virtue of its authorisation of the Company or by reason of its exercise of the functions conferred on it by legislation in relation to the Company for any default of the Company. Authorisation does not constitute a warranty by the Central Bank and the Central Bank shall not be liable for the performance or default of the Company. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus.

### Investment Risks

The price of Shares and the income from them may go down as well as up and investors may not get back the amount invested. There can be no assurance that any Fund will achieve its investment objective. Investors should consider the investment risks described in the “INVESTMENT RISKS AND SPECIAL CONSIDERATIONS” section before investing in the Company or any Fund.

### Initial Sales Charge

Where an initial sales charge is payable in respect of a subscription or redemption for a Class of Shares, the resulting difference at any one time between the Subscription Price and Redemption Price means that investment in such Shares should be viewed as a medium to long term investment. Where an initial sales charge applies, it will not exceed 5% of the Net Asset Value of the relevant Class. Details of any applicable initial sales charge will be set out in the Supplement for the relevant Fund.

### Key Investor Information Documents

Key Investor Information Documents are available for the Funds of the Company. In addition to summarising some important information in this Prospectus, the Key Investor Information Documents may contain information on the historical performance and the ongoing charges for each of the Funds. The Key Investor Information Documents can be obtained free of charge from the registered office of the Company which is set out in the “DIRECTORY” section prior to a subscription in any Fund.

### Restrictions on Distribution and Sale of Shares

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation by or to anyone in any jurisdiction

in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

Shares are offered only on the basis of the information contained in this Prospectus, the relevant Key Investor Information Documents and the latest audited annual accounts and any subsequent half-yearly report when available. The Prospectus, the latest audited annual accounts and any subsequent half-yearly reports will be made available to the public at the office of the Administrator.

Any further information or representations given or made by any person should be disregarded and accordingly, should not be relied upon.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale or redemption of the Shares other than those contained in this Prospectus, the relevant Key Investor Information Documents, the relevant Application Form(s) and, once published, the latest published annual report and accounts of the Company and any such advertisement, information or representations, if given or made, must not be relied on as having been authorised by the Company.

Neither the delivery of this Prospectus, the latest published annual report or accounts of the Company (once published) nor the offer, placement, allotment or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus or in any such report is correct as of any time subsequent to the date thereof or that the affairs of the Company have not changed since the date thereof.

Statements in this Prospectus are based on law and practice currently in force in Ireland and are made as at the date of this Prospectus and are subject to change.

No information or advice herein contained shall constitute advice to a proposed investor in respect of his personal position. Accordingly, no representations or warranties of any kind are intended or should be inferred with respect to the economic return or the tax consequences of an investment in the Company. No assurance can be given that existing laws will not be changed or interpreted adversely. Prospective investors are not to construe this document as legal or tax advice.

The distribution of this Prospectus in some jurisdictions may require the translation of this Prospectus into other languages specified by the regulatory authorities of those jurisdictions provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland.

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

## **United States**

The following statements are required to be made under applicable regulations of the CFTC. As each Fund of the Company is a collective investment vehicle that may make transactions in commodity interests, each is considered to be a "commodity pool". However, neither the Company nor the Funds are currently required to be regulated by the CFTC as a commodity pool under the Commodity Exchange Act.

The Company, the Manager and the Funds are not currently regulated by the CFTC as a commodity pool under the Commodity Exchange Act. The Manager currently intends to limit investments in FDIs to avoid such regulation, but the Company, the Manager and/or the Funds may be subject to regulation as a commodity pool in the future.

The Shares have not been, and will not be, registered under the 1933 Act or qualified under any applicable state statutes, and the Shares may not be transferred, offered or sold in the United States of America

(including its territories and possessions) or to or for the direct or indirect benefit of any U.S. Person (as defined in Schedule III), except pursuant to registration or an applicable exemption. Neither the Company nor the Funds have been or will be registered under the 1940 Act, and investors will not be entitled to the benefits of such registration. Any re-sales or transfers of the Shares in the U.S. or to U.S. Persons may constitute a violation of U.S. law and requires the prior written consent of the Company. The Company, however, reserves the right to make a private placement of its Shares to a limited number or category of U.S. Persons. Each U.S. Person subscribing for Shares must agree that the Company may reject accept or condition any proposed transfer, assignment or exchange of those Shares. Applicants for Shares will be required to certify whether they are a U.S. Person or U.S. Taxpayer and will be required to declare whether they are Irish Residents.

The Directors have the power to impose restrictions on the shareholdings by (and consequently to redeem Shares held by), or the transfer of Shares to, any U.S. Person (unless permitted under certain exceptions under the laws of the United States), or by any person who appears to be in breach of the laws or requirements of any country or government authority, or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered. See the "ADMINISTRATION OF THE COMPANY: Compulsory Redemption or Transfer" section.

The Shares have not been approved or disapproved by the SEC, any state securities commission or other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.



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**DIRECTORY**

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*Board of Directors*

Thomas G. Murray (Chairman) (Irish Resident)  
Eimear Cowhey (Irish Resident)  
Adrian Waters (Irish Resident)  
Andrew G. Arnott (U.S. Resident)  
Bernard Letendre (Canadian Resident)  
Christopher Conkey (U.S. Resident)

*Registered Office of the Company*

Second Floor  
5 Earlsfort Terrace  
Dublin 2 D02 CK83  
Ireland

*Manager, Investment Manager and Distributor*

Manulife Investment Management (Ireland) Limited  
Second Floor  
5 Earlsfort Terrace  
Dublin 2 D02 CK83  
Ireland

*Administrator, Registrar and Transfer Agent*

State Street Fund Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin D02 HD32  
Ireland

*Depositary*

State Street Custodial Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin D02 HD32  
Ireland

*Legal Advisors*

Dechert  
Second Floor  
5 Earlsfort Terrace  
Dublin 2 D02 CK83  
Ireland

*Auditors*

EY  
Ernst & Young Building  
Harcourt Centre  
Harcourt Street  
Dublin D02 YA40  
Ireland

*Company Secretary*

Dechert Secretarial Limited  
Second Floor  
5 Earlsfort Terrace  
Dublin 2 D02 CK83  
Ireland

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## DEFINITIONS

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In this Prospectus, the following words and phrases shall have the meanings indicated below:-

<b>“1933 Act”</b>	the U.S. Securities Act of 1933 (as amended);
<b>“1940 Act”</b>	the U.S. Investment Company Act of 1940 (as amended);
<b>“Accounting Date”</b>	31 March in each year;
<b>“Accounting Period”</b>	a period ending on the Accounting Date and commencing, in the case of the first such period, on the date of incorporation of the Company and, in subsequent such periods, on the day following expiry of the last Accounting Period;
<b>“Accumulating Classes”</b>	Classes in which the Directors intend to accumulate and to automatically reinvest all earnings, dividends and other distributions of whatever kind pursuant to the investment objectives and policies of the relevant Fund for the benefit of Shareholders in the relevant Fund and which may be identified by the word “Accumulating” in their title;
<b>“Administration Agreement”</b>	the agreement dated 1 May 2019 between the Company, the Manager and the Administrator as may be amended from time to time;
<b>“Administrator”</b>	State Street Fund Services (Ireland) Limited, or such other person as may be appointed from time to time in accordance with the requirements of the Central Bank to provide administration services to the Company;
<b>“ADR”</b>	American Depositary Receipt, a negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a non-U.S. stock that is traded on a U.S. exchange;
<b>“ADS”</b>	American Depositary Share, an underlying share that an ADR represents;
<b>“Application Form”</b>	the application form, obtainable from the Administrator, to be completed by subscribers for Shares of any Fund or Class as prescribed by the Company from time to time;
<b>“Auditor”</b>	EY or such other person as may be appointed from time to time in accordance with the requirements of the Central Bank to act as auditor to the Company;
<b>“Base Currency”</b>	the base currency of a Fund as determined by the Directors and set out in the relevant Supplement;

<b>“Benchmarks Regulation”</b>	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;
<b>“Benefit Plan Investor”</b>	as defined in Schedule III;
<b>“Bond Connect”</b>	the program launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by China Foreign Exchange Trade System & National Interbank Fund Centre (“CFETS”), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit;
<b>“Business Day”</b>	each day on which the Euronext Dublin and New York Stock Exchange are open for regular business and such other day or days as may be determined by the Directors and notified to Shareholders in advance;
<b>“Central Bank”</b>	the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the Company;
<b>“Central Bank UCITS Regulations”</b>	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 as may be amended or consolidated from time to time;
<b>“CFTC”</b>	the U.S. Commodity Futures Trading Commission;
<b>“CIBM”</b>	the China interbank bond market, which is the over-the-counter market for bonds issued and traded in the PRC;
<b>“Class”</b>	any class of Shares each representing interests in a Fund;
<b>“Clearing System”</b>	the National Securities Clearing Corporation (NSCC) or any other clearing system approved by the Directors;
<b>“Code”</b>	the U.S. Internal Revenue Code of 1986, as amended;
<b>“Commodity Exchange Act”</b>	the U.S. Commodity Exchange Act of 1936 as amended;
<b>“Companies Act”</b>	the Companies Act 2014 as may be amended, supplemented or re-enacted from time to time;
<b>“Company”</b>	Manulife Investment Management I PLC;
<b>“Company Secretary”</b>	Dechert Secretarial Limited, the secretary of the Company and the Manager or such other persons as may be appointed from

	time to time by the Company in accordance with the requirements of the Companies Act;
<b>“Constitution”</b>	the memorandum of association and constitution of association of the Company for the time being in force and as may be modified from time to time;
<b>“Convertible Securities”</b>	bonds, debentures, notes, preferred stocks or other securities that may be converted into or exchanged for a specified amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. A Convertible Security entitles the holder to receive interest that is generally paid or accrued on debt or a dividend that is paid or accrued on preferred stock until the Convertible Security matures or is redeemed, converted or exchanged. Additionally, Convertible Securities also include convertible structured notes which are fixed-income debentures linked to equity and contingent convertible notes (CoCos);
<b>“CRS”</b>	the Common Reporting Standard more fully described as the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the OECD;
<b>“Currency Class”</b>	the currency of denomination of a Class;
<b>“Data Protection Legislation”</b>	the Data Protection Acts 1988 to 2018, the GDPR and any other laws that apply to the Company in relation to the processing of personal data;
<b>“Dealing Day”</b>	unless otherwise stated in the relevant Supplement, each Business Day, or such other Business Day as the Directors may determine and notify in advance to Shareholders provided that there shall be at least two Dealing Days in each calendar month carried out at regular intervals;
<b>“Dealing Deadline”</b>	in the case of subscriptions and redemptions, 4:00 pm New York time on the relevant Dealing Day or as otherwise may be specified in a relevant Supplement, provided that such time will never be after the relevant Valuation Point;
<b>“Delegated Regulations”</b>	means the Commission Delegated Regulation supplementing Directive 2009/65/EU of the European Parliament and of the Council of 17 December 2015 (once finalised and directly effective in Ireland);
<b>“Depositary”</b>	State Street Custodial Services (Ireland) Limited, the depositary to the Company or such other person as may be appointed in accordance with the requirements of the Central Bank;

<b>“Depository Agreement”</b>	the agreement dated 1 May 2019 between the Company, the Manager and the Depository as may be amended from time to time;
<b>“Depository Receipts”</b>	negotiable financial instruments issued by a bank including ADR, EDR and GDR;
<b>“Dilution Levy”</b>	an adjustment in a Fund’s Net Asset Value to cover market spreads and dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of a Fund;
<b>“Directors”</b>	the directors of the Company for the time being and any duly constituted committee thereof;
<b>“Distributing Classes”</b>	Classes in which the Directors intend to declare a dividend in respect of the Shares and which may be identified by the word “Distributing” in their title;
<b>“Distribution Agent”</b>	any sub-distributor, intermediary, dealer and/or professional investor that the Manager enters into contractual arrangements with for the distribution of Shares;
<b>“Duties and Charges”</b>	all stamp and other duties, taxes, governmental charges, brokerage, bank charges, non-U.S. exchange and/or other dealing spreads, interest, transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the Company or the creation, issue, sale, switch or redemption of Shares or the purchase, switch, exchange, redemption or sale of investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion or in the event of the transaction or dealing in respect of which such duties and charges are, or may be, payable, which may include, when calculating Subscription Prices and Redemption Prices, any provision for spreads (to take into account the difference between the price at which assets may be valued for the purpose of calculating the Net Asset Value and the price at which such assets may be acquired or may be sold or realised), but shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares;
<b>“EDR”</b>	European Depository Receipt, a negotiable certificate issued by a bank of an EEA Member State representing a specific number of shares of a stock traded on an exchange of another EEA Member State;
<b>“EEA”</b>	the European Economic Area, comprising the Member States, Norway, Iceland and Liechtenstein;

<b>“Eligible Loan”</b>	unsecuritised loans meaning liquid, transferrable, single-issuer, un-securitised investments made available in primary and secondary markets via ICMA members and which meet the definition of Money Market Instrument or otherwise constitute eligible assets for the purposes of Directive 2007/16/EC provided however that investments in unsecuritised loans not meeting the definition of Money Market Instrument shall be limited to no more than 10% of a Fund’s Net Asset Value (in common with other similarly categorised securities );
<b>“ERISA”</b>	the U.S. Employee Retirement Income Security Act of 1974, as amended;
<b>“ESMA”</b>	the European Securities and Market Authority;
<b>“ETF”</b>	an exchange traded fund, the units of which may, depending on the circumstances, be classified as units in Underlying Collective Investment Schemes or transferable securities;
<b>“EU”</b>	the European Union;
<b>“FATCA” or “Foreign Account Tax Compliance Act”</b>	sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, and any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of these sections of the Code;
<b>“FDIs”</b>	financial derivative instruments, contracts that derive their value from the value of an underlying asset, reference rate or index;
<b>“Financial Account”</b>	a “Financial Account” as used in the intergovernmental agreement between the U.S. and Ireland for the purposes of FATCA;
<b>“Financial Institution”</b>	a “Financial Institution” as defined in FATCA including custodial institutions, depository institutions, investment entities, or specified insurance companies;
<b>“FINRA”</b>	the U.S. Financial Industry Regulatory Authority;
<b>“Fund” or “Funds”</b>	a portfolio of assets established by the Directors (with the prior approval of the Central Bank) and constituting a separate Fund with segregated liability invested in accordance with the investment objective and policies applicable to such Fund as specified in this Prospectus or any supplement thereto;
<b>“GDPR”</b>	EU General Data Protection Regulations (EU) 2016/679;

<b>“GDR”</b>	Global Depositary Receipt, a bank certificate issued in more than one country for shares in a non-U.S. company;
<b>“Hedged Share Class”</b>	a Class which is not denominated in the Base Currency of a Fund to which a currency hedging strategy is applied;
<b>“High Yield Debt Securities”</b>	debt securities that are rated BB/Ba or lower by a rating agency, or are unrated but determined by the Manager (or a Sub-Investment Manager) to be of comparable quality;
<b>“Index-Linked Securities”</b>	securities which provide a payment of income related to a specific index such as a retail price index or consumer price index;
<b>“Initial Offer Price”</b>	the price at which a Class of Shares is first offered or at which it is reoffered as specified in the “ADMINISTRATION OF THE COMPANY: How to Purchase Shares” section, or relevant Supplement;
<b>“Interest-Only Securities”</b>	securities where only interest payments (not principal) are exchanged;
<b>“Legislation”</b>	the Central Bank UCITS Regulations, the Delegated Regulations, the UCITS Regulations and the UCITS Rules or any of the foregoing as the context so requires;
<b>“Management Agreement”</b>	the agreement dated 1 May 2019 between the Company and the Manager as may be amended from time to time;
<b>“Manager”</b>	Manulife Investment Management (Ireland) Limited or any other person or persons for the time being duly appointed manager in succession to said Manager;
<b>“Member”</b>	a Shareholder, or a person who is registered as the holder of one or more Non-Participating Shares;
<b>“Member State”</b>	a member state of the EU;
<b>“MiFID II”</b>	means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, the Markets in Financial Instruments Regulation (EU) No 600/2014 (“MiFIR”) and related legislation;
<b>“MiFID Regulations”</b>	means S.I. No. 375 of 2017 European Union (Markets in Financial Instruments) Regulations 2017, as amended from time to time and any regulations or conditions made thereunder by the Central Bank;
<b>“Money Market Instrument”</b>	instruments normally dealt in on the money markets which are liquid, have a value which can be accurately determined at any time and include, but are not limited to, government debt, commercial paper, bankers acceptances, certificates of



	deposit and other short term debt securities as ancillary liquid assets, and which are further described in the UCITS Rules;
<b>“Net Asset Value” or “NAV”</b>	the Net Asset Value of the Company or of a Fund or Class, as appropriate, calculated as described in the “DETERMINATION OF NET ASSET VALUE” section;
<b>“Net Asset Value per Share”</b>	in respect of any Shares, the Net Asset Value attributable to the Shares issued in respect of a Fund or Class, divided by the number of Shares in issue in respect of the Fund or Class;
<b>“Non-Participating Shares”</b>	a redeemable non-participating share in the capital of the Company with a set capital value of €1 issued in accordance with, and having rights provided for, in the Constitution;
<b>“OECD”</b>	the Organisation for Economic Co-Operation and Development;
<b>“PRC”</b>	People’s Republic of China;
<b>“Prospectus”</b>	this document and any Supplements or addenda thereto, issued by the Company in accordance with the requirements of the Central Bank;
<b>“Public International Bodies”</b>	the supranational organisations listed in Schedule II of this Prospectus;
<b>“Redemption Price”</b>	the price payable in respect of redeemed Shares as specified in the “DETERMINATION OF NET ASSET VALUE: Redemption Prices” section;
<b>“Regulated Market”</b>	a regulated market as set out in Schedule I or otherwise determined in accordance with guidance from the Central Bank;
<b>“Regulation S Securities”</b>	securities that are exempt from registration under the 1933 Act and that may be freely traded among certain non-U.S. institutional buyers such as the Funds;
<b>“REITs”</b>	real estate investment trusts. Investments in REITs will be permitted by a Fund if they qualify as (i) an Underlying Collective Investment Scheme; or (ii) a transferable security in accordance with the UCITS Regulations;
<b>“Rule 144A Securities”</b>	securities purchased in transactions exempt from registration requirements of the 1933 Act pursuant to Rule 144A;
<b>“SEC”</b>	U.S. Securities and Exchange Commission;
<b>“Share” or “Shares”</b>	a participating share or shares in the Company or a Fund, as the context so requires;

<b>“Shareholders”</b>	holders of Shares and each a “Shareholder”;
<b>“Sub-Investment Management Agreement”</b>	an agreement between the Manager and a Sub-Investment Manager to whom the assets of a Fund (or a proportion thereof) are allocated as set out in the Supplement for the relevant Fund and as may be amended from time to time;
<b>“Sub-Investment Manager”</b>	the person or persons appointed by the Manager pursuant to a Sub-Investment Management Agreement as set out in the Supplement for the relevant Fund and as may be amended from time to time;
<b>“Subscription Price”</b>	the subscription price in respect of Shares of any Class on any Dealing Day as specified in the “DETERMINATION OF NET ASSET VALUE: Calculation of Subscription and Redemption Prices” section;
<b>“Supplement”</b>	a supplement including any addenda thereto, which is supplemental to this Prospectus setting out information specific to a Fund;
<b>“UCITS”</b>	an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;
<b>“UCITS Regulation” or “UCITS Regulations”</b>	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 as may be further amended, supplemented or consolidated from time to time including any condition that may from time to time be imposed thereunder by the Central Bank;
<b>“UCITS Rules”</b>	the Central Bank UCITS Regulations and any guidance or Q&A document issued by the Central Bank from time to time pursuant to the Central Bank UCITS Regulations; or any document published by the Central Bank which sets down all of the conditions which the Central Bank imposes on UCITS, their management companies and depositaries;
<b>“Umbrella Cash Account”</b>	an account maintained at the level of the Company;
<b>“Underlying Collective Investment Scheme”</b>	any collective investment scheme which meets the requirements of the UCITS Regulations for investment by a UCITS, pursuant to the restrictions set out therein and, for the avoidance of doubt, includes other funds, regulated collective investment schemes and regulated non-UCITS domiciled in the EU, Guernsey, Jersey, the Isle of Man or the EEA;
<b>“U.S.”</b>	the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;

<b>“U.S. Person”</b>	a “U.S. Person” as defined in Schedule III herein;
<b>“U.S. Reportable Account”</b>	a Financial Account held by a U.S. Reportable Person;
<b>“U.S. Taxpayer”</b>	a “U.S. Taxpayer” as defined in Schedule III herein; and
<b>“Valuation Point”</b>	the day and time(s) with reference to which the assets and liabilities of each Fund will be valued for the purpose of calculating the Net Asset Value and the Net Asset Value per Share. Unless otherwise stated, in the relevant Supplement, the Valuation Point shall be 4:00 pm New York time on the relevant Dealing Day

In this Prospectus, all references to the “Euro” or “EUR” or “€” are to the currency referred to in the second sentence of Article 2 of the Council Regulation (EC) No. 974/98 of 3 May 1998 and as adopted as the single currency of the participating Member States of the European Union and any successor currency as determined at the discretion of the Directors, all references to “US Dollars” or “\$” or “US\$” or “USD” are to the lawful currency of the United States of America, all references to “Pounds” or “Pounds Sterling” or “GBP” are to the lawful currency of the United Kingdom (“**UK**”), all references to “Swiss Franc” or “CHF” are to the lawful currency of Switzerland and all references to “Swedish Krona” or “SEK” are to the lawful currency of Sweden.

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## INTRODUCTION

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### **Establishment and Incorporation**

The Company is an open-ended umbrella investment company with variable capital and segregated liability between its Funds and is organised under the laws of Ireland as a public limited company pursuant to the Companies Act. The Company is authorised by the Central Bank pursuant to the UCITS Regulations. The Company was incorporated on 6 February 2015 under registration number 557040.

The life of the Company is unlimited.

The activities of the Company are governed by its Constitution and this Prospectus and the details concerning the Company contained herein.

The Constitution provides that the Company may offer separate Classes of Shares, each representing interests in a Fund, with each Fund comprising a separate and distinct portfolio of investments. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund and the assets and liabilities of each Fund are segregated as a matter of Irish law. The value of the Shares of each Fund shall at all times equal their Net Asset Value. The Base Currency of each Fund will be determined by the Directors and will be set out in the Prospectus and/or Supplement for the relevant Fund.

The Company has obtained the approval of the Central Bank for the establishment of the following six Funds:

Manulife Global Disciplined Value (Ex-U.S.) Fund;

Manulife Global Quality Growth (Ex-U.S.) Fund;

Manulife Global Multi-Strategy Credit Fund;  
Manulife Macro Currency Fund;  
Manulife Strategic Income Opportunities Fund; and  
Manulife U.S. Large Cap Equity Fund;

Shares of the Manulife Global Multi-Strategy Credit Fund and the Manulife Global Disciplined Value (Ex-U.S.) Fund are no longer offered and it is intended to apply to withdraw their authorisation. Additional Funds may be established by the Company from time to time with the prior approval of the Central Bank.

### **Share Classes**

A Fund may consist of one or more Classes of Shares. A separate pool of assets will not be maintained for each Class within a Fund and there is no segregation of liability between Classes. The Classes of Shares are described more fully in the “SHARE CLASSES” section. The Directors shall notify the Central Bank regarding the proposed issuance of any additional Classes of Shares in a Fund and clear any such proposals in advance with it. Shares of each Class allocated to a Fund will rank *pari passu* with each other in all respects provided that Classes may differ as to certain matters including, without limitation, as to all or any of the following: currency of denomination of the Class, distribution policy, the amount of fees and expenses to be charged (including any Share Class specific expenses), hedging policy and the minimum subscription and redemption amounts. .

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## **INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS**

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The Company intends to provide investors with a choice of Funds offering an array of investment objectives. Each Fund aims to achieve its investment objective while spreading investment risks through investment in transferable securities, liquid financial assets, collective investment schemes or other permitted investments in accordance with the UCITS Regulations. The transferable securities and liquid financial assets in which a Fund may invest must generally be listed and/or traded on a Regulated Market except that up to 10% of the Net Asset Value of a Fund may be invested in transferable securities and liquid financial assets which are not so listed, traded or dealt. Details of the range of investments permitted under the UCITS Regulations and the applicable restrictions are set out in Schedule II. The Regulated Markets in which a Fund’s investments will be traded are set out in Schedule I.

The assets of each Fund will be invested separately in accordance with the investment objective and policies of the Fund and which are set out in the relevant Supplement.

The investment return to Shareholders in a particular Fund is related to the Net Asset Value of that Fund which in turn is primarily determined by the performance of the portfolio of investments held by that Fund.

Unless otherwise stated in the Supplement, each Fund may invest up to 10% of its Net Asset Value in Underlying Collective Investment Schemes (which include ETFs), subject to the limits set out in Schedule II and the limitations contained in Regulation 68 of the UCITS Regulations. Such investment in Underlying Collective Investment Schemes includes investing in other Funds. However, a Fund may not invest in another Fund which itself holds Shares in other Funds. Where a Fund invests in another Fund, the investing Fund may not charge an annual management and/or investment management fee in respect of the portion of its assets invested in the other Fund. If a Fund invests in the units or shares of an Underlying Collective Investment Scheme managed by the Manager or by an associated or related company of the Manager (including any Sub-Investment Manager), the Manager or the associated or related company must waive the sales charge or exit charge payable, if any. The Manager will not receive any commission when a Fund invests in such a scheme. However, if any commissions are received by the Manager, the commission must be paid into the property of the relevant Fund.

Pending investment of the proceeds of a placing or offer of Shares, in accordance with the investment objectives and policies of a Fund as set out in the relevant Supplement, or where market, economic or other factors so warrant, a Fund may, subject to the investment restrictions set out under the heading “Investment Restrictions” below, invest in cash deposits, Money Market Instruments and in short-term securities such as commercial paper, bankers’ acceptances, certificates of deposit, and government securities issued by an OECD member country or by any supranational entity provided that the securities are listed, traded or dealt in on a Regulated Market in an OECD member country and are rated investment grade or better by Moody’s or by Standard & Poor’s. Taking a temporary defensive position could prevent the Fund from achieving its investment objective. Other than cash deposits, such short term investments will be listed or traded on Regulated Markets.

A Fund may sell a security if it no longer meets a Fund’s investment criteria or for a variety of other reasons, such as to secure gains, limit losses, maintain its duration, redeploy assets into opportunities believed to be more promising, or satisfy redemption requests, among others. A Fund will not be required to sell a security that has been downgraded after purchase; however, in these cases, the Fund will monitor the situation to determine whether it is advisable for the Fund to continue to hold the security. In considering whether to sell a security, the Fund may evaluate factors including, but not limited to, the condition of the economy, changes in the issuer’s competitive position or financial condition, changes in the outlook for the issuer’s industry, the Fund’s valuation target for the security, and the impact of the security’s duration on the Fund’s overall duration.

Each of the Funds engage in active and frequent trading of its portfolio securities.

Any change in the investment objective or a material change in the investment policies of a Fund will be subject to prior approval on the basis of a majority of votes cast by an ordinary resolution of Shareholders passed at a general meeting or by all of the Shareholders by way of a written resolution. In the event of a change of investment objective and/or material change of the policies of a Fund, the changes will be provided for in an update to the relevant Supplement of the Fund and a reasonable notification period will be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.

Non-material changes to the investment policies of a Fund may be implemented from time to time by the Directors if they shall deem it to be in the best interest of the relevant Fund.

A summary of the investment process pursued by each Sub-Investment Manager for the selection of investments in each Fund is outlined in the relevant Supplement.

### **Integration of Sustainability Risks**

The Manager is required, under Article 6(1) (a) of the Sustainable Finance Disclosure Regulation (Regulation (EU) 2019/2088) (“**SFDR**”) to describe the manner in which sustainability risks are integrated into its investment decision-making process. The Manager has delegated the day to day investment decision-making for each Fund to a Sub-Investment Manager. As such, the Manager relies on each Sub-Investment Manager to consider how to integrate sustainability risks as appropriate into the investment process for each Fund it manages.

The Manager’s flexible framework supports implementation across different asset classes, strategies and investment teams, allowing the Sub-Investment Managers to apply the integration approach they consider is most relevant for the Funds they manage on a day to day basis.

The Manager considers sustainability risks in the selection and appointment of new Sub-Investment Managers and carries out ongoing monitoring of each Sub-Investment Manager’s approach to the integration of sustainability risks.

The Manager expects each Sub-Investment Manager to, amongst other things:

- a) have the appropriate capabilities to carry out robust integration processes to take into account material sustainability risks;
- b) implement their own detailed sustainability risk policy suitable to the Fund or Funds they manage;
- c) identify, consider and incorporate material sustainability risk to the extent they reasonably consider appropriate as part of their overall ongoing investment process and when carrying out initial due diligence on each investment;
- d) where possible and required by relevant regulations, collect environmental, social and governance (“ESG”) data and reporting on their portfolios and produce periodic ESG reporting on the Funds.

Currently, consideration of sustainability risks may not be systematically integrated into the investment decision-making process for certain Funds where the Manager believes, together with the Sub-Investment Manager, that they are of limited relevance (for example in currency investing or in certain classes of derivatives). Where this is the case, it will be disclosed in the Supplement for the relevant Fund.

The Manager’s approach to sustainability is evolving and the disclosures in relation to sustainability will be regularly reviewed and updated as necessary. The Manager is subject to policies on the integration of sustainability risks in the investment decision-making process (together, the “**Sustainability Risk Policy**”). The details of the Sustainability Risk Policy are available on [ucits.manulifeim.com](http://ucits.manulifeim.com) and a copy will be made available free of charge on request.

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## USE OF FINANCIAL DERIVATIVE INSTRUMENTS

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### Use of FDIs

The Company may, on behalf of each Fund and subject to the conditions and within the limits laid down by the Central Bank, use techniques and instruments for investment purposes, for hedging purposes (to protect the Fund’s unrealised gains by hedging against possible adverse fluctuations in the securities markets or changes in interest rates or currency exchange rates that may reduce the market value of the Fund’s investment portfolio) or for the purposes of efficient portfolio management (namely forward currency exchange contracts, futures contracts, options, put and call options on securities, indices and currencies, stock index contracts and swap contracts). The Company may also use repurchase/reverse repurchase and stock lending agreements for the purposes of efficient portfolio management. References to a Fund entering into an FDI shall be construed as the Company entering into such FDI on behalf of a Fund, where appropriate. A Fund also may use FDIs to seek to enhance returns, spreads or gains, or to efficiently invest excess cash or quickly gain market exposure. A Fund may engage in such transactions on an exchange or in the over-the-counter (“OTC”) market.

The Company may engage in such techniques and instruments for the reduction of risk, cost or the generation of additional capital or income for each Fund with an appropriate level of risk, taking into account the risk profile of the Company and the relevant Fund as described in this Prospectus and the general provisions of the UCITS Regulations. See Appendix IV: “Efficient Portfolio Management Techniques and Instruments”.

The use of techniques for efficient portfolio management is not expected to raise the risk profile of a Fund or result in higher volatility.

As is required to be disclosed in this Prospectus in accordance with the requirements of the Central Bank UCITS Regulations, all revenues from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the relevant Fund. Direct and indirect operational costs and fees arising from efficient portfolio management techniques (which shall not include hidden revenue) will be paid to the securities lending agent or counterparty to the relevant agreement, who shall not be related to the Company, the Manager, or a Sub-Investment Manager.

The types of FDIs that a Fund may use are:

### *Futures Contracts and Options on Futures*

A Fund may enter into futures contracts and options on futures contracts, which involve the purchase or sale of a contract to buy or sell a specified security, index or other financial instrument at a specific future date and price on an exchange or the OTC market. A Fund may enter into such contracts as a substitute for taking a position in any underlying asset or to increase returns.

### *Convertible Securities*

Convertible bonds are bonds that provide the holder of the bond with the option to exchange the bond for a specific number of shares of the company's stock. This embedded option affects the risk of the bond and it exhibits characteristics similar to both regular fixed income securities and equity as a result. When the underlying stock is performing poorly the convertible continues to earn interest and so tends to behave like a bond when the option is out of the money, when the underlying stock starts to perform well the value of the embedded option increases and as a result the convertible will start to behave like the underlying stock as the option goes into the money. A Fund may invest in convertible bonds for the purpose of taking exposure to companies and issuers that are consistent with the investment policy of the Fund.

Convertible preferred securities are securities that provide the holder of preference shares with the option to exchange the preference shares for a specific number of shares of the company's ordinary shares. This embedded option allows the Fund to maintain its equity investment strategy whilst providing certain elements of fixed income instruments as preference shares often have fixed dividends which are required to be paid before any dividends are paid to the holders of ordinary shares. As such, the Fund can utilise the preferred element of the security where an underlying company's performance is poorer and convert into the Company's ordinary shares when the value of same increases appropriately. In addition, the preferred element of the security assists in providing income to the Fund and the pricing structure might also provide value for the portfolio.

Where a Fund invests in Convertible Securities this will be set out in the relevant Supplement of the Fund.

The Convertible Securities in which the Funds may invest may embed a derivative.

### *Contingent Convertible Securities*

Contingent convertible notes ("CoCos") are a form of hybrid debt security issued by financial institutions that may either convert into equity or have their principal written down on the happening of certain trigger events linked to regulatory capital thresholds. A trigger event may also arise where the issuer's regulatory authority makes a determination that the issuer is non-viable. Such CoCos may embed a derivative. Where a Fund invests in CoCos, this will be set out in the relevant Supplement of a Fund.

### *Structured Notes*

Structured notes include notes, bonds or debentures, the value of the principal of and/or interest on which is to be determined by reference to changes in the value of the specific currencies, interest rates, eligible indices or other financial indicators that a Fund may invest in (the "Reference") or the relative change in two or more References and are typically issued by Financial Institutions. The interest rate or the principal amount payable upon maturity or redemption may be increased or decreased depending upon changes in the applicable Reference. The terms of the structured securities may provide that in certain circumstances no principal is due at maturity and, therefore, may result in the loss of a Fund's investment. Structured securities may be positively or negatively indexed, so that appreciation of the Reference may produce an increase or decrease in the interest rate or value of the security at maturity. In addition, the change in interest rate or the value of the security at maturity may be a multiple of the change in the value of the Reference. Consequently, structured securities entail a greater degree of market risk than other types of debt obligations. Structured securities also may be more volatile, less liquid and more difficult to accurately price than less complex fixed income investments. A Fund bears the market risk of an investment in the underlying investment as well as the credit risk of the issuer.

A Fund may only invest in structured notes which are unleveraged, securitised and capable of free sale and transfer to other investors, which are purchased through recognised regulated dealers and are deemed to be transferable securities. Structured notes will be traded on Regulated Markets.

#### *Repurchase/Reverse Repurchase Agreements*

The Company may enter into repurchase/reverse repurchase agreements for the purposes of efficient portfolio management subject to the conditions and limits set out in the UCITS Rules.

A repurchase agreement, or sale-and-repurchase agreement, also known as a repo, is the sale of securities together with an agreement for the seller to buy back the securities at a later date. Under a repurchase agreement a Fund sells securities to a counterparty with an agreement by the Fund to repurchase the securities at the same price, plus interest, at a specified rate.

A reverse repurchase agreement, also known as a reverse repo, is the purchase of securities from a counterparty with an agreement for the purchaser to resell the securities at a later date to the counterparty. Under a reverse repurchase agreement a Fund buys securities from a counterparty with an agreement by the Fund to resell the securities at the same price, plus interest, at a specified rate. Security is held by the Fund as collateral for the counterparty's repurchase obligation.

For repurchase agreements, a Fund shall ensure that it is able at any time to recall any securities subject to the agreement or to terminate the repurchase agreement into which it has entered. In relation to reverse repurchase agreements, a Fund 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. 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 Fund.

#### *Currency Forward Contracts*

A Fund may use non-deliverable currency forward contracts to hedge the risk to the portfolio to exchange price movements. Under some circumstances, a Fund may commit a substantial portion or the entire value of its portfolio to the completion of forward contracts. Generally, these instruments allow a Fund to lock in a specified exchange rate for a period of time. Currency forward contracts also may be used to increase a Fund's exposure to currencies that the Manager or a Sub-Investment Manager believes may rise in value relative to the Base Currency of the relevant Fund or to shift a Fund's exposure to currency fluctuations from one country to another.

