

The Directors of the Company whose names appear on page (iii) 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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**WAVERTON INVESTMENT FUNDS PLC**

(an investment company with variable capital incorporated with limited liability in Ireland with registered number 383680 and established as an umbrella fund with segregated liability between sub-funds)

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**PROSPECTUS**

for

**Waverton Global Equity Fund**  
**Waverton Asia Pacific Fund**  
**Waverton UK Fund**  
**Waverton Global Strategic Bond Fund**  
**Waverton Absolute Return Fund**  
**Waverton Multi-Asset Income Fund**  
**Waverton Multi-Asset Growth Fund**  
**Waverton Sterling Bond Fund**  
**Waverton Strategic Equity Fund**  
**Waverton Real Assets Fund**  
**Waverton European Capital Growth Fund**  
**Waverton European Dividend Growth Fund**  
**Waverton Multi-Asset Balanced Fund**  
**Waverton Multi-Asset Cautious Fund**  
**Waverton Multi-Asset Defensive Fund**  
**Waverton Multi-Asset Growth Fund (€ Denominated)**  
**Waverton Global Credit Opportunities Fund**

Dated 11 December 2025

**THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT THE COMPANY AND THE FUNDS AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS PROSPECTUS OR THE SUPPLEMENT FOR THE RELEVANT FUND, YOU SHOULD CONSULT YOUR BANK MANAGER, LEGAL ADVISER, ACCOUNTANT OR OTHER FINANCIAL ADVISER. SHARES CONSTITUTING EACH FUND ARE DESCRIBED IN A SUPPLEMENT TO THIS PROSPECTUS FOR EACH SUCH FUND, EACH OF WHICH IS AN INTEGRAL PART OF THIS PROSPECTUS AND IS INCORPORATED HEREIN BY REFERENCE WITH RESPECT TO THE RELEVANT FUND.**

*Certain terms used in this Prospectus are defined in the section entitled "Definitions".*

### **Central Bank Authorisation**

***The Company has been authorised by the Central Bank as a UCITS within the meaning of the UCITS Regulations. 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 this Prospectus. Authorisation of the Company by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company or of any Fund.***

### **Investment Risks**

***There can be no assurance that each Fund will achieve its investment objective. It should be appreciated that the value of Shares may go down as well as up. An investment in a Fund involves investment risks, including possible loss of the entire amount invested. The capital return and income of a Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, a Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income. Investors' attention is drawn to the specific risk factors set out in the section entitled "Risk Factors". It is recommended that for retail investors an investment in any of the Funds should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The difference at any one time between the sale and repurchase price of the Shares means that an investment in any of the Funds should be viewed as medium to long-term. Shareholders should note that fees and expenses may be charged to the capital of the Funds, as set out in the Supplement for the relevant Fund. Therefore, on repurchase, Shareholders may not receive back the full amount invested. The charging of expenses to capital will have the effect of lowering the capital value of your investment. To protect existing Shareholders, a dilution adjustment, may, at the absolute discretion of the Investment Manager, be made on a Dealing Day and reflected in the Net Asset Value per Share at which subscriptions and repurchases of Shares are effected. For details on the maximum subscription and repurchase fees payable in respect of the Funds, please refer to the section entitled "Fees and Expenses" and "Administration of the Company – Dilution Adjustments".***

### **Selling Restrictions**

*The distribution of this Prospectus and the Supplement for the relevant Fund and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus and Supplement for the relevant Fund or the accompanying application form in any such jurisdiction may treat such Prospectus, Supplement or application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use*

*such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus and any Supplement does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and the Supplement for the relevant Fund and any persons wishing to apply for Shares pursuant thereto to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, incorporation or domicile.*

*Before investing in a Fund an investor shall be required to confirm whether the investor is Irish Resident for tax purposes.*

*United States: The Shares have not been and will not be registered under the 1933 Act, or any U.S. state securities laws, and neither the Funds nor the Company has been or will be registered under the 1940 Act. Except as otherwise described herein, such Shares may not be offered or sold, directly or indirectly to, or for the benefit of, any U.S. Person. For this purpose, a U.S. Person has the meaning set forth in the section entitled "Definitions". Shares may in the future be offered and sold to a limited number or category of U.S. Persons, but only pursuant to authorisation by the Directors, and in such a manner that will not require the registration of the Company, any Fund, or the Shares under the securities laws of the United States, or any state thereof.*

*Isle of Man: Shareholders in the Company are not protected by any statutory compensation scheme and the Isle of Man Financial Supervision Commission does not regulate the Company and has not approved it.*

### **Marketing Rules**

*Shares are offered only on the basis of the information contained in the current Prospectus and the latest audited annual accounts and any subsequent half-yearly report. Investors should note that the auditor's report on the Company's annual accounts is made only to the Company and the Shareholders as a body at the date of the auditor's report.*

*Any further information or representation given or made by any dealer, salesman or other person should be disregarded and accordingly should not be relied upon. Neither the delivery of this Prospectus and the Supplement for the relevant Fund, nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus or the Supplement for the relevant Fund is correct as of any time subsequent to the date of this Prospectus and the Supplement for the relevant Fund. Statements made in this Prospectus and the Supplement for the relevant Fund are based on the law and practice currently in force in Ireland and are subject to changes therein.*

*The Prospectus and any Supplement may be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus or Supplement. To the extent that there is any inconsistency between the English language Prospectus or Supplement and the Prospectus or Supplement in another language, the English language Prospectus or Supplement will prevail, except to the extent (but only to the extent that it is required by the law of any jurisdiction where the Shares are sold) that in an action based upon disclosure in a Prospectus in a language other than English, the language of the Prospectus or Supplement on which such action is based shall prevail. All disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland.*

*This Prospectus and any Supplement for the relevant Fund should be read in their entirety before making an application for Shares.*

## WAVERTON INVESTMENT FUNDS PUBLIC LIMITED COMPANY

### ***Board of Directors***

Ms. Samantha McConnell  
Ms. Louise McMorrow  
Mr. Marc Geduldt  
Mr. Michael Allen

### ***Registered Office of the Company***

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### ***Company Secretary***

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Dublin 2  
D02 T380  
Ireland

### ***Investment Manager and Distributor***

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London  
SW1Y 6AH  
United Kingdom

### ***Administrator***

CACEIS Ireland Limited  
First Floor, Bloodstone Building  
Sir John Rogerson's Quay  
Dublin 2  
D02 KF24  
Ireland

### ***Manager***

Bridge Fund Management Limited  
Percy Exchange  
8/34 Percy Place  
Dublin 4  
D04 P5K  
Ireland

### ***Depositary***

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Dublin 2  
D02 KF24  
Ireland

### **Head Office**

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France

### ***Legal Advisers in Ireland***

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10 Earlsfort Terrace  
Dublin 2  
D02 T380  
Ireland

### ***Legal Advisers in England***

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100 Bishopsgate  
London  
EC2N 4AG  
United Kingdom

### ***Auditors***

Grant Thornton  
Chartered Accountants  
and Registered Auditors  
24-26 City Quay  
Dublin 2  
D02 ED70  
Ireland

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## **WAVERTON INVESTMENT FUNDS PLC**

### **SUMMARY**

#### **Structure**

The Company is an umbrella fund with segregated liability between sub-funds established as an open-ended, variable capital investment company incorporated as a public limited company under the laws of Ireland. The Articles of Association provide for separate Funds, each representing interests in a separate and defined portfolio of assets and liabilities which may be issued from time to time with the approval of the Central Bank.

#### **Supplements relating to the Funds**

Particulars relating to each Fund are set out in a Supplement to this Prospectus. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus.

#### **Taxation**

Potential investors are advised to consult their own tax advisers as to the implications of an investment in the Company. Please refer to the section entitled "Taxation" for information on the tax considerations relevant to an investment in a Fund.

#### **Distribution Policy**

Investors' attention is drawn to the details of the distribution policy of the Funds set out in the section entitled "Distribution Policy" and the Supplement for the relevant Fund.

#### **Income Equalisation**

It is intended that all Funds will operate income equalisation. Income equalisation prevents the dilution of current shareholders' earnings by applying a portion of the proceeds from Shares issued or redeemed to undistributed income. When Shares are purchased or repurchased the price may include an element of income. Equalisation is this element of income paid out to shareholders who have purchased or repurchased during this period.

#### **Fees and Expenses**

Investors' attention is drawn to the details of the fees and expenses charged to the Funds set out in the section entitled "Fees and Expenses" and the Supplement for the relevant Fund.

#### **Dealing Days**

In the case of all Funds, Shares may be issued or repurchased on a Dealing Day by sending an application or repurchase form to the Administrator to arrive no later than 10.00 a.m. (Irish time) on the Dealing Day.

In the case of all Funds, each Business Day shall be a Dealing Day, except where the Net Asset Value determination has been temporarily suspended in the circumstances outlined in the section entitled "Administration of the Company – Temporary Suspension of Valuation of the Shares and of Sales and Repurchases".

**Investor Restrictions**

The Shares may not be offered or sold in any jurisdiction in which such offer or sale is not lawful or in which the person making such offer or sale is not qualified to do so or to anyone to whom it is unlawful to make such an offer or sale. Except as otherwise provided in this Prospectus Shares may not be purchased or held by or for the account of any U.S. Person. Applicants and transferees will be required to certify whether or not they are Irish Residents.

**Investment Risks**

An investment in a Fund involves investment risks, including possible loss of the amount invested. There can be no assurance that a Fund will achieve its investment objective. A more detailed description of certain investment risks relevant to investors in the Company is set out in the section entitled "Risk Factors" and the Supplement for the relevant Fund.

## DEFINITIONS

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

"1933 Act"	the U.S. Securities Act of 1933, as amended;
"1940 Act"	the U.S. Investment Company Act of 1940, as amended;
"Administrator"	CACEIS Ireland Limited;
"Administration Agreement"	the agreement dated 30 October 2015, between the Company and the Administrator, pursuant to which the latter was appointed administrator of the Company, as may be amended from time to time, and a novation agreement dated 18 February 2022 between the Company, the Administrator and the Manager;
"ADRs"	American Depository Receipts;
"AIF"	alternative investment fund;
"Ancillary Liquid Assets"	includes cash deposits, short term Debt Securities, certificates of deposit, bankers acceptances and similar instruments;
"Articles of Association" or "Articles"	the articles of association of the Company;
"ASEAN"	the Association of Southeast Asian Nations;
"Asia-Pacific"	any country in the Asia-Pacific region including, but not limited to, Australia, China, Hong Kong, India, Indonesia, Korea, Malaysia, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka, Thailand and Taiwan;
"Asia-Pacific Companies"	companies established in an Asia-Pacific country or carrying on business activities predominantly in Asia-Pacific countries or, if a holding company, holding shares predominantly in companies established in Asia-Pacific countries;
"Base Currency"	the base currency of each Fund as specified in the Supplement for the relevant Fund;
"Benchmark"	the benchmark (if any) indicated for a Fund in the Supplement for the relevant Fund;
"Business Day"	unless otherwise determined by the Manager and notified in advance to Shareholders, a day on which retail banks are open for business in

	Dublin and London or as specified as such in the Supplement for the relevant Fund;
"CA\$"	Canadian Dollars, the lawful currency of Canada;
"Central Bank Act"	the Central Bank (Supervision and Enforcement) Act 2013, as such may be amended, supplemented or replaced from time to time;
"Central Bank of Ireland"	the Central Bank of Ireland or any successor regulatory body;
"Central Bank Regulations"	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019, as such may be amended, supplemented or replaced from time to time;
"class" or "Class"	any class of Shares each representing an interest in a Fund, as set out in the Supplement for the relevant Fund;
"Companies Act"	the Companies Act 2014, all statutes and statutory instruments which are to be read as one with, or construed or read together with or as one with, the Companies Act 2014 and every statutory modification and re-enactment thereof for the time being in force;
"Company"	Waverton Investment Funds plc, an investment company with variable capital, incorporated in Ireland pursuant to the Companies Act and the UCITS Regulations;
"Connected Person"	the Manager or the Depositary, and the delegates or sub-delegates of the Manager or the Depositary (excluding any non-group company sub-custodians appointed by the Depositary), and any associated or group company of the Manager, the Depositary, any delegate or sub-delegate;
"Convertible Debt Securities"	a Convertible Debt Security is a bond that can be converted into a predetermined amount of shares of common stock in the issuing company at certain times during its life, usually at the discretion of the bondholder. A Convertible Debt Security may be viewed as a bond with an embedded option to exchange the bond for equity. The Investment Manager may purchase Convertible Debt Securities, in

	accordance with the investment policy of the relevant Fund, when they view the security to offer an attractive risk/reward profile. The Convertible Debt Securities may employ leverage. Please see the section entitled "Leverage and Long / Short Exposure" in the investment policy of the relevant Fund for a discussion of the potential leverage level of the relevant Fund;
"Courts Service"	the body responsible for the administration of monies under the control or subject to the order of the courts in Ireland;
"Dealing Day"	unless otherwise determined by the Manager and notified in advance to Shareholders, each Business Day or as otherwise stated in the Supplement for the relevant Fund;
"Debt Securities"	include fixed rate bonds (i.e., securities, which carry a fixed rate of interest, which does not fluctuate with general market conditions) or floating rate bonds (i.e., securities that carry a variable interest rate, which is initially tied to an external index such as U.S. Treasury Bill rates), bonds issued or guaranteed by corporations or governments or governmental agencies or instrumentalities thereof, central banks or commercial banks, Structured Products and freely transferable promissory notes, debentures, commercial paper, Shari'ah-compliant securities (such as sukuk), Brady bonds, Eurobonds, Hybrid Securities, Convertible Debt Securities (including, unless otherwise stated in the relevant Fund's investment policy, contingent convertible securities as described in the section entitled "Risk Factors – Contingent Convertible Securities") and covered bonds;
"Depositary Agreement"	the agreement dated 20 April 2017, between the Company and the Depositary, pursuant to which the latter was appointed depositary of the Company, as may be amended or replaced from time to time;
"Depositary"	CACEIS Bank, Ireland Branch;
"Directive"	the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in

	transferable securities (UCITS), as may be amended or replaced from time to time;
“Directors”	the directors of the Company for the time being and any duly constituted committee thereof;
“EDRs”	European Depositary Receipts;
“EEA”	the European Economic Area;
“Emerging Market Countries”	any country listed on the MSCI Emerging Markets Index;
“ESG”	means environmental, social and/or governance;
“ETF”	an exchange-traded fund, the units of which may, depending on the circumstances, be classified under the UCITS Regulations as units in a UCITS, units in an AIF or transferable securities. For the avoidance of doubt, for shares or units in an exchange-traded fund to constitute transferable securities within the meaning of the UCITS Regulations, the relevant fund must be closed-ended and the shares or units must fulfil the other criteria applicable to transferable securities under the UCITS Regulations;
“€” or “euro” or “EUR”	the currency unit referred to in the Second Council Regulation (EC) no. 974/98 of 3 May 1998 on the introduction of the euro;
“EU”	the European Union;
“European Emerging Market Countries”	any country in Europe listed on the MSCI Emerging Markets Index;
“Europe”	any country in the EEA and Switzerland;
“Fund”	any fund from time to time established by the Company including any of the Funds the subject of this Prospectus and the relevant Supplement, where appropriate;
“FDI”	a financial derivative instrument or instruments;
“GDRs”	Global Depositary Receipts;
“Hybrid Securities”	hybrid securities combine generally both debt and equity characteristics, which can be described in two ways. Firstly, securities can

bear some characteristics of debt and of equity at the same time. For example, preferred stock with call options regularly has a stated maturity date (which is in contrast to the "equity"-quality) but contains features like no on-going payments and a loss absorption-tool (typical "equity"-like). Secondly, Convertible Debt Securities which may be viewed as a bond with an embedded option to exchange the bond for equity, may also bear hybrid characteristics. For example, a Debt Security which is convertible into an equity instrument, whether at the option of the issuer or the holder, upon occurrence of a conversion event or at a conversion date, can be said to have the characteristics of both equity and debt;

"Initial Offer Period"	the period determined by the Manager during which a Class of Shares is first offered for subscription as set out in the Supplement for the relevant Fund;
"Investment Manager" or "Investment Manager and Distributor"	WIM Investment Management Limited;
"Investment Management and Distribution Agreement"	the agreement dated 16 June 2004, as amended by a supplemental agreement dated 9 October 2006, between the Company and the Investment Manager and by a novation agreement dated 18 February 2022 between the Company, the Investment Manager and the Manager, as may be further amended or replaced from time to time;
"Investor Money Regulations"	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015;
"Investor Monies"	any subscription monies received from investors, redemptions monies payable to investors and/or dividends due to investors;
"Japanese Companies"	companies established in Japan or carrying on business activities predominantly in Japan or, if a holding company, holding shares predominantly in companies established in Japan;
"KID"	a key information document issued in accordance with Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs)

	and the Delegated PRIIPs Regulation (EU) 2021/2268, as such may be amended, supplemented or replaced from time to time;
“KIID”	a key investor information document issued in accordance with the UCITS Regulations, Commission Regulation (EU) 583/2010 of 1 July 2010, all related ESMA guidelines and the Central Bank Regulations, as such may be amended, supplemented or replaced from time to time;
“Level 2 Regulation”	Commission Delegated Regulation (EU) 2016/438 of 17 December 2015 supplementing Directive 2009/65/EC of the European Parliament and of the Council with regard to obligations of depositaries, as may be amended or replaced from time to time;
“Management Agreement”	the agreement dated 18 February 2022 between the Company and the Manager, as may be further amended or replaced from time to time;
“Manager”	Bridge Fund Management Limited;
“Member State”	a member state of the EU;
“money market instruments”	high quality money market funds, as well as government securities, commercial paper, certificates of deposit and bankers’ acceptances all rated investment grade by a rating agency or deemed by the Investment Manager to have a rating of investment grade;
“MSCI Emerging Markets Index”	is an index that consists of the following 24 countries representing 10 per cent. of world market capitalisation and covering approximately 85 per cent. of the free float-adjusted market capitalisation in each of these countries: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Russia, Qatar, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates;
“Net Asset Value” or “NAV”	the Net Asset Value of the Company, or of a Fund or Class, as appropriate, calculated as described herein;
“Net Asset Value per Share”	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;
"OECD"	the Organisation for Economic Co-Operation and Development whose current member countries are Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, South Korea, Spain, Sweden, Switzerland, Turkey, UK and US and such other countries as may from time to time become member countries;
"Regulated Market"	any stock exchange or regulated market in the European Union or a stock exchange or regulated market which is provided for in the Articles of Association and set forth in Schedule I;
"REIT"	a real estate investment trust or other pooled investment vehicle that invests primarily in income producing real property or real property related loans or interests;
"Relevant Declaration"	the declaration relevant to the Shareholder as set out in Schedule 2B TCA. The Relevant Declaration for investors who are neither resident in Ireland nor ordinarily resident in Ireland (or intermediaries acting for such investors) is set out in the application form;
"Relevant Institution"	an EU credit institution; a bank authorised in a member state of the EEA (Norway, Iceland, Liechtenstein); a bank authorised by a signatory other than an EU member state or a member state of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, U.S.); or a bank authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
"Rule 144A Securities"	securities (i) which are issued with an undertaking to register with the U.S. Securities and Exchange Commission within one year of issue; and (ii) are not illiquid, meaning that they may be realised by the Company within seven days at the price, or approximately at the price, at which they are valued by the Company;

"Share" or "Shares"	any class of Share or Shares in the Company or the Fund, as the context so requires;
"Shareholder"	a holder of Shares;
"Sterling" or "GBP" or "STG£"	pounds sterling, the lawful currency of the United Kingdom;
"Structured Products"	Structured Products may constitute transferable securities embedding FDI and shall comprise securities in which the issuer undertakes to provide a return to investors based on the performance of a reference asset such as an equity, Debt Security, FDI, index or collective investment scheme. The types of Structured Products which may be used by the relevant Funds in accordance with the investment policy of that Fund are: (i) notes which give exposure to a basket of equity securities of companies from a particular industry sector over a specified term; or (ii) certificates which give a return based on the performance of a reference index or indices which may or may not be over a specified term. Issuers of Structured Products are typically banks, investment firms, brokers or other institutions. The Structured Products may employ leverage. Please see the section entitled "Leverage and Long / Short Exposure" in the investment policy of the relevant Fund for a discussion of the potential leverage level of the relevant Fund;
"Subscriber Shares"	the initial Share capital of 2 Shares of no par value subscribed for EUR 2;
"Supplement"	any supplemental prospectus issued by the Company in connection with a Fund from time to time in accordance with the requirements of the Central Bank;
"Taxonomy Regulation"	means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, as may be amended from time to time;
"UCITS"	an undertaking for collective investment in transferable securities established pursuant to the UCITS Regulations or, in the case of UCITS established in a country other than Ireland, the Directive;

“UCITS Equivalent Scheme”	<p>an open-ended collective investment scheme satisfying one of the following criteria:</p> <ul style="list-style-type: none"> <li>(i) being established in Guernsey and authorised as a ‘Class A Scheme’;</li> <li>(ii) being established in Jersey as a ‘Recognised Fund’;</li> <li>(iii) being established in the Isle of Man as an ‘Authorised Scheme’;</li> <li>(iv) being a retail investor alternative investment funds authorised by the Central Bank provided such investment funds comply in all material respects with the provisions of the UCITS Regulations and the Central Bank Regulations;</li> <li>(v) being an alternative investment funds authorised in a member state of the EEA, the UK, the US, Jersey, Guernsey or the Isle of Man and which comply, in all material respects with the provisions of the UCITS Regulations and the Central Bank Regulations; or</li> <li>(vi) such other schemes as may be permitted by the Central Bank and set out in this Prospectus;</li> </ul>
“UCITS Regulations”	<p>the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended, supplemented or replaced from time to time and any rules from time to time adopted by the Central Bank pursuant to the UCITS Regulations;</p>
“UCITS Rules”	<p>the UCITS Regulations, the Central Bank Regulations, the Central Bank Act and any guidance, regulations and conditions issued by the Central Bank from time to time pursuant to the UCITS Regulations, the Central Bank Regulations and/or the Central Bank Act regarding the regulation of undertakings for collective investment in transferable securities, as such may be amended, supplemented or replaced from time to time;</p>
“UITs”	<p>unit investment trusts;</p>
“UK”	<p>the United Kingdom of Great Britain and Northern Ireland;</p>
“Umbrella Cash Account”	<p>any umbrella cash account in the name of the Company;</p>

“US”	the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
“US\$” or “U.S. Dollar” or “USD” or “\$”	U.S. Dollars, the lawful currency of the U.S.;
“U.S. Person”	“U.S. Person” as defined in Regulation S under the 1933 Act;
“Valuation Point”	such time as is set out in the Supplement for the relevant Fund;
“VaR”	value-at-risk.

## **INTRODUCTION**

The Company is an open-ended investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Act and the UCITS Regulations. It was incorporated on 25 March 2004 under registration number 383680. Its sole object, as set out in Clause 2 of the Company's Memorandum of Association, is the collective investment in transferable securities and other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public and which operates on the basis of risk spreading.

The Company is organised in the form of an umbrella fund with segregated liability between Funds. The Articles of Association provide 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 Company has obtained the approval of the Central Bank for the establishment of Waverton Global Equity Fund, Waverton Asia Pacific Fund, Waverton UK Fund, Waverton Global Strategic Bond Fund, Waverton Absolute Return Fund, Waverton Multi-Asset Income Fund, Waverton Multi-Asset Growth Fund, Waverton Sterling Bond Fund, Waverton Strategic Equity Fund, Waverton Real Assets Fund, Waverton European Capital Growth Fund, Waverton European Dividend Growth Fund, Waverton Multi-Asset Balanced Fund, Waverton Multi-Asset Cautious Fund, Waverton Multi-Asset Defensive Fund, Waverton Multi-Asset Growth Fund (€ Denominated) and Waverton Global Credit Opportunities Fund. A Fund may consist of one or more classes of Shares as set out in the Supplement for the relevant Fund. A separate pool of assets will not be maintained for each class within a Fund.

Further classes of Shares may be issued on advance notification to, and in accordance with the requirements of, the Central Bank. Furthermore, with the prior approval of the Central Bank, the Company from time to time may create an additional Fund or Funds, the investment policies and objectives for which shall be outlined in the relevant Supplement, together with details of the Initial Offer Period, the initial subscription price for each Share and such other relevant information in relation to the additional Fund or Funds as the Manager may deem appropriate, or the Central Bank may require, to be included. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus.