#### *Options*

A Fund may purchase call and put options and write (*i.e.*, sell) covered call and put option contracts in accordance with its investment objective and policies. A "call option" is a contract sold for a price giving its holder the right to buy a specific number of securities at a specific price prior to a specified date. A "covered call option" is a call option issued on securities already owned by the writer of the call option for delivery to the holder upon the exercise of the option. A "put option" gives the purchaser of the option the right to sell, and obligates the writer to buy, the underlying securities at the exercise price at any time during the option period. A put option sold by a Fund is covered when, among other things, a Fund segregates permissible liquid assets having a value equal to or greater than the exercise price of the option to fulfil the obligation undertaken or otherwise covers the transaction. A Fund may purchase and sell call and put options in respect of specific securities (or groups or "baskets" of specific securities) or securities indices, currencies or futures. A Fund also may enter into OTC options contracts, which are available for a greater variety of securities, and a wider range of expiration dates and exercise prices, than are exchange-traded options. Successful use by a Fund of options and options on futures will depend on the Manager's or a Sub-Investment Manager's ability to predict correctly movements in the prices of individual securities, the relevant securities market generally, currency exchange rates or interest rates.

#### *Swap Agreements*



A Fund may enter into interest rate, equity index, credit default, currency and total return swap agreements, and swaptions (options on swaps) and similar transactions. A Fund may enter into these swap transactions for hedging purposes or in an attempt to obtain a particular return when it is considered desirable to do so. A swap transaction involves an agreement between two parties to exchange different cash flows based on a specified or “notional” amount. The cash flows exchanged in a specific transaction may be, among other things, payments that are the equivalent of interest on a principal amount, payments that would compensate the purchaser for losses on a defaulted security or basket of securities, or payments reflecting the performance of one or more specified currencies, securities or indices.

If a Fund invests in swaps or other FDI with the same characteristics, the underlying asset or index may be comprised of equity or debt securities, Money Market Instruments or other eligible investments which are consistent with the investment objective and policies of a Fund as set out in the “Investment Policies” section of the Supplement for the relevant Fund. The counterparties to such transactions are typically banks, investment firms, broker-dealers, collective investment schemes or other financial institutions or intermediaries. The risk of the counterparty defaulting on its obligations under the total return swap and its effect on Shareholder returns are described in the “INVESTMENT RISKS AND SPECIAL CONSIDERATIONS” section under the heading “Hedging, FDIs, and Other Strategic Transactions Risk”.

In addition, there may be potential conflicts of interests where, for example, the Manager or a Sub-Investment Manager contracts with connected parties. Details of the Company’s conflicts of interest policy is set out in the “CONFLICTS OF INTEREST” section.

It is not intended that the counterparties to swaps entered into by a Fund assume any discretion over the composition or management of the Fund’s investment portfolio or over the underlying of the FDI, or that the approval of the counterparty is required in relation to any portfolio transactions by the Fund.

#### *Forward Contracts*

A forward contract involves obligations of one party to purchase, and another party to sell, a specific amount of a currency (or a security or other financial instrument) at a future date, at a price established in the contract.

Forward contracts may be structured for cash settlement, rather than physical delivery. A Fund may enter into non-deliverable currency forward contracts (“NDFs”), which are a particular type of cash-settled forward contract that may be used to gain exposure to a non-convertible or relatively thinly traded non-U.S. currency.

With respect to futures contracts or forward contracts that are contractually required to cash settle, a Fund will be permitted to set aside liquid assets in an amount equal to the Fund’s daily marked-to-market net obligation (i.e., the Fund’s daily net liability) under the contracts, if any, rather than such contracts’ full notional value. In the case of futures contracts or forward contracts that are not contractually required to cash settle, the Fund will be obligated to set aside liquid assets equal to such contracts’ full notional value (generally, the total numerical value of the asset underlying a future or forward contract at the time of valuation) during the period of time while the contract positions are open.

#### *Warrants and Rights*

A warrant is a security that entitles the holder to buy stock of the company that issued the warrant at a future date at a specified price. Warrants have similar characteristics to call options, but are typically issued together with preferred stocks or bonds or in connection with corporate actions. Warrants are typically longer-dated options and are generally traded over-the-counter. Rights are similar to warrants, but normally have a shorter duration and are offered or distributed to shareholders of a company. The commercial purpose of warrants can be to hedge against the movements of a particular market or financial instrument or to gain exposure to a particular market or financial instrument instead of using a physical security.

A Fund may purchase warrants and rights. Warrants and rights do not carry with them the right to dividends or voting rights with respect to the securities that they entitle the holder to purchase, and they do not represent any rights in the assets of the issuer. As a result, warrants and rights may be considered more speculative than certain other types of equity-like securities. In addition, the values of warrants and rights do not necessarily change with the values of the underlying securities and these instruments cease to have value if they are not exercised prior to their expiration dates.

#### *Participatory Notes*

Participatory notes are financial instruments which may be used by a Fund to gain indirect exposure to various equity markets. Purchasing participatory notes from brokerage firms or banks will give a Fund indirect access to equity securities. This allows a Fund to gain exposure to equities in markets which may not be accessed directly without potentially triggering registration requirements. While participatory notes are often listed on an exchange, they are usually traded on an OTC basis with the issuing broker or bank. Participatory notes on equities usually provide exposure to the underlying equity on a 1:1 basis (*i.e.*, delta 1), they are not bought on margin and they do not embed any derivative elements. Such participatory notes may meet the criteria for transferable securities under UCITS regulations and will then be treated as such and will not be subject to the rules for FDI. Where a Fund invests in participatory notes, this will be set out in the relevant Supplement of the Fund.

#### *To Be Announced (TBA) Securities*

To be announced (TBA) securities are non-cleared, forward-settling government agency (Freddie Mac, Fannie Mae and Ginnie Mae) mortgage-backed securities. The actual mortgage-backed security that will be delivered to fulfil a TBA trade is not designated at the time the trade is made; they are "to be announced" on the Notification Date, 48 hours prior to the established trade settlement date. TBAs are essentially 'placeholders' for the purchase or sale of mortgage pools. TBA trades generally trade three months forward. In a TBA transaction, a seller agrees the issuer, interest rate and terms of the underlying mortgages but to deliver a security at a future date, but does not specify the particular security to be delivered. Instead, the seller agrees to accept any security that meets specified terms. TBA transactions involve the risk that market interest rates will fluctuate from the agreed interest rate for the TBA and the risk that the other party to the transaction will not meet its obligation, resulting in both opportunity and investment loss. Where a Fund invests in TBA securities, this will be set out in the relevant Supplement of the Fund.

#### *When-Issued, Delayed Delivery and Forward Commitment Securities*

Each Fund may purchase securities on a when-issued basis or purchase securities on a forward commitment (sometimes called delayed delivery) basis. These transactions are a commitment by the relevant Fund to purchase securities at a future date with the price of the underlying securities and the date when the securities will be delivered and paid for (the settlement date) fixed at the time the transaction is negotiated. When-issued purchases and forward commitment transactions are normally negotiated directly with the other party. When-issued and delayed delivery securities and forward commitments involve the risk that the security the relevant Fund buys will lose value prior to its delivery, the security will not be issued or the other party to the transaction will not meet its obligation, resulting in both opportunity and investment loss. Where a Fund invests in when-issued, delayed delivery and forward commitment securities, this will be set out in the relevant Supplement of the Fund.

#### *Risk Management*

The Manager operates a risk management process on behalf of the Funds in relation to the use of FDIs which allows it to accurately measure, monitor and manage the various risks associated with FDIs and other investments, and which is intended to ensure that the Funds' investments including FDI exposure remains within the limits described below. This risk management process also takes into account any exposure created through FDIs embedded in investments held by the Funds.

The risk management process is described in a statement, a copy of which has been filed with the Central Bank, and which will be updated from time to time to include any additional FDIs which the Manager proposes to employ on behalf of the Funds (“Risk Management Process”). Until such time as an updated risk management statement has been approved by the Central Bank, however, the Manager will not permit the use of any FDI which is not for the time being included in the Risk Management Process.

Each Sub-Investment Manager utilises the value at risk (VaR) approach or the commitment approach to measure the global exposure of the Funds, as further described in the relevant Supplement.

#### *Class Currency Hedging*

The Company or its delegate may also (but is not obliged to) enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class designated as a hedged Class into the relevant Class Currency for the purposes of efficient portfolio management. While not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of the Company. Each Fund may employ such techniques and instruments provided that the level of the currency exposure hedged does not exceed 105% of the Net Asset Value of a Class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed this level and that positions materially in excess of 100% of the Net Asset Value of a Class are not carried forward from month to month. Over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the Class. All over-hedged positions will be included in the calculation of a Fund’s global exposure in accordance with the Central Bank UCITS Regulations. Under-hedged positions will not be permitted to fall short of 95% of the Net Asset Value of the Class which is to be hedged and the Sub-Investment Manager shall keep under review any under-hedged positions to ensure it is not carried forward from month to month. Otherwise, a Fund will not be leveraged as a result of the transactions entered into for the purposes of hedging.

While the Company may attempt to hedge against currency exposure at a Class level, there can be no guarantee that the value of a Class will not be affected by fluctuations in the value of the Base Currency relative to the Class Currency (if different). Any costs related to such hedging shall be borne separately by the relevant Class. All gains/losses which may be made by any Class of any Fund as a result of such hedging transactions shall accrue to the relevant Class of Shares. Hedging transactions shall be clearly attributable to the relevant Class of Shares. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. The use of Class hedging strategies may substantially limit holders of Shares in the relevant Class from benefiting if the Class Currency falls against the Base Currency and/or the currency in which the assets of the relevant Fund are denominated.

The Funds may implement currency hedging strategies by using spot and non-deliverable forward non-U.S. exchange contracts and currency futures, options and swap contracts.

In the case of Classes designated as unhedged Classes, a currency conversion will take place on subscription, redemption and conversion and any distributions at prevailing exchange rates. The value of a Class Currency denominated in a currency other than the Base Currency will be subject to share currency designation risk in relation to the Base Currency.

#### *Fund/Portfolio Currency Hedging*

Each Fund generally operates its investment portfolio in USD, which, unless otherwise disclosed, shall constitute the Base Currency of the Funds. As long as a Fund holds securities or currencies denominated in a currency other than the denomination of the Base Currency of a Fund, the value of a Fund may be affected by the value of the local currency relative to the currency in which that Fund is denominated. The Company may use currency hedging techniques to remove the currency exposure against the Base Currency as applicable in order to limit currency exposure between the currencies of a Fund’s investment portfolio and the Base Currency of a Fund; however, this may not be possible or practicable in all cases. As long as a Fund holds securities denominated in a currency other than the Base Currency of the Fund, the Fund’s Net Asset Value will be affected by the value of the local currency relative to the Base Currency.

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## USE OF INDICES / BENCHMARKS

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Investors should note the Funds are actively managed by the Sub-Investment Managers, meaning that the issuers and securities in which a Fund invests will not be selected by reference to an index, rather will be determined using the Sub-Investment Manager's investment process as described in each Supplement.

However, certain Funds may use indices as "comparator benchmarks" against which the Fund compares performance. Such comparator benchmarks are not used to constrain portfolio composition or as a target for the performance of the relevant Fund. Where a comparator benchmark is used, the relevant comparator benchmark will be identified in the Supplement and/or Key Investor Information Document.

A Sub-Investment Manager may at any time change such comparator benchmark where, for reasons outside of its control, that comparator benchmark has been replaced, or another comparator benchmark may reasonably be considered by the Sub-Investment Manager to have become a more appropriate standard. Details and past performance of any comparator benchmarks which are used for the purposes outlined above will be included in the Key Investor Information Documents of the relevant Fund.

Separately, in circumstances where the Funds are using benchmarks in accordance with the Benchmarks Regulation, the Company is required to ensure that the benchmark is either provided by a benchmark administrator included in the register maintained by ESMA or is a benchmark which is included in the register maintained by ESMA. The Benchmarks Regulation contains transitional provisions in respect of third country benchmark administrators allowing existing benchmark administrators a period of time to apply for authorisation or registration under the Benchmarks Regulation. During that period of time, the Funds are permitted to use such benchmarks in accordance with the Benchmarks Regulation.

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## INVESTMENT RESTRICTIONS

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Each of the Fund's investments will be limited to investments permitted by the UCITS Regulations, as set out in Schedule II. If the UCITS Regulations are altered during the life of the Company, the investment restrictions may be changed to take account of any such alterations. Changes to the investment restrictions shall be in accordance with the requirements of the Central Bank and may be subject to prior approval and/or notification of Shareholders. Otherwise Shareholders will be advised of such changes in the next succeeding annual or half-yearly report of the Company.

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## BORROWING AND LENDING POWERS

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The Company may borrow up to 10% of a Fund's Net Asset Value at any time for the account of any Fund and the Directors may instruct the Depositary to charge the assets of such Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes. Credit balances (for example, cash) may not be offset against borrowings when determining the percentage of borrowings outstanding. Without prejudice to the powers of the Company to invest in transferable securities, Money Market Instruments and other financial instruments referred to in paragraph 1 of Schedule II, the Company may not lend to, or act as guarantor on behalf of, third parties.

The Company may acquire non-U.S. currency by means of a back to back loan agreement(s). Non-U.S. currency obtained in this manner is not classified as borrowing for the purposes of the UCITS Regulations, provided that the offsetting deposit equals or exceeds the value of the non-U.S. currency loan outstanding.

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## INVESTMENT RISKS AND SPECIAL CONSIDERATIONS

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### General

The risks described in this Prospectus should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. Investment in the Company carries with it a degree of risk. There can be no assurance that a Fund will achieve its investment objective and there is potential for an investor to lose some or all of its investment in a Fund. Different risks may apply to different Funds and/or Classes. Prospective investors should review this Prospectus in its entirety carefully and consult with their professional advisors before making an application for Shares.

On its own an investment in a Fund may be deemed speculative and is not intended as a complete investment program. A subscription for Shares should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in a Fund. Investors should review closely the investment objectives and investment strategies to be utilised by the relevant Fund as outlined herein and in the relevant Supplement to familiarise themselves with the risk associated with an investment in a Fund and consult with their Professional Advisors before making an application for Shares. There is no assurance that a Fund will be able to achieve its investment objective or that a Fund will generate a profit. There is potential for an investor to lose some or all of its investment in a Fund.

The securities and instruments in which each Fund invests are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur.

In addition, the Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and recent developments in the risk and yield characteristics of the main categories of investments applicable to the relevant Fund.

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### INVESTMENT RISKS APPLICABLE TO EACH FUND

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The Manager considers that the investment risks that are ticked in the table below and more fully detailed thereunder are relevant to an investment in each relevant Fund.

	Manulife U.S. Large Cap Equity Fund	Manulife Strategic Income Opportunities Fund	Manulife Global Quality Growth (Ex-U.S.) Fund	Manulife Macro Currency Fund
<b>Active Management Risk</b>	✓	✓	✓	✓
<b>Bond Connect Risk</b>		✓		✓
<b>BREXIT Risk</b>	✓	✓	✓	✓

	Manulife U.S. Large Cap Equity Fund	Manulife Strategic Income Opportunities Fund	Manulife Global Quality Growth (Ex-U.S.) Fund	Manulife Macro Currency Fund
<b>Change of Law Risk</b>	✓	✓	✓	✓
<b>Changing Distribution Levels Risk</b>		✓		
<b>Collateral Management Risk</b>	✓	✓	✓	✓
<b>Common Reporting Standard Risk</b>	✓	✓	✓	✓
<b>Concentration of Investments Risk</b>	✓			✓
<b>Convertible Securities Risk</b>	✓	✓	✓	
<b>Contingent Convertible Securities Risk</b>		✓		
<b>Credit and Counterparty Risk</b>	✓	✓	✓	✓
<b>Currency Risk – Fund and Share Class</b>	✓	✓	✓	✓
<b>Custodial Risk</b>	✓	✓	✓	✓
<b>Cyber Crime and Security Breaches Risk</b>	✓	✓	✓	✓
<b>Defaulted Debt Risk</b>		✓		
<b>Depository Receipts Risk</b>	✓		✓	

	Manulife U.S. Large Cap Equity Fund	Manulife Strategic Income Opportunities Fund	Manulife Global Quality Growth (Ex-U.S.) Fund	Manulife Macro Currency Fund
<b>Economic and Market Events Risk</b>	✓	✓	✓	✓
<b>Eligible Loan Participation Risk</b>		✓	✓	
<b>Emerging Markets Risk</b>	✓	✓	✓	✓
<b>Equity Securities Risk</b>	✓	✓	✓	
<b>EU General Data Protection Regulation</b>	✓	✓	✓	✓
<b>Exchange-Traded Funds Risk</b>	✓	✓	✓	✓
<b>FATCA Risk</b>	✓	✓	✓	✓
<b>Fixed-Income Securities Risk</b>	✓	✓		
<b>Geographic Risk</b>	✓	✓	✓	✓
<b>Greater China, Hong-Kong and Taiwan Risk</b>			✓	
<b>Hedging, FDIs, and Other Strategic Transactions Risk</b>	✓	✓	✓	✓
<b>High Portfolio Turnover Risk</b>	✓	✓	✓	✓
<b>London Interbank Offered Rate (LIBOR) Risk</b>	✓	✓	✓	✓

	Manulife U.S. Large Cap Equity Fund	Manulife Strategic Income Opportunities Fund	Manulife Global Quality Growth (Ex-U.S.) Fund	Manulife Macro Currency Fund
<b>Indemnity Risk</b>	✓	✓	✓	✓
<b>Index-Linked Securities Risk</b>				
<b>Inflation-Linked Investments Risk</b>	✓	✓		
<b>Initial Public Offerings (IPOs) Risk</b>				
<b>Issuer Risk</b>	✓	✓	✓	✓
<b>Lack of Operating History Risk</b>	✓	✓	✓	✓
<b>Large Company Risk</b>	✓		✓	
<b>Leverage Risk</b>	✓	✓	✓	✓
<b>Liquidity Risk</b>	✓	✓	✓	✓
<b>Lower-Rated Fixed-Income Securities Risk and High-Yield Debt Securities Risk</b>	✓	✓		
<b>Medium and Smaller Company Risk</b>		✓		
<b>Merger and Restructuring Risk</b>	✓		✓	
<b>MiFID II Regulatory Risk</b>	✓	✓	✓	✓



	Manulife U.S. Large Cap Equity Fund	Manulife Strategic Income Opportunities Fund	Manulife Global Quality Growth (Ex-U.S.) Fund	Manulife Macro Currency Fund
<b>Models Risk</b>	✓	✓	✓	✓
<b>Mortgage-Backed and Asset-Backed Securities Risk</b>		✓		
<b>Non-U.S. Market Risk</b>	✓	✓	✓	✓
<b>Non-U.S. Securities Risk</b>	✓	✓	✓	✓
<b>Operational Risk</b>	✓	✓	✓	✓
<b>OECD BEPS Risk</b>	✓	✓	✓	✓
<b>Other UCITS and ETFs Risk</b>	✓	✓	✓	✓
<b>Participatory Notes Risk</b>			✓	
<b>Peoples Republic of China Tax Risk</b>		✓		✓
<b>Preferred Stock Risk</b>		✓	✓	
<b>Redemption Risk</b>	✓	✓	✓	✓
<b>REIT Risk</b>	✓	✓		
<b>Reliance on Management Risk</b>	✓	✓	✓	✓

	Manulife U.S. Large Cap Equity Fund	Manulife Strategic Income Opportunities Fund	Manulife Global Quality Growth (Ex-U.S.) Fund	Manulife Macro Currency Fund
<b>Repurchase/Reverse Repurchase Agreement Risk</b>	✓	✓	✓	✓
<b>RMB Risk</b>		✓		✓
<b>Rule 144A Securities and Regulation S Securities Risk</b>		✓		
<b>Sector Risk</b>	✓	✓	✓	✓
<b>Securities Lending Risk</b>	✓	✓	✓	✓
<b>Segregated Liability Risk</b>	✓	✓	✓	✓
<b>Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect Risk</b>			✓	
<b>Sovereign Debt Risk</b>	✓	✓	✓	✓
<b>Structured Notes Risk</b>				
<b>Suspension Risk</b>	✓	✓	✓	✓
<b>Tax Risk</b>	✓	✓	✓	✓
<b>Umbrella Cash Account Risk</b>	✓	✓	✓	✓
<b>Value Stock Risk</b>	✓			

	Manulife U.S. Large Cap Equity Fund	Manulife Strategic Income Opportunities Fund	Manulife Global Quality Growth (Ex-U.S.) Fund	Manulife Macro Currency Fund
<b>When-Issued and Delayed-Delivery Securities Risk</b>		✓		
<b>Zero Coupon, Step-Up, Interest-Only and Payment-in-Kind Securities Risk</b>				

### **Risk Factors Not Exhaustive**

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

### **Active Management Risk**

A Fund that relies on its Manager or Sub-Investment Manager's ability to pursue the Fund's investment objective is subject to active management risk. The Manager or Sub-Investment Manager will apply investment techniques and risk analyses in making investment decisions for a Fund and there can be no guarantee that these will produce the desired results. Notwithstanding any benchmark against which it may be compared, a Fund may buy securities not included in its benchmark or hold securities in very different proportions from its benchmark. To the extent a Fund invests in those securities, its performance depends on the ability of its Sub-Investment Manager to choose securities that perform better than securities that are included in the benchmark.

### **Bond Connect Risk**

Certain Funds which can invest in China may invest in the CIBM through the Bond Connect initiative subject to any applicable regulatory limits. The Bond Connect initiative was launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by CFETS, China Central Depository & Clearing Co., Ltd ("CCDC"), Shanghai Clearing House ("**SCH**") and Hong Kong Exchanges and Clearing Limited ("HKEX") and Central Moneymarkets Unit ("CMU"). This initiative allows eligible foreign investors to invest in the bonds circulated in the CIBM through the northbound trading of Bond Connect ("Northbound Trading Link"). Further details in relation to Bond Connect are set out in Schedule VII.

The Funds seeking to invest in the CIBM through the Bond Connect are subject to the following risks:

*Regulatory Risk:* the Bond Connect is relatively new. Laws, rules, regulations, policies, notices, circulars or guidelines relating to the Bond Connect (the "Applicable Bond Connect Regulations") as published or applied by any of the Bond Connect Authorities (as defined below) are untested and are subject to change from time to time. There can be no assurance that the Bond Connect will not be restricted, suspended or abolished. If such event occurs, a Fund's ability to invest in the CIBM through the Bond Connect will be adversely affected, and if the Fund is unable to adequately access the CIBM through other means, the Fund's ability to achieve its investment objective will be adversely affected. "Bond Connect Authorities" refers to the exchanges, trading systems, settlement systems, governmental, regulatory or tax bodies

which provide services and/or regulate Bond Connect and activities relating to Bond Connect, including, without limitation, the PBOC, the HKMA, the HKEx, the CEFTS, the CMU, the CSDCC and the SHCH and any other regulator, agency or authority with jurisdiction, authority or responsibility in respect of Bond Connect.

*Legal and Beneficial Ownership:* the CMU (i.e. the HKMA) is the “nominee holder” of the bonds acquired by a Fund through the Bond Connect. Whilst the Bond Connect Authorities have expressly stated that investors will enjoy the rights and interests of the bonds acquired through the Bond Connect in accordance with applicable laws, the exercise and the enforcement of beneficial ownership rights over such bonds in the courts in China is yet to be tested. In addition, in the event that the nominee holder (i.e. the HKMA) becomes insolvent, such bonds may form part of the pool of assets of the nominee holder available for distribution to its creditors and the Fund, as a beneficial owner, may have no rights whatsoever in respect thereof.

*Volatility and Liquidity risk:* market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The relevant Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the relevant Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

*Default Risk of Agents:* under the prevailing Applicable Bond Connect Regulations, eligible foreign investors who wish to participate in the Bond Connect may do so through an offshore custody agent, registration agent or other third parties (as the case may be), who would be responsible for making the relevant filings and account opening with the relevant authorities. A Fund is therefore subject to the risk of default or errors on the part of such agents.

*Operational Risk:* trading through the Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly (in particular, under extreme market conditions) or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fails to function properly, trading through the Bond Connect may be disrupted. A Fund’s ability to trade through the Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where a Fund invests in the CIBM through the Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement.

## **BREXIT Risk**

The U.K. withdrew from the EU and the EEA on 31 January 2020.

Following withdrawal from the EU, the U.K. entered into a transition period, during which period EU law continued to apply in the U.K. New EU legislation that took effect before the end of the transition period also applies in the UK. The transition period ended on 31 December 2020. On 30 December 2020, the EU and U.K. signed an agreement on the terms governing certain aspects of the EU’s and the U.K.’s relationship following the end of the transition period, the EU-UK Trade and Cooperation Agreement (the “TCA”) which is currently in the process of being ratified by the EU’s and U.K.’s respective parliaments. Notwithstanding the TCA, following the transition period, there is likely to be considerable uncertainty as to the U.K.’s post-transition framework, and in particular as to the arrangements which will apply to the U.K.’s relationships with the EU and with other countries, which is likely to continue to develop following 31 December 2020. This uncertainty may, at any stage, adversely affect the Company and its investments and/or the Manager. There may be detrimental implications for the value of the Funds’ investments and/or their ability to implement their investment programmes. This may be due to, among other things:

- (i) increased uncertainty and volatility in U.K., EU and other financial markets;
- (ii) fluctuations in asset values;

- (iii) fluctuations in exchange rates;
- (iv) increased illiquidity of investments located, listed or traded within the U.K., the EU or elsewhere;
- (v) changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price at which and terms on which they are prepared to transact; and/or
- (vi) changes in legal and regulatory regimes to which the Company, the Manager or certain of the Fund's assets and/or service providers are or become subject.

The U.K.'s departure from the EU has created a degree of political uncertainty, as well as uncertainty in monetary and fiscal policy, which is expected to continue following the end of the transition period. It may have a destabilising effect on some of the remaining members of the EU, the effects of which may be felt particularly acutely by Member States within the Eurozone.

The withdrawal of the U.K. from the EU could have a material impact on the U.K.'s economy and its future growth, impacting adversely the Funds' investments in the U.K. It could also result in prolonged uncertainty regarding aspects of the U.K. economy and damage customers' and investors' confidence. Any of these events could have a material adverse effect on the Company.

### **Change of Law Risk**

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

With the passage of the Dodd-Frank Wall Street Reform and Consumer Protection Act ("**Dodd-Frank**") in the United States, there has been extensive rulemaking and regulatory changes that have affected and will continue to affect private fund managers, the funds that they manage and the financial industry as a whole. Under Dodd-Frank, the SEC has mandated new reporting requirements and is expected to mandate new recordkeeping requirements for investment advisers, which are expected to add costs to the legal, operation and compliance obligations of the Manager, any U.S. sub-investment managers and the Company and increase the amount of time that they spend on non-investment related activities. Until the SEC implements all of the new requirements of Dodd-Frank, it is unknown how burdensome such requirements will be. Dodd-Frank will affect a broad range of market participants with whom a Fund interacts or may interact, including commercial banks, investment banks, other non-bank financial institutions, rating agencies, mortgage brokers, credit unions, insurance companies and broker-dealers. Regulatory changes that will affect other market participants are likely to change the way in which the Manager or a Sub-Investment Manager conducts business with its counterparties. It may take several years to understand the impact of Dodd-Frank on the financial industry as a whole, and therefore, such continued uncertainty may make markets more volatile, and it may be more difficult for the Manager or a Sub-Investment Manager to execute the investment strategy of a Fund.

### **Changing Distribution Levels Risk**

The distribution amounts paid by the Fund generally depend on the amount of income and/or dividends and capital gains paid by the Fund's investments. There is no guarantee that a Fund will distribute to Shareholders nor is there a guarantee as to the amount available to be distributed by a Fund to Shareholders.

### **Collateral Management Risk**

In seeking to reduce credit risk through the posting or receiving of collateral in OTC transactions, securities lending agreements and repurchase/reverse repurchase agreements, the management of the collateral

posted/received will be subject to liquidity and counterparty risks associated with the relevant collateral instruments. Collateral is also subject to other types of risks as set out below:

*Operational Risks:* including that the valuation of an underlying instrument which is posted is inaccurate due to inadequate or failed internal processes, people or systems which may cause the relevant Fund to have an incorrect level of margin posted or received.

*Legal Risks:* including risks associated with contracts and changes of regulations in a relevant jurisdiction, etc. as well as the risk that collateral provided in cross-border transactions could be subject to conflicts of law preventing the Fund from recovering collateral posted or from enforcing its rights in relation to collateral to be received.

*Custody Risk:* collateral received by the Funds on a title transfer basis will be safekept by the Depository or by a third party depository subject to prudential regulation and will be subject to custody risks associated with those entities. Collateral pledged by the Funds will continue to be safekept by the Depository.

*Reinvestment of Cash Collateral:* cash collateral received that is reinvested may realize a loss, which would reduce the value of the collateral and result in the relevant Fund being less protected if there is a counterparty default.

While commercially reasonable efforts are utilized to ensure that collateral management is effective, such risks cannot be eliminated.

### **Common Reporting Standard Risk**

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed CRS to address the issue of offshore tax evasion on a global basis. Aimed at maximizing efficiency and reducing cost for financial institutions, the CRS provides a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS, participating jurisdictions will obtain from reporting financial institutions, and automatically exchange with other participating tax authorities in which the investors of the reporting financial institution are tax resident on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures. The first information exchanges began in 2017. Ireland has implemented the CRS. As a result, the Company is required to comply with the CRS due diligence and reporting requirements, as adopted by Ireland. Investors may be required to provide additional information to the Company to enable the Company to satisfy its obligations under the CRS. Accordingly, there is a risk that failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or mandatory termination of its interest in the Company.

### **Concentration of Investments Risk**

There may be no limits on the concentration of a Fund's investments in particular countries, regions, securities, industries, or sectors and at times (subject to the investment restrictions) a Fund may hold a relatively small number of securities positions, each representing a relatively large portion of that Fund's capital. Losses incurred in those positions could have a material adverse effect on the Fund's overall financial condition. A Fund's investment portfolio (because of size, investment strategy and other considerations) may be confined to the securities of relatively few countries, regions, issuers or industries.

### **Convertible Securities Risk**

The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. In addition, as the market price of the underlying common stock declines below the conversion price, the price of the convertible security tends to be increasingly influenced by the yield of the convertible security.

### **Credit and Counterparty Risk**

This is the risk that the issuer or guarantor of a fixed-income security, the counterparty to an over-the-counter (OTC) derivatives contract (see “Hedging, FDIs, and Other Strategic Transactions Risk”), or a borrower of a Fund’s securities will be unable or unwilling to make timely principal, interest, or settlement payments, or to otherwise honor its obligations. Credit risk associated with investments in fixed-income securities relates to the ability of the issuer to make scheduled payments of principal and interest on an obligation. A Fund that invests in fixed-income securities is subject to varying degrees of risk that the issuers of the securities will have their credit ratings downgraded or will default, potentially reducing the Fund’s share price and income level. Nearly all fixed-income securities are subject to some credit risk, which may vary depending upon whether the issuers of the securities are corporations, U.S. or non-U.S. governments, or their subdivisions or instrumentalities. U.S. government securities are subject to varying degrees of credit risk depending upon whether the securities are supported by the full faith and credit of the United States; supported by the ability to borrow from the U.S. Treasury; supported only by the credit of the issuing U.S. government agency, instrumentality, or corporation; or otherwise supported by the United States. For example, issuers of many types of U.S. government securities (e.g., the Federal Home Loan Mortgage Corporation (Freddie Mac), Federal National Mortgage Association (Fannie Mae), and Federal Home Loan Banks), although chartered or sponsored by Congress, are not funded by congressional appropriations, and their fixed-income securities, including asset-backed and mortgage-backed securities, are neither guaranteed nor insured by the U.S. government. An agency of the U.S. government has placed Fannie Mae and Freddie Mac into conservatorship, a statutory process with the objective of returning the entities to normal business operations. It is unclear what effect this conservatorship will have on the securities issued or guaranteed by Fannie Mae or Freddie Mac. As a result, these securities are subject to more credit risk than U.S. government securities that are supported by the full faith and credit of the United States (e.g., U.S. Treasury bonds). When a fixed-income security is not rated, a Sub-Investment Manager may have to assess the risk of the security itself. Asset-backed securities, whose principal and interest payments are supported by pools of other assets, such as credit card receivables and automobile loans, are subject to further risks, including the risk that the obligors of the underlying assets default on payment of those assets.

Funds that invest in below-investment-grade securities, also called junk bonds (e.g., fixed-income securities rated Ba or lower by Moody’s Investors Service, Inc. (Moody’s) or BB or lower by Standard & Poor’s Ratings Services (S&P)), at the time of investment, or determined by a Sub-Investment Manager to be of comparable quality to securities so rated, are subject to increased credit risk. The sovereign debt of many non-U.S. governments, including their subdivisions and instrumentalities, falls into this category.

Below-investment-grade securities offer the potential for higher investment returns than higher-rated securities, but they carry greater credit risk: Their issuers’ continuing ability to meet principal and interest payments is considered speculative, they are more susceptible to real or perceived adverse economic and competitive industry conditions, and they may be less liquid than higher-rated securities.

In addition, a Fund is typically exposed to credit risk to the extent that it makes use of derivatives (such as forward currency contracts and/ or swap contracts) and engages to a significant extent in the lending of fund securities or the use of repurchase agreements. FDI transactions can be closed out with the other party to the transaction. If the counterparty defaults, a Fund will have contractual remedies, but there is no assurance that the counterparty will be able to meet its contractual obligations or that, in the event of default, a fund will succeed in enforcing them. Any applicable requirements to provide collateral may also mitigate this risk, but there is no guarantee that it can be completely eliminated. A Fund, therefore, assumes the risk that it may be unable to obtain payments owed to it under derivatives contracts or that those payments may be delayed or made only after the fund has incurred the costs of litigation. While a Sub-Investment Manager intends to monitor the creditworthiness of contract counterparties, there can be no assurance that the counterparty will be in a position to meet its obligations, especially during unusually adverse market conditions.

### **Currency Risk – Fund and Share Class**

Fund currency risk is the risk that fluctuations in exchange rates may adversely affect the value of a Fund’s investments in its Base Currency. Currency risk includes both the risk that currencies in which a Fund’s

investments are traded, or currencies in which a Fund has taken an active investment position, will decline in value relative to the Base Currency and, in the case of hedging positions, that the Base Currency will decline in value relative to the currency being hedged. Currency rates may fluctuate significantly for a number of reasons, including the forces of supply and demand in the currency exchange markets, actual or perceived changes in interest rates, and intervention (or the failure to intervene) by U.S. or non-U.S. governments or central banks, or by currency controls or political developments in the United States or abroad. Certain Funds may engage in proxy hedging of currencies by entering into derivative transactions with respect to a currency whose value is expected to correlate to the value of a currency the Fund owns or wants to own. This presents the risk that the two currencies may not move in relation to one another as expected. In that case, the Fund could lose money on its investment and also lose money on the position designed to act as a proxy hedge. Certain Funds may also take active currency positions and may cross-hedge currency exposure represented by their securities into another non-U.S. currency.

This may result in a Fund's currency exposure being substantially different than that suggested by its securities investments. All Funds with holdings in currencies other than the Base Currency and/or that invest or trade in securities denominated in currencies other than the Base Currency or related derivative instruments may be adversely affected by changes in holdings in currencies other than the Base Currency exchange rates. Derivative transactions in currencies other than the Base Currency (such as futures, forwards, and swaps) may also involve leveraging risk, in addition to currency risk. Leverage may disproportionately increase a Fund's portfolio losses and reduce opportunities for gain when interest rates, stock prices, or currency rates are changing.

Share Class Currency Risk for Hedged Classes is the risk that the currency hedging techniques used may fail to eliminate currency risk for the investor.

Share Class Currency Risk for Unhedged, non-base classes is the risk that currency fluctuations between the base currency of the Fund and the share class will reduce the investor's return if the share class currency depreciates relative to the base class currency.

### **Custodial Risk**

If a 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 Fund without undue delay.

If a 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 Fund's ownership of such assets and to maintain a record of those assets which the Depositary is satisfied that the 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 likely that the 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 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 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 the Fund is a Custody Asset or a Non-Custody Asset, generally it should



be noted that FDIs traded by a Fund OTC will be Non-Custody Assets. Given the framework of Depositary liability under the UCITS Regulations, 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.