### **INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS, BENCHMARKS AND TYPICAL INVESTOR PROFILES**

Each Fund aims to achieve its investment objective, as set out in the Supplement for the relevant Fund, while spreading investment risks through investment in transferable securities and liquid financial assets in accordance with the UCITS Regulations. The transferable securities and liquid financial assets in which each Fund may invest generally must be quoted or traded on a Regulated Market as described below in the Fund's investment policies. However, each Fund is permitted to invest up to 10 per cent. of its Net Asset Value in securities which are not quoted or traded on a Regulated Market and each Fund may, subject to the limits set out in Schedule II and in the investment policy of such Fund, invest in collective investment schemes, subject to the limitations contained in Regulation 68. The Regulated Markets in which the Funds' investments will be traded are set out in Schedule I.

Each Fund may invest in liquid assets traded on a Regulated Market, particularly during periods of perceived uncertainty and volatility. The liquid financial assets in which a Fund may invest will include securities such as government securities, commercial paper, certificates of deposit and bankers' acceptances all rated investment grade by a rating agency or deemed by the Investment Manager to have a rating of investment grade. Any change in the investment objective and any material change to the investment policies of a Fund will be subject to the prior approval of Shareholders of that Fund evidenced by a majority vote of such Shareholders

in general meeting or by a resolution in writing signed by all of the Shareholders. In the event of a change in the investment objective and/or the investment policies of a Fund a reasonable notification period shall be provided by the Fund to Shareholders to enable Shareholders to redeem their Shares prior to the implementation of the change.

### **PERFORMANCE BENCHMARKS**

Unless otherwise stated in the Supplement for the relevant Fund, each Fund is actively managed and uses its Benchmark for performance comparison purposes only, and does not seek to allocate its investments in line with, or seek to control risk relative to, any securities market index or benchmark. Details of the Fund's performance relative to its Benchmark and any other index or similar comparator against which its performance may be compared (a "Performance Comparison Index") is set out in the Supplement for the relevant Fund, available in the Fund's KIID or KID and is presented for indicative and illustrative purposes only.

Unless otherwise stated in the Supplement for the relevant Fund, each of the Funds is actively-managed and, although a portion of a Fund's assets may from time to time be components of and have similar weightings to one or more of the Benchmarks or Performance Comparison Indices, the Investment Manager may or may not invest a significant proportion of the Fund in assets that are included in the Benchmarks or Performance Comparison Indices. In addition, these indices employ different investment guidelines and criteria than the Fund. As a result, the holdings in the Fund may differ significantly from the assets that comprise the indices and the volatility of the indices presented may be materially different from that of the performance of the Fund. There is no guarantee that the Fund's performance will match or exceed any particular index.

### **SUSTAINABLE FINANCE DISCLOSURES REGULATION**

The Manager has adopted the Investment Manager's policy on the integration of sustainability risks in investment decisions in respect of the Fund. A sustainability risk is an environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

Unless otherwise stated in the Supplement for the relevant Fund, none of the Funds are an Article 8 Fund or an Article 9 Fund within the meaning of the Sustainable Finance Disclosures Regulation ("SFDR").

The Investment Manager integrates sustainability risks as a sub-set of a wide range of considerations that could cause an actual or potential material negative impact on the value of an investment, as part of its investment decision-making process for the Funds. The research team employs a bespoke materiality framework to help identify, prioritise, and assess the most material ESG issues impacting specific industries. The framework is adapted from the Sustainability Accounting Standards Board's (SASB) ESG materiality framework and based around its five sustainability pillars, namely environment, social capital, human capital, business model and innovation, and leadership and governance. This facilitates a more consistent approach to identifying and investigating relevant material issues across asset classes, and provides a more formal foundation for the Investment Manager's corporate engagement activities.

The Investment Manager considers the assessment of ESG factors as an integral part of fundamental investment research. A review of governance standards is a critical part of the research team's analysis, as good governance is considered central to delivering a financially sustainable business in all its forms. Similarly, material environmental and/or social factors that

could have significant operational and financial consequences for a company are naturally incorporated as part of the Investment Manager's fundamental due diligence.

The following disclosures apply to the extent relevant to the asset classes invested in by a Fund as described in its investment policy.

*Equities:* In relation to equities, the Investment Manager has clearly defined stock selection criteria based on the assumption that the value of a company is a reflection of the size, growth, and longevity of the free cash flow (i.e. cash flow from operations less capital expenditure) it generates. This financial metric is viewed as the clearest indicator of a company's financial health and long-term sustainability, is less susceptible to manipulation than earnings and is a more comparable financial measure on a global basis. The Investment Manager aims to identify companies with the following criteria: (i) durability (i.e. a clear and sustainable competitive advantage); (ii) opportunity to grow future free cash flow; (iii) alignment (i.e. efficient capital allocation and aligned management remuneration policies); and (iv) valuation (i.e. a fundamentally attractive valuation given the opportunities and risks). The identification of these four key criteria ensures a thorough review of both quantitative and qualitative factors, including those related to ESG.

The Investment Manager assesses environmental and social factors in the same way as any other material factor that could impact a company's financial sustainability and long-term investment performance (positively or negatively), either by enhancing/undermining its competitive position and/or ability to grow free cash flow over the long term. Similarly, analysis of a company's fundamental business operations necessarily involves a thorough assessment of its governance structure / standards to ensure effective board level oversight, as well as a review of whether management is incentivised to allocate capital in a way that maximises free cash flow growth and minimises risk. Ultimately, the Investment Manager's investment decisions are based on whether the valuation is sufficiently attractive, taking into account both the long-term opportunities and the implications of any known or potential risks including those related to ESG.

In addition to its own fundamental research, the Investment Manager has access to specific sustainability data through its membership of leading collaborative initiatives, as well as risk-based ESG ratings from third-party providers who also supply information on contentious product involvement and known controversies.

In the absence of a regulatory standard or enforceable methodology, ESG risk ratings reflect the subjective interpretation of the individual third-party provider which, compounded by significant variation in the quality of corporate disclosures on a global basis, often leads to inconsistent and unreliable outcomes. These risk ratings are not used by the Investment Manager to generate investment ideas nor as the ultimate driver of a final investment decision, but are a useful additional source of information on which it is necessary to apply the knowledge, experience and judgement of the Investment Manager's research team. ESG risk ratings also tend to adjust "after the event" as providers usually conduct their reviews on an annual or bi-annual basis, often months after the event occurred, so that the Investment Manager's direct and active engagement with company management and understanding of their business and forward-looking strategy, is an essential part of making a fully informed investment decision.

If appropriate for an investment, the Investment Manager may conduct additional sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment. These risks are monitored on an ongoing basis as part of each Investment Manager's active portfolio management strategy. In addition to engaging with

corporate management, the Investment Manager also exercises its voting rights (via proxy voting) on all the Fund's equity holdings, reviewing each proposal individually.

*Fixed income securities:* In relation to fixed income, the Investment Manager's fixed income strategy is a combination of top-down and bottom-up analysis of markets which helps it assess the appropriate decisions to make on the three key drivers of bond returns, namely duration, credit and currency. The top-down view helps the Investment Manager to focus its bottom-up approach on the most suitable points of the yield curve, the best industries, regions and, where applicable, the most attractive currencies. The Investment Manager employs a mixture of qualitative and quantitative methods to identify and engage with issuers that meet its fundamental ESG selection criteria, aligned with the Manager's materiality framework.

*Alternative assets:* In relation to alternatives, the Investment Manager applies its materiality framework as part of its assessment of the investment where appropriate. This includes assets which clearly map to a Global Industry Classification Standards (GICS®) sub-industry sector such as infrastructure, utilities, shipping or property. For more complex investment areas, such as the derivatives space and/or where there is no interaction with management of public/private companies (e.g., trend -following futures), the Investment Manager expects these specialist managers to maintain high levels of governance and responsible investment practices at firm level.

*Collective investment schemes:* In relation to collective investment schemes, the Investment Manager assesses the ethical and responsible investment approach of third-party funds using the spectrum of capital methodology, which is a widely adopted responsible investing framework that provides an analysis of the underlying investments of the fund and indicates to the Investment Manager what it can expect of a fund's stewardship activities, outcomes, and guidance for ongoing monitoring. It allows the Investment Manager to assess the fund's approach towards the integration of sustainability risk.

Each Fund may be exposed to certain potential sustainability risks as, amongst others, reflected in the section of the Prospectus entitled "Risk Factors – Sustainability Risk". Notwithstanding the foregoing, sustainability risks will not be relevant to certain non-core activities undertaken by the relevant Fund (for example, hedging). As of the date hereof, the portfolio of the relevant Fund is comprised of different investments that may change over time as a result of specific investment decisions made and accordingly the identification and assessments of risks, including sustainability risks, will take place on an investment-by-investment basis as noted above. The Investment Manager's assessment is that integration of known sustainability risks in investment decisions, combined with a diversified portfolio appropriate for the relevant Fund in light of its investment objective and strategy, should help mitigate the potential material negative impact of sustainability risks on the returns of the Fund, although there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises.

As permitted under Article 4 of the SFDR, the Manager does not consider adverse impacts of investment decisions on sustainability factors on the basis that it is not a financial market participant that is required to do so given that the Manager does not have on its balance sheet an average number of employees exceeding 500 during the financial year. The Manager may choose at a later date to publish and maintain on its website the consideration of principal adverse impacts of investment decisions on sustainability factors. The Manager will review its approach to considering the principal adverse impacts of investment decisions on sustainability factors under the SFDR once the regulatory technical standards come into effect.

Further information on the Company and the Investment Manager's approach to sustainability risks is available at [www.waverton.co.uk](http://www.waverton.co.uk).

For the purposes of Article 7 of the Taxonomy Regulation, the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### **BORROWING**

A Fund may not borrow money except as follows:-

- (a) a Fund may acquire foreign currency by means of a "back-to-back" loan; and
- (b) a Fund may borrow up to 10 per cent. of its Net Asset Value provided that such borrowing is on a temporary basis.

Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restriction contained in Regulation 103 (and paragraph (b) above) provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding. However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of Regulation 103 and (b) above.

### **DISTRIBUTION POLICY**

Details of the distribution policy for each Fund are set out in the Supplement of the relevant Fund.

It should be noted that the declaration of distributions in Funds which charge fees (including management and/or performance fees) and/or expenses to capital rather than income could result in the erosion of future capital growth in those Funds and that increased income will be achieved by foregoing some of the potential for future capital growth. Any income statement which is issued to Shareholders in Funds that invest predominantly in debt instruments and which charge expenses to capital will include a statement explaining the effects of this type of expense policy and, specifically, will include wording to the effect that a Shareholder's capital amount has been reduced.

Shareholders will be notified in advance of any change in distribution policy for accumulating Classes of Shares and full details will be provided in an updated Supplement.

Each of the Funds has been, or will apply to be, certified by HM Revenue and Customs ("HMRC") as a reporting fund, pursuant to the requirements of The Offshore Funds (Tax) Regulations 2009, as amended.

Dividends will be automatically reinvested in the Fund in respect of which the dividend is declared unless the Shareholder elects to receive cash. Any dividend payments in cash will be paid by telegraphic transfer to the Shareholder or Shareholders appearing on the register. Any dividend which is unclaimed six years from the date it became payable shall be forfeited and become the property of the relevant Fund.

The Company may be required to withhold tax on dividends paid to Shareholders at the applicable rate, unless it has received from the Shareholder a Relevant Declaration that the Shareholder is neither resident in Ireland nor ordinarily resident in Ireland in respect of whom it is required to deduct tax. The Company reserves the right to repurchase such number of Shares held by such Shareholder as may be necessary to discharge any such tax liability that may arise.

## **INVESTMENT RESTRICTIONS**

Each of the Funds' 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 but any such changes shall be in accordance with the Central Bank's requirements and Shareholders will be advised of such changes in the next succeeding annual or half-yearly report of the Company.

## **INVESTMENT TECHNIQUES AND INSTRUMENTS**

### **General**

The Investment Manager may, but is not obligated to, employ investment techniques and instruments for efficient portfolio management purposes subject to the conditions and within the limits from time to time laid down by the Central Bank. Such efficient portfolio management purposes include, but are not limited to (i) hedging, (e.g. to protect a Fund against market fluctuations or against foreign currency movements); (ii) cost reduction; and (iii) the generation of additional capital or income for a Fund with an acceptably low level of risk.