### **Cyber Crime and Security Breaches Risk**

With the increasing use of the Internet and technology in connection with the operations of the Company, the Company is susceptible to greater operational and information security risks through breaches in cyber security. Cyber security breaches include, without limitation, infection by computer viruses and gaining unauthorised access to the systems of the Company through “hacking” or other means for the purpose of misappropriating assets or sensitive information, corrupting data, or causing operations to be disrupted. Cyber security breaches may also occur in a manner that does not require gaining unauthorised access, such as denial-of-service attacks or situations where authorised individuals intentionally or unintentionally release confidential information stored on the systems of the Company. A cyber security breach may cause disruptions and impact the business operations of the Company, which could potentially result in financial losses, inability to determine a Fund’s net asset value, violation of applicable law, regulatory penalties and/or fines, compliance and other costs. The Company and its shareholders could be negatively impacted as a result. In addition, because the Company works closely with third-party service providers (e.g., managers, depositaries, transfer agent, administrator and distributor), indirect cyber security breaches at such third-party service providers may subject the Company and its shareholders to the same risks associated with direct cyber security breaches. Further, indirect cyber security breaches at an issuer of securities in which a Fund invests may similarly negatively impact the Company and its shareholders. While the Company has established risk management systems designed to reduce the risks associated with cyber security breaches, there can be no assurances that such measures will be successful.

In addition to risks to the Company and Funds, investors are advised to ensure communication methods with the Administrator and any financial advisors, including the Manager and any Sub-Investment Manager are secure so as to prevent fraudulent change of details or fraudulent redemption requests from being submitted through, for example, their email accounts.

### **Defaulted Debt Risk**

Investing in defaulted debt securities is speculative and involves substantial risks in addition to the risks of investing in high-yield securities that have not defaulted. The Fund generally will not receive interest payments on defaulted debt securities, and there is a substantial risk that principal will not be repaid. In any reorganisation or liquidation proceeding relating to defaulted debt, the Fund may lose its entire investment in such securities.

### **Depositary Receipts Risk**

Investing in GDRs, EDRs and ADRs presents risks that may not be equal to the risk inherent in holding the equivalent shares of the same companies that are traded in the local markets even though a Fund will purchase, sell and be paid dividends on GDRs, EDRs and ADRs in U.S. dollars. These risks include fluctuations in currency exchange rates, which are affected by international balances of payments and other economic and financial conditions; government intervention; speculation; and other factors. With respect to certain countries, there is the possibility of expropriation or nationalisation of assets, confiscatory taxation, political and social upheaval, and economic instability. A Fund may be required to pay non-U.S. withholding or other taxes on certain GDRs, EDRs or ADRs that it owns, but investors may or may not be able to deduct their pro-rata share of such taxes in computing their taxable income. GDRs, EDRs and ADRs may be sponsored by the non-U.S. issuer or may be unsponsored. Unsponsored GDRs, EDRs and ADRs are organised independently and without the cooperation of the non-U.S. issuer of the underlying securities. Unsponsored GDRs, EDRs and ADRs are offered by companies which are not prepared to meet either the reporting or accounting standards of the United States. While readily exchangeable with stock in local markets, unsponsored GDRs, EDRs and ADRs may be less liquid than sponsored GDRs,

EDRs and ADRs. Additionally, there generally is less publicly available information with respect to unsponsored GDRs, EDRs and ADRs.

### **Economic and Market Events Risk**

Events in the financial sector have resulted, and may continue to result, in an unusually high degree of volatility in the financial markets, both in the U.S. and outside the U.S. These events have included, but are not limited to, the U.S. government's placement of Fannie Mae and Freddie Mac under conservatorship; the bankruptcy filings of Lehman Brothers, Chrysler, and General Motors; the sale of Merrill Lynch to Bank of America; the U.S. government support of American International Group and Citigroup; the sale of Wachovia to Wells Fargo; reports of credit and liquidity issues involving certain money market mutual funds; emergency measures by the U.S. and non-U.S. governments banning short selling; measures to address U.S. federal and state budget deficits; debt crises in the Eurozone; actions by central banks to manipulate exchange rates; and S&P's downgrade of U.S. long-term sovereign debt. Both in the U.S. and outside the U.S. equity and currency markets have been

experiencing increased volatility and turmoil, with issuers that have exposure to the real estate, mortgage, currency, and credit markets particularly affected, and it is uncertain whether or for how long these conditions will continue. Banks and financial services companies could suffer losses if interest rates were to rise, exchange rates were to move unexpectedly and substantially, or economic conditions deteriorate.

In addition to the unprecedented volatility in financial markets, the reduced liquidity in credit and fixed-income markets may adversely affect many issuers worldwide. This reduced liquidity may result in less money being available to purchase raw materials, goods, and services from emerging markets, which may, in turn, bring down the prices of these economic staples. It may also result in emerging-market issuers having more difficulty obtaining financing, which may, in turn, cause a decline in their stock prices. These events and possible continuing market volatility may have an adverse effect on a Fund.

Recent political turmoil within the United States and abroad may also impact a Fund. Although the U.S. government has honored its credit obligations, it remains possible that the U.S. could default on its obligations. While it is impossible to predict the consequences of such an unprecedented event, it is likely that a default by the U.S. would be highly disruptive to the U.S. and global securities markets and could significantly impair the value of a Fund's investments. Similarly, political events within the U.S. at times have resulted, and may in the future result, in a shutdown of government services, which could negatively affect the U.S. economy, decrease the value of many Fund investments, and increase uncertainty in or impair the operation of the U.S. or other securities markets.

Uncertainties surrounding the sovereign debt of a number of European Union countries and the viability of the European Union have disrupted and may continue to disrupt markets around the world. If one or more countries leave the European Union or the Eurozone or the European Union dissolves, the world's securities markets likely will be significantly disrupted.

A widespread health crisis such as a global pandemic could cause substantial market volatility, exchange trading suspensions and closures, and affect fund performance. For example, the novel coronavirus disease (COVID-19) has resulted in significant disruptions to global business activity. The impact of a health crisis and other epidemics and pandemics that may arise in the future, could affect the global economy in ways that cannot necessarily be foreseen at the present time. A health crisis may exacerbate other pre-existing political, social and economic risks. Any such impact could adversely affect a Fund's performance, resulting in losses to your investment.

### **Eligible Loan Participation Risk**

A Fund's ability to receive payments of principal and interest and other amounts in connection with loans (whether through participations, assignments, or otherwise) will depend primarily on the financial condition of the borrower. The failure by a Fund to receive scheduled interest or principal payments on a loan or a loan participation (e.g. an equity participation), because of a default, bankruptcy, or any other reason, would adversely affect the income of the Fund and would likely reduce the value of its assets. Investments in loan

participations and assignments present the possibility that a Fund could be held liable as a co-lender under emerging legal theories of lender liability. Even with secured loans, there is no assurance that the collateral securing the loan will be sufficient to protect a Fund against losses in value or a decline in income in the event of a borrower's non-payment of principal or interest, and in the event of a bankruptcy of a borrower, the Fund could experience delays or limitations in its ability to realize the benefits of any collateral securing the loan. Furthermore, the value of any such collateral may decline and may be difficult to liquidate. Eligible Loans may take up to 30 days to settle, influencing the liquidity profile of the Fund. Because a significant percent of loans and loan participations are not generally rated by independent credit rating agencies, a decision by a Fund to invest in a particular loan or loan participation could depend exclusively on the Sub-Investment Manager's credit analysis of the borrower, and in the case of a loan participation, the intermediary. A Fund may have limited rights to enforce the terms of an underlying loan.

Investment in equity participations may also be susceptible to the risks inherent in any equity investment.

It is unclear whether international securities laws afford protections against fraud and misrepresentation, as well as market manipulation, to investments in Eligible Loans and other forms of direct indebtedness under certain circumstances. In the absence of definitive regulatory guidance, a Fund relies on the Sub-Investment Manager's research in an attempt to avoid situations where fraud, misrepresentation, or market manipulation could adversely affect the Fund.

A Fund also may be in possession of material non-public information about a borrower as a result of owning a floating-rate instrument issued by such borrower. Because of prohibitions on trading in securities of issuers while in possession of such information, a Fund might be unable to enter into a transaction in a publicly traded security issued by that borrower when it would otherwise be advantageous to do so.

### **Emerging Markets Risk**

Funds that invest a significant portion of their assets in the securities of issuers based in countries with emerging-market economies are subject to greater levels of investment risk than Funds investing primarily in more developed markets, since emerging-market securities may present market, credit, currency, liquidity, legal, political, and other risks greater than, or in addition to, the risks of investing in developed non-U.S. countries. These risks include: high currency exchange-rate fluctuations; increased risk of default (including both government and private issuers); greater social, economic, and political uncertainty and instability (including the risk of war); more substantial governmental involvement in the economy; less governmental supervision and regulation of the securities markets and participants in those markets; controls on non-U.S. investment and limitations on repatriation of invested capital and on a fund's ability to exchange local currencies for U.S. dollars or any other currency used as a Base Currency of a Fund; unavailability of currency hedging techniques in certain emerging-market countries; the fact that companies in emerging-market countries may be newly organized, smaller, and less seasoned; the difference in, or lack of, auditing and financial reporting standards, which may result in the unavailability of material information about issuers; different clearance and settlement procedures, which may be unable to keep pace with the volume of securities transactions or otherwise make it difficult to engage in such transactions; difficulties in obtaining and/or enforcing legal judgments in non-U.S. jurisdictions; and significantly smaller market capitalizations of emerging-market issuers.

### **Equity Securities Risk**

The value of a company's equity securities is subject to changes in the company's financial condition and overall market and economic conditions.

### **Exchange-Traded Funds Risk**

Owning an ETF generally reflects the risks of owning the underlying securities it is designed to track. An ETF has its own fees and expenses, which are indirectly borne by a Fund.

### **EU General Data Protection Regulation**

The EU General Data Protection Regulation (the “**GDPR**”) took effect in all EU Member States on 25 May 2018 and replaced previous EU data privacy laws. Although a number of basic existing principles remain the same, the GDPR introduced new obligations on data controllers and rights for data subjects, including, among others:

- accountability and transparency requirements, which requires data controllers to demonstrate and record compliance with the GDPR and to provide more detailed information to data subjects regarding processing;
- enhanced data consent requirements, which includes “explicit” consent in relation to the processing of sensitive data;
- obligations to consider data privacy as any new products or services are developed and limit the amount of information collected, processed, stored and its accessibility;
- constraints on using data to profile data subjects;
- providing data subjects with personal data in a useable format on request and erasing personal data in certain circumstances; and
- reporting of breaches without undue delay (72 hours where feasible).

A breach of the GDPR could expose the Company, the Manager or relevant service provider to regulatory sanction including potentially significant fines. The GDPR identifies a list of points to consider when imposing fines (including the nature, gravity and duration of the infringement). If there is a breach of the GDPR, the Company could face significant administrative and monetary sanctions as well as reputational damage which may have a material adverse effect on its operations, financial condition and prospects.

### **FATCA Risk**

Pursuant to FATCA, the Company (and each Fund) will be required to comply (or be deemed compliant) with extensive new reporting and withholding requirements designed to inform the U.S. Department of the Treasury of U.S.-owned non-U.S. investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the Company (or a Fund) to U.S. withholding taxes on certain U.S.-source income. Pursuant to an intergovernmental agreement between the United States and Ireland, the Company (or each Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. reportable account information directly to the Irish government. Shareholders may be requested to provide additional information to the Company to enable the Company (or each Fund) to satisfy these obligations. Failure to provide requested information or (if applicable) satisfy its own FATCA obligations may subject a Shareholder to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder’s interest in its Shares. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future operations of the Company (and each Fund). The administrative cost of compliance with FATCA may cause the operating expenses of the Company (and each Fund) to increase, thereby reducing returns to investors. FATCA may also require the Company (or each Fund) to provide to the Irish government (for exchange with the U.S. Internal Revenue Service) private and confidential information relating to certain investors. See section headed “UNITED STATES FEDERAL INCOME TAXATION.”

### **Fixed-Income Securities Risk**

Fixed-income securities are generally subject to the following principal types of risk; interest-rate risk; credit quality risk; and investment-grade risk.

*Interest-Rate Risk.* Fixed-income securities are affected by changes in interest rates. When interest rates decline, the market value of fixed-income securities generally can be expected to rise. Conversely, when interest rates rise, the market value of fixed-income securities generally can be expected to decline. The longer the duration or maturity of a fixed-income security, the more susceptible it is to interest-rate risk. There is the possibility that the issuer of the security will not repay all or a portion of the principal borrowed and will not make all interest payments.

*Credit Quality Risk;* Fixed-income securities are subject to the risk that the issuer of the security will not repay all or a portion of the principal borrowed and will not make all interest payments. If the credit quality of a fixed-income security deteriorates after a Fund has purchased the security, the market value of the security may decrease and lead to a decrease in the value of the Fund's investments. Funds that may invest in lower-rated fixed-income securities, commonly referred to as junk securities, are riskier than Funds that may invest in higher-rated fixed-income securities. Additional information on the risks of investing in investment-grade fixed-income securities in the lowest rating category and lower-rated fixed-income securities is set forth below.

*Investment-Grade Fixed-Income Securities in the Lowest Rating Category Risk:* Investment-grade fixed-income securities in the lowest rating category (such as Baa by Moody's or BBB by S&P and comparable unrated securities) involve a higher degree of risk than fixed-income securities in the higher rating categories. While such securities are considered investment-grade quality and are deemed to have adequate capacity for payment of principal and interest, such securities lack outstanding investment characteristics and have speculative characteristics as well. For example, changes in economic conditions or other circumstances are more likely to lead to a weakened capacity to make principal and interest payments than is the case with higher-grade securities.

## **Geographic Risk**

To the extent that a Fund focuses its investments in a single country or only a few countries in a particular geographic region, economic, political, regulatory or other conditions affecting such region may have a greater impact on a Fund's performance relative to a more geographically diversified Fund.

## **Greater China, Hong Kong and Taiwan Risk**

*China:* The Chinese government exercises significant control over China's economy through the allocation of resources, by controlling payment of foreign currency-denominated obligations, by setting monetary policy and by providing preferential treatment to particular industries or companies. For over three decades, the Chinese government has been reforming economic and market practices and providing a larger sphere for private ownership of property. While currently contributing to growth and prosperity, these reforms could be altered or discontinued at any time. Military conflicts, either in response to internal social unrest or conflicts with other countries, could disrupt economic development. China's long-running conflict over Taiwan remains unresolved, while territorial border disputes persist with several neighboring countries. While economic relations with Japan have deepened, the political relationship between the two countries has become more strained in recent years, which could weaken economic ties. Development of the Chinese economy is also vulnerable to developments on the Korean peninsula. Should political tension increase or military actions be precipitated, it could adversely affect the economy and destabilize the region as a whole. There is also a greater risk involved in currency fluctuations, currency convertibility, interest rate fluctuations and higher rates of inflation. The Chinese government also sometimes takes actions intended to increase or decrease the values of Chinese stocks. The emergence of a domestic consumer class is still at an early stage, making China's economic health largely dependent on exports. China's growing trade surplus with the United States has increased the risk of trade disputes, which could potentially have adverse effects on China's management of its currency, as well as on some export-dependent sectors. Social cohesion in China is being tested by growing income inequality and larger scale environmental degradation. Social instability could threaten China's political system and economic growth, which could decrease the value of a Fund's investments.

*China Political and Economic Risks:* China has implemented a series of economic reform programs emphasizing the utilization of market forces in the development of the Chinese economy and a high level of management autonomy since 1978. Although China's economy has experienced significant growth in the past 20 years, growth has been uneven both geographically and among various sectors of the economy. However, there can be no assurance that the Chinese government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. The Chinese government may from time to time adopt corrective measures to control inflation and restrain the rate of economic growth, which may also have an adverse impact on the capital growth and performance of a Fund. Further, political changes, social instability and adverse diplomatic developments in China could result in the imposition of additional government restrictions including the expropriation of assets, confiscatory taxes or nationalization of some or all of the investments held by the underlying securities in which the relevant Fund may invest.

*China Accounting and Reporting Risks:* Chinese companies are required to follow Chinese accounting standards and practices, which only follow international accounting standards to a certain extent. However, the accounting, auditing and financial reporting standards and practices applicable to Chinese companies may be less rigorous, and there may be significant differences between financial statements prepared in accordance with Chinese accounting standards and practice and those prepared in accordance with international accounting standards. As the disclosure and regulatory standards in China are less stringent than in more developed markets, there might be substantially less publicly available information about issuers in China on which a Sub-Investment Manager can base investment decisions.

*China Legal and Regulatory System Risks:* The Chinese legal system is a complex legal system comprising written statutes, regulations, circulars, administrative directives, internal guidelines and their interpretation by the Supreme People's Court. Since 1979, the Chinese government has been developing a comprehensive system of commercial laws, and considerable progress has been made in introducing laws and regulations dealing with economic matters such as foreign investment, corporate organization and governance, commerce taxation and trade. However, experience in the implementation, interpretation and enforcement of the laws and regulations and of commercial contracts, undertakings and commitments entered into is limited.

*Nationalization and Expropriation Risks:* The Chinese government renounced various debt obligations and nationalized private assets without providing any form of compensation after the formation of the Chinese socialist state in 1949. The Chinese government has recently adopted a more welcoming attitude towards foreign investment in China. However, there is no guarantee that the Chinese government will not take similar actions in the future.

*Hong Kong:* Since Hong Kong reverted to Chinese sovereignty in 1997, it has been governed by the Basic Law, a "quasi-constitution." The Basic Law guarantees a high degree of autonomy in certain matters until 2047, while defense and foreign affairs are the responsibility of the central government in Beijing. If China were to exert its authority so as to alter the economic, political or legal structures or the existing social policy of Hong Kong, investor and business confidence in Hong Kong could be negatively affected, which in turn could negatively affect markets and business performance and have an adverse effect on a Fund's investments. There is uncertainty as to whether China will continue to respect the relative independence of Hong Kong and refrain from exerting a tighter grip on Hong Kong's political, economic and social concerns. The economy of Hong Kong may be significantly affected by increasing competition from the emerging economies of Asia, including that of China itself. In addition, the Hong Kong dollar trades within a fixed trading band rate to (or is "pegged" to) the USD. This fixed exchange rate has contributed to the growth and stability of the Hong Kong economy. However, some market participants have questioned the continued viability of the currency peg. It is uncertain what affect any discontinuance of the currency peg and the establishment of an alternative exchange rate system would have on capital markets generally and the Hong Kong economy.

*Taiwan:* The political reunification of China and Taiwan, over which China continues to claim sovereignty, is a highly complex issue and is unlikely to be settled in the near future. The continuing hostility between China and Taiwan may have an adverse impact on the values of investments in both China and Taiwan, or

make investments in China and Taiwan impractical or impossible. Any escalation of hostility between China and Taiwan would likely distort Taiwan's capital accounts, as well as have a significant adverse impact on the value of investments in both countries and the region.

Taiwan's growth has to a significant degree been export-driven. While the percentage of Taiwan's exports purchased by the United States has been declining recently, the United States has remained a key export market. Accordingly, Taiwan is affected by changes in the economies of the United States and other main trading partners, by protectionist impulses in those countries and by the development of export sectors in lower-wage economies. In the event that growth in the export sector declines in the future, the burden of future growth will increasingly be placed on domestic demand.

Taiwan has limited natural resources, resulting in dependence on foreign sources for certain raw materials and vulnerability to global fluctuations of price and supply. This dependence is especially pronounced in the energy sector. In recent years, over half of Taiwan's crude oil has been supplied by Kuwait and Saudi Arabia. A significant increase in energy prices could have an adverse impact on Taiwan's economy.

### **Hedging, FDIs, and Other Strategic Transactions Risk**

The ability of a Fund to utilise hedging, FDIs, and other strategic transactions successfully will depend in part on its Sub-Investment Manager's ability to predict pertinent market movements and market risk, counterparty risk, credit risk, interest-rate risk, and other risk factors, none of which can be assured. The skills required to successfully utilise hedging and other strategic transactions are different from those needed to select a fund's securities. Even if a Sub-Investment Manager only uses hedging and other strategic transactions in a Fund primarily for hedging purposes or to gain exposure to a particular securities market, if the transaction is not successful, it could result in a significant loss to a Fund. The amount of loss could be more than the principal amount invested. These transactions may also increase the volatility of a Fund and may involve a small investment of cash relative to the magnitude of the risks assumed, thereby magnifying the impact of any resulting gain or loss. For example, the potential loss from the use of futures can exceed a Fund's initial investment in such contracts. In addition, these transactions could result in a loss to a fund if the counterparty to the transaction does not perform as promised.

A Fund may invest in FDIs, which are financial contracts with a value that depends on, or is derived from, the value of underlying assets, reference rates, or indexes. FDIs may relate to stocks, bonds, interest rates, currencies, or currency exchange rates, and related indexes. A Fund may use derivatives for many purposes, including for hedging, and as a substitute for direct investment in securities or other assets. FDIs may be used in a way to efficiently adjust the exposure of a fund to various securities, markets, and currencies without a Fund actually having to sell existing investments and make new investments. This generally will be done when the adjustment is expected to be relatively temporary or in anticipation of effecting the sale of fund assets and making new investments over time. Further, since many derivatives have a leverage component, adverse changes in the value or level of the underlying asset, reference rate, or index can result in a loss substantially greater than the amount invested in the FDI itself. Certain FDIs have the potential for unlimited loss, regardless of the size of the initial investment. Where a Fund uses FDI in order to generate leverage, or where leverage is otherwise generated through the use of FDI, for example as outlined above, investments in that Fund will tend to be more volatile, resulting in larger gains or losses in response to market changes. To limit leverage risk, a Fund may segregate assets determined to be liquid or, as permitted by applicable regulation, enter into certain offsetting positions to cover its obligations under FDIs.

The use of FDIs may involve risks different from, or potentially greater than, the risks associated with investing directly in securities and other, more traditional assets. In particular, the use of OTC derivative instruments exposes a Fund to the risk that the counterparty to an OTC derivatives contract will be unable or unwilling to make timely settlement payments or otherwise honor its obligations. OTC derivatives transactions typically can only be closed out with the other party to the transaction, although either party may engage in an offsetting transaction that puts that party in the same economic position as if it had closed out the transaction with the counterparty or may obtain the other party's consent to assign the transaction to a third party. If the counterparty defaults, the Fund will have contractual remedies, but there is no

assurance that the counterparty will meet its contractual obligations or that, in the event of default, the Fund will succeed in enforcing them. For example, because the contract for each OTC derivatives transaction is individually negotiated with a specific counterparty, a Fund is subject to the risk that a counterparty may interpret contractual terms (e.g., the definition of default) differently than the Fund when the Fund seeks to enforce its contractual rights. If that occurs, the cost and unpredictability of the legal proceedings required for the Fund to enforce its contractual rights may lead it to decide not to pursue its claims against the counterparty. The Fund, therefore, assumes the risk that it may be unable to obtain payments owed to it under OTC derivatives contracts or that those payments may be delayed or made only after the Fund has incurred the costs of litigation. While a Sub-Investment Manager intends to monitor the creditworthiness of counterparties, there can be no assurance that a counterparty will meet its obligations, especially during unusually adverse market conditions. To the extent a Fund contracts with a limited number of counterparties, the Fund's risk will be concentrated and events that affect the creditworthiness of any of those counterparties may have a pronounced effect on the Fund. FDIs also are subject to a number of other risks, including market risk and liquidity risk. Since the value of FDIs is calculated and derived from the value of other assets, instruments, or references, there is a risk that they will be improperly valued as a result of movements in the value of the underlying asset referenced by the FDIs. FDIs also involve the risk that changes in their value may not correlate perfectly with the assets, rates, or indexes they are designed to hedge or closely track. Suitable FDI transactions may not be available in all circumstances. The Fund is also subject to the risk that the counterparty closes out the derivatives transactions upon the occurrence of certain triggering events. In addition, a Sub-Investment Manager may determine not to use derivatives to hedge or otherwise reduce risk exposure. The use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to achieving a Fund's investment objective.

The following is a list of certain FDIs and other strategic transactions in which a Fund may invest and the main risks associated with each of them:

*Credit Default Swaps.* Counterparty risk, liquidity risk (i.e., the inability to enter into closing transactions), interest-rate risk, risk of default of the underlying reference obligation, and risk of disproportionate loss are the principal risks of engaging in transactions involving credit default swaps. Where a Fund invests in credit default swaps, this will be set out in the relevant Supplement of the Fund.

*Currency Forward Contracts:* Counterparty risk, liquidity risk (i.e., the inability to enter into closing transactions), currency risk, and risk of disproportionate loss are the principal risks of engaging in transactions involving currency forward contracts.

*Futures Contracts:* Counterparty risk, liquidity risk (i.e., the inability to enter into closing transactions), and risk of disproportionate loss are the principal risks of engaging in transactions involving futures contracts.

*Interest-Rate Swaps:* Counterparty risk, liquidity risk (i.e., the inability to enter into closing transactions), interest-rate risk, and risk of disproportionate loss are the principal risks of engaging in transactions involving interest-rate swaps.

*Options:* Counterparty risk, liquidity risk (i.e., the inability to enter into closing transactions), and risk of disproportionate loss are the principal risks of engaging in transactions involving options. Counterparty risk does not apply to exchange-traded options.

*Swaps:* Counterparty risk, liquidity risk (i.e., the inability to enter into closing transactions), interest-rate risk, settlement risk, risk of default of the underlying reference obligation, and risk of disproportionate loss are the principal risks of engaging in transactions involving swaps. *Warrants and Rights:* A Fund may purchase warrants and rights. Warrants and rights do not carry with them the right to dividends or voting rights with respect to the securities that they entitle the holder to purchase, and they do not represent any rights in the assets of the issuer. As a result, warrants and rights may be considered more speculative than certain other types of equity-like securities. In addition, the values of warrants and rights do not necessarily change with the values of the underlying securities and these instruments cease to have value if they are not exercised prior to their expiration dates.



*Convertible Securities.* The market value of a convertible security is a function of its “investment value” and its “conversion value.” A security’s “investment value” represents the value of the security without its conversion feature (*i.e.*, a non-convertible fixed income security). The investment value may be determined by reference to its credit quality and the current value of its yield to maturity or probable call date. At any given time, investment value is dependent upon such factors as the general level of interest rates, the yield of similar non-convertible securities, the financial strength of the issuer, and the seniority of the security in the issuer’s capital structure. A security’s “conversion value” is determined by multiplying the number of shares the holder is entitled to receive upon conversion or exchange by the current price of the underlying security. If the conversion value of a convertible security is significantly below its investment value, the convertible security will trade like non-convertible debt or preferred stock and its market value will not be influenced greatly by fluctuations in the market price of the underlying security. In that circumstance, the convertible security takes on the characteristics of a bond, and its price moves in the opposite direction from interest rates. Conversely, if the conversion value of a convertible security is near or above its investment value, the market value of the convertible security will be more heavily influenced by fluctuations in the market price of the underlying security. In that case, the convertible security’s price may be as volatile as that of common stock. Because both interest rates and market movements can influence its value, a convertible security generally is not as sensitive to interest rates as a similar fixed income security, nor is it as sensitive to changes in share price as its underlying equity security. Convertible securities are often rated below investment grade or are not rated, and they are generally subject to a high degree of credit risk.

Although all markets are prone to change over time, the generally high rate at which convertible securities are retired (through mandatory or scheduled conversions by issuers or through voluntary redemptions by holders) and replaced with newly issued convertibles may cause the convertible securities market to change more rapidly than other markets. For example, a concentration of available convertible securities in a few economic sectors could elevate the sensitivity of the convertible securities market to the volatility of the equity markets and to the specific risks of those sectors. Moreover, convertible securities with innovative structures, such as mandatory-conversion securities and equity-linked securities, have increased the sensitivity of the convertible securities market to the volatility of the equity markets and to the special risks of those innovations, which may include risks different from, and possibly greater than, those associated with traditional convertible securities. A convertible security may be subject to redemption at the option of the issuer at a price set in the governing instrument of the convertible security. If a convertible security held by a Fund is subject to such redemption option and is called for redemption, the relevant Fund must allow the issuer to redeem the security, convert it into the underlying common stock, or sell the security to a third party.

As a result of the conversion feature, convertible securities typically offer lower interest rates than if the securities were not convertible. During periods of rising interest rates, it is possible that the potential for capital gain on convertible securities may be less than that of a common stock equivalent if the yield on the convertible security is at a level that would cause it to sell at discount.

In the absence of adequate anti-dilution provisions in a convertible security, dilution in the value of a Fund’s holding may occur in the event the underlying stock is subdivided, additional securities are issued, a stock dividend is declared, or the issuer enters into another type of corporate transaction which increases its outstanding securities.

*Contingent Convertible Securities:* A Fund may invest in contingent convertible notes, also known as CoCo bonds. This particular type of bond may incur material losses on the happening of certain trigger events linked to regulatory capital thresholds. A trigger event may also arise where the issuer’s regulatory authority makes a determination that the issuer is non-viable. The existence of these trigger events creates a different type of risk from traditional bonds. Accordingly, a Fund may be more likely to suffer a partial or total loss of the principal invested in such CoCo bonds than if invested in more traditional bonds. Alternatively, the CoCo bonds may, on the happening of a trigger event, be converted into shares of the issuing company which may also have suffered a loss in value. Shareholders should note that in certain circumstances, the holder of CoCo bonds may, unlike the classic capital hierarchy, suffer losses ahead of equity holders. CoCo bonds may not have a defined maturity and also have fully discretionary coupons. This means they may be

potentially cancelled at the issuer's discretion or at the request of the issuer's regulatory authority. As the CoCo bond is a relatively new structuring, it is uncertain how such instrument will perform in a stressed environment.

### **High Portfolio Turnover Risk**

Actively trading securities can increase transaction costs (thus lowering performance).

### **Indemnity Risk**

Under certain circumstances, a Fund might be subject to significant indemnification obligations in favour of the Manager and other service providers. The Fund will not carry any insurance to cover such potential obligations and, to the Manager's knowledge, none of the foregoing parties will be insured for losses for which the Fund has agreed to indemnify them. Any indemnification paid by the Fund would reduce the Net Asset Value of the Fund and, by extension, the value of the Shares.

### **Index-Linked Securities Risk**

The value of Index-Linked Securities is dependent upon the performance of the underlying index on which they are based. Thus, these securities are subject to the same risks as their underlying indices as well as the securities that make up those indices. For example, if the securities comprising an index that an index-linked security seeks to track perform poorly, the Index-Linked Security will lose value.

### **Inflation-Linked Investments Risk**

Unlike traditional fixed income securities, the principal and interest payments of Inflation-Linked Investments are adjusted periodically based on the inflation rate. The value of a Fund's Inflation-Linked Investments may be vulnerable to changes in expectations of inflation or interest rates and there is no guarantee that a Fund's use of these instruments will be successful.

### **Initial Public Offerings (IPOs) Risk**

Certain Funds may invest a portion of their assets in shares of IPOs. IPOs may have a magnified impact on the performance of a Fund with a small asset base. The impact of IPOs on a Fund's performance will likely decrease as the Fund's asset size increases, which could reduce the Fund's returns. IPOs may not be consistently available to a Fund for investing, particularly as the Fund's assets base grows. IPO shares are frequently volatile in price due to the absence of a prior public market, the small number of shares available for trading, and limited information about the issuer. Therefore, a Fund may hold IPO shares for a very short period of time. This may increase the turnover of a Fund and may lead to increased expenses for a Fund, such as commissions and transactions costs. In addition, IPO shares can experience an immediate drop in value if the demand for the securities does not continue to support the offering price.

### **Issuer Risk**

An issuer of a security purchased by a fund may perform poorly and, therefore, the value of its stocks and bonds may decline and the issuer may default on its obligations. Poor performance may be caused by poor management decisions, competitive pressures, breakthroughs in technology, reliance on suppliers, labor problems or shortages, corporate restructurings, fraudulent disclosures, or other factors.

### **Lack of Operating History Risk**

The past investment performance of the Manager or a Sub-Investment Manager cannot be construed as an indication of the future results of an investment in a Fund. Although persons involved in the management of a Fund have had long experience in their respective fields of specialisation, certain Funds at times may be newly established and have no operating or performing history upon which prospective investors can

evaluate likely performance. Investors should be aware that the past performance by those involved in the investment management of a Fund should not be considered as an indication of future results.

### **Large Company Risk**

Large-capitalization stocks as a group could fall out of favor with the market, causing the Fund to underperform investments that focus on small- or medium-capitalization stocks. Larger, more established companies may be slow to respond to challenges and may grow more slowly than smaller companies. For purposes of a Fund's investment policies, the market capitalization of a company is based on its market capitalization at the time the Fund purchases the company's securities. Market capitalizations of companies change over time.

### **Leverage Risk**

Certain of a Fund's transactions (including, among others, forward currency contracts and other FDIs, reverse repurchase agreements, and the use of when-issued, delayed delivery or forward commitment transactions) may give rise to leverage risk. Leverage, including borrowing, may increase volatility in a Fund by magnifying the effect of changes in the value of a Fund's holdings. The use of leverage may cause investors in a Fund to lose more money in adverse environments than would have been the case in the absence of leverage. A Fund may be required to segregate permissible liquid assets to cover its obligations under these transactions and may have to liquidate positions before it is desirable to do so to fulfill its segregation requirements. By setting aside assets equal to only its net obligations under cash-settled futures and forwards contracts, a Fund may employ leverage to a greater extent than if a Fund were required to segregate assets equal to the full notional value of such contracts. There is no assurance that a Fund will be able to employ leverage successfully.

### **Liquidity Risk**

A Fund is exposed to liquidity risk when trading volume, lack of a market maker, or legal restrictions impair the Fund's ability to sell particular securities or close derivative positions at an advantageous market price. Funds with principal investment strategies that involve investments in securities of companies with smaller market capitalizations, non-U.S. securities, derivatives, or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Exposure to liquidity risk may be heightened for Funds that invest in securities of emerging markets and related derivatives that are not widely traded, and that may be subject to purchase and sale restrictions.

A Fund may be affected by increased liquidity risk as a result of future regulation.

### **London Interbank Offered Rate (LIBOR) Risk**

On July 27, 2017, the United Kingdom's Financial Conduct Authority ("FCA"), which regulates LIBOR, announced a desire to phase out the use of LIBOR by the end of 2021. LIBOR has historically been a common benchmark interest rate index used to make adjustments to variable-rate loans. It is used throughout global banking and financial industries to determine interest rates for a variety of financial instruments and borrowing arrangements. Various financial industry groups have begun planning for the transition from LIBOR, but there are obstacles to converting certain longer-term securities and transactions to a new benchmark. Transition planning is ongoing, and neither the effect of the transition process nor its ultimate success can yet be known. The transition process might lead to increased volatility and illiquidity in markets that currently rely on LIBOR to determine interest rates. It could also lead to a reduction in the value of some LIBOR-based investments and reduce the effectiveness of new hedges placed against existing LIBOR-based investments. While some LIBOR-based instruments may contemplate a scenario where LIBOR is no longer available by providing for an alternative rate-setting methodology, not all may have such provisions and there may be significant uncertainty regarding the effectiveness of any such alternative methodologies. Since the usefulness of LIBOR as a benchmark could deteriorate during the transition period, these effects could occur prior to the end of 2021.

## **Lower-Rated Fixed-Income Securities Risk and High-Yield Debt Securities Risk**

Lower-rated fixed-income securities are defined as securities rated below investment grade (such as Ba and below by Moody's and BB and below by S&P) (also called junk bonds).

The general risks of investing in these securities are as follows:

*Risk to Principal and Income:* Investing in lower-rated fixed-income securities is considered speculative. While these securities generally provide greater income potential than investments in higher-rated securities, there is a greater risk that principal and interest payments will not be made. Issuers of these securities may even go into default or become bankrupt.

*Price Volatility:* The price of lower-rated fixed-income securities may be more volatile than securities in the higher-rated categories. This volatility may increase during periods of economic uncertainty or change. The price of these securities is affected more than higher-rated fixed-income securities by the market's perception of their credit quality, especially during times of adverse publicity. In the past, economic downturns or increases in interest rates have, at times, caused more defaults by issuers of these securities and may do so in the future. Economic downturns and increases in interest rates have an even greater effect on highly leveraged issuers of these securities.

*Liquidity:* The market for lower-rated fixed-income securities may have more limited trading than the market for investment-grade fixed-income securities. Therefore, it may be more difficult to sell these securities, and these securities may have to be sold at prices below their market value in order to meet redemption requests or to respond to changes in market conditions.

*Dependence on Sub-Investment Manager's Own Credit Analysis:* While a Sub-Investment Manager may rely on ratings by established credit rating agencies, it will also supplement such ratings with its own independent review of the credit quality of the issuer. Therefore, the assessment of the credit risk of lower-rated fixed-income securities is more dependent on the Sub-Investment Manager's evaluation than the assessment of the credit risk of higher-rated securities.

*Additional Risks Regarding Lower-Rated Corporate Fixed-Income Securities:* Lower-rated corporate fixed-income securities (and comparable unrated securities) tend to be more sensitive to individual corporate developments and changes in economic conditions than higher-rated corporate fixed-income securities. Issuers of lower-rated corporate fixed-income securities may also be highly leveraged, increasing the risk that principal and income will not be repaid.

*Additional Risks Regarding Lower-Rated Non-U.S. Government Fixed-Income Securities:* Lower-rated non-U.S. government fixed-income securities are subject to the risks of investing in non-U.S. countries described under "Non-U.S. Securities Risk." In addition, the ability and willingness of a non-U.S. government to make payments on debt when due may be affected by the prevailing economic and political conditions within the country. Emerging-market countries may experience high inflation, interest rates, and unemployment, as well as exchange-rate trade difficulties and political uncertainty or instability. These factors increase the risk that a non-U.S. government will not make payments when due.

## **Medium and Smaller Company Risk**

The prices of medium and smaller company stocks can change more frequently and dramatically than those of large company stocks. For purposes of the Fund's investment policies, the market capitalization of a company is based on its market capitalization at the time the fund purchases the company's securities. Market capitalizations of companies change over time in both absolute and relative terms.

## **Merger and Restructuring Risk**

A merger or other restructuring, or a tender or exchange offer, proposed or pending at the time a fund invests in risk arbitrage securities may not be completed on the terms contemplated, resulting in losses to the Fund.

### **MiFID II Regulatory Risk**

The MiFID Regulations transpose into Irish law the MiFID II Directive along with its accompanying regulation, the Markets in Financial Instruments Regulation (“**MiFIR**”) (Regulation 600/2014/EU), (collectively, “**MiFID II**”). The MiFID Regulations and MiFID II took effect on 3 January 2018. MiFID II is a wide ranging piece of legislation that affects financial market structure, trading and clearing obligations, product governance and investor protection. While MiFIR and a majority of the so-called “Level 2” measures are directly applicable across the European Union (EU) as EU regulations, the MiFID II Directive had to be “transposed” into national law by Member States. In the course of the transposition process, individual Member States and their national competent authorities may have introduced requirements over and above those in the European text and applied MiFID II provisions to participants that would not otherwise be caught by MiFID II. Aspects of MiFID II and its implementation may be unclear in scope and subject to differences in regulatory interpretation. Market participants who are not directly subject to MiFID II may be indirectly impacted by its requirements and related regulatory interpretations. It is not possible to predict how these factors may impact the operations of the Company and the Manager and the ability of the Manager and any Sub-Investment Managers to implement a Fund’s investment objective.

### **Models Risk**

Allocation, selection and weighting of assets in certain Funds are executed using a combination of quantitative models that seek to measure the relative risks and opportunities of each market segment based upon economic, market, political, currency and technical data, and the Sub-Investment Manager’s own assessment of economic and market conditions, to create an optimal risk / return allocation of the respective Sub-Fund’s assets among various segments of the fixed-income market. It is possible that the design of the model may not result in the selection of the best performing assets.

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

*Mortgage-Backed Securities.* Mortgage-backed securities represent participating interests in pools of residential mortgage loans, which may be guaranteed by the U.S. government, its agencies, or its instrumentalities or those of other governments, depending on the security in question. However, the guarantee of these types of securities relates to the principal and interest payments, and not to the market value of such securities. In addition, the guarantee only relates to the mortgage-backed securities held by the fund and not the purchase of shares of the Fund.

Mortgage-backed securities are issued by lenders, such as mortgage bankers, commercial banks, and savings and loan associations. Such securities differ from conventional debt securities, which provide for the periodic payment of interest in fixed amounts (usually semi-annually) with principal payments at maturity or on specified dates. Mortgage-backed securities provide periodic payments which are, in effect, a pass-through of the interest and principal payments (including any prepayments) made by the individual borrowers on the pooled mortgage loans. A mortgage-backed security will mature when all the mortgages in the pool mature or are prepaid. Therefore, mortgage-backed securities do not have a fixed maturity and their expected maturities may vary when interest rates rise or fall.

When interest rates fall, homeowners are more likely to prepay their mortgage loans. An increased rate of prepayments on the Fund’s mortgage-backed securities will result in an unforeseen loss of interest income to the Fund as the Fund may be required to reinvest assets at a lower interest rate. Because prepayments increase when interest rates fall, the prices of mortgage-backed securities do not increase as much as other fixed-income securities when interest rates fall.

When interest rates rise, homeowners are less likely to prepay their mortgage loans. A decreased rate of prepayments lengthens the expected maturity of a mortgage-backed security. Therefore, the prices of

mortgage-backed securities may decrease more than prices of other fixed-income securities when interest rates rise.

The yield of mortgage-backed securities is based on the average life of the underlying pool of mortgage loans. The actual life of any particular pool may be shortened by unscheduled or early payments of principal and interest. Principal prepayments may result from the sale of the underlying property, or the refinancing or foreclosure of underlying mortgages. The occurrence of prepayments is affected by a wide range of economic, demographic, and social factors and, accordingly, it is not possible to accurately predict the average life of a particular pool. The actual prepayment experience of a pool of mortgage loans may cause the yield realized by the fund to differ from the yield calculated on the basis of the average life of the pool. In addition, if the fund purchases mortgage-backed securities at a premium, the premium may be lost in the event of early prepayment, which may result in a loss to the Fund.

Prepayments tend to increase during periods of falling interest rates, while during periods of rising interest rates, prepayments are likely to decline. Monthly interest payments received by a fund have a compounding effect, which will increase the yield to shareholders as compared to debt obligations that pay interest semi-annually. Because of the reinvestment of prepayments of principal at current rates, mortgage-backed securities may be less effective than U.S. Treasury bonds of similar maturity at maintaining yields during periods of declining interest rates. Also, although the value of debt securities may increase as interest rates decline, the value of these pass-through types of securities may not increase as much, due to their prepayment feature.

*Collateralized Mortgage Obligations (CMOs).* A Fund may invest in mortgage-backed securities called CMOs. CMOs are issued in separate classes with different stated maturities. As the mortgage pool experiences prepayments, the pool pays off investors in classes with shorter maturities first. By investing in CMOs, a Fund may manage the prepayment risk of mortgage-backed securities. However, prepayments may cause the actual maturity of a CMO to be substantially shorter than its stated maturity.

*Asset-Backed Securities.* Asset-backed securities include interests in pools of debt securities, commercial or consumer loans, or other receivables. The value of these securities depends on many factors, including changes in interest rates, the availability of information concerning the pool and its structure, the credit quality of the underlying assets, the market's perception of the servicer of the pool, and any credit enhancement provided. In addition, asset-backed securities have prepayment risks similar to mortgage-backed securities.

### **Non-U.S. Market Risk**

A Fund's investments in securities issued or guaranteed by non-U.S. governmental entities, non-U.S. corporate entities, and U.S. entities with economic ties to non-U.S. markets generally involve special risks that can increase the likelihood that a Fund may lose money. For example, as compared with issuers or guarantors organized and operated in the U.S., these entities may be more vulnerable to economic, political, and social volatility and subject to less government supervision, lack of transparency, inadequate regulatory and accounting standards, and non-U.S. taxes. In addition, these securities also may be subject to inadequate exchange control regulations, higher transaction and other costs, reduced liquidity, and delays in settlement to the extent they are traded on non-U.S. exchanges or markets. Non-U.S. securities also may be subject to thin trading volumes and reduced liquidity, which may lead to greater price fluctuations. These and other factors can materially adversely affect the prices of non-U.S. securities held by a Fund, impair a Fund's ability to buy or sell securities at its desired price or time, or otherwise adversely affect a Fund's operations. Emerging Market Securities generally are more volatile than other non-U.S. securities, and are subject to greater liquidity, regulatory, and political risks.

### **Non-U.S. Securities Risk**

Funds that invest in securities traded principally in securities markets outside the United States are subject to additional and more varied risks, as the value of non-U.S. securities may change more rapidly and extremely than the value of U.S. securities. The securities markets of many non-U.S. countries are

relatively small, with a limited number of companies representing a small number of industries. Additionally, issuers of non-U.S. securities may not be subject to the same degree of regulation as U.S. issuers. Reporting, accounting, and auditing standards of non-U.S. countries differ, in some cases significantly, from U.S. standards. There are generally higher commission rates on non-U.S. portfolio transactions, transfer taxes, higher custodial costs, and the possibility that non-U.S. taxes will be charged on dividends and interest payable on non-U.S. securities, some or all of which may not be reclaimable. Also, for lesser-developed countries, nationalization, expropriation, or confiscatory taxation, adverse changes in investment or exchange control regulations (which may include suspension of the ability to transfer currency or assets from a country), political changes, or diplomatic developments could adversely affect a fund's investments. In the event of nationalization, expropriation, or other confiscation, the fund could lose its entire investment in a non-U.S. security. All Funds that invest in non-U.S. securities are subject to these risks. Some of the risks are also applicable to Funds that invest a material portion of their assets in securities of non-U.S. issuers traded in the United States.

### **OECD BEPS Risk**

In 2013 the OECD published its report on Addressing Base Erosion and Profit Shifting (“**BEPS**”) and its Action Plan on BEPS. The aim of the report and Action Plan was to address and reduce aggressive international tax planning. BEPS remains an ongoing project. On 5 October 2015, the OECD published its final reports, analyses and sets of recommendations (deliverables) with a view to implementing internationally agreed and binding rules which could result in material changes to relevant tax legislation of participating OECD countries. The final package of deliverables was subsequently approved by the G20 Finance Ministers on 8 October 2015. On 24 November 2016, more than 100 jurisdictions concluded negotiations on a multilateral instrument that will amend their respective tax treaties (more than 2,000 tax treaties worldwide) in order to implement the tax treaty-related BEPS recommendations. The multilateral instrument was signed on 7 June 2017 and entered into force on 1 July 2018. The multilateral instrument will then enter into effect for a specific tax treaty at certain times after all parties to that treaty have ratified the multilateral instrument. The final actions to be implemented in the tax legislation of the countries in which the Company will have investments, in the countries where the Company is domiciled or resident, or changes in tax treaties negotiated by these countries, could adversely affect the returns from the Company.

### **Other UCITS and ETFs Risk**

A Fund may invest in other UCITS and ETFs to gain market exposure to securities consistent with the investment policy of the relevant Fund subject to the requirements of the Central Bank and the limits set out in this Prospectus. In the case of a large subscription, the Sub-Investment Manager may select other UCITS or ETFs that are representative of the underlying markets in which the relevant Fund invests in order to invest cash until securities can be purchased with the proceeds. Such securities are sold where they are no longer consistent with or assisting the relevant Fund in achieving its investment objective.

### **Operational Risk**

The Company is subject to risks caused by factors external to the instruments in which the Funds invest, such as system failures, poorly functioning technology, human error and processing mistakes, or defective organisation, internal processes or misconduct of employees of a third-party service provider. Such failures could have a negative impact on the Funds.

### **Participatory Notes Risk**

Due to transaction costs and other expenses, participatory notes (p-notes) will not replicate exactly the performance of their underlying securities. P-notes are generally unsecured contractual obligations that are subject to liquidity risk and a high degree of counterparty risk.

The return on a p-note is linked to the performance of the issuers of the underlying securities. P-notes are subject to counterparty risk since the notes constitute generally unsecured contractual obligations of the financial institutions issuing the notes, and the Fund is relying on the creditworthiness of such institutions

and has no rights under the notes against the issuers of the underlying securities. In addition, p-notes are subject to liquidity risk.

### **Peoples Republic of China Tax Risk**

Under current regulations in the PRC, foreign investors may invest in A-Shares listed on the Shanghai and Shenzhen Stock Exchanges and certain other investment products in the PRC.

Under current PRC Enterprise Income Tax Law (“PRC EIT law”) and regulations, any entity considered to be a tax resident of the PRC would be subject to PRC enterprise income tax (“EIT”) at the rate of 25% on its worldwide taxable income. If an entity were considered to be a non-resident enterprise with a “permanent establishment” in the PRC, it would be subject to PRC EIT at the rate of 25% on the profits attributable to the permanent establishment. The Company, together with the Manager, intends to operate in a manner that will prevent them from being treated as tax residents of the PRC and from having a permanent establishment in the PRC, though this cannot be guaranteed. It is possible, however, that the PRC could disagree with such an assessment or that changes in PRC tax law could affect the PRC EIT status of the Company.

If the entity is a non-PRC tax resident enterprise without permanent establishment in the PRC, the PRC-sourced income (including cash dividends, distributions, interest and capital gains) derived by it from any investment in PRC securities would be subject to PRC withholding income tax (“WHT”) at the rate of 10% unless exempt or reduced under the PRC EIT Law or a relevant tax treaty.

The Company may also potentially be subject to PRC value-added tax at the rate of 6% on capital gains derived from trading of A-Shares. In addition, urban maintenance and construction tax (currently at rates ranging from 1% to 7%), educational surcharge (currently at the rate of 3%) and local educational surcharge (currently at the rate of 2%) (collectively the “Surtaxes”) are imposed based on value-added tax liabilities. Pursuant to Caishui [2018] No. 108 (“Notice 108”), foreign institutional investors are exempt from EIT on bond interest income derived from November 7, 2018 to November 6, 2021. Such EIT exemption would not be applicable if the bond interest derived is connected with the foreign institutional investors’ establishment or place in the PRC. In respect of bond interest income derived by foreign institutional investors, PRC value-added tax is exempted from November 7, 2018 to November 6, 2021 pursuant to Notice 108.

Pursuant to Caishui [2014] No. 81 (“Notice 81”), Notice 36 and Caishui [2016] No. 127 (“Notice 127”), foreign investors investing in China A-Shares listed on the SSE through the Stock Connect and those listed on the SZSE through the Stock Connect would be temporarily exempt from PRC EIT and value-added tax on the gains on disposal of such A-Shares. Dividends would be subject to PRC EIT on a withholding basis at 10%, unless reduced under a double tax treaty with China upon application to and obtaining approval from the competent tax authority.

Stamp duty under the PRC laws (“Stamp duty”) generally applies to the execution and receipt of taxable documents, which include contracts for the sale of China A-Shares traded on PRC stock exchanges. In the case of such contracts, PRC Stamp Duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1%. The sale or other transfer by the Fund of A-Shares will accordingly be subject to PRC Stamp Duty, but the Fund will not be subject to PRC Stamp Duty when it acquires A-Shares.

Aside from the above-mentioned general rules and Notice 108, the PRC tax authorities have not clarified whether income tax and other tax categories are payable on gains arising from the trading in securities that do not constitute shares or other equity investments, such as bonds and other fixed income securities, of investors through Bond Connect. It is therefore possible that the relevant tax authorities may, in the future, clarify the tax position and impose an income tax or withholding tax on realized gains derived from dealing in PRC fixed income securities.

Shareholders should note that the above disclosure has been prepared based on an understanding of the laws, regulations and practice in the PRC in-force as of the date of this Prospectus.



Shareholders should seek their own tax advice on their own tax position with regard to their investment in the relevant Funds.

It is possible that the current tax laws, regulations and practice in the PRC will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher taxation on PRC investments than is currently contemplated.

### **Preferred Stock Risk**

Preferred stock generally has a preference as to dividends and liquidation over an issuer's common stock but ranks junior to debt securities in an issuer's capital structure. Unlike interest payments on debt securities, preferred stock dividends are payable only if declared by the issuer's board of directors. Preferred stock also may be subject to optional or mandatory redemption provisions.

### **Prepayment of Principal Risk**

Many types of debt securities, including floating-rate loans, are subject to prepayment risk. Prepayment risk occurs when the issuer of a security can repay principal prior to the security's maturity. Securities subject to prepayment risk can offer less potential for gains when the credit quality of the issuer improves.

### **REIT Risk**

REITs are pooled investment vehicles that typically invest directly in real estate, in mortgages and loans collateralized by real estate, or in a combination of the two. Investing in REITs subjects the Fund to the risks associated with direct ownership of real estate, such as a decline in the value of real estate and both general and local economic conditions.

### **Redemption Risk**

A Fund may need to sell its holdings in order to meet Shareholder redemption requests. A Fund could experience a loss when selling securities to meet redemption requests if the Fund does not have adequate levels or sources of liquidity and redemption requests are unusually large or frequent or occur in times of overall market turmoil or declining prices for the securities sold, or when the securities a Fund wishes to or is required to sell are illiquid.

### **Reliance on Management Risk**

Investment decisions will be made for each Fund by a Sub-Investment Manager, subject to the investment policies of the Fund and as overseen by the Manager. The success of a Fund will depend on the ability of the relevant Sub-Investment Manager to identify suitable investments and to dispose of such investments at a profit. The strategies used and investments selected by the Sub-Investment Manager may fail to produce the intended result and a Fund may not achieve its investment objective. The investments selected for a Fund also may not perform as well as other investments that were not selected for a Fund. As a result, a Fund may suffer losses or underperform other funds with the same investment objective or strategies, even in a rising market.

There can also be no assurance that all of the personnel of a Sub-Investment Manager or the Manager will continue to be associated with a Sub-Investment Manager or the Manager for any length of time. The loss of the services of one or more employees of a Sub-Investment Manager or the Manager could have an adverse impact on a Fund's ability to realise its investment objectives.

### **Repurchase/Reverse Repurchase Agreement Risk**

Repurchase and reverse repurchase agreements are subject to counterparty risk. In the case of a repurchase agreement, the counterparty may fail to repurchase its securities which may cause the relevant Fund to suffer delays and incur costs in exercising its rights under the agreement. In addition, if the securities held by the Fund as collateral for the repurchase agreement go down in market value, this may cause a loss to the Fund.

In the case of a reverse repurchase agreement, the counterparty may fail to return the securities sold to the counterparty by the relevant Fund which may cause the Fund to lose money if it is unable to recover the securities and the value of the collateral held (including if the value of the investments made with cash collateral is less than the value of the securities).

### **RMB Risk**

The Funds may invest in assets that are denominated in Chinese renminbi (RMB). In addition to the currency risks set out above, the investment in RMB denominated assets are subject to the following risks.

Investors should be aware that the RMB is subject to a managed floating exchange rate based on market supply and demand with reference to a basket of currencies.

Currently, RMB is traded in Mainland China and markets outside Mainland China. RMB traded in Mainland China, CNY, is not freely convertible and is subject to exchange control policies and restrictions imposed by the PRC authorities. On the other hand, the RMB traded outside Mainland China, CNH, is freely tradeable but still subject to controls, limits and availability. In general, the respective daily exchange rate of the RMB against other currencies is allowed to float within a range above or below the central parity rates published by the People's Bank of China ("PBOC") each day. Its exchange rate against other currencies, including e.g. USD or HKD, is therefore susceptible to movements based on external factors. There can be no assurance that such exchange rates will not fluctuate widely.

While CNY and CNH represent the same currency, they are traded on different and separate markets which operate independently. As such, the value of CNH could differ, perhaps significantly from that of CNY and the exchange rate of CNH and CNY may not move in the same direction due to a number of factors including, without limitation, the foreign exchange control policies and repatriation restrictions pursued by the PRC government from time-to-time, as well as other external market forces. Any divergence between CNH and CNY may adversely impact investors.

There is no assurance that RMB will not be subject to devaluation, in which case the value of investors' investments in RMB assets will be adversely affected. Currently, the PRC government imposes certain restrictions on repatriation of RMB out of the PRC. Investors should note that such restrictions may limit the depth of the RMB market available outside of the PRC and thereby, may reduce the liquidity of a Fund. A Fund may be subject to risk of not having sufficient RMB for currency conversion prior to investment.

The PRC government's policies on exchange controls and repatriation restrictions are subject to change, and the Fund's and its investors' position may be adversely affected by such change.

### **Rule 144A Securities and Regulation S Securities Risk**

Rule 144A Securities and Regulation S Securities may involve a high degree of business and financial risk and may result in substantial loss. These securities may be less liquid than publicly listed or traded securities, and a Fund may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realised for these sales could be less than those originally paid by a Fund. Further, companies whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded.

### **Sector Risk**

When a Fund's investments are focused in one or more sectors of the economy, they are not as diversified as the investments of most Funds and are far less diversified than the broad securities markets. This means that focused funds tend to be more volatile than other Funds, and the values of their investments tend to go up and down more rapidly. In addition, a Fund which invests in particular sectors is particularly susceptible to the impact of market, economic, regulatory, and other factors affecting those sectors disproportionately.

### **Securities Lending Risk**

Where a Fund enters into a securities lending agreement, the Fund may lend its portfolio securities to broker-dealers and banks in order to generate additional income for the Fund. Any such loan must be continuously secured by collateral in cash or cash equivalents maintained on a current basis in an amount at least equal to the market value of the securities loaned by the Fund. In the event of bankruptcy or other default of a borrower of portfolio securities, a Fund could experience both delays in liquidating the loan collateral or recovering the loaned securities and losses including (a) possible decline in the value of the collateral or in the value of the securities loaned during the period which the Fund seeks to enforce its rights thereto, (b) possible sub-normal levels of income and lack of access to income during this period, and (c) expenses of enforcing its rights. In an effort to reduce these risks, the creditworthiness of the firms to which a Fund lends securities will be monitored. Although not a principal investment strategy, a Fund may engage in securities lending to a significant extent.

### **Segregated Liability Risk**

The Company is an umbrella company with segregated liability between its Funds. As a result, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability of that Fund. 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, for example, 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 Company, 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 Fund in satisfaction of an obligation owed in relation to another Fund in a jurisdiction which may not recognise the principle of segregation of liability between Funds.

### **Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect**

All Funds which can invest in China may invest in China A-Shares through the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect (collectively, the "Stock Connect") programs subject to any applicable regulatory limits. The Stock Connect programs are a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), the Hong Kong Securities Clearing Company Limited ("HKSCC"), Shanghai Stock Exchange ("SSE") and Shenzhen Stock Exchange ("SZSE") (as relevant) and China Securities Depository and Clearing Corporation Limited ("ChinaClear") with an aim to achieve mutual stock market access between mainland China and Hong Kong. This program will allow foreign investors to trade certain SSE and SZSE listed China A-Shares through their Hong Kong based brokers. Further details in relation to Stock Connect are set out in Schedule VI.

The Funds seeking to invest in the domestic securities markets of the People's Republic of China (PRC) may use the Stock Connect and, thus, are subject to the following additional risks:

*General Risk:* The relevant regulations are untested and subject to change. There is no certainty as to how they will be applied which could adversely affect the Company. The program requires use of new information technology systems which may be subject to operational risk due to its cross-border nature. If the relevant systems fail to function properly, trading in both Hong Kong, and Shanghai and/or Shenzhen markets through the program could be disrupted.

*Quota Limitations:* The Stock Connect is subject to quota limitations. In particular, once the remaining balance of the relevant quota drops to zero or the daily quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Fund's ability to invest in China A Shares through the Stock Connect on a timely basis, and the relevant Fund may not be able to effectively pursue its investment strategy.

*Taxation Risk:* The Chinese tax authorities announced on 14 November 2014 that gains derived by foreign investors from China A Shares traded through the Stock Connect would be temporarily exempted from Chinese taxation effective from 17 November 2014. This temporary exemption applies to China A Shares generally, including shares in Chinese 'landrich' companies; however, the temporary exemption does not apply to China onshore bonds. The duration of the period of temporary exemption has not been stated and is subject to termination by the Chinese tax authorities with or without notice and, in a worst case scenario, retrospectively. In addition the Chinese tax authorities may implement other tax rules with retrospective effect which may adversely affect the Funds. If the temporary exemption is withdrawn a foreign investor would be subject to Chinese taxation in respect of gains on China A Shares and the resultant tax liability would be payable by the relevant Fund, and thus borne by its investors. However, this liability may be mitigated under the terms of an applicable tax treaty, and if so, any such benefits will be passed to investors.

*Legal/Beneficial Ownership:* Where securities are held in custody on a cross-border basis, there are specific legal/beneficial ownership risks linked to compulsory requirements of the local central securities depositories, HKSCC and ChinaClear. As in other emerging and less developed markets, the legislative framework is only beginning to develop the concept of legal/formal ownership and of beneficial ownership or interest in securities. In addition, HKSCC, as nominee holder, does not guarantee the title to Stock Connect securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners. Consequently, the courts may consider that any nominee or depository as registered holder of the relevant Stock Connect securities would have full ownership thereof, and that those Stock Connect securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently the Company and the Depository cannot ensure that the Company's ownership of these securities or title thereto is assured. To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depository and the Company will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Company suffer losses resulting from the performance or insolvency of HKSCC. In the event ChinaClear defaults, HKSCC's liabilities under its market contracts with clearing participants will be limited to assisting clearing participants with claims. HKSCC will act in good faith to seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or the liquidation of ChinaClear. In this event, the Company may not fully recover its losses or its Stock Connect securities and the process of recovery could also be delayed.

*Clearing and Settlement Risk:* HKSCC and ChinaClear will establish the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house. As the national central counterparty of the Chinese securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the China Securities regulatory Commission. In the event of a ChinaClear default, HKSCC's liabilities in SSE Shares and SZSE Shares under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the relevant Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

*Suspension Risk:* It is contemplated that both the Stock Exchange of Hong Kong ("SEHK"), SSE and SZSE would reserve the right to suspend trading if necessary for ensuring an orderly and fair market and that

risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, the relevant Fund's ability to access the Chinese market will be adversely affected.

*Differences in Trading Day:* The Stock Connect will only operate on days when both the Chinese and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Chinese market but the Funds cannot carry out any China A Shares trading via the Stock Connect. The Funds may be subject to a risk of price fluctuations in China A Shares during the time when the Stock Connect is not trading as a result.

*Restrictions on Selling Imposed by Front-end Monitoring:* Chinese regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A Share sell orders of its participants (*i.e.*, the stock brokers) to ensure there is no over-selling. If a Fund intends to sell certain China A Shares it holds, it must transfer those China A Shares to the respective accounts of its broker(s) before the market opens on the day of selling ("trading day"). If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, a Fund may not be able to dispose of its holdings of China A Shares in a timely manner.

*Operational Risk:* The Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SSE, SZSE or SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The relevant Fund's ability to access the China A Share market (and hence to pursue its investment strategy) may be adversely affected.

*Regulatory Risk:* The Stock Connect is a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change and there can be no assurance that the Stock Connect will not be abolished. New regulations may be issued from time to time by the regulators/stock exchanges in China and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connect. Funds may be adversely affected as a result of such changes.

*Recalling of Eligible Stocks:* When a stock is recalled from the scope of eligible stocks for trading via the Stock Connect, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant Funds, for example, if the Investment Adviser wishes to purchase a stock which is recalled from the scope of eligible stocks.

*No Protection by Investor Compensation Fund:* Investment in SSE or SZSE shares via the Stock Connect is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations. Investments of Funds are not covered by the Hong Kong's Investor Compensation Fund, which has been established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Since default matters in respect of SZSE Shares or SSE Shares via Stock Connect do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund. Therefore the Funds are exposed to the risks of default of the broker(s) they engage in their trading in China A Shares through the Stock Connect.

## **Sovereign Debt Risk**

Bonds issued or guaranteed by governments or governmental entities (commonly referred to as “sovereign debt”) present risks not associated with investments in other types of bonds. Sovereign debt securities are subject to the risk that the relevant sovereign government or governmental entity may delay or refuse to pay interest or repay principal on its debt, due, for example, to cash flow problems, insufficient currency reserves, political considerations, the size of its debt relative to the economy, or the failure to put in place economic reforms required by the International Monetary Fund or other multilateral agencies. If a sovereign government or governmental entity defaults, it may ask for maturity extensions, interest rate reductions, or additional loans. There is no legal process for collecting sovereign debt that is not repaid nor are there bankruptcy proceedings through which all or part of the unpaid sovereign debt may be collected. In the past, emerging market sovereign governments and governmental entities have refused to honour their payment obligations on issued or guaranteed bonds.

### **Structured Notes Risk**

A Fund may invest in structured products which represent derived investment positions based on relationships among different markets or securities. A structured product may be considered to be leveraged to the extent its interest rate varies by a magnitude that exceeds the magnitude of the change in the index rate. Because structured products are linked to their underlying markets or securities, investments in structured products generally are subject to greater volatility than an investment directly in the underlying market or security. Total return on the structured product is derived by linking return to one or more characteristics of the underlying instrument. Because certain structured products of the type in which a Fund may invest may involve no credit enhancement, the credit risk of those structured products generally would be equivalent to that of the underlying instruments. A Fund may invest in a class of structured product that is either subordinated or unsubordinated to the right of payment of another class. Subordinated structured products typically have higher yields and present greater risks than unsubordinated structured products. Structured products are typically sold in private placement transactions and there may not be an active trading market for structured products. As a result, certain structured products in which the relevant Fund invests may be deemed illiquid.

### **Suspension Risk**

Investors are reminded that, in certain exceptional circumstances, their right to purchase and sell Shares may be suspended (see the “DETERMINATION OF NET ASSET VALUE: Temporary Suspension of Valuation of the Shares and of Sales and Redemptions” section).

### **Tax Risk**

Each of the Funds may invest in securities that produce income or capital gains that are subject to withholding and other taxes in respect of income or gains derived from its investments in underlying investee countries. Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of subscribing, holding, selling, converting or otherwise disposing of Shares in the Funds under the laws of jurisdictions in which they may be subject to taxes. Taxation law and practice and the levels and bases of and reliefs from taxation relating to the Funds and to its investors may change from time to time. In addition, developing or emerging countries typically have less well defined tax laws and procedures and such laws may permit retroactive taxation so that a Fund could in the future become subject to local tax liabilities it could not have reasonably anticipated in conducting its investment activities or valuing its interests. A summary of some of the Irish tax consequences applicable to the Funds is set out in the “TAXATION” section. However, Shareholders and potential investors should note that the information contained in that section does not purport to deal with all of the tax consequences applicable to the Funds or all categories of investors, some of whom may be subject to special rules.

### **Umbrella Cash Account Risk**

Subscriptions monies received by the Fund in advance of the issue of Shares will be held in the Umbrella Cash Account in the name of the Company and will be treated as an asset of the relevant Fund. Investors

will be unsecured creditors of the relevant Fund with respect to the amount subscribed and held by the relevant Fund until such Shares are issued, and will not benefit from any appreciation in the NAV of the relevant Fund or any other shareholder rights (including dividend entitlement) until such time as Shares are issued. In the event of an insolvency of the relevant Fund or the Company, there is no guarantee that the Fund or Company will have sufficient funds to pay unsecured creditors in full.

Payment by the relevant Fund of redemption proceeds and dividends is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, and will be unsecured creditors of the Fund, from the relevant redemption date. Pending redemptions and distributions, including blocked redemptions or distributions, will, pending payment to the relevant Shareholder, be held in the Umbrella Cash Account in the name of the Company. Redeeming Shareholders and Shareholders entitled to such distributions will be unsecured creditors of the Fund, and will not benefit from any appreciation in the NAV of the relevant Fund or any other shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount held by the relevant Fund. In the event of an insolvency of the relevant Fund or the Company, there is no guarantee that the Fund or Company will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of another Fund of the Company, recovery of any amounts to which the relevant Fund is entitled, but which may have transferred to such Fund as a result of the operation of the Umbrella Cash Account, will be subject to the principles of Irish company law and the terms of the operational procedures for the Umbrella Cash Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the insolvent Fund may have insufficient funds to repay amounts due to the relevant Fund.

#### **Value Stock Risk**

Value stocks involve the risk that the value of the security will not be recognised for an unexpectedly long period of time or that the security is not undervalued but is appropriately priced. A Fund's focus on value investing may cause a Fund to underperform when growth investing is in favour.

#### **When-Issued and Delayed-Delivery Securities Risk**

A Fund may purchase securities on a when-issued or delayed-delivery basis. The value of the security on its settlement date may be more or less than the price paid as a result of changes in interest rates and market conditions. If the value of such a security on its settlement date is less than the price paid by the relevant Fund, the value of the Fund's shares may decline.

#### **Zero Coupon, Step-Up, Interest-Linked and Payment-in-Kind Securities Risk**

A Fund may invest in zero coupon, Interest-Linked Securities, step-up bonds and bonds on which interest is payable in kind ("PIK"). The market prices of these bonds generally are more volatile than the market prices of securities that pay interest on a regular basis. Since the relevant Fund will not receive cash payments earned on these securities on a current basis, the relevant Fund may be required to make distributions from other sources. This may result in higher portfolio turnover rates and the sale of securities at a time that is less favourable.

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## **MANAGEMENT AND ADMINISTRATION**

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### **The Directors**

The Directors of the Company are as set out below.

**Thomas G. Murray, Chairman and Organisational Effectiveness Director (Irish Resident)**

Mr. Murray has worked in investment banking and financial services for over 25 years. He is a non-executive director of several regulated collective investment vehicles and management companies. He currently serves as a non-executive director of funds promoted by Deutsche Bank, Russell Investments, Old Mutual and Barclays. In addition, Mr Murray is a non-executive director of Skillsoft, the leading e-learning company and Touax, an international leasing group. He obtained a Bachelor of Commerce Degree from University College Dublin in 1976 and qualified as a Chartered Accountant with Coopers & Lybrand in 1980. He was also a member of the National Futures Association between 1990 and 1992. During 2011, Mr Murray was awarded a Diploma in Directors Duties & Responsibilities by the Institute of Chartered Accountants in Ireland.

Between 2004 and 2008, Mr. Murray was a director of Merrion Corporate Finance Ltd where he was involved in several high-profile transactions including the initial IPO of Aer Lingus. Prior to joining Merrion, he was Treasury Director of Investec Bank Ireland where he was responsible for funding, asset and liability management, corporate and proprietary foreign exchange dealing, stock lending and borrowing, equity financing and structured finance activities. In 1987, he was a founder director and early shareholder in Gandon Securities Ltd, the first entity to be licenced to operate in the International Financial Services Centre, Dublin. Initially, Mr. Murray served as Finance Director where, inter alia, he was instrumental in the design and implementation of the financial control and risk control systems for the proprietary trading division. In 1990 Mr. Murray moved into a business development role where he established the structured finance, managed futures and equity financing units. In 2000, Gandon Securities Ltd was acquired by Investec Bank and Mr. Murray was appointed Treasury Director in which role he served for 4 years. Prior to joining Gandon between 1981 and 1987, Mr. Murray was the Chief Financial Officer of Wang International Finance Ltd, the vendor financing division of Wang Computers, where he established the tax, legal and financial reporting structures for computer leasing operations in 14 countries globally.

**Eimear Cowhey (Irish Resident)**

Eimear Cowhey has over 30 years' experience in the offshore funds industry and currently acts as a non-executive independent chairman, director and committee member of various investment fund and management boards in Dublin, Luxembourg and the U.K. From 1999 to 2006, she held various executive positions within Amundi Pioneer, including Head of Legal and Compliance and Head of International Product Development. From 1992 to 1999 she held various executive positions within Invesco Asset Management, including Managing Director, Global Fund Director and Head Legal Counsel. Ms. Cowhey is a qualified Irish lawyer with a Diploma in Accounting and Finance, Diploma in Company Direction (IoD), Certificate in Financial Services Law and is in the course of achieving Chartered Director status from the IoD (London).

Ms. Cowhey was a member of the Committee on Collective Investment Governance (CCIG) which was established by the Central Bank of Ireland in December 2013 and which issued an expert report in July 2014 on recommendations for good governance practice for investment funds.

She is a former Council member and past Chairman of Irish Funds and is a former member of the IFSC Funds Group a joint government/industry group to advise the government of investment fund related matters. She is a founder and director of basis.point which is the Irish investment fund industry charity focused on alleviating poverty through education, particularly among the youth of Ireland.

**Adrian Waters (Irish Resident)**

Mr. Adrian Waters (Irish), resident in Ireland, is a Fellow of The Institute of Chartered Accountants in Ireland and of The Institute of Directors. He is a Chartered Director (UK Institute of Directors) and he specializes in risk management and governance. He has over 25 years' experience in the funds industry. He is a director of several other investment funds. From 1993 to 2001, he held various executive positions within



The BISYS Group, Inc. (now part of the Citi Group), including Chief Executive Officer of BISYS Fund Services (Ireland) Limited and finally as Senior Vice President – Europe for BISYS Investment Services out of London. From 1989 to 1993, he was employed by the Investment Services Group of PricewaterhouseCoopers in New York and prior to that by Oliver Freaney and Company, Chartered Accountants, in Dublin. Mr. Waters holds a Bachelor of Commerce degree and a Post Graduate Diploma in Corporate Governance both received from University College Dublin in 1985 and 2005, respectively. Additionally, in 2013, he has received a Master of Science degree in Risk Management from the Stern Business School at New York University.