A Fund may enter into transactions in derivatives (for example, options, futures, swaps or contracts for differences or contracts for differences resembling options; or synthetic futures in certain circumstances).

Each Fund may enter into currency forwards and other foreign currency derivative transactions for the purposes of limiting the foreign currency exposure arising out of the non-Base Currency denomination of the investments of the Fund or the currency exposure arising between the Base Currency and the currency of denomination of each Class. In addition, each Fund may also purchase foreign currency forwards or other contracts in order to switch the underlying currency exposure of assets within the Fund's portfolio into alternative currencies, whereby the characteristics of the assets are tailored to seek to provide the desired balance between risk and return in keeping with the strategy pursued by the relevant Fund. Accordingly, a Fund may take material positions in currencies other than the currencies of denomination of the underlying assets of the Fund.

Each Fund may enter into futures contracts to take long or short positions in, or to increase or reduce the Fund's exposure to, an underlying security, currency, market or index. For example, purchased futures may serve as a long hedge of the investments of a Fund and sold futures may serve as a limited short hedge of the investments of a Fund. Futures may also be used, for example, to equitise cash balances, both pending investment of a cash flow and with respect to fixed cash targets.

Each Fund may purchase and sell put and call options. Call options may be purchased by a Fund (i) to provide exposure to increases in the market (e.g., with respect to temporary cash positions); and (ii) to hedge against an increase in the price of securities or other investments that a Fund intends to purchase. Put options may be purchased by a Fund to (i) hedge against a decrease in the market generally; and (ii) hedge against the price of securities or other investments held by a Fund. The purpose behind a Fund writing covered call options is typically to seek enhanced returns and when in the opinion of the Investment Manager the exercise price together with the option premium received (unless the written calls are repurchased) would represent an acceptable sale price for some or all of the holding. Put options, covered by cash, may be written when in the opinion of the Investment Manager the exercise price less the option premium received (unless the written puts are repurchased) would represent an acceptable purchase price for a holding.

Each Fund may enter into swap contracts and contracts for differences. Swap contracts are two-party contracts entered into for periods ranging from a few weeks to more than one year. In a standard swap transaction, two parties agree to exchange returns (or differentials in rates of return) calculated with respect to a "notional amount," e.g., the return on or increase in value of a particular amount invested at a particular interest rate, in a particular foreign currency, or in a "basket" of securities representing a particular index.

Swaps offer independent profit opportunities as well as the possibility to hedge existing long positions. Contracts for differences are swap arrangements in which a Fund may agree with a counterparty that its return (or loss) will be based on the relative performance of two different groups or "baskets" of securities. As to one of the baskets, a Fund's return is based on theoretical long positions in the securities comprising that basket (with an aggregate face value equal to the notional amount of the contract for differences) and, as to the other basket, a Fund's return is based on theoretical short positions in the securities comprising the basket. Contracts for differences may be used to gain exposure to share price movements without buying the shares themselves.

If a Fund invests in total return swaps or other financial derivative instruments 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 the Fund as set out in the relevant Supplement. 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 investor returns are described in the sections entitled "Risks Associated with Financial Derivative Instruments ("FDI") and Efficient Portfolio Management ("EPM") Techniques and Instruments" and "Credit and Settlement Risk". It is not intended that the counterparties to total return 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 FDIs, or that the approval of the counterparty is required in relation to any portfolio transactions by the Fund.

A Fund may invest in contingent convertible securities (sometimes referred to as "CoCos"). CoCos are income producing securities, issued primarily by financial institutions, which have loss absorption mechanisms benefitting the issuer built into their terms. CoCos generally provide for mandatory conversion into the common stock of the issuer or a write-down of the principal amount or value of the CoCos upon the occurrence of certain "triggers". These triggers are generally linked to regulatory capital thresholds or regulatory actions calling into question the issuing banking institution's continued viability as a going-concern. Equity conversion or principal write-down features are tailored to the issuer and its regulatory requirements and, unlike traditional convertible securities, conversions are not voluntary.

At any given time, the Fund may be invested in some or all of the asset classes listed in its investment policy and may take long or short positions in these asset classes. Short positions will be achieved through the use of financial derivative instruments.

The policy that will be applied to collateral arising from OTC derivative transactions or efficient portfolio management techniques relating to the Funds is to adhere to the requirements set out in Schedule III. This sets out the permitted types of collateral, level of collateral required and haircut policy and, in the case of cash collateral, the re-investment policy prescribed by the Central Bank pursuant to the UCITS Rules. The categories of collateral which may be received by the Funds include cash and non-cash assets such as equities, Debt Securities and money market instruments. From time to time and subject to the requirements in Schedule III, the policy on levels of collateral required and haircuts may be adjusted, at the discretion of

the Investment Manager, where this is determined to be appropriate in the context of the specific counterparty, the characteristics of the asset received as collateral, market conditions or other circumstances. The haircuts applied (if any) by the Investment Manager are adapted for each class of assets received as collateral, taking into account the characteristics of the assets such as the credit standing and/or the price volatility, as well as the outcome of any stress tests performed in accordance with the requirements in Schedule III. Each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets should be justified on the basis of this policy.

If cash collateral received by a Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund. For further details see the section entitled "Risk Factors".

A list of the Regulated Markets on which such derivative instruments may be quoted or traded is set out in Schedule I. A description of the techniques and instruments at present permitted by the Central Bank is set out in Schedule III. Furthermore, new techniques and instruments may be developed which may be suitable for use by a Fund in the future and a Fund may employ such techniques and instruments in accordance with the requirements of the Central Bank. The Central Bank currently requires that any derivatives not included in the risk management process employed by the Investment Manager in relation to the Funds may not be utilised until such time as a revised risk management process has been provided to the Central Bank.

Notwithstanding the above, the Investment Manager will only employ investment techniques and instruments for efficient portfolio management purposes for a Fund to the extent that they would also be permitted (assuming, for this purpose, that the Company were a UK authorised unit trust or open-ended investment company).

Each Fund may use currency hedging techniques to hedge the currency exposures which may arise between the Base Currency of the Fund and the currency of denomination of the investments made by the Fund. The Investment Manager may also hedge the currency exposure risk between the Base Currency and the currency of denomination of each Class, and may hedge the currency exposure risk between the currency of denomination of a Class and the currency of denomination of the investments held by the Fund. For the avoidance of doubt, any hedging undertaken at the level of a Class shall be in respect of that Class's exposure to the Base Currency of the Fund, or in respect of that Class's exposure to the currency of denomination of the investments of the Fund. In such cases, the resulting currency exposure will in no case exceed 105 per cent. of the Net Asset Value of the relevant Class. The Supplement for the relevant Fund indicates whether a Class is subject to such Class currency hedging arrangements. There can be no guarantee that such currency hedging techniques will be successful. Please see the section entitled "Risk Factors - Currency Risk" for additional information.

## **Indices**

Details of the indices to which the Fund may gain exposure shall be available upon request from the Investment Manager and, in accordance with the requirements of the Central Bank, the Investment Manager shall disclose where further material information on such indices can be obtained. Such indices are rebalanced on a periodic basis, typically annually, but such rebalancing is not expected to have a material effect on the costs incurred by the Fund within this strategy. Should the weighting of any particular index constituent exceed the investment

restrictions permitted by the Central Bank, the Investment Manager will adopt as a priority objective the remedying of that situation, taking due account of the interests of Shareholders.

### **Securities Financing Transactions Regulation - Disclosure**

A Fund may enter into total return swaps as set out in the section entitled "Investment Techniques and Instruments".

A Fund may enter into total return swaps for investment purposes and for efficient portfolio management purposes. In this context, efficient portfolio management purposes include: the reduction of risk, the reduction of cost and the generation of additional capital or income for the Fund with a level of risk that is consistent with the risk profile of the Fund.

If the Fund invests in total return swaps, the relevant 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 the Fund. Subject to the investment restrictions laid down by the Central Bank as set out in Schedule II, and also any investment restrictions set out in the Supplement for the relevant Fund, the Fund can invest up to 100 per cent. of its Net Asset Value in total return swaps. It is anticipated that the Fund will generally invest in the range of 0 – 50 per cent. of its Net Asset Value in total return swaps.

The Fund shall only enter into total return swaps with counterparties that satisfy the criteria (including those relating to legal status, country of origin and minimum credit rating) as set out in paragraphs 4.1 and 4.2 of Schedule III and adopted by the Investment Manager.

The categories of collateral which may be received by the Fund is set out in Schedule III and includes cash and non-cash assets such as equities, debt securities and money market instruments. Collateral received by the Fund will be valued in accordance with the valuation methodology set out under the section entitled "Administration of the Company – Determination of Net Asset Value". Collateral received by the Fund will be marked-to-market daily and daily variation margins will be used.

Where the Fund receives collateral as a result of entering into total return swaps, there is a risk that the collateral held by the Fund may decline in value or become illiquid. In addition, there can also be no assurance that the liquidation of any collateral provided to the Fund to secure a counterparty's obligations under a total return swap would satisfy the counterparty's obligations in the event of a default by the counterparty. Where the Fund provides collateral as a result of entering into total return swaps, it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided.

For a summary of certain other risks applicable to total return swaps, see the sections entitled "Risks Associated with Financial Derivative Instruments ("FDI") and Efficient Portfolio Management ("EPM") Techniques and Instruments".

The Fund may provide certain of its assets as collateral to counterparties in connection with total return swaps. If the Fund has over-collateralised (i.e., provided excess collateral to the counterparty) in respect of such transactions, it may be an unsecured creditor in respect of such excess collateral in the event of the counterparty's insolvency. If the Depositary or its sub-custodian or a third party holds collateral on behalf of the Fund, the Fund may be an unsecured creditor in the event of the insolvency of such entity.

There are legal risks involved in entering into total return swaps which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

Subject to the restrictions laid down by the Central Bank as set out in paragraphs 28 to 29 of Schedule III, the Fund may re-invest cash collateral that it receives. If cash collateral received by the Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund.

Direct and indirect operational costs and fees arising from total return swaps may be deducted from the revenue delivered to the Fund (e.g., as a result of revenue sharing arrangements). These costs and fees do not and should not include hidden revenue. All the revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Fund. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the Investment Manager or the Depositary.

### **Measurement of Market Risk and Leverage**

Unless otherwise stated in the Supplement for the relevant Fund for the purposes of compliance with the UCITS Rules, the market risk of the Funds will be measured using a value-at-risk ("VaR") methodology. The Investment Manager will apply an "absolute" or "relative" VaR methodology depending on the strategy of the particular Fund.

When calculating the VaR of a Fund, the Investment Manager will observe the following parameters:

- (a) one-tailed confidence interval of 99 per cent.;
- (b) holding period equivalent to 1 month (20 Business Days);
- (c) effective observation period (history) of risk factors of at least 1 year (250 Business Days) unless a shorter observation period is justified by a significant increase in price volatility (for instance extreme market conditions);
- (d) quarterly data set updates, or more frequent when market prices are subject to material changes; and
- (e) at least daily calculation.

In accordance with the requirements of the Central Bank, the Investment Manager will manage the Funds subject to the applicable VaR limits. A Fund may employ leverage from time to time. In this context, "leverage" is calculated, in accordance with the requirements of the Central Bank, as the sum of the notionals of the derivatives used and, as such, does not take into account any netting and hedging arrangements that a Fund has in place at any time. The disclosed level of leverage is not intended to be an additional risk exposure limit for the Fund. Furthermore, it is not intended that the leverage level by itself be indicative of the risk profile of the Fund. Leverage is just one of many risk factors the Investment Manager considers in constructing a portfolio and investors are advised to read carefully the section entitled "Risk Factors".

### **RISK FACTORS**

**Investors' attention is drawn to the following risk factors. This does not purport to be an exhaustive list of the risk factors relating to an investment in the Funds.**

## **Investment Risk**

There can be no assurance that a Fund will achieve its investment objective. **The value of Shares may rise or fall, as the capital value of the securities in which the Fund invests may fluctuate.** The investment income of a Fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, a Fund's investment income may be expected to fluctuate in response to changes in such expenses or income.

An investment in Shares should be viewed as medium to long-term. There is no guarantee that a Fund will achieve its investment objective. The past performance of a Fund is not necessarily a guide to future performance.