**Andrew G. Arnott (U.S. Resident)**

Andrew Arnott is Head of Wealth and Asset Management, United States & Europe and President and Chief Executive Officer of John Hancock Investment Management (a company of Manulife Investment Management). He is responsible for retail, retirement, and institutional asset management across all businesses and channels. He has more than 25 years of experience in the asset management industry. Since 2012, Mr. Arnott has led all aspects of John Hancock Investment Management's business, from investments, sales, marketing, finance, and product development to operations and technology. In 2014, Mr. Arnott was appointed President of the John Hancock funds, with general responsibility for overseeing day-to-day management of fund business and operations, serving as Chief Executive Officer of all funds, acting as liaison between management and the funds' Board of Trustees, and presiding over Trustee and shareholder meetings. In addition, Mr. Arnott is a member of the Board of Directors of Manulife Investment Management I PLC, as well as Manulife Investment Management II ICAV, through which Manulife Investment Management offers UCITS funds to investors in Europe and Latin America. In his prior position as Executive Vice President and Chief Operating Officer of Investment Management Services, Mr. Arnott was responsible for developing and managing the network of subadvisor asset management relationships across the John Hancock and Manulife platforms in the United States and Asia.

Mr. Arnott holds a B.S. in Business Administration from Boston University and an M.S. in Finance from Northeastern University. He holds FINRA Series 6, 7, 24, and 63 licenses. Mr. Arnott also serves on the Boards of the Boys & Girls Clubs of Boston, The Boston Foundation, and the Mt. Mansfield Education Foundation.

**Bernard Letendre (Canadian Resident)**

Bernard Letendre brings more than 25 years of experience in the financial services industry to his role as Global Head of Strategy and Product for Manulife Investment Management. In this role, Mr. Letendre is responsible for the firm's global investment product portfolio as well as having overall accountability for strategy for the global wealth and asset management business. Previously, he oversaw the firm's wealth and asset management business in Canada, one of three key regions in which Manulife Investment Management operates globally. Prior to that, he was managing director of Manulife Private Wealth and held leadership positions at BMO Private Banking, Standard Life, and Investors Group. Mr. Letendre holds a Bachelor of Laws (LL.B.) as well as a Master of Laws (LL.M.) from the University of Montreal and has been a member of the Quebec Bar since 1993. He joined the company in 2009.

**Christopher Conkey (U.S. Resident)**

Chris Conkey is the President, Chief Executive Officer and Global Chief Investment Officer of Manulife Investment Management – Public Markets. In this role, he is responsible for the development and execution of all long-term strategic, financial and operating plans of the public market asset manager. He is also responsible for all aspects of the firm's public market investment processes and outcomes, including development and implementation of the firm's investment philosophy, risk management and investment performance of equity, fixed income and solutions-oriented strategies. Mr. Conkey is a member of Manulife's Global Wealth and Asset Management Leadership Team and brings 31 years of investment management experience to his role. Before joining Manulife, he was chief investment officer of Evergreen Investment Management Company, where he had overall management responsibility for \$180 billion in

assets. He was also the chair of the Investment Strategy Committee, and led several distinct teams in managing fixed income, equity and alternatives strategies.

Prior to his role as CIO, Mr. Conkey spent three years as Evergreen's equity chief investment officer, following a merger between Keystone Investments and Evergreen. He spent 13 years at Keystone, where he held several investment management positions, culminating with the role of president and chief investment officer. Chris holds the Chartered Financial Analyst designation.

Mr. Conkey is a graduate of Clark University (BA in Economics, 1982) and Boston University (MBA, 1987).

### **Management of the Company – General**

The Company delegates UCITS management company functions to the Manager. The Central Bank UCITS Regulations refer to the "responsible person", being the party responsible for compliance with the relevant requirements of the Central Bank on behalf of an Irish authorised UCITS. The Manager assumes the role of the responsible person for the Company.

The Directors control the affairs of the Company and have delegated certain of their duties to the Manager, which in turn, has delegated certain of its duties to the Administrator, the Sub-Investment Managers and the Distribution Agents. The Depositary has been appointed to hold the assets of each Fund.

### **The Manager**

The Company has appointed the Manager to act as manager to the Company and each Fund with power to delegate one or more of its functions subject to the overall supervision and control of the Company. The Manager is a private company limited by shares, was incorporated in Ireland on 4 October 2018 under the registration number 635225 and is wholly owned by The Manufacturers Life Insurance Company. The Manager has been authorised by the Central Bank to act as a UCITS management company and to carry on the business of providing management, distribution and related administration services to UCITS collective investment schemes.

The Manager is responsible for the general management, distribution and administration of the Company's affairs and for ensuring compliance with the UCITS Regulations, including investment and reinvestment of each Fund's assets, having regard to the investment objective and policies of each Fund. However, pursuant to the Administration Agreement, the Manager has delegated certain of its administration and transfer agency functions in respect of each Fund to the Administrator. Pursuant to the sub-investment management agreements, the Manager has delegated certain investment management functions in respect of each Fund to the Sub-Investment Managers. Pursuant to distribution agreements, the Manager has delegated certain distribution functions in respect of the Company to the Distribution Agents.

The directors of the Manager are:

#### **Thomas Murray (Chairman, Irish Resident)**

See biography for Mr. Murray above.

#### **Eimear Cowhey (Irish Resident)**

See biography for Mrs. Cowhey above.

#### **Andrew Arnott (U.S. Resident)**

See biography for Mr. Arnott above.

#### **Bernard Letendre (Canadian Resident)**

See biography for Mr. Letendre above.

### **Yves Wagner (Luxembourg Resident)**

Dr. Wagner holds a “Doctorat ès Sciences Economiques” (PhD) from the University of Aix-Marseille III, France. He started his career as a teacher at the University of Aix-Marseille, and as a “Professeur-Associé” at the University of Perpignan. He started his non-academic career with Banque Générale du Luxembourg where he became Director of Asset Management, before becoming the Chief Executive Officer and Board member of Fortis Investments, Luxembourg. He finally left the Fortis Group in order to found “The Directors’ Office”. He continued to be active in the academic field, teaching at different Universities and Business Schools, being Board member of the “Centre Universitaire” (Luxembourg), publishing Research Papers, and teaching in professional institutes (“Institut de Formation Bancaire”, IFBL, “Agence pour le Transfert de Technologies Financières”, ATTF, and the “Académie Bancaire Européenne” (ABE) where he became President). He has been an advisor to the Luxembourg School of Finance (LSF), a business school of the University of Luxembourg. Dr. Wagner was for many years the chairman of the Luxembourg Society of Financial Analysts (ALGAFI) and Board Member of the European Federation of Financial Analysts Societies (EFFAS).

Dr. Wagner is a Partner of The Directors’ Office, a leading practice of independent Directors in Luxembourg. He has both an academic and professional career. He is Doctor in Economic Science and started working as a university professor. After a career within the Fortis Group, he co-founded “The Directors’ Office”.

### **Angela Billick (Irish Resident)**

Ms. Billick is Head of Investment Product for Europe and Americas cross-border as part of Manulife’s Wealth and Asset Management division. Ms. Billick is responsible for retail, retirement and institutional products for these two key markets.

Ms. Billick brings a wealth of industry experience to her role including more than 22 years of experience in the asset management industry. Since 2015, Ms. Billick headed up John Hancock Investment Management’ cross-border product development and in April 2018 assumed her broader responsibilities within Manulife Wealth and Asset Management.

In her most recent roles, Ms. Billick led cross-border product development for Nuveen and its Irish funds -- after leading strategic initiatives for the COO of Soros Fund Management and its offshore investment vehicles. Reporting to the head of the BNP Paribas’ US division and as a member of its executive committee, Ms. Billick oversaw US strategy, marketing and product development the firm’s international asset management services for four years after starting with the firm as a sales professional for two years. Between 2001 and 2005, Ms. Billick led a team at Seligman Advisors responsible for the product, marketing and operations of both the firm’s Luxembourg funds and wealth advisory products. Ms. Billick began her financial services career with Davis Selected Advisors in 1996, two years later reported to the COO and assumed responsibility for product and operations of its Luxembourg range. Between 1992 and 1996, Ms. Billick worked full-time within the non-for-profit and health care industries.

Ms. Billick has earned an MBA in Finance from New York University’s Stern School of Business and BA in Mathematics and Philosophy from St. John’s College. Ms. Billick is a member of the ICI Global Atlantic steering committee, is a regular speaker at industry conferences such as the Irish Fund Industry Association and is a Global Angel with 100 Women in Finance. Ms. Billick participates in numerous non-for-profit organizations focused on fiscal literacy, health and poverty.

### *Remuneration Policy of the Manager*

The Manager is subject to remuneration policies, procedures and practices (together, the “**Remuneration Policy**”). The Remuneration Policy complies with the UCITS Regulations regarding remuneration and is designed to ensure that the Manager’s remuneration practices, for those staff in scope of the applicable rules: (i) are consistent with and promote sound and effective risk management; (ii) do not encourage risk

taking and are consistent with the risk profiles, prospectus or articles of association of the Company and its Funds; (iii) do not impair the Manager's compliance with its duty to act in the best interests of those Funds; and (iv) include fixed components of remuneration. When applying the Remuneration Policy, the Manager will comply with the Regulations in a way, and to the extent, that is appropriate to the size, internal organisation and the nature, scope and complexity of the Manager's activities.

Where the Manager delegates certain portfolio management and risk management functions in respect of the Fund, which it does to the Sub-Investment Managers, it may in its discretion decide the extent to which it will delegate portfolio management and risk management and accordingly the individual delegates may be afforded differing levels of responsibilities and remuneration.

The details of the Remuneration Policy (including how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits) are available on [ucits.manulifeim.com](http://ucits.manulifeim.com) and a copy will be made available free of charge on request.

### **The Sub-Investment Managers**

The Manager may delegate certain investment management or advisory functions to Sub-Investment Managers and/or advisers and details of such entities, where appointed, will be set out in the relevant Supplement for the relevant Fund and provided to Shareholders on request and will be published in the periodic reports.

### **Distribution Agents**

The Manager may delegate certain distribution functions to Distribution Agents.

### **The Administrator**

The Manager has appointed State Street Fund Services (Ireland) Limited as administrator pursuant to the Administration Agreement.

State Street Fund Services (Ireland) Limited is a private limited company incorporated in Ireland on 23 March 1992 (under registration number 186184) and has a paid up share capital of £350,000. The Administrator is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholder services to collective investment schemes and investment funds.

The Administrator, subject to the terms and conditions of the Administration Agreement and subject to the overall supervision of the Directors, will be responsible for administration of the Company's affairs including calculating the Net Asset Value and the Net Asset Value per Share and the preparation of the accounts of the Company and will also be responsible for processing subscription and redemption applications and transfer instructions received by the Company in respect of Shares; acting as registrar and transfer agent in respect of Shares and preparing annual reports to Shareholders.

The Administration Agreement is described in more detail in the "STATUTORY AND GENERAL INFORMATION: Material Contracts" section.

### **The Depositary**

The Company has appointed State Street Custodial Services (Ireland) Limited to act as the depositary pursuant to the Depositary Agreement.

The Depositary is a private limited company incorporated in Ireland. The principal activity of the Depositary is to act as depositary of the assets of collective investment schemes. The Depositary is regulated by the Central Bank. The Depositary may not delegate its fiduciary duties.

The Depositary acts as the depositary of the Company and, in doing so, shall comply with the provisions of the Legislation and the terms of the Depositary Agreement. In this capacity, the Depositary's duties include among others, the following:

- (a) ensuring that the Company's cash flows are properly monitored, and that all cash of the Company has been booked in cash accounts opened in the name of the Company or in the name of the Depositary, acting on behalf of the Company with a regulated bank;
- (b) safekeeping the assets of the Company, which includes: (a) holding in custody all financial instruments that can be registered in a financial instrument account opened in the Depositary's books and all financial instruments that can be physically delivered to the Depositary; and (b) for other assets, verifying ownership of such assets and the maintenance of a record accordingly (the "Safekeeping Function");
- (c) ensuring that the sale, issue, re-purchase, redemption and cancellation of Shares are carried out in accordance with the Prospectus and the Constitution;
- (d) ensuring that the value of the Shares is calculated in accordance with the Prospectus and the Constitution;
- (e) carrying out the instructions of the Company, unless they conflict with the Legislation, the Prospectus and the Constitution;
- (f) ensuring that in transactions involving each Company's assets any consideration is remitted to the Company within time limits which are acceptable market practice in the context of the particular transaction; and
- (g) ensuring that the Company's income is applied in accordance with the Prospectus and the constitution.

Under the terms of the Depositary Agreement, the Depositary may delegate its safekeeping obligations provided that (i) the services are not delegated with the intention of avoiding the requirements of the Regulations (ii) the Depositary can demonstrate that there is an objective reason for the delegation and (iii) the Depositary has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate parts of the services, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation. The Depositary has delegated to its global sub-custodian, State Street Bank and Trust Company, responsibility for the safekeeping of the Company's financial instruments and cash. The global sub-custodian proposes to further delegate these responsibilities to sub-delegates, the identities of which are set forth in Schedule V.

The information in this section will be kept up to date and is available to Shareholders upon request.

The Depositary Agreement is described in more detail in the "STATUTORY AND GENERAL INFORMATION: Material Contracts" section.

### **Paying Agents and Local Representatives**

The Directors, the Manager or their duly authorised delegates may appoint such paying agents and local representatives as may be required to facilitate the authorisation or registration of the Company, any Fund and/or the marketing of any of its Shares in any jurisdictions. Where an investor chooses or is obliged under local regulations to subscribe/redeem via an intermediary entity rather than directly to the Administrator, the investor bears a credit risk against the intermediary entity with respect to (i) subscription payments prior to the transmission of such payment to the Depositary for the account of the Fund and (ii) redemption payments payable by such intermediate entity to the Shareholder. Local regulations in EEA

countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid. The fees of such paying agents and local representatives will be borne by the Company and will be at normal commercial rates.

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## **FEES AND EXPENSES**

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### **Establishment Costs**

The preliminary expenses incurred in the formation of the Company and the Funds amounting to approximately USD 775,000 will be discharged out of the assets of the Company and are being amortised over the first five financial years of each Fund's operation and amortised and allocated (or re-allocated) among the Funds on a basis deemed fair and equitable by the Directors. The Directors may in their absolute discretion, following consultation with the Depositary, shorten the period over which said expenses are amortised.

The preliminary expenses incurred in the establishment of each new Fund or Class will be charged to the respective Fund.

This practice, while standard, is not in accordance with International Financial Reporting Standards and, although this is not anticipated by the Directors, could lead to a divergence between the published Net Asset Value per Share, which is calculated in accordance with this Prospectus, and the Net Asset Value per Share included in the financial statements, which is calculated in accordance with International Financial Reporting Standards.

### **Directors' Remuneration**

The Constitution provides that the Directors shall be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors. However, Directors affiliated with Manulife Wealth and Asset Management are not entitled to a fee. The aggregate amount of Directors' remuneration in any one year shall not exceed €150,000 without the approval of the Directors. All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties.

### **Manager Fees and Expenses**

The fees and expenses of the Manager shall be specified in the Supplement for the relevant Fund.

The Manager may from time to time and at its sole discretion and out of its own resources decide to waive some or all of its management fee and/or performance fee applicable to a specific Class or the relevant Fund as a whole or it may share, or rebate some or all of such fees with/to intermediaries or Shareholders (any such rebates or fee sharing will take place outside of the relevant Fund).

### **Administration and Depositary Fees**

Under the Administration and Depositary Agreements, the Administrator and the Depositary are entitled to a fee at an annual rate which together shall not exceed 0.50% of the average Net Asset Value of a Fund (plus any applicable taxes).

The Depositary shall also be entitled to receive out of the assets of the Fund all agreed sub-custodian fees, transaction charges (which will be charged at normal commercial rates) together with reasonable out-of-pocket expenses incurred by the Depositary in the performance of its duties under the Depositary Agreement. Such custody fees shall accrue daily and be calculated and payable monthly in arrears.

The Administrator is also entitled to charge to the Fund all agreed fees and transaction charges, at normal commercial rates, together with reasonable out-of-pocket expenses (plus any applicable taxes), it incurs on behalf of the Fund in the performance of its duties under the Administration Agreement, which shall accrue and be calculated on each Dealing Day and payable monthly in arrears.

### **Initial Sales Charge**

Details of any applicable initial sales charge shall be specified in the “SHARE CLASSES” section.

### **Other Expenses**

The Company will bear all costs and expenses incurred in relation to its ongoing operation including, without limitation, all its operating costs, expenses, or those incurred by the Manager, the Administrator, the Company Secretary and the Depositary in connection with the ongoing management, administration and operation of the Company and other costs including but not limited to:

- (a) out-of-pocket expenses incurred by the Manager, the Depositary, the Company Secretary and the Administrator in the performance of their duties to the Company on such basis as may be determined by the Directors from time to time;
- (b) all clerical expenses and stamp duty (other than any payable by an applicant for Shares or a Shareholder) or other tax or duty which may be levied or payable from time to time on or in respect of the Company, a Fund or any Class of Shares or on creation, issue or redemption of Shares or any Class Shares or arising in any other circumstance;
- (c) all brokerage, stamp, fiscal and purchase or fiscal and sale charges and expenses arising on any acquisition or disposal of investments;
- (d) all expenses incurred in relation to the registration of any investments into and transfer of any investments out of the name of Company, a Fund or the Depositary, or any sub-custodian or their nominees or the holding of any investment or the custody of investments and/or any documents or title thereto (including bank charges, insurance of documents of title against loss in shipment, transit or otherwise) and charges made by the registrar or agents of the Depositary or any sub-custodian for acceptance of documents for safe custody, retention and/or delivery;
- (e) all expenses incurred in the collection of income and administration of the Company;
- (f) all costs and expenses of Shareholders’ meetings and preparing resolutions of Shareholders;
- (g) all taxation payable in respect of the holding of or dealings with or income from the Company’s property and in respect of allocation and distribution of income to Shareholders other than tax of Shareholders or tax withheld on account of Shareholders’ tax liability;
- (h) all commissions, charges, stamp duty, VAT and other costs and expenses of or incidental to any acquisition, holding, realisation or other dealing in investments of any nature whatsoever and including any non-U.S. exchange options, financial futures or of any other FDIs or the provision of cover or margin therefor or in respect thereof or in connection therewith;
- (i) all stationery, telephone, facsimile, printing, translation and postage costs in connection with the preparation, publication and distribution of the Net Asset Value, the Net Asset Value per Share, any cheques, warrants, tax certificates, statements, accounts and reports made, issued or dispatched;
- (j) all legal and other professional advisory fees incurred by the Company, including but not limited to the fees and expenses of the Company’s auditors and company secretarial fees, and professional consulting fees;

- (k) any statutory fees payable, including any fees payable to the Companies Registration Office, the Central Bank or to any regulatory authority or fiscal authority in any country or territory, the costs and expenses (including legal, accountancy and other professional charges and printing costs) incurred in meeting on a continuing basis the notification, registration, tax reporting and costs of qualifying the Shares for favourable tax treatment in any of the jurisdictions where the Shares are marketed and other requirements of each such regulatory or fiscal authority, and any fees and expenses of representatives or facilities agents in any such other country or territory;
- (l) all fees and costs relating to a scheme of reconstruction and amalgamation (to the extent it has not been agreed that such expenses should be borne by other parties);
- (m) any interest on borrowings, any commitment fee and/or redemption facility of the Company;
- (n) all expenses and fees relating to any periodic update of the Prospectus or any other documentation relating to the Company;
- (o) all fees and expenses of the Directors and any Directors' insurance premia;
- (p) the costs of winding up the Company, a Fund or terminating any Class; and
- (q) all costs and expenses incurred by the Company and any of their appointees which are permitted by the Constitution (including all set up expenses).

Notwithstanding the above, the Manager may in its discretion pay certain expenses on behalf of the Company.

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## SHARE CLASSES

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The following is a description of the Classes of Shares being offered. A more detailed description of the Classes of Shares offered for each Fund is included in the relevant Fund Supplement.

Shares can be either described as Distributing or Accumulating Shares. The Directors intend to distribute all of the distributable income attributable to Distributing Shares. No distribution of dividends shall be made for Accumulating Shares, and the income attributable to those Shares will be reflected in the increased value of the Shares.

The purchase proceeds of the various Share Classes of a Fund are invested in one common underlying pool of investments but the Net Asset Value of each Share Class will be different as a result of the differences in the issue price, fee structure and dividend policy between different Classes.

In relation to Currency Classes other than those denominated in the Base Currency, the Net Asset Value of the Class concerned will be calculated and published in the Class Currency and subscription proceeds for such Classes are to be paid by Shareholders (and redemption proceeds are paid to redeeming Shareholders) in such Class Currency.

Classes may be designated as hedged or unhedged classes.

### **Investment in Classes**

#### *Class A Shares*

Class A Shares are available for retail investors where the Funds are registered or where otherwise permissible. Class A Shares may be subject to an initial sales charge of up to 5% of the amount subscribed which may be deducted by or paid to the intermediary. The sales charge may be waived in whole or in part



by the intermediary either for individual Shareholders or a group of Shareholders. The balance of the amount subscribed after the deduction of any applicable sales charge will then be applied to the purchase of Shares in the relevant Fund. A portion of the ongoing management fee for Class A Shares may be paid to intermediaries and/or platforms. Such payments will only be made in compliance with MiFID II in the European Union or any other applicable legislation.

#### *Class W Shares*

Class W Shares are available at the discretion of the Manager. Purchases of Class W Shares are not subject to any initial sales charges. A portion of the ongoing management fee charged for Class W Shares may be paid to intermediaries and/or platforms. Such payments will only be made in compliance with MiFID II in the European Union any other applicable legislation. Such payments will only be made in compliance with MiFID II in the European Union or any other applicable legislation.

#### *Class I Shares*

Class I Shares are an institutional Share Class and are available at the discretion of the Manager. Class I Shares are not subject to any initial sales charge. A portion of the ongoing fees for Class I Shares may be paid for platform services. Such payments will only be made in compliance with MiFID II in the European Union or any other applicable legislation.

#### *Class E (formerly Class F Shares or "Founders" Shares)*

Class E Shares may be offered to certain institutional and financial intermediary investors at the discretion of the Manager. Purchases of Class E Shares are not subject to any sales charges.

#### *Class X Shares*

Class X Shares may only be offered to institutional investors or affiliates of the Manager at the discretion of the Manager. Class X Shares are, inter alia, designed to accommodate an alternative charging structure whereby a fee for the management of the assets attributable to Class X Shares of a Fund is levied and collected by the Manager directly from an investor who is a client of the Manager and who has entered into a specific agreement with the Manager. These fees will, therefore, not be payable out of the net assets of the relevant Fund attributable to Class X Shares. As a result, the annual Management Fee in the Fees and Expenses tables in the relevant Supplement is listed as "None." Class X Shares will, however, bear their pro-rata share of any other applicable expenses such as registrar, transfer, corporate, domiciliary, administration, custodian, audit and regulatory fees and charges as well as any applicable taxes and other charges and expenses as further described herein under "Fees and Expenses". Purchases of Class "X" Shares are not subject to any sales charge.

### **Classes with Performance Fees**

In certain Funds, a performance related management fee (the "Performance Fee") may be applicable. Where this is the case, the Share Classes to which the Performance Fee will be charged will be designated by including the letter "p" in the Share Class name and all other terms applicable to such Share Class will remain the same.

### **Minimum Initial Investment and Minimum Subsequent Investment**

Where a Class is offered in the relevant Supplement, the minimum initial investment requirements set out below in relation to the relevant Class apply to all variations of such Class, unless specifically stated otherwise in the relevant Supplement. As of the date of this Prospectus, it is not intended to impose minimum subsequent investment amounts; however, the Manager may do so in the future upon prior notification to Shareholders.

Where Class types other than those listed below are available for a particular Fund, the details of such Class will be set out in the relevant Supplement.

The Manager is authorised by the Directors to accept and instruct the Administrator to process subscriptions in relation to the Fund notwithstanding that the amount subscribed for may fall below the minimum initial investment. The discretion of the Manager in this regard will take account of the best interests of the Fund.

<b>Class</b>	<b>Minimum Initial Investment</b>
<b>Class A</b>	1,000 in class currency 10,000 for Shares denominated in SEK
<b>Class W</b>	100,000 in class currency 1,000,000 for Shares denominated in SEK
<b>Class I</b>	1,000,000 in class currency 10,000,000 for Shares denominated in SEK
<b>Class E (formerly, F or “Founders”)</b>	10,000,000 in class currency 100,000,000 for Shares denominated in SEK
<b>Class X</b>	N/A

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## **ADMINISTRATION OF THE COMPANY**

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### **Eligible Shareholders**

Shares in some of the Funds may be available for purchase by a limited category of U.S. Persons that meet certain qualifications. For more information, please contact the Manager for details.

### **How to Purchase Shares**

The terms and conditions applicable to the subscription for Shares including the initial offer period, the Initial Offer Price, and minimum initial investment amounts are set out in the Supplement for the relevant Fund.

### **Subscriptions Following the Initial Offer Period**

Following the close of the initial offer period, investors may apply to subscribe for Shares in respect of each Dealing Day at the Subscription Price for the relevant Class calculated as at the Valuation Point in respect of the relevant Dealing Day.

The Subscription Price for the relevant Class will be calculated in accordance with the procedures referred to in the “DETERMINATION OF NET ASSET VALUE: Calculation of Subscription and Redemption Prices” section.

In order to receive Shares at the Subscription Price for the relevant Dealing Day, the Application Form must be received by the Administrator in good order by the Dealing Deadline (or such earlier or later or time as the Directors may determine in exceptional circumstances and in respect of specific applications only) provided however that all applications must be received prior to the Valuation Point.

Subsequent facsimile subscription requests may be processed without the need to submit original subscription documentation, provided cleared funds in respect of the subscription are received by the Administrator no later than the Dealing Day or such earlier or later day and/or time as the Directors may determine (in exceptional circumstances and only in respect of specific applications) provided that the application is received prior to the Valuation Point.

If payment for subscription orders is not received by the relevant deadline as set out in the relevant Supplement, a subscription may be cancelled or the investor may be charged interest on the outstanding subscription monies at normal commercial rates. In such an event, the individual investor may be held liable for any loss to a Fund. The Directors reserve the discretion to require receipt of subscription monies on the Dealing Day that the Shares are to be issued and the Directors may exercise this discretion, for example, with respect to new investors in a Fund. In exercising this discretion, the Directors will take into account legal considerations, timing matters and other considerations. Investors will be notified in advance, should the Directors exercise this discretion.

The Directors may limit or close, permanently or on a temporary basis, subscriptions for Shares of a Fund or any Class in their discretion.

The Company may issue fractional Shares rounded to three decimal places. Fractional Shares shall not carry voting rights.

### **Subscription Procedure**

Application for Shares of each Class should be made by written application using the Application Form available from the Administrator, or by such other electronic means (including applications via a Clearing System but not including email) as the Directors and the Administrator shall approve. Where application for Shares are made by written application, applicants should subscribe for Shares in accordance with the instructions contained in the Application Form. Signed original Application Forms, duly completed, should be sent to the Company c/o the Administrator in accordance with the instructions contained in the Application Form, which shall be provided promptly after submission of the Application Form by facsimile.

It is the responsibility of the investor or his or her agent to ensure that Application Forms are correctly completed and monies submitted in accordance with the terms of this Prospectus. Applications not in accordance with the terms of the Prospectus may be rejected without notice. Amendments to an investor's registration details and payment instructions will only be made following receipt of original written instructions, or in circumstances where the Shareholder's application was submitted via a Clearing System, by other electronic means approved by the Administrator. Applications will be irrevocable unless the Directors otherwise agree. Any subsequent application may be sent by fax or other electronic means. Applications by fax will be treated as definite orders and no application will be capable of withdrawal after acceptance by the Administrator.

In accordance with the Constitution, the Company has established an Umbrella Cash Account in the name of the Company through which subscription and redemption proceeds for the Funds will be channelled. The Directors will ensure that at all times the records of this account identify the cash as proceeds belonging to the individual Funds of the Company.

Payment will only be accepted by the Administrator in the relevant Class Currency.

The Company have standing arrangements in place for subscription monies to be paid by telegraphic transfer as specified in the Application Form available from the Administrator.

The Company is under no obligation to consider the allotment and issue of Shares to an applicant and reserves the right to reverse any allotment of Shares, unless in the case of applications in writing, it has received the relevant subscription documentation including the completed original Application Form, for initial applications and cleared funds no later than three Business Days after a Dealing Day or such earlier or later day and/or time as the Directors may determine (in exceptional circumstances only) in respect of specific applications or generally provided that the application is received prior to the Valuation Point.

In circumstances where these have not been received, the Company may compulsorily redeem and any Shares issued and the Shareholder shall be liable for any loss suffered by the Company in the event that the redemption proceeds are less than the amount originally subscribed for. For the avoidance of doubt, the relevant Shareholder shall not be entitled to any profit arising from such redemption of Shares in the event that the redemption proceeds are worth more than the amount originally subscribed for.

The Company has segregated liability between its Funds and accordingly in the event of the insolvency of a Fund, only Shareholders of that Fund will be affected.

### **Right to Reject Applications**

The Directors reserve the right to reject any application in whole or in part, in which event the application monies or any balance thereof will be returned to the applicant without interest at its own risk within a reasonable period following the closing of the initial offer period, or, in respect of subsequent applications, the relevant Dealing Day. Where applications are accepted, notification of the allotment and issue of Shares of the relevant Classes will be sent as soon as possible after the closing of the initial offer period and following the completion of the Net Asset Value computation after the relevant Dealing Day for subsequent issues.

### **Anti-Money Laundering Procedures**

#### *Verification of Identity*

Measures aimed at the prevention of money laundering may require an applicant to provide verification of identity to the Administrator. The Administrator, working in conjunction with the designated anti-money laundering reporting officer of the Company, will notify applicants if additional proof of identity is required. By way of example, an individual may be required to produce an original certified copy of a passport or identification card together with evidence of the applicant's 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), by-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners.

Existing Shareholders may be required to provide additional or updated identification documents from time to time pursuant to the Company's ongoing client due diligence requirements relevant to anti-money laundering legislation.

#### *Right to Reject Applications for AML purposes*

In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Administrator on behalf of the Company and the Directors may each refuse to accept the application and subscription monies and return all subscription monies or compulsorily redeem such Shareholder's Shares and/or payment of redemption proceeds may be delayed (no redemption proceeds will be paid if the Shareholder fails to produce such information). None of the Company, the Directors, the Manager or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily redeemed or payment of redemption proceeds is delayed in such circumstances. If an application is rejected, the Administrator will return application monies

or the balance thereof by telegraphic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Administrator will be obliged to refuse to pay or delay payment of redemption proceeds where the requisite information for verification purposes has not been produced by a Shareholder.

#### *Right to Terminate Relationship for AML purposes*

In the event of failure by an investor or applicant to provide documentation required to complete verification, within a reasonable period of time after subscription, the Administrator on behalf of the Company and the Directors may each determine to terminate the relationship with such Shareholder and redeem the Shareholder's Shares. Where such failure to provide the requisite documentation is associated with a suspicion of money-laundering, the Administrator on behalf of the Company and the Directors may not be able to return said monies to the relevant former Shareholder until such time as the money laundering concerns are addressed.

#### **Written Confirmations of Ownership**

The Administrator shall be responsible for maintaining the Company's register of Shareholders in which all issues, redemptions, conversions, and transfers of Shares will be recorded. Written confirmations of ownership will be issued in relation to the Shares. Shares will be in registered form. The Administrator will not issue a Share certificate in respect of Shares. A Share may be registered in a single name or in up to four joint names. The register of Shareholders will be conclusive evidence of ownership and an extract report of a Shareholder's own entry will be available for inspection by Shareholders upon reasonable notice at the registered office of the Company during normal business hours.

#### **In Specie or In Kind Subscriptions**

The Directors, at their discretion, reserve the right to accept or reject subscriptions to be satisfied by way of in specie or in kind transfers of assets, the nature of which shall be within the investment policy and restrictions of the relevant Fund.

Any in specie or in kind subscription that meets the investment criteria will be valued by the Directors in accordance with the valuation procedures of the Company set out in the "DETERMINATION OF THE NET ASSET VALUE" section.

The Directors reserve the right to decline to register any prospective investor on the register of Shareholders until the subscriber has been able to prove title to the assets in question and make a valid transfer thereof. Unless otherwise determined by the Directors, any in specie or in kind transfer will be at the investor's risk and the costs of such a transfer will be borne by the investor. Shares will not be issued until the investments have been vested or arrangements are made to vest the investments with the Depositary or its sub-custodian to the Depositary's satisfaction, and the number of Shares to be issued will not exceed the amount that would be issued if cash equivalent of investments had been invested and the Depositary is satisfied that the terms of such exchange shall not be such as are likely to result in any material prejudice to the existing Shareholders.

#### **How to Redeem Shares**

Requests for redemption of Shares should be addressed to the Company c/o the Administrator and may be made by fax or otherwise in writing by way of a signed redemption request provided that the Shareholder name and account number and the address and/or fax number from which the redemption request has been received corresponds to that listed as the Shareholder of record registered with the Administrator. Requests for redemption by fax may only be processed where payment is made to the bank account specified in the Application Form. To be effective, requests for redemption of Shares, duly completed, must be received by the Administrator by the Dealing Deadline. This notice period may be waived by the Directors in exceptional circumstances provided the request is received prior to the Valuation Point. Other

than in the event of a temporary suspension of the determination of the Net Asset Value, or where otherwise determined by the Directors, requests for redemption once made may not be withdrawn.

Redemption requests are not required to be accepted or payment made in respect thereof unless cleared funds are received by the relevant Dealing Day and completed documents (including the original Application Form and documentation relating to anti-money laundering prevention checks) are in place in relation to original subscriptions and the anti-money laundering procedures have been completed. No interest is payable to Shareholders in respect of any delay in paying such monies.

In circumstances where there is outstanding documentation on behalf of a Shareholder, the Administrator will process any redemption request received but may be unable to release the redemption proceeds to the former Shareholder. However, as the investor upon redemption is no longer the holder of the Shares in the Fund the proceeds of that redemption shall remain an asset held on behalf of the relevant Fund and the investor will rank as a general creditor of the Fund until such time as the Administrator is satisfied that its anti-money laundering procedures have been fully complied with, following which the redemption proceeds will be released. To avoid delays in the payment of redemption proceeds, issues in relation to outstanding documentation should be addressed promptly by investors.

The amount payable to a Shareholder upon redemption will be paid in the relevant Class Currency generally within 3 Business Days of the relevant Dealing Day and in any event within 10 Business Days of the Dealing Deadline. A currency conversion will take place on redemption at prevailing exchange rates and the value of the Share expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency.

The Company or its delegate will, if required by the laws of any relevant jurisdiction, make a withholding from any redemption proceeds payable to a redeeming Shareholder where the Company or its delegate considers such withholding to be in the best interests of Shareholders.

Partial redemptions of Shares may be effected. The Company will have the right to compulsorily redeem any holding of Shares where the Net Asset Value of that holding is less than the minimum holding applicable to the relevant Class (if any).

### **Deferral of Redemption Requests**

The Directors reserve the right to refuse to redeem Shares of the Company where the redemptions made and requested in respect of a Dealing Day would otherwise exceed 10% of the Net Asset Value or 10% of the Shares of the relevant Fund as at such Dealing Day. If they so refuse, the requests for redemption on such Dealing Day shall be reduced rateably and the Shares to which each request relates which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all the Shares to which the original request related have been redeemed.

The Constitution provides that the Directors may set limits on the number of Shares that the Company will be obliged to redeem lower than the prescribed levels outlined above, from time to time, in accordance with the requirements of the Central Bank. This power may be exercised by the Directors and acting in the best interests of Shareholders, with the consent of the Depositary, in extraordinary market circumstances.

### **In Specie or In Kind Redemptions**

The Directors may, with the consent of the redeeming Shareholder, satisfy any request for redemption of Shares in whole or in part by the transfer in specie or in kind to such Shareholder of assets of a Fund having a value equal to the Redemption Price for the Shares redeemed as if the redemption proceeds were paid in cash less any expenses of the transfer. Where such request for redemption represents 5% or more of the Net Asset Value of a Fund, the Directors may in their absolute discretion arrange to satisfy a redemption in whole or in part in specie or in kind by way of the transfer of shares, securities and/or other assets of the Fund's portfolio having a value equal to the Redemption Price for the Shares redeemed as if the redemption

proceeds were paid in cash. In this event the Fund will, if requested, sell the assets on behalf of the Shareholder. The costs of effecting such transfer or sale shall be deducted from the redemption proceeds. In the case of a redemption in specie or in kind, the asset allocation will be subject to the prior approval of the Depositary in accordance with the requirements of the Central Bank.

### **Compulsory Redemption or Transfer**

The Company may compulsorily redeem all of the Shares of the Company if the Net Asset Value of the Company is less than USD 20,000,000 or compulsorily redeem all of the Shares of a Fund if the Net Asset Value of that Fund is less than USD 10,000,000.

The Company has the right at any time compulsorily to redeem or transfer Shares if in the reasonable belief of the Directors such Shares are acquired or held directly or beneficially by: (i) any person in breach of the law or requirements of any country or governmental authority by virtue of which such person is not qualified to hold Shares including without limitation any exchange control regulations; (ii) by any person who holds less than the minimum holding for the relevant Class (if any) or who does not supply any information or declaration required under the Constitution or the Application Form; (iii) where the continued ownership of such Shares by the Shareholder is deemed to be harmful or injurious to the business or reputation of the Company or a Fund; or (iv) by any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstance appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Company or Fund or the Shareholders as a whole or of any Fund or Class incurring any liability to taxation or suffering legal, pecuniary, regulatory or material administrative disadvantage which the Company or Fund or the Shareholders as a whole or of any Class might not otherwise have incurred or suffered.

Any such compulsory redemption or compulsory transfer shall, as determined by the Directors taking due account of the interests of the remaining Shareholders of a Fund or Class, be made at a price equal to the Redemption Price less interest accrued or costs or penalties, if any.

The Company may apply the proceeds of such compulsory redemption or transfer in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by a Shareholder including any interest or penalties payable thereon. Each Shareholder will indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the occurrence of an event giving rise to a charge to taxation.

### *Transfer of Shares*

All transfers of Shares shall be effected by transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor and the transferee and the form must be submitted to the Administrator in writing or via fax. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Share register in respect thereof. Where the transferee is not an existing Shareholder in the Company, the transferee must complete an Application Form and comply with the relevant anti-money laundering procedures.

The Directors may decline to register any transfer of Shares if in consequence of such transfer the transferor or transferee would hold less than the minimum holding for the relevant Fund (if any) or would otherwise infringe the restrictions on holding Shares outlined above or otherwise be inconsistent with the terms of this Prospectus. Transfers of Shares generally will not be permitted in the United States or to any U.S. Person except as permitted pursuant to an exemption under the 1933 Act. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than 30 days in any year. The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the Company or at such other place as the Directors may reasonably require together with such

other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

### **Withholdings and Deductions**

The Company may be required to account for tax on the value of the Shares redeemed or transferred at the applicable rate unless it has received from the transferor a declaration in the prescribed form confirming that the Shareholder is not an Irish Resident or unless the Company has implemented equivalent measures acceptable to the Irish Revenue Commissioners prohibiting the sale of Shares to Irish Resident investors in respect of whom it is necessary to deduct tax (see the "TAXATION" section below for further details). The Company reserves the right to redeem such number of Shares held by a transferor as may be necessary to discharge the tax liability arising therefrom. The Company reserves the right to refuse to register a transfer of Shares until it receives a declaration as to the transferee's residency or status in the form prescribed by the Irish Revenue Commissioners.

### **Conversion / Exchange of Shares**

Solely with the consent of the Manager (or any delegate), a Shareholder may convert Shares of one Fund or Class into Shares of another Fund or Class (if available) on any Valuation Day on giving notice to the Administrator in such form as the Manager or its delegate may require, subject to the following limitations:

Conversion is not intended to facilitate short-term or excessive trading. The conversion is effected by arranging for the redemption of Shares of one Fund or Class and subscribing for the Shares of the other Fund or Class with the proceeds.

Conversion will take place in accordance with the following formula:

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

where:

- NS = the number of Shares in the new Fund to be allotted;
- A = the number of the Shares in the original Fund to be converted;
- B = the Redemption Price of the Shares in the original Fund to be converted on the relevant Dealing Day;
- C = the currency conversion factor (if any) as determined by the Directors as representing the effective rate of exchange on the relevant Business Day between the Base Currency of the original Fund or Class Currency and the new Fund (where the base currencies or class currencies are different);
- D = the Subscription Price per Share in the new Fund applicable to subscription applications received on the relevant Dealing Day plus; and
- Tc = a conversion fee (where applicable) incurred in connection with the proposed transaction which shall not in any event exceed 3% of the Net Asset Value per Share.

If NS is not an integral number of Shares the Directors reserve the right to issue fractional Shares in the new Fund or Class or to return the surplus arising to the Shareholder seeking to convert the Shares.

The length of time for completion of a conversion will vary depending on the Funds involved and the time when the conversion is initiated. In general, the length of time for completion of a conversion will depend upon the time required to obtain payment of redemption proceeds from the relevant Fund whose Shares are being acquired. As the conversion of Shares may require the consent of the Manager, once a request is made the need for such consent may result in Shares being converted on a Dealing Day subsequent to the Dealing Day on which the Shareholder initially wished to have the Shares converted. Any conversion will take place at prevailing exchange rates as the value of the Shares expressed in the Class Currency in



which the Shareholder wishes to have the Shares converted to and will be subject to exchange rate risk in relation to the Base Currency.

### **Excessive Trading**

Investment in the Funds is intended for medium to long-term purposes only. The Manager will take reasonable steps to seek to prevent excessive short-term trading. Excessive short-term trading (or market timing) into and out of a Fund or other abusive trading practices may disrupt portfolio investment strategies and may increase expenses, and adversely affect investment returns, for all Shareholders, including long-term Shareholders who do not generate these costs. The Company reserves the right to reject any application for Shares (including any conversion or transfer requests) by any investor or group of investors for any reason without prior notice, including, in particular, if it believes that the trading activity would be disruptive to a Fund. For example, the Company may refuse a subscription order (or to execute a transfer request) if the Manager and/or Sub-Investment Manager believes it would be unable to invest the money effectively in accordance with a Fund's investment policy or a Fund would otherwise be adversely affected due to the size of the transaction, frequency of trading or other factors.

The trading history of accounts under common ownership or control may be considered in enforcing these policies. Transactions placed through the same financial intermediary on an omnibus basis may be deemed a part of a group for purposes of this policy and may be rejected in whole or in part by a Fund.

Transactions accepted by a financial intermediary in violation of the Manager's excessive trading policy are not deemed accepted by the Manager and may be cancelled or revoked by the Manager on the next Business Day following receipt.

Investors should be aware that there are practical restraints both in determining the policy which is appropriate in the interests of long term investors, and in applying and enforcing such policy. For example, the ability to identify and prevent covert trading practices or short-term trading where investors act through omnibus accounts is limited. Also, investors such as fund of funds and asset allocation funds will change the proportion of their assets invested in a Fund in accordance with their own investment mandate or investment strategies. The Manager will seek to balance the interests of such investors in a way that is consistent with the interests of long-term investors but no assurance can be given that the Manager will succeed in doing so in all circumstances. For example, it is not always possible to identify or reasonably detect excess trading that may be facilitated by financial intermediaries or made difficult to identify by the use of omnibus accounts by those intermediaries.

The Manager, (where possible from the reports provided by the Administrator to assist in the analysis), will endeavour to monitor "round trips". A "round trip" is a redemption or conversion out of a Fund (by any means) followed by a purchase or conversion back into the same Fund (by any means). The Manager may limit the number of round trips carried out by a Shareholder.

### **Data Protection Notice**

In the course of its business, the Company (and/or any of its delegates) collects, records, stores, adapts, transfers and otherwise processes information by which prospective Shareholders may be directly or indirectly identified ("**Personal Data**"). The Company (and/or any of its delegates) is a "data controller", within the meaning of Data Protection Legislation, and undertakes to hold any personal information provided by Shareholders in confidence and in accordance with Data Protection Legislation.

The Company (and/or any of its delegates) may process a Shareholder's data for any one or more of the following purposes and legal bases:

- operating the Funds, including managing and administering a Shareholder's holding in the relevant Fund and any related accounts on an on-going basis (*i.e.*, for the performance of the Company's contract with the Shareholder);

- to comply with any applicable legal, tax or regulatory obligations, including legal obligations under the Companies Act, anti-money laundering legislation and financial services regulations;
- for any other legitimate business interests of the Company or a third party to whom the data is disclosed, where such interests are not overridden by the interests of a data subject, including for statistical analysis and market research purposes; or
- for any other specific purposes where Shareholders have given their specific consent. Where processing of personal data is based on consent, the Shareholders will have the right to withdraw it at any time.

The Company (and/or any of its delegates) may disclose or transfer personal data, whether in Ireland or elsewhere (including companies situated in countries outside of the EEA), to third parties, including financial advisers, regulatory bodies, taxation authorities, auditors, technology providers or the Company's delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above.

The Company and the Manager will not keep personal data for longer than is necessary for the purpose(s) for which it was collected. In determining appropriate retention periods, the Company and the Manager shall have regard to the Statute of Limitations Act 1957, as amended, and any statutory obligations to retain information, including anti-money laundering, revenue and tax legislation. The Company and the Manager will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.

Where specific processing is based on a Shareholder's consent, that Shareholder has the right to withdraw it at any time. Shareholders have the right to request access to their personal data kept by the Company and the Manager; and the right to rectification or erasure of their data; to restrict or object to processing of their data, and to data portability.

The Company (and/or any of its delegates) will not transfer personal data to a country outside of the EEA unless that country ensures an adequate level of data protection or appropriate safeguards are in place. The European Commission has prepared a list of countries that are deemed to provide an adequate level of data protection which, to date, includes Switzerland, Guernsey, Argentina, the Isle of Man, Faroe Islands, Jersey, Andorra, Israel, New Zealand and Uruguay. Further countries may be added to this list by the European Commission at any time. The US is also deemed to provide an adequate level of protection where the US recipient of the data is Privacy Shield-certified. If a third country does not provide an adequate level of data protection, then the Company (and/or any of its delegates) will rely on the "Model Clauses" (which are standardised contractual clauses, approved by the European Commission) or Binding Corporate Rules or one of the other alternative measures provided for in Data Protection Legislation.

Where processing is carried out on behalf of the Company, the Company shall engage a "data processor", within the meaning of Data Protection Legislation, who provides sufficient guarantees to implement appropriate technical and organisational security measures in such a manner that processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of Shareholders. The Company will enter into a written contract with the data processor which will set out the data processor's specific mandatory obligations laid down in Data Protection Legislation, including to only process personal data on documented instructions from the Company.

As part of the Company's and the Manager's business and ongoing monitoring, the Company and the Manager may from time to time carry out automated decision-making in relation to Shareholders, including profiling of Shareholders, and this may result in a Shareholder being identified to the Irish Revenue Commissioners and law enforcement authorities, and the Company terminating its relationship with the Shareholder.

Shareholders are required to provide their Personal Data for statutory and contractual purposes. Failure to provide the required data will result in the Company being unable to permit the Shareholder's investment

in the Funds and this may result in the Company terminating its relationship with the Shareholder. Shareholders have a right to lodge a complaint with the Data Protection Commission if they are unhappy with how the Company or the Manager is handling their data.

## **CRS**

For the purposes of complying with its automatic exchange of information obligations under the OECD's CRS as implemented in Irish law, the Company or its delegate is required to collect certain information in respect of each investor, and in respect of certain controlling persons in the case of the investor being an entity rather than an individual, (e.g. name, address, jurisdiction of residence, tax identification number (TIN), date and place of birth (as appropriate), the "account number" and the "account balance" or value at the end of each calendar year) so as to identify "accounts" which are reportable to the Irish Revenue Commissioners under the CRS. Such information may in turn be exchanged by the Irish Revenue Commissioners with the tax authorities of other jurisdictions in accordance with the requirements of the CRS.

Further information in relation to CRS can be found on the Automatic Exchange of Information (AEOI) webpage on [www.revenue.ie](http://www.revenue.ie).

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## **DISTRIBUTION POLICY**

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Under the Constitution, the Directors are entitled to pay such dividends on any Class of Shares at such times as they think appropriate and as appear to be justified out of the profits of the relevant Fund as further described below. The amount available for distribution in respect of any Accounting Period or part thereof shall be unless otherwise stated in the relevant Supplement the net income of the relevant Fund (whether in the form of dividends, interest or otherwise) and/or net realised gains (i.e., realised gains net of realised and unrealised losses) or net realised and unrealised gains (i.e., realised and unrealised gains net of realised and unrealised losses) during the Accounting Period, subject to such adjustments as may be determined by the Directors to be appropriate in accordance with the Constitution.

For all Accumulating Classes, the Directors intend to accumulate and to automatically reinvest all earnings, dividends and other distributions of whatever kind pursuant to the investment objectives and policies of the relevant Fund for the benefit of Shareholders in the relevant Fund.

For all Distributing Classes, the frequency upon which Directors intend to declare dividends is set out in the Supplement for the relevant Fund.

Any change to the distribution policy of a Fund will be notified in advance to Shareholders and will be noted in an addendum or a revision to the Prospectus.

Any dividends payable (and not applied to the purchase of further Shares of the relevant Class) will be paid by electronic transfer at the Shareholder's risk, the cost of which will normally be passed on to the Shareholder, although the Directors have the discretion to determine that these charges should be borne by the relevant Fund. Payment of dividends may be withheld, without payment of interest, where the identity of the recipient has not been sufficiently established for anti-money laundering purposes in accordance with the procedures set out in the "ADMINISTRATION OF THE COMPANY; Anti-Money Laundering Procedures" section.

Any failure to supply the Company, the Manager or the Administrator with any documentation requested by them for anti-money laundering purposes may result in a delay in the settlement of any dividend payments. In such circumstances, any sums payable by way of dividends to Shareholders shall remain as asset of the Fund until such time as the Administrator is satisfied that its anti-money laundering procedures have been fully complied with, following which such dividend will be paid.

No dividends, returns of capital or other amounts payable to any Shareholder shall bear interest against the Company.

All unclaimed amounts payable as aforesaid by the Company on behalf of the relevant Fund may be invested or otherwise made use of for the benefit of the relevant Fund until claimed. Payment by the Company of any unclaimed amount payable in respect of a Share into a separate account held by the Depository on behalf of the Company for use by the relevant Fund shall not constitute the Company as a trustee in respect thereof. Any dividend or return of capital unclaimed after 6 years from the date when it first became payable shall be forfeited automatically and shall revert back to the relevant Fund, without the necessity for any declaration or other action by the Company.

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## DETERMINATION OF NET ASSET VALUE

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### Calculation of Net Asset Value

Except when the determination of the Net Asset Value has been temporarily suspended in the circumstances set out in the "Temporary Suspension of Valuation of the Shares and of Sales and Redemptions" section below, the Net Asset Value of the assets of the Company will be calculated as at the Valuation Point and rounding the resulting total to two decimal places (or such other number of decimal places as the Directors in consultation with the Administrator may determine) in respect of each Dealing Day or more frequently if required by the Directors.

The Net Asset Value of a Fund is the value of assets less the total liabilities of a Fund. These assets include the sum of all cash, accrued interest and the value of all investments held by the Company which, in each case, are attributable to a Fund. Total liabilities include borrowings and amortised expenses, all accrued expenses and any contingencies (including tax) for which reserves are determined to be required which, in each case, are attributable to a Fund.

The method of calculating the value of the assets of a Fund is as follows:-

- (a) the value of an investment which is quoted, listed or normally dealt in on a Regulated Market shall be the last traded price (or if no last traded price is available the latest bid price) on such Regulated Market as at the Valuation Point provided that:
  - (i) if an investment is quoted, listed or normally dealt in on more than one Regulated Market, the Directors may, in their absolute discretion, select any one of such markets for the foregoing purposes (provided that the Directors have determined that such market constitutes the main market for such investment or provides the fairest criteria for valuing such securities) and once selected a market shall be used for future calculations of the Net Asset Value with respect to that investment unless the Directors (with the approval of the Depository) otherwise determine;
  - (ii) in the case of any investment which is quoted, listed or normally dealt in on a Regulated Market but in respect of which for any reason, prices on that market may not be available at any relevant time, or, in the opinion of the Directors, may not be representative, the value thereof shall be the probable realisation value thereof estimated with care and in good faith by a competent person, firm or association (including the Manager or its delegate) appointed by the Directors and approved for the purpose by the Depository; and
  - (iii) in the case of any investment which is quoted, listed or normally dealt in on a Regulated Market but which was acquired at a premium or at a discount outside or off the relevant market, the level of premium or discount at the date of valuation may be taken into account when valuing such investment provided the Depository

ensures that the adoption of such procedure is justifiable in the context of establishing the probable realisation value thereof.

- (b) the value of any investment which is not quoted, listed or normally dealt in on a Regulated Market shall be the probable realisable value estimated with care and in good faith by a competent person, firm or association (including the Manager or its delegate) appointed by the Directors and approved for the purpose by the Depositary;
- (c) the value of prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof;
- (d) the value of cash (in hand or deposit) is valued at face/nominal value plus accrued interest from the date on which the same were acquired or made;
- (e) the value of units or shares in collective investment schemes (other than those valued pursuant to paragraph (a) above) shall be valued at the latest available Net Asset Value as published by the relevant collective investment scheme or (if bid and offer prices are published) the latest published bid price;
- (f) the value of exchange traded FDIs shall be based on the settlement price, as determined by the market in question, as at the Valuation Point, provided that where it is not the practice for the relevant market to quote a settlement price or such settlement price is not available for any reason as at the Valuation Point, such value shall be the probable realisation value thereof estimated with care and in good faith by a competent person, firm or association (including the Manager or its delegate) appointed by the Directors and approved for the purpose by the Depositary;
- (g) the value of forward non-U.S. exchange contracts which are dealt on a Regulated Market shall be calculated by reference to freely available market prices at which a new forward contract of the same size, currency and maturity could be effected at the Valuation Point, provided that if such market price is not available for any reason, such value shall be calculated in the same manner as over the counter FDI outlined in paragraph (h) below;
- (h) the value of any over the counter (“OTC”) FDI shall be:
  - (i) the valuation from the counterparty provided that such valuation is provided on a daily basis and verified at least weekly by a person independent of the counterparty and who is approved for the purpose by the Depositary; or
  - (ii) where an alternative valuation is used (i.e. a valuation that is provided by a competent person, firm or association (including the Manager or its delegate)) appointed by the Directors and approved for that purpose by the Depositary, the valuation principles employed must follow best international practice established by bodies such as IOSCO (International Organisation for Securities Commission) and AIMA (the Alternative Investment Management Association). Any such valuation shall be reconciled to that of the counterparty on a monthly basis and if significant differences arise the Company shall arrange for these to be investigated promptly and seek explanations from the relevant parties.
- (i) the value of forward non-U.S. exchange and interest rate swap contracts shall be valued in accordance with paragraph (h) above or, alternatively, by reference to freely available market quotations;

- (j) the value of certificates of deposit, where they do not fall under (a) above shall be valued if the Directors deem it necessary by reference to the latest available sale price for certificates of deposit of like maturity, amount and credit risk at the Valuation Point or, if such price is not available, at the latest bid price or, if such price is not available or is unrepresentative in the opinion of Directors of the value of such certificates of deposit, at the probable realisation value estimated with care and in good faith by a competent person, firm or association (including the Manager or its delegate) appointed by the directors and approved for the purpose by the Depositary;
- (k) the value of short-term money market fund shall be valued using the amortised cost method of valuation only in relation to Funds which comply with the Central Bank's requirements for money market funds and where a review of the amortised cost method of valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's guidelines;
- (l) the value of Money Market Instruments in a non-money market fund shall be valued on an amortised basis in accordance with the Central Bank's requirements; and
- (m) the Directors may, with the approval of the Depositary, adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.

In the event of it being impossible or incorrect to carry out a valuation of a specific asset in accordance with the valuation rules set out in paragraph (a) to (m) above, or if such valuation is not representative of an asset's fair market value, the Directors (or their delegate) are entitled to use other generally recognised valuation methods in order to reach a proper valuation of that specific asset, provided that the Directors deem it necessary and any alternative method of valuation is approved by the Depositary.

The Net Asset Value of the assets of a Fund will be expressed in the Base Currency. The value of any assets or liabilities expressed in terms of currencies other than the Base Currency will be translated into the Base Currency of the relevant Fund at prevailing market rates as determined by the Administrator.

None of the Directors, the Company, the Manager, the Depositary or the Administrator shall have any liability in the event that any price or valuation used in good faith in connection with the above procedures proves to be an incorrect or an inaccurate estimate or determination of the price or value of any part of the property of the Company.

#### **Calculation of Net Asset Value per Share**

The Net Asset Value of a Fund calculated as provided above shall be allocated between each Class in accordance with the respective values in the Base Currency, represented by subscriptions and redemptions of Shares of each Class received or made from time to time and as further adjusted for any dividends paid.

Where different entitlements, costs or liabilities apply in respect of different Classes, these are for this purpose excluded from the initial calculation of the Net Asset Value and shall be applied separately to the Net Asset Value allocated to each relevant Class. The portion of the Net Asset Value attributable to each Class shall then be converted into the relevant Class Currency (if different) at prevailing exchange rates applied by the Administrator and shall be divided by the number of Shares of the relevant Class in issue as at the relevant Valuation Point in order to calculate the Net Asset Value per Share of the relevant Class.

#### **Publication of the Prices of the Shares**

The most-up-to-date Net Asset Value per Share of each Fund and the Bloomberg ticker codes will be made available on the Company's website at: [ucits.manulifeim.com](http://ucits.manulifeim.com) on each Dealing Day. In addition, the most-up-to-date Net Asset Value per Share of each Fund is available on request from the Administrator during normal business hours.

## Calculation of Subscription and Redemption Prices

### *Subscription Prices*

The price at which Shares of each Class may be subscribed on a Dealing Day is the Subscription Price per Share of the relevant Class and is calculated as at the Valuation Point in respect of the relevant Dealing Day of a subscription.

The Subscription Price per Share of each Class is ascertained by:-

- (a) determining the Net Asset Value per Share of the relevant Class as at the Valuation Point for the relevant Dealing Day;
- (b) adding thereto a provision for Duties and Charges, if the Directors so determine;
- (c) in the case of Hedged Share Classes, adding thereto or deducting therefrom (as the case may be) the cost and gains/losses of any currency hedging transaction effected in respect of such Class; and
- (d) in the event of subscription applications exceeding redemption requests for the relevant Fund on any Dealing Day and if the Directors so determine, adding thereto such provision representing a Dilution Levy to provide for market spreads, dealing costs and preserve the value of the underlying assets of the relevant Fund.

### *Redemption Prices*

The price at which Shares may be redeemed on a Dealing Day is the Redemption Price per Share of the relevant Class and is calculated as at the Valuation Point in respect of the relevant Dealing Day for the redemption.

The Redemption Price per Share of the relevant Class is ascertained by:-

- (a) determining the Net Asset Value per Share of the relevant Class as at the Valuation Point for the relevant Dealing Day;
- (b) deducting therefrom a provision for Duties and Charges, if the Directors so determine;
- (c) in the case of Hedged Share Classes, adding thereto or deducting therefrom (as the case may be) the cost and gains/losses of any currency hedging transaction effected in respect of such Class; and
- (d) in the event of requests for redemption exceeding subscription applications for the relevant Fund on any Dealing Day and if the Directors so determine, deducting therefrom such provision representing a Dilution Levy to provide for market spreads, dealing costs and preserve the value of the underlying assets of the relevant Fund.

The Subscription Price and the Redemption Price of Shares of each Class is available from the Administrator on request.

### **Temporary Suspension of Valuation of the Shares and of Sales and Redemptions**

The Company may temporarily suspend the determination of the Net Asset Value and the sale or redemption of Shares of any Fund during:

- (a) any period (other than ordinary holiday or customary weekend closings) when any market or Regulated Market is closed which is the main market for a significant part of such Fund's investments, or when trading thereon is restricted or suspended;
- (b) any period during which disposal or valuation of investments which constitute a substantial portion of the assets of such Fund is not practically feasible or if feasible would be possible only on terms materially disadvantageous to Shareholders;
- (c) any period when, in the opinion of the Directors, for any reason the prices of any investments of such Fund cannot be reasonably, promptly, or accurately ascertained by the Administrator;
- (d) any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments of such Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (e) any period when the volume of requests for the redemption of Shares on any Dealing Day would, in the opinion of the Directors, require the sale of a substantial proportion of the liquid assets of the portfolio of such Fund to the detriment of the remaining Shareholders;
- (f) any period when, in the opinion of the Directors, for any reason the latest Net Asset Value preceding the notice of suspension is determined not to be reliable;
- (g) any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from such Fund's account;
- (h) any period following the service on the Shareholders of a notice to consider a resolution to wind up the Company or close such Fund;
- (i) upon mutual agreement between the Company and the Depositary for the purpose of winding up the Company; or
- (j) any other reason makes it impossible or impracticable to determine the value of a substantial portion of the investments of the Company or such Fund.

Notice of any such suspension and notice of the termination of any such suspension shall be published by the Company in such manner as the Manager may deem appropriate to notify the persons likely to be affected thereby and given without delay and in any event within the same Business Day to the Central Bank. All reasonable steps will be taken to bring a period of suspension to an end as soon as possible.

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## CONFLICTS OF INTEREST

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The Manager, the Administrator, the Depositary (including their delegates and affiliates) and any of their respective directors, members, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an "Interested Party") may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar or identical to those provided to the Company to other entities and shall not be liable to account for any profit earned from any such services. The Directors shall endeavour to procure that such parties shall at all times have due regard to their duties owed to the Company. For example, an Interested Party may acquire investments in which a Fund may invest on behalf of other clients and the Interested Party. However, where the Manager or a Sub-Investment Manager could (i) allocate an investment between two or more funds or accounts which it manages (including a Fund) or (ii) make a disposal of investments held by two or more such funds or accounts, it will act fairly as between the relevant funds or accounts in making such allocation or disposal,



having regard to, inter alia, factors such as cash availability and portfolio balance. In addition, other client accounts and Interested Parties may take differing or opposite transaction for accounts.

A Fund may acquire securities from or dispose of securities to any Interested Party or any investment fund or account advised or managed by any such person.

An Interested Party may provide professional services to the Company (provided that no Interested Party shall act as auditor to the Company) or hold Shares and buy, hold or deal in any investments for their own accounts notwithstanding that similar investments may be held by a Fund. An Interested Party may contract or enter into any financial or other transaction with any Shareholder or with any entity any of whose securities are held by or for the account of a Fund, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions to which it or he is contractually entitled in relation to any sale or purchase of any investments of a Fund effected by it for the account of a Fund, provided that in each case the terms are no less beneficial to a Fund than a transaction involving a disinterested party and any commission shall be in line with market practice.

Where the “competent person” valuing unlisted securities is a related party to the Company possible conflict of interests which may arise include the fact that a valuation provided by that entity may result in it obtaining a higher fee where its fee is based on a percentage of the Net Asset Value of the Company. Where it is a party related to the OTC counterparty (even one which, in accordance with the requirements of the Central Bank, constitutes an independent unit within the counterparty’s group and which does not rely on the same pricing models employed by the counterparty) possible conflicts of interest which may arise include the fact that a valuation provided by that entity may result in a greater or lesser exposure for the counterparty, including related margin requirements. In these scenarios reconciliations will take place on a monthly basis and significant differences arising will be promptly investigated and explained at that stage but accordingly there is a risk of differences arising and persisting in the interim leading to the risks highlighted above.

There is no prohibition on transactions with the Company by Interested Parties including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the Company and none of them shall have any obligation to account to the Company for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions (i) are consistent with the best interests of the Company and Shareholders in a Fund; (ii) are conducted on an arm’s length basis; and (iii) are subject to:

- (a) a certified valuation by a person approved by the Depositary (or, in the case of a transaction entered into by the Depositary, the Directors) as independent and competent; or
- (b) execution on best terms on an organised investment exchanges under their rules; or
- (c) where (a) and (b) are not practical, execution on terms which the Depositary is (or, in the case of a transaction entered into by the Depositary, the Directors are) satisfied conform with the principle that such transactions are conducted at arm’s length and in the best interests of Shareholders.

In the event of a conflict of interest arising, the Directors will endeavour to ensure that it is resolved fairly. There are no other agreements in place involving the Directors acting in a personal capacity other than those disclosed in this document.

The directors of the Manager are satisfied that no actual or potential conflict of interest arises as a result of the Manager managing other funds. However, if any conflict of interest should arise, the directors of the Manager will endeavour to ensure that it is resolved fairly and in the interest of Shareholders.

The Manager or a Sub-Investment Manager may, in the course of their business have potential conflicts of interest with the Company. The Manager or a Sub-Investment Manager will, however, have regard in such event to its obligations under their respective agreements and, in particular, to their obligations to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients, when

undertaking any investments where conflicts of interest may arise and will use best efforts to resolve such conflicts fairly.

The Manager and each Sub-Investment Manager has adopted a policy intended to restrict and monitor all personal trading by the employees of the Manager and each Sub-Investment Manager (including their delegates and affiliates) in order to ensure that there is no conflict between such personal trading and the interests of the investment funds managed by the Manager's and the Sub-Investment Manager's other clients.

From time to time, conflicts may arise between the Depositary and its delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another depositary service it provides to the Company. In the event of any potential conflicts of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws.

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## **SOFT COMMISSIONS**

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The Manager (or its delegate) may make use of commission arrangements to enable it to obtain specialist services the benefits of which assist in the provision of investment services to the Funds and which are not available from traditional broking services. Such services may include access to research or pricing facilities. All transactions undertaken on a soft commission basis will be subject to the fundamental rule of best execution by the broker/counterparty and will also be disclosed in the subsequent relevant semi-annual reports and annual reports of the Company.

Soft commission arrangements occur when brokers have agreed to provide other services (relating to research and trade execution) at no cost to the Manager (or its delegate) in exchange for brokerage business from the Manager's (or its delegate's) managed accounts and investment funds. Although the brokers involved in soft commission arrangements do not necessarily charge the lowest brokerage commissions, the Manager (or its delegate) will nonetheless enter into such arrangements where the brokers have agreed to provide best execution and/or the value of the research and other services exceeds any incremental commission costs. Details of any such soft commission arrangements will be disclosed in the period reports of the relevant Fund.

The Manager (or its delegate) intends to enter into soft commission arrangements in accordance with industry standards when it is of the view that the arrangements enhance the quality of the provision of the investment services to the Company. While such arrangements are designed to be for the benefit of its clients, not all soft commission arrangements will benefit all clients at all times.

In selecting brokers or dealers to execute transactions and negotiating their commission rates, the Fund is expected to consider one or more of such factors as price, execution capabilities, reputation, reliability, financial resources, the quality of research products and services and the value and expected contribution of such services to the performance of the Fund. It is not possible to place a dollar value on information and services received from brokers and dealers, as they only supplement the research efforts of the Fund. If the Fund determines in good faith that the amount of the commissions charged by a broker or dealer is reasonable in relation to the value of the research products or services provided by such broker or dealer, the Fund may pay commissions to such broker or dealer in an amount greater than the amount another broker or dealer might charge.

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## **TAXATION**

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### **GENERAL**

The statements on taxation below are intended to be a general summary of certain Irish tax consequences that may result to the Company and Shareholders. The information given is not exhaustive and does not constitute legal or tax advice. The statements relate to Shareholders holding shares as an investment (as opposed to an acquisition by a dealer) and are based on the law and practice in force in the relevant jurisdiction at the date of this document. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely.

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

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

## TAXATION IN IRELAND

### Definitions

**“Exempt Irish Investor”**, an intermediary; a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies; a company carrying on life business within the meaning of Section 706 of the Taxes Act; an investment undertaking within the meaning of Section 739B(1) of the Taxes Act; an investment limited partnership within the meaning of Section 739J of the Taxes Act; a special investment scheme within the meaning of Section 737 of the Taxes Act; a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act; a unit trust to which Section 731(5)(a) of the Taxes Act applies; a specified company within the meaning of Section 734(1) of the Taxes Act; a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund; a qualifying savings manager within the meaning of Section 848B of the Taxes Act in respect of Shares which are assets of a special savings incentive account within the meaning of Section 848C of the Taxes Act; a personal retirement savings account (“PRSA”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA; a credit union within the meaning of Section 2 of the Credit Union Act, 1997; a company within the charge to corporation tax where the investment undertaking is a money market fund; the National Asset Management Agency; a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the Company; any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Irish Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company, provided that they have correctly completed the Relevant Declaration;

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

**“Ireland”**, the Republic of Ireland;

**“Irish Ordinary Resident”**, (i) in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes; and (ii) in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes. The term “ordinary residence” as distinct from “residence”, relates to a person’s normal pattern of life and denotes residence in a place with some degree of continuity. Ordinary residence, for an individual, is defined as (i) an individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year; or (ii) an individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident;

**“Irish Resident”**, (i) in the case of an individual, means an individual who is resident in Ireland for tax purposes; (ii) in the case of a trust, means a trust that is resident in Ireland for tax purposes; and (iii) in the case of a company, means a company that is resident in Ireland for tax purposes. An individual will be regarded as being resident in Ireland for a tax year if s/he spends 183 days or more in Ireland in that tax year; or has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that twelve month tax year together with the number of days spent in Ireland in the preceding twelve month tax year. Presence in a twelve month tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any time during that day. A company incorporated in Ireland will be regarded for all tax purposes as being tax resident in Ireland. A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland on or after 1 January 2015 is resident in Ireland except where:- the company or a related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in Member States or in countries with which Ireland has a double taxation treaty, or the principal class of shares of the company (or a related company) are substantially and regularly traded on one or more than one recognised Stock Exchange in the EU or in a taxation treaty country; or the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country. It should be noted that the determination of a company’s residence for tax purposes can be complex in certain cases, particularly as regards companies incorporated prior to 1 January 2015 and those not incorporated in Ireland and declarants are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act. A trust will be regarded as resident in Ireland for tax purposes if a majority of its trustees are resident for tax purposes in Ireland;

**“Relevant Declaration”**, the declaration relevant to the Shareholder as generally set out in Section 739D Schedule 2B of the Taxes Act. The Relevant Declaration for investors who are neither Irish Resident nor Irish Ordinary Resident Foreign Persons (or Intermediaries acting for such investors) is set out in the application form accompanying this Prospectus;

**“Taxes Act”**, the Taxes Consolidation Act, 1997 (of Ireland), as amended; and

**“Taxable Irish Person”**, any person, other than a Foreign Person or an Exempted Irish Investor.

### **Taxation of the Company**

As a body corporate which was incorporated in Ireland, the Company will be regarded as resident in Ireland for tax purposes if its central management and control is exercised in Ireland and unless the Company is not regarded as resident elsewhere under the terms of a double taxation agreement in place between Ireland and another territory. It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that it is Irish Resident for tax purposes and not elsewhere.

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

However, a tax can arise on the happening of a “chargeable event” in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of Shares or appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of appropriate tax payable on a gain arising on a transfer of an entitlement to a Share. It also includes a deemed disposal at the end of an eight year period following the acquisition of the Shares (and each subsequent period of eight years beginning immediately after the preceding eight year period).

No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Irish Ordinary Resident Foreign Person at the time of the chargeable event provided that the necessary signed Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of a signed and completed Relevant Declaration there is a presumption that the investor is Irish Resident Taxable Irish Person or Irish Ordinary Resident. A chargeable event does not include:

- an exchange by a Shareholder, effected by way of any arm’s length bargain within the Company of Shares in the Company for other Shares in the Company;
- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated for the purposes of Chapter 1A in Part 27 of the Taxes Act by the Irish Revenue Commissioners;
- a transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses and former spouses, subject to certain conditions;
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Company with another investment undertaking.
- any transaction in relation to, or in respect of, relevant Shares in an investment undertaking which transaction only arises by virtue of a change of court funds manager for that undertaking.

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

Where a chargeable event occurs under the eight year deemed disposal rules for Taxable Irish Persons, in certain circumstance, the Company has the option of electing to value the Shares at bi-annual dates (meaning 30 June or 31 December) rather than at the date of the deemed eight year disposal itself. Therefore, the Company will make an irrevocable election to allow the Shares in the calculation of the gain on a deemed disposal for Taxable Irish Persons to be valued at the later of the previous 30 June or 31 December prior to the date of the deemed disposal rather than at the date of the deemed disposal itself.