## **Market, Economic and Political risk**

Each Fund, the Shareholders, and other counterparties with which the Company transacts, could be materially affected by market, economic and political conditions globally and in the jurisdictions and sectors in which they invest or operate. A Fund may be affected by factors including economic outlook, factors affecting interest rates, the availability of credit, currency exchange rates, changes in competitive environment, changes in national or international economic and market conditions, changes in laws, regulations, trade barriers, commodity prices and controls, fiscal policies or political conditions of countries in which investments are made, including the risks of war and the effects of terrorist attacks, security operations, infectious disease outbreaks, epidemics and pandemics which are outside of the Company's control. The market price of securities will also be impacted by these factors. Difficult market and economic conditions and general fluctuations in the market prices of investments and interest rates could adversely affect the Fund and by reducing the value or performance of the Fund's investments.

Any significant changes in, among other things, economic policy (including with respect to interest rates, tariffs and foreign trade), the regulation of the asset management industry, tax law, immigration policy, environmental protection and/or climate change policies or regulations and/or government entitlement programs could have a material adverse impact on the performance of the Fund by reducing the value or performance of investments. If trade disputes between the United States and other countries continue or escalate, or if additional tariffs or trade restrictions are implemented by the United States or other countries in connection with a global trade dispute or "trade war", there could be material adverse effects on the global economy, and the Fund and Shareholders and a Fund's investments could be materially and adversely affected.

More generally, legislative acts, rulemaking, adjudicatory or other activities including in particular governmental, quasi-governmental or self-regulatory bodies, agencies and regulatory organisations could make it more difficult (or less attractive) for a Fund to achieve its investment objectives. Populist and anti-globalisation movements in certain countries could result in material changes in economic, trade, climate change and immigration policies, all of which could lead to significant disruption of global markets and could have materially adverse consequences on a Fund's investments, including in particular on issuers whose operations are directly or indirectly dependent on international trade.

Any instability in the global economy and markets could result in a Fund's investments not generating expected current proceeds or failing to appreciate as anticipated and the investments could suffer losses. No assurance can be given that market conditions, trends or

opportunities will arise or continue, as applicable. Trends and historical events do not imply, forecast or predict future events.

### **Equity Risk**

Funds that invest in equities run the risk that the market prices of those investments will decline. The market prices of equities may decline for reasons that directly relate to the issuing company, such as poor management performance or reduced demand for its goods or services. They also may decline due to factors that affect a particular industry, such as a decline in demand, labour or raw material shortages, or increased production costs. In addition, market prices may decline as a result of general market conditions not specifically related to a company or industry, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. Equities generally have significant price volatility and the market prices of equities can decline in a rapid or unpredictable manner. If a Fund purchases equities at a discount from their value as determined by the Investment Manager, the Fund runs the risk that the market prices of these investments will not appreciate or will decline for a variety of reasons, one of which may be the Investment Manager's overestimation of the value of those investments. The market prices of equities trading at high multiples of current earnings often are more sensitive to changes in future earnings expectations than the market prices of equities trading at lower multiples.

### **Debt Securities Risk**

Funds that invest in Debt Securities are subject to various market risks. The market price of a Debt Security can decline due to a number of market-related factors, including rising interest rates and widening credit spreads, or decreased liquidity stemming from the market's uncertainty about the value of a Debt Security (or class of Debt Securities). In addition, the market price of Debt Securities with complex structures can decline due to market uncertainty about their credit quality and the reliability of their payment streams. Some Debt Securities are also subject to unscheduled prepayment, and a Fund may be unable to invest prepayments at as high a yield as was provided by the Debt Security. When interest rates rise, these securities also may be repaid more slowly than anticipated, which could cause the market price of the Fund's investments to decrease. During periods of economic uncertainty and change, the market price of a Fund's investments in below investment grade securities (commonly referred to as "junk bonds") may be particularly volatile. Often junk bonds are subject to greater sensitivity to interest rate and economic changes than higher rated bonds and can be more difficult to value, exposing a Fund to the risk that the price at which it sells them will be less than the value placed on them when they were held by the Fund.

A principal risk run by each Fund with a significant investment in Debt Securities is that an increase in prevailing interest rates will cause the market price of those securities to decline. The risk associated with increases in interest rates (also called "interest rate risk") is generally greater for Funds investing in Debt Securities with longer durations and in some cases duration can increase.

The extent to which a Debt Security's price changes with changes in interest rates is referred to as interest rate duration, which can be measured mathematically or empirically. A longer-maturity investment generally has longer interest rate duration because the investment's fixed rate is locked in for a longer period of time. Floating-rate or adjustable-rate securities, however, generally have shorter interest rate durations because their interest rates are not fixed but rather float up and down as interest rates change. Conversely, inverse floating-rate securities have durations that move in the opposite direction from short-term interest rates and thus tend to underperform fixed rate securities when interest rates rise but outperform them when

interest rates decline. Debt Securities paying no interest, such as zero coupon and principal-only securities, create additional interest rate risk.

### **Risks of Below Investment Grade Securities**

A Fund may invest in securities or instruments rated below investment grade for a particular security/commercial paper, or unrated securities that are determined by the Investment Manager to be of comparable quality to securities so rated at the time of purchase, including securities in the lowest rating categories and comparable unrated securities ("Below Investment Grade Securities") (commonly referred to as "junk bonds"). In addition, some Funds may hold securities that are downgraded to below-investment-grade status after the time of purchase by the Funds. Compared to higher quality Debt Securities, Below Investment Grade Securities offer the potential for higher investment returns but subject holders to greater credit and market risk. The ability of an issuer of Below Investment Grade Securities to meet principal and interest payments is considered speculative. A Fund's investments in Below Investment Grade Securities are more dependent on the Investment Manager's own credit analysis than its investments in higher quality bonds. The market for Below Investment Grade Securities may be more severely affected than other financial markets by economic recession or substantial interest rate increases, changing public perceptions, or legislation that limits the ability of certain categories of financial institutions to invest in Below Investment Grade Securities. In addition, the market may be less liquid for Below Investment Grade Securities than for other types of securities. Reduced liquidity can affect the values of Below Investment Grade Securities, make their valuation and sale more difficult, and result in greater volatility. Because Below Investment Grade Securities are difficult to value, particularly during erratic markets, the values realised on their sale may differ from the values at which they are carried by a Fund. Some Below Investment Grade Securities in which a Fund invests may be in poor standing or in default. Securities in the lowest investment-grade category also have some speculative characteristics.

The ratings of rating agencies represent the opinions of those agencies. Such ratings are relative and subjective, and are not absolute standards of quality. Unrated Debt Securities are not necessarily of lower quality than rated securities, but they may not be attractive to as many buyers. The rating agencies may change, without prior notice, their ratings on particular Debt Securities held by a Fund, and downgrades in ratings are likely to adversely affect the price of the relevant Debt Securities.

Investment grade securities may be subject to the risk of being downgraded to below investment grade. As discussed above, such Below Investment Grade Securities would generally be considered to have a higher credit risk and a greater possibility of default than more highly rated securities. If the issuer defaults, or such securities cannot be realised, or perform badly, the Fund and its Shareholders may suffer substantial losses. In addition, the market for Below Investment Grade Securities and/or have a lower credit rating generally is of lower liquidity and less active than that for higher rated securities and a Fund's ability to liquidate its holdings in response to changes in the economy or the financial markets may be further limited by factors such as adverse publicity and investor perception.

### **Credit Market Illiquidity**

The credit markets may experience a significant lack of liquidity. While this lack of liquidity may create opportunities for a Fund to acquire assets at prices that the Investment Manager believes are attractive, it creates a number of risks. There can be no assurance that the market will, in the future, become more liquid and it may continue to be volatile for the foreseeable future. It is also possible that illiquidity in the market could cause prices to decline further, which may have the result of forcing a Fund to sell assets to satisfy requirements under its

borrowing arrangements or to meet margin calls, which could, in turn, create further downward price pressure. If there is a substantial decline in the market value of a Fund's portfolio of investments, investments may need to be liquidated quickly, which may mean that the investments would be liquidated at a lower price than would be the case under other circumstances.

### **Convertible Security Risk**

A Fund may also purchase various instruments convertible into equity securities. Many Convertible Debt Securities have a fixed income component and therefore tend to increase in market value when interest rates decline and to decrease in value when interest rates rise. The price of a Convertible Debt Security is also influenced by the market value of the underlying common stock and tends to increase as the market value of the underlying stock rises, whereas it tends to decrease as the market value of the underlying stock declines. Therefore, investments in Convertible Debt Securities tend to bear the same risks as direct investments in the underlying securities.

### **Contingent Convertible Securities Risk**

Contingent convertible securities (sometimes referred to as "CoCos") are income producing securities, issued primarily by non-U.S. financial institutions, which may be converted into equity, written down or written off by the issuer upon the occurrence of a pre-determined trigger event. Due to the contingent write-down, write-off and conversion features of CoCos, such instruments are sensitive to changes in volatility in credit and interest rates and may have greater risk than other forms of securities in times of credit stress. CoCos may be subject to automatic conversion into the issuer's common stock, which likely will have declined in value and which will be subordinate to the issuer's other classes of securities. A loss absorption mechanism trigger event for CoCos would likely be the result of, or related to, the deterioration of the issuer's financial condition (e.g., a decrease in the issuer's capital ratio) and status as a going concern. In such a case, with respect to CoCos that provide for conversion into common stock upon the occurrence of the trigger event, the market price of the issuer's common stock received by a Fund will have likely declined, perhaps substantially, and may continue to decline, which may adversely affect the Fund's Net Asset Value. Further, the issuer's common stock would be subordinate to the issuer's other classes of securities and therefore would worsen the Fund's standing in a bankruptcy proceeding. In addition, because the common stock of the issuer may not pay a dividend, investors in these instruments could experience a reduced income rate, potentially to zero. CoCos may often be rated below investment grade and are subject to the risks of high yield securities.

In addition, a Fund may not have any rights with respect to repayment of the principal amount of the securities that has not become due or the payment of interest or dividends on such securities for any period from (and including) the interest or dividend payment date falling immediately prior to the occurrence of such automatic write-down. An automatic write-down could also result in a reduced income rate if the dividend or interest payment is based on the security's par value. Coupon payments on CoCos may be discretionary and may be cancelled by the issuer for any reason or may be subject to approval by the issuer's regulator and may be suspended in the event there are insufficient distributable reserves. Any indication that an automatic write-down or conversion event may occur can be expected to have a material adverse effect on the market price of CoCos. CoCos tend to have a higher price volatility, greater liquidity risk and valuation risk than other securities. CoCos are issued primarily by financial institutions. Therefore, CoCos present increased risks at times of financial turmoil, which could affect financial institutions more than companies in other sectors and industries.

### **Zero Coupon Securities Risk**

A Fund may invest in "zero coupon" fixed income securities. "Zero coupon" fixed income securities accrue interest income at a fixed rate based on initial purchase price and length to maturity, but the securities do not pay interest in cash on a current basis. The market value of zero coupon securities is often more volatile than that of non-zero coupon fixed income securities of comparable quality and maturity.

### **Currency Risk**

The assets of the Funds may be denominated in a number of different currencies and accordingly, changes in the currency rates will affect the value of the portfolio and the unrealised appreciation or depreciation of investments.

Furthermore, a Fund may incur costs in connection with the conversions between the various currencies as currency exchange dealers realise a profit based on the difference between the prices at which they are buying and selling various currencies.

The Investment Manager may from time to time seek to control the exposure to currency fluctuation risks by the use of hedging and other techniques and instruments but will not be obliged to do so. In such cases, the resulting currency exposure will in no case exceed 105 per cent. of the Net Asset Value of the relevant Class or Fund. In the case of the hedging of the currency exposure of a Class, hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level. This review will also incorporate a procedure to ensure that positions materially in excess of 100 per cent. of the Net Asset Value of the Class will not be carried forward from month to month. Under-hedged positions will not be permitted to fall below 95 per cent. of the portion of the Net Asset Value of the class which is to be hedged, and any under-hedged position will be kept under review to ensure it is not carried forward from month to month. There is no guarantee that the use of such techniques and instruments will be effective, and where hedging is employed, although not intended, over-hedged and under-hedged positions may arise due to factors outside of the control of the Investment Manager. Therefore, investors in these Funds will be subject to currency fluctuation risk. This strategy may substantially limit holders of the Class from benefiting if the Class currency falls against the Base Currency and/or the currency in which the assets of a Fund are denominated. To the extent that such hedging is unsuccessful, the performance of the class may differ from the performance of the underlying assets. Depending on the level of the hedging employed, investors in a hedged class will not benefit or will only benefit to a limited extent if the class currency falls against the Base Currency and/or the currency in which the assets of the Fund are denominated. Class currency transactions will be clearly attributable to a specific Class (therefore currency exposures of different currency Classes may not be combined or offset and currency exposures of assets of the Fund may not be allocated to separate Classes). Costs and gains/losses of the hedging transactions will accrue solely to the relevant Class.

### **Currency Classes of Shares**

Where Shares of a Fund are available in a Class which is priced in a different currency from the Fund's Base Currency, investors in Shares of that Class should note that the Net Asset Value of the Fund will be calculated in the Fund's Base Currency and will be stated in the other currency at the current exchange rate between the Base Currency and such other currency. Fluctuations in that exchange rate may affect the performance of the Shares of that Class independent of the performance of the Fund's investments. The costs of currency exchange transactions in connection with the purchase, redemption and exchange of Shares of that Class will be borne by the relevant Class of Shares and will be reflected in the Net Asset Value of that Class.

While the various Funds constitute segregated portfolios of assets and liabilities, no separate pools of assets exist for the individual Class of the same Fund. Although a Fund as a whole is, generally speaking, liable for the obligations incurred in relation to a specific Class, such as currency hedging transactions, such cross-liability among Classes is effectively avoided in relation to the Funds by entering exclusively into currency hedging agreements with counterparties providing for a limitation of liability to the net assets of the relevant Class. Accordingly, the costs associated with any Class level hedging, and the gains and losses arising from such hedging, will be borne by that Class and this is the basis on which currency class hedging transactions will be entered into with a counterparty. The creation of hedged Classes is intended to create a benefit to Shareholders by allowing them to select their currency exposure in another currency than the Base Currency of the Fund.

### **Risks Associated with Financial Derivative Instruments ("FDI") and Efficient Portfolio Management ("EPM") Techniques and Instruments**

A Fund may use FDI traded on an organised exchange and on over-the-counter markets for investment purposes and/or EPM in accordance with the investment objective and policy of the Fund as set out in the Supplement for the relevant Fund. The use of FDI and EPM techniques and instruments involves certain special risks, including without limitation: (i) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates; (ii) imperfect correlation between the hedging instruments and the securities or market sectors being hedged; (iii) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities; (iv) the possible absence of a liquid market for any particular instrument at any particular time; (v) possible impediments to effective portfolio management or the ability to meet repurchase requests or other short-term obligations because of the percentage of a Fund's assets segregated to cover its obligations; (vi) the risk of counterparty default delaying or impeding the recovery of a Fund's assets; and (vii) the potential loss arising from the use of FDI or EPM may not be predictable and may even exceed the margin or other collateral paid. A Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations and these strategies may be used only in accordance with the investment objectives of the Fund.

Also, there are legal risks involved in using FDI and EPM techniques and instruments which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

### **Measurement of Market Risk and Leverage using VaR**

The Funds will seek to limit the market risk and leverage created through the use of derivatives by using a sophisticated risk measurement technique known as "value-at-risk".

VaR is a statistical methodology that seeks to predict, using historical data, the likely maximum loss that a Fund could suffer, calculated to a specific (e.g., 99 per cent.) confidence level. Therefore, where the market risk and leverage created through the use of derivatives generates a VaR number in excess of the limit applicable to the relevant Fund, the Fund is required to take steps to reduce the market risk and leverage so that the Fund is in compliance with that limit. A Fund may use an "absolute" VaR model where the measurement of VaR is relative to the Net Asset Value of the Fund or the Fund may use a relative VaR model where the measurement of VaR is relative to a derivatives free comparable benchmark or equivalent portfolio. A VaR model has certain inherent limitations and it cannot be relied upon to predict or guarantee that the size or frequency of losses incurred by a Fund will be limited to any extent. As the VaR model relies on historical market data as one of its key inputs, if current market conditions differ from those during the historical observation period, the effectiveness

of the VaR model in predicting the VaR of a Fund may be materially impaired. The effectiveness of the VaR model could be impaired in a similar fashion if other assumptions or components comprised in the VaR model prove to be inadequate or incorrect. Because of these limitations Shareholders may suffer serious financial consequences in abnormal market conditions or conditions that otherwise differ from those during the historical observation period.

### **Risks Associated with Investment in other Collective Investment Schemes**

Certain Funds may invest in one or more collective investment schemes which may include schemes managed by the Investment Manager or its affiliates. Non-Irish domiciled collective investment schemes may not provide a level of investor protection equivalent to that provided by collective investment schemes authorised by the Central Bank. As a shareholder of another collective investment scheme, a Fund would bear, along with other shareholders, its *pro rata* portion of the expenses of the other collective investment scheme, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations.

Certain Funds may invest in collective investment schemes which are not UCITS. These schemes may be unregulated and as a consequence may have different characteristics to a UCITS such as, for example, in relation to their investment policies, investment restrictions, diversification requirements, liquidity, borrowing and leverage. Such schemes may be subject to less onerous regulatory supervision than regulated schemes, and therefore may be considered higher risk. These unregulated schemes may include hedge funds which may be illiquid, i.e., difficult to sell, and may also borrow to meet their objectives. This borrowing is likely to lead to volatility in the value of the scheme, meaning that a relatively small movement either down or up in the value of the scheme's total assets will result in a magnified movement in the same direction of the scheme's net asset value. Such schemes can also have wider investment and borrowing powers than UCITS, with higher investment limits applying in various areas. They may also be able to invest to a greater extent in areas such as real estate and unregulated collective investment schemes, and have the potential to borrow on a permanent basis. Such additional powers may increase potential reward, but may also increase risk.

A collective investment scheme in which a Fund may invest may have less frequent dealing days than the Fund and this could impair the Fund's ability to distribute repurchase proceeds to a Shareholder who wishes the Company to repurchase its Shares because of the Fund's inability to realise its investments. In circumstances where the underlying scheme has less frequent dealing days than a Fund and where requests for the repurchase of Shares exceed 20 per cent. of the Fund's Net Asset Value on a Dealing Day, it may be necessary for the Company to impose a restriction, in accordance with the provisions outlined in the section of this Prospectus entitled "Repurchase Requests", on the repurchase of its Shares in excess of that specified amount because the Fund is unable to realise its investments in the underlying scheme or other investments to meet the repurchase requests on that Dealing Day. In addition, the underlying scheme may itself impose a restriction on the redemption of its shares in circumstances where the redemption requests it receives exceed a certain threshold or percentage of its shares in issue on a particular dealing day. The imposition of such a restriction by the underlying scheme will also affect the Fund's ability to realise its investment in that scheme in a timely manner.

Certain Funds may invest in ETFs. ETFs are investment funds that are registered as open-end investment companies or UITs. ETFs in which a Fund may invest typically hold a portfolio of either bonds or other fixed income instruments or common stocks that is intended to track the price and dividend performance of a particular index. Unlike the index, an ETF incurs administrative expenses and transaction costs in trading securities. In addition, the timing and magnitude of cash inflows and outflows from and to investors buying and repurchasing shares

in the ETF could create cash balances that cause the ETF's performance to deviate from the index (which remains "fully invested" at all times). Performance of an ETF and the index it is designed to track also may diverge because the composition of the index and the securities held by the ETF may occasionally differ. A Fund also may invest in actively-managed ETFs. ETFs may be purchased from the UIT or investment company issuing the securities or in the secondary market. The market prices for ETF shares may be higher or lower than the ETF's net asset value. The sale and repurchase prices of ETF shares purchased from the issuer are based on the issuer's net asset value. Units of ETFs may, depending on the circumstances, be classified under the UCITS Regulations as units in a UCITS, units in an AIF or transferable securities. For the avoidance of doubt, for units in an ETF to constitute transferable securities within the meaning of the UCITS Regulations, the relevant fund must be closed-ended and the units must fulfil the other criteria applicable to transferable securities under the UCITS Regulations.

### **Credit and Settlement Risk**

Each Fund will be exposed to credit risk on parties with whom it trades and will also bear the risk of settlement default. The Investment Manager may instruct the Depositary to settle transactions on a delivery free of payment basis where the Investment Manager believes that this form of settlement is appropriate. Shareholders should be aware, however, that this may result in a loss to a Fund if a transaction fails to settle and the Depositary will not be liable to the Fund or the Shareholders for such a loss.

### **Umbrella Structure of the Company and Cross-Liability Risk**

Each Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. The Company is an umbrella fund with segregated liability between Funds under Irish law and there generally will not be the potential for cross-liability between the Funds. However, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the Funds would necessarily be upheld.

### **Risks Associated with Umbrella Cash Accounts**

One or more Umbrella Cash Accounts will operate in respect of the Company rather than a relevant Fund and the segregation of Investor Monies from the liabilities of Funds other than the relevant Fund to which the Investor Monies relate is dependent upon, among other things, the correct recording of the assets and liabilities attributable to individual Funds by or on behalf of the Company.

In the event of an insolvency of the Fund, there is no guarantee that the Fund will have sufficient monies to pay unsecured creditors (including the investors entitled to Investor Monies) in full. Monies attributable to other Funds within the Company will also be held in the Umbrella Cash Accounts. In the event of the insolvency of a Fund (an "Insolvent Fund"), the recovery of any amounts to which another Fund (the "Beneficiary Fund") is entitled, but which may have transferred in error to the Insolvent Fund as a result of the operation of the Umbrella Cash Account, will be subject to applicable law and 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 Beneficiary Fund.

In the event that an investor fails to provide the subscription monies within the timeframe stipulated in the Prospectus, the investor may be required to indemnify the Fund against the liabilities that may be incurred by it. The Company may cancel any Shares that have been

issued to the investor and charge the investor interest and other expenses incurred by the relevant Fund. In the event that the Company is unable to recoup such amounts from the defaulting investor, the relevant Fund may incur losses or expenses in anticipation of receiving such amounts, for which the relevant Fund, and consequently its Shareholders, may be liable.

It is not expected that any interest will be paid on the amounts held in the Umbrella Cash Account. Any interest earned on the monies in the Umbrella Cash Account will be for the benefit of the relevant Fund and will be allocated to the Fund on a periodic basis for the benefit of the Shareholders at the time of the allocation.

The Central Bank's guidance on umbrella cash accounts may be subject to change and further clarification. Therefore, the structure of any Umbrella Cash Account maintained by the Company may differ materially from that outlined in this Prospectus.

### **Performance Fee Risk**

The Investment Manager will receive a performance fee in respect of certain Classes of Shares based upon the amount by which a Fund out-performs its Benchmark. Such compensation arrangements may create an incentive to make investments that are riskier or more speculative than would be the case if such arrangements were not in effect. In addition, performance fees may accrue as a result not just of the performance of the Investment Manager but also as a result of market movements affecting the value of a Fund's assets. Furthermore, where the performance fee is payable on the performance of a Fund relative to a Benchmark, a performance fee may be payable in circumstances where the Fund has out-performed its Benchmark but, overall, has a negative performance. Furthermore, because the performance fee is based on net realised and net unrealised gains or losses at the end of a calculation period, the performance fee may be paid on unrealised gains which may subsequently never be realised.

Shareholders who acquire Shares after a particular Performance Period has commenced may be liable to a performance fee at the end of that Performance Period which represents the performance of those Shares over the entire Performance Period rather than the period during which they hold the Shares.

### **Emerging Market Risk**

Where disclosed in the relevant supplement, the risks involved in investments in Emerging Market Countries are likely to exceed the risks of investment in more mature markets. This higher degree of risk may be associated with: (i) the adverse effect on investment sentiment that could result from military conflict, civil commotion, nationalisation of foreign-held assets or other unfavourable political developments; (ii) the difficulty of obtaining an accurate view of a company's prospects where accounting standards are such that those prospects are not fairly reflected by published accounts; (iii) the difficulty of selling, or selling at a fair price, securities in which an efficient market is not made; (iv) potential difficulties in obtaining prompt settlement; (v) the possibility that a local currency might cease to be readily convertible into any major freely-negotiable trading currency; and (vi) the risks associated with registering, transferring and safekeeping securities in markets which do not have developed settlement and custody systems. The legislative framework in Emerging Market Countries for the purchase and sale of investments and in relation to the beneficial interests in those investments may be relatively new and untested and there can be no assurance regarding how the courts or agencies of Emerging Market Countries will react to questions arising from the Company's investments in such countries and arrangements contemplated in relation thereto.