Where less than 10% of the Net Asset Value of Shares in the Company, or a relevant Fund, is held by Taxable Irish Persons, the Company will elect not to deduct tax from any gain arising from a deemed disposal of Shares in the Company and will advise the Irish Revenue Commissioners of this election. The Company is deemed to have made this election once it notifies Shareholders in writing that it will make the required report. Shareholders who are Taxable Irish Persons will therefore be required to return any gain and account for appropriate tax on the deemed disposal directly to the Irish Revenue Commissioners on a self-assessment basis. Such Shareholders should contact the Administrator to ascertain whether the

Company has made such an election in order to establish their responsibility to account to the Irish Revenue Commissioners for any relevant tax.

Where less than 15% of the Net Asset Value of the Shares in the Company, or a relevant Fund, is held by Taxable Irish Persons, the Company will elect not to repay Shareholders any overpaid tax and as such Shareholders must obtain a repayment of any overpaid tax directly from the Irish Revenue Commissioners. On the basis that such an election is made, the Company will notify the Shareholder that the Company has made an election and the Company will provide the Shareholders with the necessary information to enable the claim to be made by the Shareholders to the Irish Revenue Commissioners.

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

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

- (a) Shareholders who are neither Irish Resident nor Irish Ordinary Resident Foreign Persons; and
- (b) Shareholders who are either Exempt Irish Investors or either Irish Resident or Irish Ordinary Resident Taxable Irish Persons.

#### **Taxation of Shareholders**

- (a) Shareholders who are neither Irish Resident nor Irish Ordinary Resident Foreign Persons

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Irish Ordinary Resident Foreign Person, (b) the Shareholder has made a Relevant Declaration and (c) the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, Foreign Persons. In the absence of a Relevant Declaration, tax will arise on the happening of a chargeable event in the Company regardless of the fact that a Shareholder is neither Irish Resident nor Irish Ordinary Resident Foreign Person. The appropriate tax that will be deducted is as described below as if the Shareholder were a Taxable Irish Person.

In certain circumstances the Company may avoid the non-resident declaration requirement by to have Relevant Declarations in place, by carrying out a number of 'equivalent measures' and providing a declaration to the Irish Revenue Commissioners confirming that none of the Shareholders of the Company are Taxable Irish Person resident in Ireland (the 'Listing Declaration'), save those whose names are listed in the Listing Declaration (the list will generally be based on the addresses of the Shareholders as notified to the Company). Shareholders in the Company not listed in the Listing Declaration will be entitled to receive payments from the Company without being the deduction of subject to Irish withholding taxes. Where the Company provides such a Listing Declaration to the Irish Revenue Commissioners, all Shareholders will be notified of such a communication at that time. In order for the Company not to deduct tax on the occasion of a chargeable event in respect of Shareholders in the Company not listed in the Listing Declaration, the Company must be in possession of written notice of approval from the Irish Revenue Commissioners to the effect that it has complied with Section 739D(7)(a) of the Taxes Act in respect of the necessary declaration of non-residence Relevant Declarations by having put in place the appropriate equivalent measures as set out in Section 739D(7B)(b) of the Taxes Act, and the approval has not been withdrawn.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Irish Ordinary Resident Foreign Persons, no tax will have to be deducted by the Company on

the occasion of a chargeable event provided that the Intermediary has made a Relevant Declaration that they are acting on behalf of such persons and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Shareholders who are neither Irish Resident nor Irish Ordinary Resident Foreign Persons and who have made Relevant Declarations in respect of which the Company is not in possession of any information which would reasonably suggest that the information contained in the Relevant Declaration is not, or is no longer materially correct, will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from the Shares or gains made on disposal of its Shares.

Where tax is withheld by the Company on the basis that no Relevant Declaration has been filed with the Company by the Shareholder, Irish legislation does not provide for a refund of tax. Refunds of tax will only be permitted in the following circumstances:

- The appropriate tax has been correctly returned by the Company and within one year of making of the return the Company can prove to the satisfaction of the Irish Revenue Commissioners that it is just and reasonable for such tax which has been paid to be repaid to the Company.
- Where a claim is made for a refund of Irish tax under Section 189, 189A and 192 of the Taxes Act (relieving provisions relating to incapacitated persons, trusts in relation thereto and persons incapacitated as a result of drugs containing thalidomide) the income received will be treated as net income chargeable to tax under Case III of Schedule D from which tax has been deducted.
- Where an Irish Resident company is within the charge to tax on a relevant payment from the Company and tax has been deducted by the Company from such a payment, then such tax can be offset against the Irish corporation tax assessable on the Shareholder, with any excess being reclaimable.

(b) Shareholders who are Irish Resident or Irish Ordinary Resident Exempt Irish Investors or Taxable Irish Persons

Unless a Shareholder is an Exempted Irish Investor, makes a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct, Tax at the rate of 41% will be required to be deducted by the Company from distribution payments and on any other distribution or gain arising to the Shareholder on an encashment, redemption, cancellation or transfer of Shares by a Shareholder who is Irish Resident or a Taxable Irish Persons Ordinary Resident.

Shareholders who are Exempt Irish Investors and who have made Relevant Declarations in respect of which the Company is not in possession of any information which would reasonably suggest that the information contained in the Relevant Declaration is not, or is no longer materially correct, will not be liable to Irish tax in respect of payments from their Shares and gains made on an encashment, redemption, cancellation or transfer of their Shares.

Certain Irish Resident individuals or individuals Ordinarily Resident in Ireland Taxable Irish Persons who are individuals who hold Shares in investment undertakings may be subject to the personal portfolio investment undertaking ("PPIU") tax provisions. Essentially, an investment undertaking will be considered a PPIU in relation to a specific investor where that investor has influence over the selection of some or all of the property held by the investment undertaking, either directly or through persons acting on behalf of or connected to the investor. Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual will be taxed at the rate of 60%. Specific exemptions apply where the property invested has been clearly identified in the investment undertaking's marketing and

promotional literature and the investment is widely marketed to the public. Further restrictions may be required in the case of investments in land or unquoted shares deriving their value from land.

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

Taxable Irish Persons Resident who are corporate Shareholders who receive distribution payments from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the Taxes Act from which tax at the rate of 25% has been deducted. In general, such Shareholders will not be subject to further Irish tax on any other payments received in respect of their shareholding from which tax has been deducted. Taxable Irish Persons who are an Irish Resident corporate Shareholders and whose Shares are held in connection with a trade will be taxable under Case I of Schedule D on any Irish income or gains as part of that trade with a set-off against corporation tax payable for any tax deducted by the Company. The rate of corporation tax applicable to income under Case I of Schedule D is 12.5%. In general, non-corporate Shareholders who are Taxable Irish Resident or Irish Ordinary Resident Persons will not be subject to further Irish tax on income payments from their Shares or gains made on disposal of the Shares where tax has been deducted by the Company on payments received. Where a currency gain is made by a Shareholder who is a Taxable Irish Person on the disposal of their Shares, such Shareholder may be liable to Irish capital gains tax, currently at the rate of 33%, in the year of assessment in which the Shares are disposed of.

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

## **CRS**

Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU) provides for the implementation of the regime known as CRS proposed by the OECD as a new global standard for the automatic exchange of information between tax authorities in participating jurisdictions. A group of over 40 countries, including Ireland, committed to the early adoption of the CRS from 1 January 2016 with the first data exchanges taking place in September 2017. All Member States, except Austria, introduced the CRS from 1 January 2016. Austria introduced CRS from 1 January 2017.

Legislation to implement CRS in Ireland has been enacted. The final regulations were issued on 17 December 2015. The Company may be required to obtain and report to the Irish Revenue Commissioners annually certain financial accounts and other information for all new and existing Shareholders in respect of their Shares. The first return must be submitted on or before 30 June 2017 with respect to the year ended 31 December 2016. This information will include amongst other things, details of the name, address, taxpayer identification number (TIN), place of residence and, in the case of Shareholders who are individuals, their date and place of birth, together with details relating to payments made to Shareholders and their holdings. This information may be shared with tax authorities in other EU Member States and jurisdictions which implement the OECD's CRS.



## **Capital Acquisitions Tax**

The disposal of Shares will not be subject to Irish gift or inheritance tax (Capital Acquisitions Tax), provided that the Company falls within the definition of investment undertaking (within the meaning of Section 739B of the Taxes Act), and that: (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, either the Shareholder disposing of the Shares is neither domiciled nor Ordinarily Resident in Ireland or the disposition is not subject to Irish law; and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

## **Stamp Duty**

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

No Irish stamp duty will be payable by the Company on the conveyance or transfer of non-Irish stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the Taxes Act) which is registered in Ireland.

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

## **Exchange of Information**

EC Directive 2003/48/EC regarding the taxation of savings income (the "Savings Directive") (which has been transposed into Irish law) provides, subject to a number of conditions, that Member States will be required to provide to the tax authorities of another Member State details of payments. As a result, Member States are required to provide to the tax authorities of another Member State details of payments of interest (which may include distributions by collective investment funds) or other similar income paid by a person within its jurisdiction to an individual resident in that other Member State. Certain Member States have opted instead for a withholding system in relation to such payments. Ireland has opted for exchange of information rather than a withholding tax system.

Accordingly, the Depositary, Administrator, paying agent or such other entity considered a "paying agent" for the purposes of the Savings Directive may be required to disclose details of payments of interest or other similar income to investors in the Company who are individuals or residual entities to the Irish Revenue Commissioners who will pass such details to the tax authorities in the Member States where the investors reside. In that regard, the Depositary, Administrator or such other entity considered a "paying agent" will require proof of identity, residence and relevant tax documentation from individual investors. Failure to provide the above information may result in the refusal of an application for a subscription or a request for a redemption.

## **TAXATION IN THE UNITED STATES**

As with any investment, the tax consequences of an investment in the Company may be material to an analysis of an investment in the Company. Prospective investors in the Company should be aware of the tax consequences of such an investment before purchasing Shares. This Prospectus discusses certain U.S. federal income tax consequences only generally and does not purport to deal with all of the U.S. federal income tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. In particular, because "United States persons," as defined for U.S.

federal income tax purposes (referred to and defined herein as “U.S. Taxpayers”) generally are not expected to hold Shares, the discussion does not address the U.S. federal tax consequences to such investors of an investment in Shares. Such investors (if any) should consult their own tax advisers. The following discussion assumes that the Company will not hold any interests (other than as a creditor) in any “United States real property holding corporations” as defined in the U.S. Internal Revenue Code of 1986, as amended (the “Code”). Furthermore, the discussion assumes that no U.S. Taxpayer owns or will own directly or indirectly, or will be considered as owning by reason of certain tax law rules of constructive ownership, 10% or more of the total combined voting power of all Shares of the Company or any Fund. The Company does not, however, guarantee that will always be the case. Each prospective investor is urged to consult such investor’s tax advisor regarding the specific consequences of an investment in the Company under applicable U.S. federal, state, local and foreign income tax laws as well as with respect to any specific gift, estate and inheritance tax issues.

The following discussion assumes for convenience that the Company, including each Fund thereof, will be treated as a single entity for U.S. federal income tax purposes. The law in this area is uncertain. Thus, it is possible that the Company may adopt an alternative approach, treating each Fund of the Company as a separate entity for U.S. federal income tax purposes. There can be no assurance that the U.S. Internal Revenue Service will agree with the position taken by the Company and its Funds.

### **Taxation of the Company**

The Company generally intends to conduct its affairs so that it will not be deemed to be engaged in trade or business in the United States and, therefore, none of its income will be treated as “effectively connected” with a U.S. trade or business carried on by the Company. If none of the Company’s income is effectively connected with a U.S. trade or business carried on by the Company, certain categories of income (including dividends (and certain substitute dividends and other dividend equivalent payments) and certain types of interest income) derived by the Company from U.S. sources will be subject to a U.S. tax of 30%, which tax is generally withheld from such income. Certain other categories of income, generally including most forms of U.S. source interest income (e.g. interest and original issue discount on portfolio debt obligations (which may include United States Government securities, original issue discount obligations having an original maturity of 183 days or less, and certificates of deposit)), and capital gains (including those derived from options transactions), will not be subject to this 30% withholding tax. If, on the other hand, the Company derives income which is effectively connected with a U.S. trade or business carried on by the Company, such income will be subject to U.S. federal income tax at the rate applicable to U.S. domestic corporations, and the Company will also be subject to a branch profits tax on earnings removed, or deemed removed, from the United States.

As stated above, the Company generally intends to conduct its activities so as to avoid being treated as engaged in a trade or business in the United States for U.S. federal income tax purposes. Specifically, the Company intends to qualify for safe harbors in the Code, pursuant to which the Company will not be treated as engaged in such a business if its activities are limited to trading in stocks and securities or commodities for its own account. These safe harbors apply regardless of whether the trading is done by the Company or a resident broker, commission agent, custodian or other agent, or whether such agent has discretionary authority to make decisions in effecting the transactions. The safe harbor does not apply to a dealer in stocks or securities or commodities; the Company does not intend to be such a dealer. In addition, the commodities trading safe harbor applies only if the commodities are of a kind customarily dealt in on an organized commodity exchange, and if the transaction is of a kind customarily consummated at such place.

It should be noted, however, that only limited guidance, including proposed regulations that have yet to be finalized, exists with respect to the tax treatment of non-U.S. Taxpayers who effect transactions in securities and commodities derivative positions (including currency derivatives) for their own account within the United States. For example, as currently proposed, the regulations provide a safe harbor with respect to trading interests in currencies and currency derivatives only if the currencies are of a kind customarily dealt in on an organized commodity exchange. Future guidance may cause the Company to alter the manner in which it engages in such activity within the United States.

It should also be noted that investments in certain REITs could be treated as interests in U.S. real property holding corporations, the disposition of which would give rise to taxable gains that are deemed to be effectively connected with a U.S. trade or business. Interests in “domestically controlled” REITs are excluded from such treatment, although a distribution received from a REIT (including a domestically controlled REIT) could be taxable as effectively connected income if the distribution consists of a U.S. real property interest or is attributable to U.S. real property gains earned by the REIT. Distributions with respect to REIT shares and dispositions of such shares generally are excluded from taxable gain treatment if the REIT shares are of a class that is regularly traded on an established securities market located in the United States, and the Company did not own more than 5% of that class of shares at any time during the one-year period ending on the date of the distribution or the five-year period ending on the date of the disposition.

Pursuant to FATCA, the Company (or each Fund thereof) will be subject to U.S. federal withholding taxes (at a 30% rate) on payments of certain amounts made to such entity (“withholdable payments”), unless it complies (or is deemed compliant) with extensive reporting and withholding requirements. Withholdable payments generally include interest (including original issue discount), dividends, rents, annuities, and other fixed or determinable annual or periodical gains, profits or income, if such payments are derived from U.S. sources. Income which is effectively connected with the conduct of a U.S. trade or business is not, however, included in this definition. To avoid the withholding tax, unless deemed compliant, the Company (or each Fund thereof) will be required to enter into an agreement with the United States to identify and disclose identifying and financial information about each U.S. Taxpayer (or foreign entity with substantial U.S. ownership) which invests in the Company (or Fund), and to withhold tax (at a 30% rate) on withholdable payments and related payments made to any investor which fails to furnish information requested by the Company to satisfy its obligations (or those of its Funds) under the agreement. Pursuant to an intergovernmental agreement between the United States and Ireland, the Company (or each Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. Taxpayer information directly to the Irish government. Certain categories of U.S. investors, generally including, but not limited to, tax-exempt investors, publicly traded corporations, banks, regulated investment companies, real estate investment trusts, common trust funds, brokers, dealers and middlemen, and state and federal governmental entities, will be exempt from such reporting. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future Company (or Fund) operations.

Shareholders will be required to provide certifications as to their U.S. or non-U.S. tax status, together with such additional tax information as the Company (or a Fund) or its agents may from time to time request. Failure to furnish requested information or (if applicable) satisfy its own FATCA obligations may subject a Shareholder to liability for any resulting withholding taxes, U.S. tax information reporting and mandatory redemption of such Shareholder’s Shares.

### **Taxation of Shareholders**

The U.S. tax consequences to Shareholders of distributions from the Company and of dispositions of Shares generally depends on the Shareholder’s particular circumstances, including whether the Shareholder conducts a trade or business within the United States or is otherwise taxable as a U.S. Taxpayer.

Shareholders will be required to furnish appropriate documentation certifying as to their U.S. or non-U.S. tax status. Failure to provide appropriate documentation may cause amounts paid to a Shareholder as dividends from the Company or as gross proceeds from a redemption of Shares, to be reportable to the U.S. Internal Service and subject to potential U.S. withholding taxes. In addition, other adverse consequences may apply as discussed under “Taxation of the Company” above.

## **Special Considerations for Benefit Plan Investors**

### *In General*

Subject to the limitations applicable to investors generally, Shares in a Fund may be purchased using assets of various benefit plans, including employee benefit plans (“ERISA Plans”) subject to Title I of ERISA, or retirement plans subject to Code Section 4975, such as plans intended to qualify under Code Section 401(a) (including plans covering only self-employed individuals) and individual retirement accounts (together with ERISA Plans, “Plans”). However, none of the Funds, the Company, the Manager, the Directors or the Administrator, or any of their principals, agents, employees, affiliates or consultants, makes any representation with respect to whether Shares in a Fund are a suitable investment for any such Plan.

In considering whether to invest assets of a Plan in Shares of a Fund, the persons acting on behalf of or with any assets of the Plan should consider in the Plan’s particular circumstances whether the investment will be consistent with their responsibilities and any special constraints imposed by the terms of such Plan and applicable U.S. federal, state or other law, including ERISA and the Code. Some of the responsibilities and constraints imposed by ERISA and the Code are summarised below. The following is merely a summary of those particular laws, however, and should not be construed as legal advice or as complete in all relevant respects. All investors are urged to consult their legal advisors before investing assets of an employee benefit plan in Shares of a Fund and to make their own independent decisions.

Employee benefit plans that are not Plans, including, for example, governmental plans, church plans with respect to which no election has been made under Code Section 410(d), and non-U.S. plans, although they are not subject to Title I of ERISA or Section 4975 of the Code, may be subject to other laws regulating employee benefit plans. The laws or governing instruments applicable to such plans may have provisions that impose restrictions on the investments and management of the assets of such plans that are, in some cases, similar to those under ERISA and the Code. It is uncertain whether exemptions and interpretations under ERISA would be recognised by the applicable authorities in such cases. Provisions relating to the investment and management of such plans’ assets also might contain restrictions and limitations such as a prohibition, or percentage limitation, on investments of a particular type, or a bar on investments in particular countries or kinds of businesses. Fiduciaries of such plans, in consultation with their advisers, should consider the impact of their applicable laws, regulations and governing instruments on investments in a Fund, as well as the considerations discussed herein, to the extent applicable.

### *Fiduciary Responsibilities under ERISA*

Persons acting as fiduciaries on behalf of or with any assets of an ERISA Plan are subject to specific standards of behaviour in the discharge of their responsibilities. As a result, such persons must, for example, conclude that an investment in Shares of a Fund by an ERISA Plan would be (i) prudent, (ii) in the best interests of Plan participants and their beneficiaries, and (iii) in accordance with the documents and instruments governing the ERISA Plan, and would satisfy the diversification requirements of ERISA. In making those determinations, such persons should take into account, among other factors, (i) that the Fund will invest the assets in each Class in accordance with the applicable investment objectives and strategies without regard to the particular objective of any class of investors, including Plans, (ii) the fee structure of the Fund, (iii) the tax effects of the investment, (iv) the relative illiquidity of the investment and its effect on the cash flow needs of the Plan, (v) the Plan’s funding objectives, (vi) the risks of an investment in the Fund, and (vii) that, as discussed below, it is not expected that the Fund’s assets will constitute the “plan assets” of any investing Plan, so that none of the Fund, the Company, the Manager, the Directors or the Administrator, nor any of their principals, agents, employees, affiliates or consultants will be a “fiduciary” as to any investing Plan.

ERISA imposes certain duties on persons who are ERISA Plan fiduciaries. In addition, both ERISA and the Code prohibit certain transactions involving “plan assets” between the Plan and its fiduciaries or other parties in interest under ERISA or disqualified persons under the Code with respect to the Plan.

### *Identification of, and Consequences of Holding, Plan Assets under ERISA*

Under the Plan Asset Rule, the prohibited transaction and other applicable provisions of ERISA and the Code, including the rules for determining who is a party in interest or a disqualified person, would generally be applied by treating the investing Plan's assets as including any Fund Shares purchased but not, solely by reason of such purchase, including any of the underlying assets of a Fund. Under the Plan Asset Rule, however, this may not be the case if immediately after any acquisition or redemption of any equity interest in a Fund, 25 per cent. or more of the value of any class of equity interests in the Fund is held by Benefit Plan Investors. For purposes of this 25 per cent. determination, the value of any equity interest held by a person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the Fund or any person who provides investment advice for a fee (direct or indirect) with respect to Fund assets, or any affiliate of such a person, shall be disregarded. For this purpose, an "affiliate" of a person includes any person controlling, controlled by or under common control with that person, including by reason of having the power to exercise a controlling influence over the management or policies of such person.

Each Fund intends to limit the sale and transfer of Shares of such Fund, and may exercise such Fund's right compulsorily to redeem Shares of the Fund, to the extent necessary, to prevent the 25 per cent. threshold described above from being exceeded with respect to any class of equity interests, and consequently to prevent the underlying assets of such Fund from being treated as "plan assets" of any Plan investing in such Fund.

If the assets of a Fund nonetheless were deemed to be "plan assets" under ERISA, the Manager could be characterised as a fiduciary of investing ERISA Plans under ERISA and they and their affiliates and certain of their delegates could be characterised as "parties in interest" under ERISA and/or "disqualified persons" under the Code with respect to investing Plans. Further, (i) the prudence and other fiduciary responsibility standards of ERISA applicable to investments made by ERISA Plans and their fiduciaries would extend to investments made with assets of such Fund; (ii) an ERISA Plan's investment in such Fund's Shares might expose the ERISA Plan fiduciary to co-fiduciary liability under ERISA for any breach of ERISA fiduciary duties by the Manager; (iii) assets of such Fund held outside the jurisdiction of the U.S. district courts might not be held in compliance with applicable DOL regulations; (iv) the Plan's reporting obligations might extend to the assets of such Fund; and (v) certain transactions in which such Fund might seek to engage could constitute prohibited transactions under ERISA and/or the Code. A prohibited transaction involving a Plan, unless an exemption for the prohibited transaction were available, generally could subject an interested party to an excise tax and to certain remedial measures imposed by ERISA; a prohibited transaction involving an individual retirement account in certain circumstances could result in its disqualification. DOL regulations do provide, however, that the ERISA requirement that plan assets be held in trust would be satisfied with respect to the assets of an entity that are deemed to be plan assets if the indicia of ownership of such assets (e.g. Shares of the Fund) are held in trust on behalf of an investing ERISA Plan by one or more of its trustees.

Each prospective investor that is a Plan or a governmental or non-electing church plan will be required to represent and warrant that the acquisition and holding of Shares does not and will not constitute or result in a non-exempt prohibited transaction under Title I of ERISA or Code Section 4975, or a violation of any similar applicable law.

Even though the assets of a Plan that invests in a Fund should not include assets of such Fund, a possible violation of the prohibited transaction rules under ERISA and the Code nonetheless could occur if an investment in a Fund were made with assets of a Plan with respect to which the Manager, or any of its affiliates, has discretionary authority or control or renders investment advice. Accordingly, the fiduciaries of a Plan should not permit investment in a Fund with plan assets if the Manager, or any of its affiliates, perform or have any such investment powers with respect to those plan assets, unless an exemption from the prohibited transaction rules applies with respect to such acquisition.

**BEFORE MAKING AN INVESTMENT IN A FUND, ANY PLAN FIDUCIARY SHOULD CONSULT ITS LEGAL ADVISORS CONCERNING THE ERISA, TAX AND OTHER LEGAL CONSIDERATIONS OF SUCH AN INVESTMENT.**

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## STATUTORY AND GENERAL INFORMATION

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### 1. INCORPORATION, REGISTERED OFFICE, SHARE CAPITAL AND ACCOUNTS

- (a) The Company was incorporated in Ireland on 6 February 2015 as an investment company with variable capital with limited liability under registration number 557040.
- (b) The registered office of the Company is as stated in the Directory at the front of this Prospectus.
- (c) The authorised share capital of the Company is 500,000,000,000 redeemable Shares of no par value and 300,002 redeemable Non-Participating Shares of €1 each. Non-Participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot Shares in the capital of the Company on such terms and in such manner as they may think fit. As of the date of this Prospectus, the Company has issued Non-Participating Shares to the value of €300,002. The Company reserves the right to redeem some or all of the Non-Participating Shares provided that the Company at all times has a minimum issued share capital of at least €300,000.
- (d) The Company's year-end is 31 March in each year. The annual report and audited accounts of the Company will be published within 4 months after the conclusion of each Accounting Date. The Company will also prepare a semi-annual report and unaudited accounts which will be published within 2 months after the six month period ending on 30 September in each year. The annual report and semi-annual report will, upon request, be supplied to subscribers and Shareholders free of charge and will be made available at the office of the Company.
- (e) As at the date of this Prospectus, the Company has no loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, finance leases, hire purchase commitments, guarantees or contingent liabilities in respect of any of the Funds.

### 2. VARIATION OF SHARE RIGHTS AND PRE-EMPTION RIGHTS

- (a) The rights attaching to the Shares issued in any Fund or Class may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued Shares of that Fund or Class, or with the sanction of a special resolution passed at a general meeting of the Shareholders of that Fund or Class.
- (b) A resolution in writing signed by all the Shareholders and holders of Non-Participating Shares for the time being entitled to attend and vote on such resolution at a general meeting of the Company shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and if described as a special resolution shall be deemed to be a special resolution.
- (c) The rights attaching to the Shares shall not be deemed to be varied by the creation, allotment or issue of any further Shares ranking *pari passu* with Shares already in issue.
- (d) There are no rights of pre-emption upon the issue of Shares.

### 3. VOTING RIGHTS

The rights conferred on Shareholders by virtue of their shareholdings are governed by the Constitution, the general law of Ireland and the Companies Act.

The following rules relating to voting rights apply:

- (a) Fractions of Shares do not carry voting rights.
- (b) Every Shareholder or holder of Non-Participating Shares present in person or by proxy who votes on a show of hands shall be entitled to one vote, save with respect to Shares that are designated as non-voting Shares.
- (c) The chairman of a general meeting of a Class or any Shareholder of a Class present in person or by proxy at a meeting of a Class may demand a poll. The chairman of a general meeting of the Company or by one or more Members present in person or by proxy or any Shareholder or Shareholders present in person or by proxy representing at least one tenth of the Shares in issue having the right to vote at such meeting may demand a poll.
- (d) On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of Non-Participating Shares shall be entitled to one vote in respect of all Non-Participating Shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- (e) Any person (whether a Member or not) may be appointed to act as a proxy. A Member may appoint more than one proxy to attend on the same occasion.
- (f) Any instrument appointing a proxy must be deposited at the registered office of the Company, not less than 48 hours before the meeting or at such other place and by such time as is specified in the notice convening the meeting. The Directors may at the expense of the Company send by post or otherwise to the Shareholders instruments of proxy (with or without prepaid postage for their return) and may either leave blank the appointment of the proxy or nominate one or more of the Directors or any other person to act as proxy.
- (g) To be passed, ordinary resolutions of the Company or of the Shareholders of a particular Fund or Class will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the Company or of the Shareholders of a particular Fund or Class will require a majority of not less than 75% of the votes cast by the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Constitution.

#### **4. MEETINGS**

- (a) In accordance with the Companies Act, the Directors may convene extraordinary general meetings of the Company at any time. The Directors shall convene an annual general meeting within six months of the end of each Accounting Period.
- (b) Not less than 21 days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and 14 days' notice must be given in the case of any other general meeting.
- (c) Two Members present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the rights of Shares in a Fund or Class shall be two Shareholders holding or representing by proxy Shares of the relevant Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum and in the case of a meeting of a Fund or Class convened to consider the variation of rights of Shareholders in such

Fund or Class the quorum shall be one Shareholder holding Shares of the Fund or Class in question or his proxy. All general meetings will be held in Ireland.

(d) The foregoing provisions with respect to the convening and conduct of meetings shall, save as otherwise specified with respect to meetings of Funds or Classes and subject to the Companies Act, have effect with respect to separate meetings of each Fund or Class at which a resolution varying the rights of Shareholders in such Class is tabled.

## **5. TRANSFER OF SHARES**

Transfers of Shares may be effected in writing in any usual or common form, signed by or on behalf of the transferor and every transfer shall state the full name and address of the transferor and transferee.

The Directors may from time to time specify an initial charge for the registration of instruments of transfer provided that the maximum fee may not exceed 5% of the Net Asset Value of the Shares subject to the transfer as at the Valuation Point on the Dealing Day immediately preceding the date of the transfer.

The Directors may decline to register any transfer of Shares if:

(a) In consequence of such transfer (i) the transferor or the transferee would hold a number of Shares less than the minimum holding of the relevant Class or Fund (if any); or (ii) the transferee (being an initial investor in the Fund) would hold less than the minimum subscription;

(b) All applicable taxes and/or stamp duties have not been paid in respect of the instrument of transfer;

(c) The instrument of transfer is not deposited at the registered office of the Company or such other place as the Directors may reasonably require, accompanied by (i) the certificate, if any, for the Shares to which it relates (if any), (ii) such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, (iii) such relevant information and declarations as the Directors may reasonably require from the transferee including, without limitation, an Application Form duly completed by the proposed transferee, information and declarations of the type which may be requested from an applicant for Shares in a Fund; and (iv) such fee as may from time to time be specified by the Directors for the registration of any instrument of transfer; or

(d) They are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares in contravention of any restrictions on ownership imposed by the Directors or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the Company, a Fund, a Class or to Shareholders of the Company as a whole or of any Fund or Class.

If requested to do so by the Directors a transferee shall be required to deliver to the Company such certificates, opinions, statements or other evidence required by the Directors for any of the aforementioned purposes.

The registration of transfers may be suspended for such periods as the Directors may determine, provided always that any specific registration may not be suspended for more than 30 days.

## **6. COMMUNICATIONS AND NOTICES TO SHAREHOLDERS**

Communications and notices to Shareholders or the first named of joint Shareholders shall be deemed to have been duly given as follows:

MEANS OF DISPATCH

DEEMED RECEIVED



Delivery by Hand:	The day of delivery or the next following working day if delivered outside usual business hours.
Post:	48 hours after posting.
Fax:	The day on which a positive transmission receipt is received.
Electronically:	The day on which the electronic transmission has been sent to the electronic information system designated by a Shareholder.
Publication of Notice or Advertisement of Notice:	The day of publication in a daily newspaper circulating in the country or countries where Shares are marketed.

## 7. DIRECTORS

The following is a summary of the principal provisions in the Constitution relating to the Directors:-

- (a) Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors shall not be less than two nor more than nine;
- (b) A Director need not be a Shareholder;
- (c) The Constitution contains no provisions requiring Directors to retire on attaining a particular age or to retire on rotation;
- (d) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the Company or any company in which the Company is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment;
- (e) The Directors for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in the Prospectus and may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the Company or the discharge of their duties and may be entitled to additional remuneration if called upon to perform any special or extra services to or at the request of the Company;
- (f) A Director may hold any other office or place of profit under the Company, other than the office of Auditor or a position within the Depository, in conjunction with his office of Director, on such terms as to tenure of office or otherwise as the Directors may determine;
- (g) No Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or

arrangement which may thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made;

(h) A Director may not vote in respect of any contract or arrangement or any proposal whatsoever in which he has any material interest or a duty which conflicts with the interests of the Company and shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting unless the Directors resolve otherwise. However, a Director may vote and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer, shareholder, member, partner, employee, agent or otherwise. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in respect of the purchase of directors' and officers' liability insurance; and

(i) The office of a Director shall be vacated in any of the following events namely:

- (i) if he resigns his office by notice in writing signed by him in accordance with the requirements of the Central Bank and left at the registered office of the Company;
- (ii) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
- (iii) in the opinion of a majority of the Directors, he becomes incapable by reason of unsound mind of discharging his duties as a Director;
- (iv) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
- (v) if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
- (vi) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
- (vii) if he is removed from office by ordinary resolution of the Company.

## **8. DIRECTORS' INTERESTS**

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the Company and the Funds are set out below.

(a) The Directors or companies of which they are officers or employees, including the Manager, may subscribe for Shares in a Fund. Their applications for Shares will rank *pari passu* with all other applications.

(b) No Director has any interest, direct or indirect, in the promotion of or in any assets which are proposed to be acquired, disposed of by or leased to a Fund and no Director has a material interest in any contract or arrangement entered into by a Fund which is unusual in nature or conditions or significant in relation to the business of such Fund, nor has any Director had such an interest since the Company was incorporated other than:

- (i) Andrew G. Arnott who is a director of the Manager, which receives fees in respect of its services to the Company. Mr Arnott is also a member of an affiliate of the Manager;

- (ii) Bernard Letendre who is a director of the Manager, which receives fees in respect of its services to the Company. Mr Letendre is also a member of an affiliate of the Manager;
- (iii) Christopher Conkey is a member of an affiliate of the Manager, which receives fees in respect of its services to the Company;
- (iv) Thomas Murray who is a director of the Manager, which receives fees in respect of its services to the Company; and
- (v) Eimear Cowhey who is a director of the Manager, which receives fees in respect of its services to the Company.

## **9. WINDING UP**

(a) The Company may be wound up if:

- (i) within a period of three months from the date on which (a) the Depositary notifies the Company of its desire to retire in accordance with the terms of the Depositary Agreement and has not withdrawn notice of its intention to so retire, (b) the appointment of the Depositary is terminated by the Company in accordance with the terms of the Depositary Agreement, or (c) the Depositary ceases to be approved by the Central Bank to act as a depositary, and no new depositary has been appointed (the appointment of the replacement depositary and the replacement depositary being subject to the prior approval of the Central Bank) with the approval of the Central Bank, the Directors shall instruct the Company's secretary to forthwith convene an extraordinary general meeting of the Company at which there shall be proposed an ordinary resolution to wind up the Company in accordance with the provisions in the Constitution. Notwithstanding anything set out above, the Depositary's appointment shall only terminate on revocation of the Company's authorisation by the Central Bank; or
- (ii) the Shareholders resolve by special resolution to wind up the Company.

(b) In the event of a winding up, the liquidator shall apply the assets of the Company on the basis that any liability incurred or attributable to a Fund shall be discharged solely out of the assets of that Fund.

(c) The assets available for distribution among the Shareholders shall be applied in the following priority:

- (i) firstly, in the payment to the Shareholders of each Fund or Class of a sum in the Base Currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Fund or Class held by such Shareholders respectively as at the date of commencement of winding up;
- (ii) secondly, in the payment to the holders of Non-Participating Shares of sums up to the nominal amount paid up thereon out of the assets of the Company not comprised within a Fund's investment portfolio provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised within such Fund;
- (iii) thirdly, in the payment to the Shareholders of each Fund or Class of any balance then remaining in the Company, in proportion to the number of Shares held in the relevant Fund or Class; and
- (iv) fourthly, any balance then remaining and not attributable to any Class shall be apportioned between the Funds or Classes pro-rata to the Net Asset Value of each Fund or Class or

attributable to each Class immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that Fund or Class held by them.

(d) The liquidator may, with the authority of an ordinary resolution of the Company, divide among the Shareholders (pro rata to the value of their respective shareholdings in the Company) in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the Company may be closed and the Company dissolved, provided that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the Company to a company or collective investment scheme (the "Transferee Company") on terms that Shareholders in the Company shall receive from the Transferee Company Shares or units in the Transferee Company of equivalent value to their shareholdings in the Company, subject to any requirements of the Central Bank.

(e) The Shareholders of any Fund may, by way of special resolution, and subject to the requirements of the Central Bank, authorise the amalgamation/merger of the Fund with another Fund or any other collective investment schemes or schemes, which amalgamation/merger may involve the redemption of Shares of the relevant Fund and in the case of an amalgamation/merger with a collective investment scheme other than a Fund, may involve the transfer of the whole or part of the assets of the Fund to the depository (who may or may not be regulated by the Central Bank) or the relevant collective investment scheme.

(f) Notwithstanding any other provision contained in the Constitution, should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to wind up the Company, the secretary shall forthwith at the Directors' request convene an extraordinary general meeting of the Company at which there shall be presented a proposal to appoint a liquidator to wind up the Company and if so appointed, the liquidator shall distribute the assets of the Company in accordance with the Constitution.

## **10. TERMINATION OF THE COMPANY, FUNDS OR CLASSES**

The Directors, in their sole and absolute discretion, may terminate the Company, a Fund or a Class in any of the following events:-

- (a) If at any time the Net Asset Value of the Company, a Fund or Class shall be less than such amount as may be determined by the Directors in respect of that Fund or Class as disclosed in this Prospectus;
- (b) The Company, a Fund or a Class shall cease to be authorised or otherwise officially approved;
- (c) If there is any change in applicable law or regulation which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the Company, a Fund or Class;
- (d) If there is any change in material aspects of the business, in the economic or political situation relating to the Company, a Fund or Class which the Directors consider would have material adverse consequences on the investments of the Company, a Fund or Class; or
- (e) If the Directors shall have resolved that it is impracticable or inadvisable for the Company, a Fund or Class to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders.

The decision of the Directors in any of the above events shall be final and binding on all the parties concerned but the Directors shall be under no liability on account of any failure to terminate the relevant Fund pursuant to this clause or otherwise.

## **11. INDEMNITIES AND INSURANCE**

The Directors (including alternates), Company Secretary and other officers of the Company and its former directors and officers shall be indemnified by the Company against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, negligence or wilful default). The Company acting through the Directors is empowered under the Constitution to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the Company insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

## **12. ALLOCATION OF ASSETS AND LIABILITIES**

The assets and liabilities of each Fund will be allocated in the following manner:

- (a) The proceeds from the issue of Shares representing a Fund shall be applied in the books of the Company of the Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Constitution;
- (b) Where any asset is derived from another asset, such FDI asset shall be applied in the books of the Company to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;
- (c) Where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund, as the case may be; and
- (d) Where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depository, shall be allocated to all the Funds pro rata to the Net Asset Value of each Fund.

Any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund, and, neither the Company nor any Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor be obliged to apply, the assets of any such Fund in satisfaction of any liability incurred on behalf of, or attributable to, any other Fund.

Any asset or sum recovered by the Company shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the relevant Fund.

In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to the Fund affected, the Directors, with the consent of the Depository, shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

A Fund is not a legal person separate from the Company but the Company may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, as between its Funds as apply at law in respect of companies and the property of a Fund is subject to orders of the court as it would have been if such Fund were a separate legal person.

Separate records shall be maintained in respect of each Fund.

### 13. MATERIAL CONTRACTS

The following contracts have been entered into and are, or may be, material:

(a) Management Agreement

- (i) By an agreement (the “**Management Agreement**”) dated 1 May 2019 between the Company and the Manager, the Manager has agreed to act as the manager, investment manager and distributor of the Company.
- (ii) Details of the fees payable to the Manager are set out in the “FEES AND EXPENSES” section.
- (iii) The Management Agreement may be terminated by either party on not less than 90 days’ notice in writing. The Management Agreement may be terminated forthwith by written notice given by either party to the other in certain circumstances.
- (iv) The Manager is indemnified by the Company from and against any and all liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from wilful misfeasance, bad faith or negligence on the part of the Manager or of any delegate, servant or agent) which may be imposed on, incurred by or asserted against the Manager in performing its obligations under the Management Agreement.

(b) Administration Agreement

- (i) By an agreement (the “**Administration Agreement**”) dated 1 May 2019 between the Company, the Manager and the Administrator, the Administrator will act as administrator and registrar to the Company.
- (ii) Details of the fees and expenses payable to the Administrator are set out in the “FEES AND EXPENSES” section.
- (iii) The Administration Agreement may be terminated by a party on 90 days’ notice in writing or immediately if any party: (i) goes into liquidation (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other parties) or has a receiver or examiner appointed or be unable to pay its debts as they fall due; (ii) shall commit any material breach of the provisions of the Administration Agreement which, if capable of remedy, shall not have been remedied within 30 days after the service of written notice requiring it to be remedied; or (iii) ceases to be authorised by the Central Bank or under any applicable law so that it is no longer permitted to carry out its obligations under the Administration Agreement.
- (iv) The Administration Agreement contains an indemnity in favour of the Administrator against all actions, proceedings and claims and against all reasonable costs, damages and expenses arising therefrom which may be brought against, suffered or incurred by the Administrator, its permitted delegates, servants or agents in the performance or non-performance of their obligations and duties hereunder and from and against all taxes on profits or gains of the Company which may be assessed upon or become payable by the Administrator or its permitted delegates, servants or agents provided that such indemnity shall not be given where the Administrator, its delegates, servants or agents is or are guilty of negligence, fraud, bad faith, wilful default or recklessness in the performance or non-performance of its duties and obligations under the Administration Agreement.

(c) Depositary Agreement

- (i) By an agreement (the “**Depositary Agreement**”) dated 1 May 2019 between the Company, the Manager and the Depositary, the Depositary will act as depositary of the Company.
- (ii) The Depositary Agreement may be terminated by a party on not less than 90 days’ written notice (or such shorter notice as the other party may agree to accept). In addition, the Depositary Agreement may be terminated immediately by a party under certain circumstances provided that the appointment of the Depositary shall continue in force until a replacement Depositary approved by the Central Bank has been appointed. If within a period of 90 days’ from the date on which the Depositary notifies the Company of its desire to retire or from the date on which the Company notifies the Depositary of its intention to remove the Depositary, no replacement Depositary shall have been appointed, the Company shall convene an extraordinary general meeting of the Shareholders of the Company at which there shall be proposed an ordinary resolution to wind up the Company.
- (iii) The Depositary Agreement contains certain indemnities in favour of the Depositary (and each of its officers, employees and delegates) which are restricted to exclude matters arising by reason of the negligent or intentional failure of the Depositary in the performance of its duties. The Depositary may extend the benefit of the above indemnity to any third party sub-custodian appointed by it in accordance with the Depositary Agreement.

#### **14. SUPPLY AND INSPECTION OF DOCUMENTS**

The following documents are available for inspection free of charge during normal business hours on weekdays (public holidays excepted) at the registered office of the Company:

- (a) the certificate of incorporation of the Company and the Constitution;
- (b) the Prospectus (as amended and supplemented);
- (c) the Key Investor Information Documents;
- (d) the annual and semi-annual reports relating to the Company when available;
- (e) the material contracts referred to above;
- (f) the Legislation; and
- (g) a list of past and current directorships and partnerships held by each Director over the last five years.

Copies of the Constitution (as amended from time to time in accordance with the requirements of the Central Bank) and the latest financial reports of the Company, may be obtained, free of charge, upon request at the registered office of the Company.

The Company may provide certain additional reports (including in relation to certain performance measures, risk measures or general portfolio information) and/or accounting materials to any current or prospective Shareholders upon request, and, if deemed necessary by the Company, upon the execution of a confidentiality agreement and/or non-use agreement.

## SCHEDULE I

### Regulated Markets

The following is a list of regulated stock exchanges and markets in which the assets of each Fund may be invested from time to time and is set out in accordance with the Central Bank's requirements. With the exception of permitted investments in unlisted securities and open-ended collective investment schemes investment by each Fund is restricted to these stock exchanges and markets. The Central Bank does not issue a list of approved stock exchanges or markets.

(a) without restriction in any stock exchange which is:

- located in any Member State of the European Union (except Malta); or
- located in a Member State of the EEA
- located in any of the following countries:-

Australia  
Canada  
Japan  
New Zealand  
Hong Kong  
Switzerland  
United States of America  
United Kingdom

(b) without restriction in any of the following:-

Argentina	Bolsa de Comercio de Buenos Aires
Argentina	Mercado Abierto Electronico S.A.
Bahrain	Bahrain Bourse
Bangladesh	Dhaka Stock Exchange
Bangladesh	Chittagong Stock Exchange Ltd.
Botswana	Botswana Stock Exchange
Brazil	BM&F BOVESPA S.A.
Chile	Bolsa de Comercio de Santiago
Chile	Bolsa Electronica de Chile
China, Peoples' Republic of	Shanghai Stock Exchange
China, Peoples' Republic of	Shenzhen Stock Exchange
China, Peoples' Republic of	Shenzhen-Hong Kong Stock Connect
China, Peoples' Republic of	China Interbank Bond Market via Bond Connect
Colombia	Bolsa de Valores de Colombia
Croatia	Zagreb Stock Exchange
Egypt	Egyptian Exchange
Ghana	Ghana Stock Exchange
India	Bombay Stock Exchange, Ltd.
India	National Stock Exchange
Indonesia	Indonesia Stock Exchange
Israel	Tel-Aviv Stock Exchange
Jordan	Amman Stock Exchange
Kazakhstan (Rep. Of)	Kazakhstan Stock Exchange
Kenya	Nairobi Securities Exchange
Korea	Korea Exchange
Kuwait	Kuwait Stock Exchange
Malaysia	Bursa Malaysia Securities Berhad



Malaysia	Bursa Malaysia Derivatives Berhad
Mauritius	Stock Exchange of Mauritius
Mexico	Bolsa Mexicana de Valores
Mexico	Mercado Mexicano de Derivados
Morocco	Bourse de Casablanca
Namibia	Namibian Stock Exchange
Nigeria	Nigeria Stock Exchange
Oman	Muscat Securities Market
Pakistan	Islamabad Stock Exchange
Pakistan	Karachi Stock Exchange
Pakistan	Lahore Stock Exchange
Peru	Bolsa de Valores de Lima
Philippines	Philippine Stock Exchange
Qatar	Qatar Exchange
Russian Federation	Open Joint Stock Company Moscow Exchange MICEX-RTS (MICEX-RTS)
Saudi Arabia	Tadawul Stock Exchange
Saudi Arabia	Saudi Arabian Monetary Agency
Serbia	Belgrade Stock Exchange
Singapore	Singapore Exchange Limited
Singapore	CATALIST
South Africa	JSE Limited
South Africa	South African Futures Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan (Republic of China)	Taiwan Stock Exchange
Taiwan (Republic of China)	Gre Tai Securities Market
Taiwan (Republic of China)	Taiwan Futures Exchange
Thailand	Stock Exchange of Thailand
Thailand	Market for Alternative Investments
Thailand	Bond Electronic Exchange
Thailand	Thailand Futures Exchange
Tunisia	Bourse des Valeurs Mobilieres de Tunis
Turkey	Istanbul Stock Exchange
Turkey	Turkish Derivatives Exchange
Ukraine	Persha Fondova Torgovelna Systema
Ukraine	Ukrainian Interbank Currency Exchange
United Arab Emirates	Abu Dhabi Securities Exchange
UAE	Dubai Financial Market
United Kingdom	London Stock Exchange
Uruguay	Bolsa de Valores de Montevideo
Uruguay	Bolsa Electrónica de Valores del Uruguay SA
Vietnam	Ho Chi Minh City Stock Exchange
Vietnam	Hanoi Stock Exchange
Vietnam	Unlisted Public Companies Market (UPCOM)
Zambia	Lusaka Securities Exchange plc

(c) for the purposes of investment in Russia and the States of the Russian Federation a Fund may invest in the Moscow Exchange (the former MICEX-RTS Exchange);

(d) without restriction in any of the following:

the market organised by the International Capital Market Association;

the market conducted by the “listed money market institutions”, as described in the Bank of England publication “The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Non-U.S. Exchange and Bullion” dated April, 1988 (as amended from time to time);

AIM - the Alternative Investment Market in the United Kingdom, regulated and operated by the London Stock Exchange;

the French Markets for Titres de Créances Négotiables (the Over-the-Counter markets in negotiable debt instruments);

the Over-the-Counter market in the United States of America regulated by the Financial Industry Regulatory Authority;

NASDAQ in the United States of America;

the Over-the-Counter market in Japan regulated by the Securities Dealers Association of Japan;

the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York; and

the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

(e) In addition to those markets listed above on which financial derivative instruments are traded, the following regulated derivatives markets:

- in a Member State;
- in the United Kingdom;
- in a Member State in the European Economic Area (the European Union, Norway, Iceland and Liechtenstein);

in Asia, on the

- Bursa Malaysia Derivatives Berhad
- Hong Kong Exchanges & Clearing;
- Jakarta Futures Exchange;
- Korea Futures Exchange;
- Korea Stock Exchange;
- Kuala Lumpur Options and Financial Futures Exchange;
- National Stock Exchange of India;
- Osaka Mercantile Exchange;
- Osaka Securities Exchange;
- Shanghai Futures Exchange (SHFE);
- Singapore Commodity Exchange;
- Singapore Exchange;
- Stock Exchange of Thailand;
- Taiwan Futures Exchange;
- Taiwan Stock Exchange;
- The Stock Exchange, Mumbai;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;

in Australia, on the

- Australian Stock Exchange;
- Sydney Futures Exchange;

in Brazil on the Bolsa de Mercadorias & Futuros (BM&F);

in Israel on the Tel-Aviv Stock Exchange;

in Mexico on the Mexican Derivatives Exchange (MEXDER)

in South Africa on the South African Futures Exchange (Safex);

in Switzerland on Eurex (Zurich)

in Turkey on Turkish Derivatives Exchange

in the United States of America, on the

- American Stock Exchange;
- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex US;
- International Securities Exchange;
- New York Futures Exchange;
- New York Board of Trade;
- New York Mercantile Exchange;
- Pacific Stock Exchange;
- Philadelphia Stock Exchange;

in Canada on the

- Bourse de Montreal;
- Winnipeg Commodity Exchange (WCE).

- (f) for the purposes only of determining the value of the assets of a Fund, the term "Recognised Exchange" shall be deemed to include, in relation to any futures or options contract, any organised exchange or market on which such futures or options contract is regularly traded.

## SCHEDULE II

### Investment Restrictions Applicable to the Funds

1	Permitted Investments
1.1	Investments of a UCITS are confined to:  Transferable securities and Money Market Instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
1.2	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
1.3	Money Market Instruments other than those dealt on a Regulated Market.
1.4	Units of UCITS.
1.5	Units of AIFs.
1.6	Deposits with credit institutions.
1.7	Financial derivative instruments.
2	Investment Restrictions
2.1	A UCITS may invest no more than 10% of net assets in transferable securities and Money Market Instruments other than those referred to in paragraph 1.
2.2	<p>Recently Issued Transferable Securities</p> <p>Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.</p> <p>Paragraph (1) does not apply to an investment by a responsible person in US Securities known as “ Rule 144 A securities” provided that;</p> <ul style="list-style-type: none"> <li>- (a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</li> <li>- (b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.</li> </ul>
2.3	A UCITS may invest no more than 10% of net assets in transferable securities or Money Market Instruments issued by the same body provided that the total value of transferable securities and Money Market Instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.

2.4	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS. The Company may not utilise this provision in respect of the Funds without the prior approval of the Central Bank.
2.5	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or Money Market Instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
2.6	The transferable securities and Money Market Instruments referred to in 2.4. shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
2.7	Deposits with any single credit institution other than a credit institution specified in Regulation 7 of the Central Bank UCITS Regulations held as ancillary liquidity shall not exceed: (a) 10% of the NAV of the UCITS; or (b) where the deposit is made with the Depository 20% of the net assets of the UCITS.
2.8	The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.
	This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand
2.9	Notwithstanding paragraphs 2.3, 2.6 and 2.7 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
	investments in transferable securities or Money Market Instruments;
	deposits, and/or
	counterparty risk exposures arising from OTC derivatives transactions.
2.10	The limits referred to in 2.3, 2.4, 2.6, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.6, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and Money Market Instruments within the same group.
2.12	A UCITS may invest up to 100% of net assets in different transferable securities and Money Market Instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

	The individual issuers for such purposes may be drawn from the following list:
	<p>OECD Governments (provided the relevant issues are investment grade), Government of People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC and the following supranational organisations:</p> <p>European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, Export-Import Bank and European Union.</p>
	Where 2.11 applies, the Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.
3	Investment in Collective Investment Schemes ("CIS")
3.1	A Fund may not invest more than 20% of net assets in any one CIS.
3.2	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
3.3	The CIS are prohibited from investing more than 10% of net assets in other open-ended CIS.
3.4	When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
3.5	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.
4	Index Tracking UCITS
4.1	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the UCITS Regulations 2011 and is recognised by the Central Bank
4.2	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

5	General Provisions
5.1	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.
5.2	A Fund may acquire no more than:
	10 % of the non-voting shares of any single issuing body;
	10 % of the debt securities of any single issuing body;
	25 % of the units of any single CIS;
	10 % of the Money Market Instruments of any single issuing body.
	NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue cannot be calculated.
5.3	5.1 and 5.2 shall not be applicable to:
	(i) transferable securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
	(ii) transferable securities and Money Market Instruments issued or guaranteed by a non-Member State;
	(iii) transferable securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;
	(iv) shares held by a UCITS in the capital of a company incorporated in a non-Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.
	(v) Shares held by an investment company or investment companies or ICAV or ICAV's in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of units at unit-holders' request exclusively on their behalf.
5.4	UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or Money Market Instruments which form part of their assets.
5.5	The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

5.6	If the limits laid down herein are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
5.7	Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:
	transferable securities; Money Market Instruments*; units of CIS; or financial derivative instruments.
5.8	A Fund may hold ancillary liquid assets.
6	Financial Derivative Instruments ('FDIs')
6.1	The UCITS' global exposure relating to FDI must not exceed its total Net Asset Value.
6.2	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or Money Market Instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Rules. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
6.3	UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that <ul style="list-style-type: none"> <li>- the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.</li> </ul>
6.4	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

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



## SCHEDULE III

### U.S. Definitions

#### “U.S. Person”

A “U.S. Person” for the purpose of this Prospectus is a person who is: (a) a person included in the definition of “U.S. person” under Rule 902 of Regulation S under the 1933 Act, or (b) a person excluded from the definition of a “Non-United States person” as used in CFTC Rule 4.7. For the avoidance of doubt, a person is excluded from this definition of U.S. Person only if he or it does not satisfy any of the definitions of “U.S. person” in Rule 902 and qualifies as a “Non-United States person” under CFTC Rule 4.7.

“U.S. person” under Rule 902 of Regulation S under the 1933 Act includes the following:

- (a) any natural person resident in the United States;
- (b) any partnership or corporation organised or incorporated under the laws of the United States;
- (c) any estate of which any executor or administrator is a U.S. person;
- (d) any trust of which any trustee is a U.S. person;
- (e) any agency or branch of a non-U.S. entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States; and
- (h) any partnership or corporation if:
  - (i) organised or incorporated under the laws of any non-U.S. jurisdiction; and
  - (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph, “U.S. person” under Rule 902 does not include: (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person, if (A) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate, and (B) the estate is governed by non-U.S. law; (iii) any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person; (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (v) any agency or branch of a U.S. person located outside the United States if (A) the agency or branch operates for valid business reasons, and (B) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (vi) certain international organisations as specified in Rule 902(k)(2)(vi) of Regulation S under the 1933 Act, including their agencies, affiliates and pension plans.

CFTC Rule 4.7 currently provides in relevant part that the following persons are considered “Non-United States persons”:

- (a) a natural person who is not a resident of the United States or an enclave of the U.S. government, its agencies or instrumentalities;
- (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction;
- (c) an estate or trust, the income of which is not subject to U.S. income tax regardless of source;
- (d) 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 (as defined in CFTC Rule 4.7(a)(2) or (3)) 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 who do not qualify as Non-United States persons in a pool with respect to which the 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
- (e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

#### “U.S. Taxpayer”

“U.S. Taxpayer” includes (i) a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes); (ii) any entity treated as a partnership or corporation for U.S. federal tax purposes that is created or organised in, or under the laws of, the United States or any state thereof (including the District of Columbia); (iii) any other partnership that is treated as a U.S. Taxpayer under U.S. Treasury Department regulations; (iv) any estate, the income of which is subject to U.S. income taxation regardless of source; and (v) any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries. Persons who have lost their U.S. citizenship and who live outside the United States may nonetheless, in some circumstances, be treated as U.S. Taxpayers.

An investor who is not a U.S. Person may nevertheless be considered a “U.S. Taxpayer” under U.S. federal income tax laws.

#### “Benefit Plan Investor”

“Benefit Plan Investor” is used as defined in U.S. Department of Labor (“DOL”) Regulation 29 C.F.R. §2510.3-101 and Section 3(42) of ERISA (collectively, the “Plan Asset Rule”) and includes (i) any employee benefit plan subject to Part 4, Subtitle B of Title I of ERISA; (ii) any plan to which Code Section 4975 applies (which includes a trust described in Code Section 401(a) that is exempt from tax under Code Section 501(a), a plan described in Code Section 403(a), an individual retirement account or annuity described in Code Section 408 or 408A, a medical savings account described in Code Section 220(d), a health savings account described in Code Section 223(d) and an education savings account described in Code Section 530); and (iii) any entity whose underlying assets include plan assets by reason of a plan’s investment in the entity (generally because 25 per cent. or more of a class of equity interests in the entity is owned by plans). An entity described in (iii) immediately above will be considered to hold plan assets only to the extent of the percentage of the equity interests in the entity held by Benefit Plan Investors. Benefit Plan Investors also include that portion of any insurance company’s general account assets that are considered “plan assets” and (except if the entity is an investment company registered under the 1940 Act) also include assets of any insurance company separate account or bank common or collective trust in which plans invest.

## SCHEDULE IV

### Efficient Portfolio Management - Techniques and Instruments

In addition to making investments in FDIs, the Company may employ other techniques and instruments relating to transferable securities and money market instruments subject to the UCITS Regulations and to conditions imposed by the Central Bank. These techniques and instruments will be used in the best interest of the Shareholders.

Such techniques and instruments are set out below and are subject to the following conditions:

Repurchase/reverse repurchase agreements and securities lending may only be effected in accordance with normal market practice. All assets received by a UCITS in the context of efficient portfolio management techniques should be considered as collateral and should comply with the criteria set down below.

Unless otherwise specified in the relevant Supplement, a Fund may lend, for securities lending or sell, for repurchase agreements, any securities within a portfolio. In securities lending, the Fund will lend securities to broker-dealers and banks in order to generate additional income for the relevant Fund. Any such loan must be continuously secured by collateral in cash or cash equivalents maintained on a current basis in an amount at least equal to the market value of the securities loaned by the relevant Fund.

It is typically expected that, where permitted, 0-10% of the Net Asset Value of available instruments of a relevant Fund which may be subject to repurchase/reverse repurchase agreements or securities lending subject to a maximum of 75% of the Net Asset Value.

Solely where described in a Supplement, a Fund may utilize total return swaps in accordance with its investment policy. Where the investment policy provides that total return swaps are to be used as part of the primary investment policy, the Fund may invest in total return swaps up to 100% of its Net Asset Value with an expected range of usage in line with the percentage of long and short exposure of the relevant Fund otherwise such instruments are limited to 1/3 of the Net Asset Value of the relevant Fund. The underlying instruments permitted for total return swaps are as set out under "Swaps" in the section "Use of Financial Derivatives Instruments" and in each Supplement.

#### *Collateral Policy*

For the purposes of limiting the Funds' credit risk in respect of OTC transactions or repurchase agreements, collateral may be received from, or posted to, counterparties on behalf of the Fund.

Other than cash, the Company will only accept U.S. Treasuries as collateral, which must, at all times, meet the following criteria:

**Liquidity:** Collateral received must be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received must also comply with the provisions of UCITS Regulation 74.

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

**Issuer Credit Quality:** Collateral received must be of high quality and will be evaluated in accordance with the issuer credit assessment process requirements as set out in the Central Bank UCITS Regulations.

**Correlation:** Collateral received must be issued by an entity that is independent from the counterparty and is not expected, on reasonable grounds, to display a high correlation with the performance of the counterparty.

Diversification (asset concentration): Collateral must be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

By way of derogation from this requirement, the Funds may be fully collateralised using transferable securities and money market instruments issued or guaranteed by any Member State, one or more of its local authorities, a third country or a public international body of which one or more Member States belongs provided the Funds should receive securities from at least 6 different issues and securities from any single issue shall not account for more than 30% of the relevant Fund's net asset value. It is expected that the Funds will receive collateral of more than 20% of the net asset value of each Fund in transferable securities or money market instruments issued by the U.S. Government. However, the Fund may take collateral from any Member State or other body meeting the above criteria.

Immediately Available: Collateral received must be capable of being fully enforced by a Fund at any time without reference to or approval from the counterparty.

The level of collateral will be sufficient to limit the Funds' exposure to a counterparty within the UCITS Rules and will be determined by the Manager or a Sub-Investment Manager after applying appropriate haircuts to minimise the risk of loss to the Funds.

Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.

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

Cash collateral may not be invested other than in the following:

- deposits with relevant institutions;
- high-quality government bonds;
- reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis;
- short-term money market funds, as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds.

In accordance with Regulation 24(6) of the Central Bank UCITS Regulations, invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the relevant counterparty or a related entity. Exposure created through the re-investment 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 may still present additional risk for a Fund.

A Fund receiving collateral for 30% or more of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- empirical approach to impact assessment, including back-testing of liquidity risk estimates;

- reporting frequency and limit/loss tolerance threshold/s; and
- mitigation actions to reduce loss including haircut policy and gap risk protection.

As the Funds will only accept U.S. Treasuries as non-cash collateral it is not necessary for the Funds to apply a haircut policy.

All counterparties to OTC FDI transactions, repurchase/reverse repurchase agreements or securities lending agreements will be a counterparty that falls within at least one of the following categories in accordance with the UCITS Rules:

- i. a credit institution authorised:
  - a. in the EEA;
  - b. within a signatory state, other than a member state of the EEA, to the Basle Capital Convergence Agreement of July 1988; or
  - c. in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.;
- ii. an investment firm authorised in accordance with MIFID II; or
- iii. a group company of an entity issued with a bank holding licence from the Federal Reserve of the United States of America and is subject to its supervision.

Where a counterparty (that falls within one of the preceding categories) to a repurchase or a securities lending agreement, which has been entered into on behalf of the Funds:

- (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account in the credit assessment process; and
- (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted by the Company.

The counterparty to an OTC derivative transaction, repurchase/reverse repurchase agreement or securities lending agreement must have a minimum credit rating of A-2 or equivalent, or must be deemed by the Manager to have an implied rating of A-2 or equivalent. Alternatively, an unrated counterparty will be acceptable where the Company is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A-2 or equivalent.

Where there is a novation of a counterparty to an OTC FDI contract, the counterparty must be one which meets the requirements of the UCITS Rules or is a central counterparty authorized, recognized or pending recognition by ESMA under the European Market Infrastructure Regulation, or an entity classified as a derivatives clearing organization by the Commodity Futures Trading Commission or a clearing agency by the SEC.

The Company will ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

If the Company enters into a reverse repurchase agreement, it will 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 will be used for the calculation of the net asset value of the Fund.

If the Company enters into a repurchase agreement, it will 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.

Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of the UCITS Regulations.

### *Safekeeping*

Collateral received on a title transfer basis should be held in custody by the Depositary. For other types of collateral arrangements, the collateral can be held by a third party depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral. Assets pledged in such transactions by the Funds continue to be safekept by the Depositary.

**SCHEDULE V**  
**SUB-CUSTODIANS**

Market	Sub-custodian
Albania	Raiffeisen Bank sh.a.
Argentina	Citibank, N.A.
Australia	The Hongkong and Shanghai Banking Corporation Limited
Austria	Deutsche Bank AG UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Bangladesh	Standard Chartered Bank
Belgium	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Brussels branch)
Benin	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Bermuda	HSBC Bank Bermuda Limited
Federation of Bosnia and Herzegovina	UniCredit Bank d.d.

Botswana	Standard Chartered Bank Botswana Limited
Brazil	Citibank, N.A.
Bulgaria	Citibank Europe plc, Bulgaria Branch UniCredit Bulbank AD
Burkina Faso	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Canada	State Street Trust Company Canada
Chile	Itaú CorpBanca S.A.
People's Republic of China	HSBC Bank (China) Company Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)  China Construction Bank Corporation
China Connect	Citibank N.A.  Standard Chartered Bank (Hong Kong) Limited  The Hongkong and Shanghai Banking Corporation Limited
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco BCT S.A.



Croatia	Privredna Banka Zagreb d.d. Zagrebacka Banka d.d.
Cyprus	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)
Czech Republic	Československá obchodní banka, a.s. UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Nordea Bank AB (publ), Sweden (operating through its branch, Nordea Danmark, Filial af Nordea Bank AB (publ), Sverige)  Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
Egypt	HSBC Bank Egypt S.A.E. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Estonia	AS SEB Pank
Eswatini (previously known as Swaziland)	Standard Bank Swaziland Limited
Finland	Nordea Bank AB (publ), Sweden (operating through its branch, Nordea Bank AB (publ), Finnish branch)  Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
France	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Paris branch)
Republic of Georgia	JSC Bank of Georgia

Germany	State Street Bank International GmbH Deutsche Bank AG
Ghana	Standard Chartered Bank Ghana Limited
Greece	BNP Paribas Securities Services, S.C.A.
Guinea-Bissau	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Hong Kong	Standard Chartered Bank (Hong Kong) Limited
Hungary	Citibank Europe plc Magyarországi Fióktelepe UniCredit Bank Hungary Zrt.
Iceland	Landsbankinn hf.
India	Deutsche Bank AG The Hongkong and Shanghai Banking Corporation Limited
Indonesia	Deutsche Bank AG
Ireland	State Street Bank and Trust Company, United Kingdom branch
Israel	Bank Hapoalim B.M.
Italy	Deutsche Bank S.p.A.
Ivory Coast	Standard Chartered Bank Côte d'Ivoire S.A.
Japan	Mizuho Bank, Limited The Hongkong and Shanghai Banking Corporation Limited
Jordan	Standard Chartered Bank

Kazakhstan	JSC Citibank Kazakhstan
Kenya	Standard Chartered Bank Kenya Limited
Republic of Korea	Deutsche Bank AG The Hongkong and Shanghai Banking Corporation Limited
Kuwait	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Latvia	AS SEB banka
Lithuania	AB SEB bankas
Malawi	Standard Bank PLC
Malaysia	Deutsche Bank (Malaysia) Berhad Standard Chartered Bank Malaysia Berhad
Mali	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Mauritius	The Hongkong and Shanghai Banking Corporation Limited
Mexico	Banco Nacional de México, S.A.
Morocco	Citibank Maghreb S.A.
Namibia	Standard Bank Namibia Limited
Netherlands	Deutsche Bank AG
New Zealand	The Hongkong and Shanghai Banking Corporation Limited

Niger	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Nigeria	Stanbic IBTC Bank Plc.
Norway	Nordea Bank AB (publ), Sweden (operating through its branch, Nordea Bank AB (publ), filial i Norge)  Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
Oman	HSBC Bank Oman S.A.O.G. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Pakistan	Deutsche Bank AG
Panama	Citibank, N.A.
Peru	Citibank del Perú, S.A.
Philippines	Deutsche Bank AG
Poland	Bank Handlowy w Warszawie S.A.  Bank Polska Kasa Opieki S.A.
Portugal	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)
Puerto Rico	Citibank N.A.
Qatar	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Romania	Citibank Europe plc, Dublin – Romania Branch
Russia	AO Citibank

Saudi Arabia	HSBC Saudi Arabia (as delegate of The Hongkong and Shanghai Banking Corporation Limited)  Saudi British Bank (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Senegal	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Serbia	UniCredit Bank Serbia JSC
Singapore	Citibank N.A.
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s.
Slovenia	UniCredit Banka Slovenija d.d.
South Africa	FirstRand Bank Limited  Standard Bank of South Africa Limited
Spain	Deutsche Bank S.A.E.
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Republic of Srpska	UniCredit Bank d.d.
Swaziland (see Eswatini)	Swaziland is now known by the name Eswatini.
Sweden	Nordea Bank AB (publ)  Skandinaviska Enskilda Banken AB (publ)
Switzerland	Credit Suisse (Switzerland) Limited  UBS Switzerland AG

Taiwan - R.O.C.	Deutsche Bank AG Standard Chartered Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Tanzania) Limited
Thailand	Standard Chartered Bank (Thai) Public Company Limited
Togo	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Tunisia	Union Internationale de Banques
Turkey	Citibank, A.Ş. Deutsche Bank A.Ş.
Uganda	Standard Chartered Bank Uganda Limited
Ukraine	JSC Citibank
United Arab Emirates Dubai Financial Market	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Arab Emirates Dubai International Financial Center	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Arab Emirates Abu Dhabi	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
United Kingdom	State Street Bank and Trust Company, United Kingdom branch
United States	State Street Bank and Trust Company
Uruguay	Banco Itaú Uruguay S.A.

Vietnam	HSBC Bank (Vietnam) Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Zambia	Standard Chartered Bank Zambia Plc.
Zimbabwe	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)
Transnational Depositories	Euroclear Bank S.A./N.V.
	Clearstream Banking, S.A.

## SCHEDULE VI

### STOCK CONNECT

The Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited (“HKEX”), SZSE, SSE and ChinaClear with an aim to achieve mutual stock market access between the PRC and Hong Kong. The Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the Funds), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China A Shares listed on the SSE or SZSE by routing orders to SSE or SZSE respectively. Under the Southbound Trading Link investors in China will be able to trade certain stocks listed on the SEHK. Under the Stock Connect, the Funds, through their Hong Kong brokers may trade certain eligible shares listed on the SSE or SZSE.

For the SSE, these include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed A shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the “risk alert board”.

The SSE does not permit ETFs as eligible securities.

For the SZSE, these include all constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index all SZSE-listed shares of companies that have issued both A shares and H shares. However, the SZSE, unlike the SSE, restricts investors who are eligible to trade shares listed on the ChiNext Board of SZSE to “institutional professional investors”<sup>1</sup>.

The SZSE will include ETFs as eligible securities.

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

The trading is subject to rules and regulations issued from time to time. Trading under the Stock Connect will initially be subject to a maximum cross-boundary investment quota (“Aggregate Quota”), together with a daily quota (“Daily Quota”). Northbound trading and Southbound trading will be subject to a separate set of Aggregate and Daily Quota. The Northbound Aggregate Quota caps the absolute amount of fund inflow into the PRC and is currently set at RMB300 billion. The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connect each day. The Northbound Daily Quota is set at RMB13 billion for each of SZSE and SSE respectively. HKSCC, a wholly-owned subsidiary of HKEX, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors. The China A Shares traded through Stock Connect are issued in scripless form, and investors will not hold any physical China A Shares.

Although HKSCC does not claim proprietary interests in the either SZSE or SSE securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SZSE and SSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SZSE and SSE securities.

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<sup>1</sup>As defined in the Hong Kong Securities and Futures Ordinance and the SFC Code of Conduct for Persons Licensed by or Registered with the SFC



In addition to paying trading fees, levies and stamp duties in connection with trading in China A Shares, the Funds may be subject to new fees arising from trading of China A Shares via the Stock Connect which are yet to be determined and announced by the relevant authorities.

## SCHEDULE VII

### BOND CONNECT

Bond Connect is an initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by CFETS, China Central Depository & Clearing Co., Ltd (“CCDC”), Shanghai Clearing House (“SCH”), and Hong Kong Exchanges and Clearing Limited (“HKEX”) and Central Moneymarkets Unit (“CMU”).

Bond Connect is governed by rules and regulations as promulgated by the Mainland Chinese authorities. Such rules and regulations may be amended from time to time and include (but are not limited to):

- (i) the “Interim Measures for the Administration of Mutual Bond Market Access between Mainland China and Hong Kong (Decree No.1 [2017])” issued by the PBOC on 21 June 2017,
- (ii) the “Guide on Registration of Overseas Investors for Northbound Trading in Bond Connect” issued by the Shanghai Head Office of PBOC on 22 June 2017; and
- (iii) any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the CIBM through the Northbound Trading Link. There will be no investment quota for the Northbound Trading Link. Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC.

Eligible foreign investors may submit trade requests for bonds circulated in the CIBM through the Northbound Trading Link provided by offshore electronic bond trading platforms, which will in turn transmit their requests for quotation to CFETS. CFETS will send the requests for quotation to a number of approved onshore dealers (including market makers and others engaged in the market making business) in Mainland China. The approved onshore dealers will respond to the requests for quotation via CFETS, and CFETS will send their responses to those eligible foreign investors through the same offshore electronic bond trading platforms. Once the eligible foreign investor accepts the quotation, the trade is concluded on CFETS.

On the other hand, the settlement and custody of bond securities traded in the CIBM under the Bond Connect will be done through the settlement and custody link between the CMU, as an offshore custody agent, and the CSDCC and the SHCH, as onshore custodian and clearing institutions in Mainland China. Under the settlement link, CSDCC or the SHCH will effect gross settlement of confirmed trades onshore and the CMU will process bond settlement instructions from the CMU members on behalf of eligible foreign investors in accordance with its relevant rules.

Pursuant to the prevailing regulations in Mainland China, the CMU, being the offshore custody agent recognized by the HKMA, open omnibus nominee accounts with the onshore custody agent recognized by the PBOC (i.e., the CSDCC and Interbank Clearing Company Limited). All bonds traded by eligible foreign investors will be registered in the name of the CMU, which will hold such bonds as a nominee owner.