Laws, orders, rules, regulations and other legislation currently regulating investment may be altered, in whole or in part, and a court or other authority of an Emerging Market Country may interpret any relevant or existing legislation in such a way that the investment contemplated is rendered illegal, null or void, retroactively or otherwise or in such a way that the investment of the Company is adversely affected.

As custodial and/or settlement systems may not be fully developed in Emerging Market Countries the assets of Funds, as disclosed in the relevant Supplement, which are traded on such markets and which have been entrusted to sub-custodians may be exposed to risk in circumstances whereby the Depository would have no liability. The Depository has a sub-custodian network in certain Emerging Market Countries. The Company has agreed that it will not invest in securities issued or corporations organised in Emerging Market Countries until the Depository is satisfied that it has sub-custodian arrangements in place in respect of such countries.

There is no guarantee that any arrangements made between the Depository and any sub-custodian will be upheld by a court of any Emerging Market Country or that any judgement obtained by the Depository or the Company against any such sub-custodian in a court of any competent jurisdiction will be enforced by a court of any Emerging Market Country.

Legislation regarding companies in Emerging Market Countries, specifically those laws in respect of the fiduciary responsibility of administrators and disclosure may be in a state of evolution and may be of a considerably less stringent nature than corresponding laws in more developed countries.

It may not be possible to repatriate capital, dividends, interest and other income from a country in which an investment has been made or government consents may be required to do so. This can occur in the case of investments in Emerging Market Countries.

### **Special Risks of Investing in Asian Securities**

In addition to the risks of investments in jurisdictions generally and Emerging Market Countries investments described above, investments in Asia are subject to other risks. The economies of Asian countries are at varying levels of development. Markets of countries whose economies are in the early stages of development typically exhibit a high concentration of market capitalisation and have less trading volume, lower liquidity, and more volatility than more developed markets. Some Asian countries depend heavily on foreign trade and can be adversely affected by trade barriers, exchange controls, and other measures imposed or negotiated by the countries with which they trade. The economies of some Asian countries are not diversified and are based on only a few commodities or industries. Financial imbalances among various economic sectors, fueled by rising asset prices, strong credit growth, and relatively easy financing conditions in certain economies in Asia also may negatively impact those economies.

Investments in Asia also are susceptible to social, political, legal, and operational risks. Some countries have authoritarian or relatively unstable governments. Certain Asian countries have experienced violence, terrorism, armed conflict, epidemics, or pandemics, geopolitical conflicts (such as trade disputes) and social instability, which have negatively impacted their economies. Some governments in the region provide less supervision and regulation of their financial markets and in some countries less financial information is available than is typical of more developed markets. Some governments in the region exercise considerable influence on their respective economies and, as a result, companies in the region may be subject to government interference and nationalisation. Some Asian countries restrict direct foreign investment in securities markets, and investments in securities traded on those markets may be made, if at all, only indirectly (e.g., through Depository Receipts, as defined below under "Depository

Receipts," derivatives, etc.). For example, Taiwan permits foreign investment only through authorised qualified foreign institutional investors ("FINI").

Some Asian countries require foreign investors to be registered with local authorities prior to investing in the securities markets and impose limitations on the amount of investments that may be made by foreign investors and the repatriation of the proceeds from investments.

Asian countries periodically experience increases in market volatility and declines in foreign currency exchange rates. Currency fluctuations affect the value of securities because the prices of these securities are generally denominated or quoted in currencies other than the U.S. Dollar. Fluctuations in currency exchange rates can also affect a country's or company's ability to service its debt. The governments of certain Asian countries also maintain their currencies at artificial levels in relation to the U.S. Dollar rather than at levels determined by the market, which may have an adverse impact on foreign investors.

Investment in particular Asian countries is subject to unique risks, yet the political and economic prospects of one country or group of countries can affect other countries in the region. For example, the economies of some Asian countries are directly affected by Japanese capital investment in the region and by Japanese consumer demands. In addition, a recession, debt crisis, or decline in currency valuation in one Asian country may spread to other Asian countries. The economies of Asian countries are also vulnerable to effects of natural disasters occurring within the region, including droughts, floods, tsunamis, and earthquakes. Disaster recovery in Asia can be poorly coordinated, and the economic impact of natural disasters is significant at both the country and company levels.

A Fund may, directly or indirectly (through, for example, participation notes or other types of equity-linked notes), purchase shares in mainland China-based companies that trade on Chinese stock exchanges such as the Shanghai Stock Exchange and the Shenzhen Stock Exchange ("China A-Shares") or debt securities traded on the China Interbank Bond Market ("CIBM Bonds" and with "China A-Shares, "China Connect Securities"), through a variety of mutual market access programs (collectively, "China Connect") that enable foreign investment in PRC exchange-traded securities via investments made in Hong Kong or other locations that may in the future have China Connect programs with the PRC. Examples of China Connect programs include the Shanghai and Shenzhen-Hong Kong Stock Connect (collectively, "Stock Connect") and the China Bond Connect (the "Bond Connect"). Trades do not cross between the Shanghai and Shenzhen stock exchanges and a separate broker is assigned for each exchange. If a Fund rebalances across both exchanges, the Fund must trade out of stocks listed on one exchange with a broker and trade into stocks on the other exchange with a separate broker. As a result, the Fund may incur additional fees.

There are significant risks inherent in investing in China Connect Securities through China Connect. The China Connect programs are relatively new. There can be no assurance that China Connect programs will not be discontinued without advance notice or that future developments will not restrict or adversely affect a Fund's investments or returns through China Connect. The less developed state of PRC's investment and banking systems with respect to foreign investment subjects the settlement, clearing, and registration of China Connect Securities transactions to heightened risks. China Connect program restrictions could also limit the ability of a Fund to sell its China Connect Securities in a timely manner, or to sell them at all. For instance, China Connect programs involving Hong Kong can only operate when both PRC and Hong Kong markets are open for trading and when banking services are available in both markets on the corresponding settlement days. As such, if Hong Kong markets are closed but China Connect Securities are trading in the PRC, or where China Connect programs are closed for extended periods of time because of subsequent Hong Kong and PRC holidays (or for other reasons), a Fund may not be able to dispose of its China Connect Securities when it

wants to in a timely manner, which could adversely affect the Fund's performance. Additionally, certain China Connect programs are subject to daily quota limitations on purchases of certain China Connect Securities (such as China A-Shares). Once the daily quota is reached, orders to purchase additional China A-Shares through Stock Connect will be rejected. Investment quotas are subject to change, and although the current quotas do not place limits on sales of China A-Shares or other China Connect Securities through China Connect programs, there can be no guarantee that capital controls would not be implemented that could adversely affect a Fund's ability to remove money out of China and use it for other purposes, including to meet redemptions.

China Connect Securities purchased through a China Connect program are held through a nominee structure by a Hong Kong-based depository as nominee (the "Nominee") on behalf of investors. Thus, a Fund's investments will be registered on the books of the PRC clearinghouse in the name of a Hong Kong clearinghouse, and on the books of a Hong Kong clearinghouse in the name of the Fund's Hong Kong sub-custodian, and may not be clearly designated as belonging to the Fund. The precise nature and rights of a Fund as the beneficial owner of China Connect Securities through the Nominee is not well defined under PRC law and it is not yet clear how such rights will be recognised or enforced under PRC law. If PRC law does not fully recognise a Fund as the beneficial owner of its China Connect Securities, this may limit the Investment Manager's ability to effectively manage a Fund. The use of the nominee system also exposes a Fund to the credit risk of the depository intermediaries, and to greater risk of expropriation. Different fees, costs, and taxes are imposed on foreign investors acquiring China Connect Securities acquired through China Connect programs, and these fees, costs, and taxes may be higher than comparable fees, costs, and taxes imposed on owners of other securities providing similar investment exposure. Furthermore, the securities regimes and legal systems of the PRC and Hong Kong differ significantly from each other and issues may arise based on these differences. Loss of Hong Kong independence or legal distinctiveness could undermine significant benefits of the China Connect programs. Political, regulatory and diplomatic events, such as the U.S.-China "trade war", could have an adverse effect on the Chinese or Hong Kong economies and on investments made through China Connect programs, and thus could adversely impact the Funds investing through China Connect programs.

CIBM Bonds may also be purchased through the CIBM Direct Access Program, which is also relatively new. The CIBM Direct Access Program, established by the People's Bank of China, allows eligible foreign institutional investors to conduct trading in the CIBM, subject to other rules and regulations as promulgated by Chinese authorities. Eligible foreign institutional investors who wish to invest directly in the CIBM through the CIBM Direct Access Program may do so through a settlement agent located in China, 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 agent. Many of the same risks that apply to investments in the PRC through China Connect programs also apply to investments through the CIBM Direct Access Program.

Significant portions of the Chinese securities markets may become rapidly illiquid, as Chinese issuers have the ability to suspend the trading of their equity securities, and have shown a willingness to exercise that option in response to market volatility, epidemics, pandemics, adverse economic, market or political events, and other events.

Unexpected political, regulatory and diplomatic events, such as the U.S.-China "trade war", may affect investor and consumer confidence and may adversely impact financial markets and the broader economy, perhaps suddenly and to a significant degree. The current political climate and the further escalation of a trade war between China and the United States may have an adverse effect on both the U.S. and Chinese economies, as each country has imposed tariffs on the other country's products. It is unclear whether further trade agreements may be

reached in the future. Events such as these and their impact on the Funds are difficult to predict and it is unclear whether further tariffs may be imposed or other escalating actions may be taken in the future.

### **Small and Medium Sized Company Risk**

Certain Funds may invest in small and medium sized companies. Investments in small and medium sized companies generally involve greater risk and price volatility than larger, more established companies because they tend to have younger and more limited product lines, markets and financial resources and may be dependent on a smaller management group than large capitalisation companies. In addition, equity and other securities issued by such companies are typically less liquid than securities issued by larger capitalisation companies. As a result, certain securities may be difficult or impossible to sell at the time and the price that the relevant Fund would like. The Fund may have to lower the price, sell other securities instead or forego an investment opportunity. Any of these could have a negative effect on the management or performance of the Fund.

### **Real Estate-Related Investments Risk**

Certain Funds may invest in real estate-related investments such as securities of companies principally engaged in the real estate industry. Companies in the real estate industry and real estate-related investments may include, for example, entities that either own properties or make construction or mortgage loans, real estate developers, and companies with substantial real estate holdings. Each of these types of investments is subject to risks similar to those associated with direct ownership of real estate. Factors affecting real estate values include the supply of real property in particular markets, overbuilding, changes in zoning laws, casualty or condemnation losses, delays in completion of construction, changes in operations costs and property taxes, levels of occupancy, adequacy of rent to cover operating expenses, possible environmental liabilities, regulatory limitations on rent, fluctuations in rental income, increased competition, and other risks related to local and regional market conditions. The value of real estate-related investments also may be affected by changes in interest rates, macroeconomic developments, and social and economic trends. For instance, during periods of declining interest rates, certain real estate-related companies may hold mortgages that the mortgagors elect to prepay, which prepayment may diminish the yield on securities issued by those companies. Some real estate-related companies have relatively small market capitalisations, which can tend to increase the volatility of the market prices of their securities.

Real estate-related companies can be listed and traded on national securities exchanges or can be traded privately between individual owners. An exchange-traded company is generally more liquid than a company that is not traded on a securities exchange. Certain Funds may invest in both exchange-traded and privately-traded real estate-related companies.

In general, the value of a real estate-related company's shares changes in light of factors affecting the real estate industry, including changes in the value of the underlying property owned by the company and the quality of any credit extended. These companies are also subject to the risk of fluctuations in income from underlying real estate assets, poor performance by management and the manager's inability to allocate capital generated by the company's assets, prepayments and defaults by borrowers, self-liquidation, and adverse changes in the tax laws.

By investing in real estate-related companies indirectly through the Fund, an investor will bear not only his or her proportionate share of the expenses of the Fund, but also, indirectly, similar expenses of such company. In addition, real estate-related companies depend generally on

their ability to generate cash flow to make distributions to investors. Investments in these companies are subject to risks associated with the direct ownership of real estate.

### **Infrastructure Risks**

Securities and instruments of infrastructure companies are susceptible to adverse economic or regulatory occurrences affecting their industries.

Infrastructure companies may be subject to a variety of factors that may adversely affect their business or operations, including high interest costs in connection with capital construction programs, high leverage, costs associated with environmental and other regulations, the effects of economic slowdown, surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors.

Where investment is made in new infrastructure projects during the construction phase, some residual risk will remain that the project will not be completed within budget, within the agreed timeframe or to the agreed specifications. The operations of infrastructure projects are exposed to unplanned interruptions caused by significant catastrophic events, such as cyclones, earthquakes, landslides, floods, explosion, fire, terrorist attack, major plant breakdown, pipeline or electricity line rupture or other disaster. Operational disruption, as well as supply disruption, could adversely impact the cashflows available from these assets.

Infrastructure companies also may be affected by or subject to, among other factors, laws and regulations by various government authorities, including rate regulation and service interruption due to environmental, operational or other mishaps. Standards set by these laws and regulations are imposed regarding certain aspects of health and environmental quality, and they provide for penalties and other liabilities for the violation of such standards, and establish, in certain circumstances, obligations to remediate and rehabilitate current and former facilities and locations where operations are, or were, conducted. These laws and regulations may have a detrimental impact on the financial performance of infrastructure projects.

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

A Fund may invest in asset-backed securities. An asset-backed security is a fixed income security that predominantly derives its creditworthiness from cash flows relating to a pool of assets. There are a number of different types of asset-backed and related securities, including mortgage-backed securities, securities backed by other pools of collateral (such as automobile loans, student loans, sub-prime mortgages, and credit card receivables), collateralised mortgage obligations, and collateralised debt obligations, each of which is described in more detail below. Investments in asset-backed securities are subject to all of the market risks for fixed income securities under the section entitled "Risk Factors – Debt Securities Risk".

***Mortgage-Backed Securities.*** Mortgage-backed securities are asset-backed securities backed by pools of residential and commercial mortgages, which may include sub-prime mortgages. Mortgage-backed securities may be issued by government agencies or instrumentalities, or non-governmental issuers. Interest and principal payments (including prepayments) on the mortgage loans underlying mortgage-backed securities pass through to the holders of the mortgage-backed securities. Prepayments occur when the mortgagor on an individual mortgage loan prepays the remaining principal before the loan's scheduled maturity date. Unscheduled prepayments of the underlying mortgage loans may result in early payment of the applicable mortgage-backed securities held by a Fund. The Fund may be unable to invest prepayments in an investment that provides as high a yield as the mortgage-backed securities. Consequently, early payment associated with mortgage-backed securities may

cause these securities to experience significantly greater price and yield volatility than traditional fixed income securities. Many factors affect the rate of mortgage loan prepayments, including changes in interest rates, general economic conditions, deterioration of worldwide economic and liquidity conditions, the location of the property underlying the mortgage, the age of the mortgage loan, governmental action, including legal impairment of underlying home loans, changes in demand for products financed by those loans, the inability of borrowers to refinance existing loans (e.g., sub-prime mortgages), and social and demographic conditions. During periods of falling interest rates, the rate of mortgage loan prepayments usually increases, which tends to decrease the life of mortgage-backed securities. During periods of rising interest rates, the rate of mortgage loan prepayments usually decreases, which tends to increase the life of mortgage-backed securities.

Mortgage-backed securities are subject to varying degrees of credit risk, depending on whether they are issued by government agencies or instrumentalities (including those whose securities are neither guaranteed nor insured by those governments) or by non-governmental issuers. Securities issued by private organisations may not be readily marketable, and since the deterioration of worldwide economic and liquidity conditions that became acute in 2008, mortgage-backed securities have been subject to greater illiquidity risk. These conditions may occur again. Also, government actions and proposals affecting the terms of underlying home loans, changes in demand for products (e.g., automobiles) financed by those loans, and the inability of borrowers to refinance existing loans (e.g., sub-prime mortgages), have had, and may continue to have, adverse valuation and liquidity effects on mortgage-backed securities. Although liquidity of mortgage-backed securities has improved recently, there can be no assurance that in the future the market for mortgage-backed securities will continue to improve and become more liquid. In addition, mortgage-backed securities are subject to the risk of loss of principal if the obligors of the underlying obligations default in their payment obligations, and to certain other risks described in "Other Asset-Backed Securities" below.

***Other Asset-Backed Securities.*** Similar to mortgage-backed securities, other types of asset-backed securities may be issued by government agencies or instrumentalities, or non-governmental issuers. These securities include securities backed by pools of automobile loans, educational loans, home equity loans, and credit card receivables. The underlying pools of assets are securitised through the use of trusts and special purpose entities. These securities may be subject to risks associated with changes in interest rates and prepayment of underlying obligations similar to the risks of investment in mortgage-backed securities described immediately above. Similar to mortgage-backed securities, other asset-backed securities face illiquidity risk from worldwide economic and liquidity conditions.

Payment of interest on asset-backed securities and repayment of principal solely depends on the cash flows generated by the underlying assets backing the securities and, in certain cases, may be supported by letters of credit, surety bonds, or other credit enhancements. The amount of market risk associated with asset-backed securities depends on many factors, including the deal structure (e.g., the amount of underlying assets or other support available to produce the cash flows necessary to service interest and make principal payments), the quality of the underlying assets, the level of credit support, if any, provided for the securities, and the credit quality of the credit-support provider, if any. Asset-backed securities involve risk of loss of principal if obligors of the underlying obligations default in payment of the obligations, the defaulted obligations exceed the securities' credit support and the collateral against which the loan is underwritten is of insufficient value as to cover the loan amount. The obligations of issuers (and obligors of underlying assets) may be subject to bankruptcy, insolvency and other laws affecting the rights and remedies of creditors. In addition, the existence of insurance on an asset-backed security does not guarantee that principal and/or interest will be paid because the insurer could default on its obligations. In recent years, a significant number of asset-backed security insurers have defaulted on their obligations.

The market value of an asset-backed security may be affected by the factors described above and other factors, such as the availability of information concerning the pool and its structure, the creditworthiness of the servicing agent for the pool, the originator of the underlying assets, or the entities providing the credit enhancement. The market value of asset-backed securities also can depend on the ability of their servicers to service the underlying collateral and is, therefore, subject to risks associated with servicers' performance. In some circumstances, a servicer's or originator's mishandling of documentation for underlying assets (e.g., failure to properly document a security interest in the underlying collateral) may affect the rights of the holders of those underlying assets. In addition, the insolvency of an entity that generated the assets underlying an asset-backed security is likely to result in a decline in the market price of that security as well as costs and delays.

Certain types of asset-backed securities present additional risks that are not presented by mortgage-backed securities. In particular, certain types of asset-backed securities may not have the benefit of a security interest in the related assets. For example, many securities backed by credit card receivables are unsecured. In addition, the Fund may invest in securities backed by pools of corporate or sovereign bonds, bank loans to corporations, or a combination of bonds and loans, many of which may be unsecured (commonly referred to as CDOs or CLOs). Even when security interests are present, the ability of an issuer of certain types of asset-backed securities to enforce those interests may be more limited than that of an issuer of mortgage-backed securities.

In addition, certain types of asset-backed securities may experience losses on the underlying assets as a result of certain rights provided to consumer debtors under applicable law. In the case of certain consumer debt, such as credit card debt, debtors are entitled to the protection of consumer credit laws, many of which give such debtors the right to set off certain amounts owed on their credit cards (or other debt), thereby reducing their balances due. For instance, a debtor may be able to offset certain damages for which a court has determined that the creditor is liable to the debtor against amounts owed to the creditor by the debtor on his or her credit card.

***Collateralised Debt Obligations.*** A Fund may invest in CDOs, which include CBOs, CLOs, and other similarly structured securities. CBOs and CLOs are asset-backed securities. A CBO is an obligation of a trust or other special purpose vehicle backed by a pool of fixed income securities. A CLO is an obligation of a trust or other special purpose vehicle typically collateralised by a pool of loans, which may include senior secured and unsecured loans, and subordinate corporate loans, including loans that may be rated below investment grade, or equivalent unrated loans.

For both CBOs and CLOs, the cash flows from the trust are split into two or more portions, called tranches, which vary in risk and yield. The riskier portions are the residual, equity, and subordinate tranches, which bear some or all of the risk of default by the bonds or loans in the trust, and therefore protect the other, more senior tranches from default in all but the most severe circumstances. Since it is partially protected from defaults, a senior tranche from a CBO trust or CLO trust typically has higher ratings and lower yields than its underlying securities, and can be rated investment grade. Despite the protection from the riskier tranches, senior CBO or CLO tranches can experience substantial losses due to actual defaults (including collateral default), the total loss of the riskier tranches due to losses in the collateral, market anticipation of defaults, fraud by the trust, and the illiquidity of CBO or CLO securities.

The risks of an investment in a CDO largely depend on the type of underlying collateral securities and the tranche in which the Fund invests. The Fund may invest in any tranche of a CBO or CLO. Typically, CBOs, CLOs and other CDOs are privately offered and sold. As a result,

certain investments in CDOs may be less illiquid, unless an active dealer market for a particular CDO allows the CDO to be purchased and sold. CDOs are subject to the typical risks associated with debt instruments including interest rate risk (which may be exacerbated if the interest rate payable on a structured financing changes based on multiples of changes in interest rates or inversely to changes in interest rates), default risk, prepayment risk, credit risk, illiquidity risk, market risk, structural risk, and legal risk. Additional risks of CDOs include: (i) the possibility that distributions from collateral securities will be insufficient to make interest or other payments; (ii) the possibility that the quality of the collateral may decline in value or default, due to factors such as the availability of any credit enhancement, the level and timing of payments and recoveries on and the characteristics of the underlying receivables, loans, or other assets that are being securitised, remoteness of those assets from the originator or transferor, the adequacy of and ability to realise upon any related collateral, and the capability of the servicer of the securitised assets; (iii) market and illiquidity risks affecting the price of a structured finance investment, if required to be sold, at the time of sale; and (iv) if the particular structured product is invested in a security in which the Fund is also invested, this would tend to increase the Fund's overall exposure to the credit of the issuer of such securities, at least on an absolute, if not on a relative basis. In addition, due to the complex nature of a CDO, an investment in a CDO may not perform as expected. An investment in a CDO also is subject to the risk that the issuer and the investors may interpret the terms of the instrument differently, giving rise to disputes.

A Fund may invest in covered bonds, which are debt securities issued by banks or other credit institutions that are backed by both the issuing institution and underlying pool of assets that compose the bond (a "cover pool"). The cover pool for a covered bond is typically composed of residential or commercial mortgage loans or loans to public sector institutions. A covered bond may lose value if the credit rating of the issuing bank or credit institution is downgraded or the quality of the assets in the cover pool deteriorates.

Some structured financing may have prepayment provisions or which are prepaid because underlying loans are prepaid earlier than expected or capital may otherwise be repaid earlier than expected. If the Investment Manager is unable to identify new accretive income producing assets that meet a Fund's investment objectives and policy, or are unable to do so in a timely manner, this could adversely affect the Fund's investment.

In many securitisations, CDO and CLO transactions, there are asset and counterparty performance requirements that must be met to ensure income is paid to all investors, rather than being retained in a lock-up or cash reserve as additional credit or liquidity support for senior investors. If a Fund takes subordinated positions in such transactions, if a diversion were to occur, it could result in an elimination, deferral or reduction of the income received by the Fund.

The underlying collateral in a loan portfolio or securitisation is not necessarily individually assessed prior to purchase. The manager of the loan portfolio is responsible for managing the collateral, but may not be able to prevent losses. Losses may occur not only because of default, but an adverse change in interest rates, poor servicing by a portfolio manager, prepayment occurring outside historical averages, adverse credit spread moves, basis risk movements and lower than assumed collateral recover rates, amongst others. Such losses within the collateral may adversely impact the loan portfolio or securitisation assets in which a Fund may invest.

A Fund may hold a minority position in structured finance transactions and have little or no capacity to influence the transaction and may result in the Investment Manager being forced to take an action which it believes is not in the best interest of the Fund.

Each loan portfolio is administered by a servicer whose role may include underwriting the loan portfolio, arranging its securitisation, administering cash flows and arrears, overseeing the realisation of security where a loan has gone into default. A Fund's investment and the return to the Fund may be adversely impacted where, among other things, the servicer (1) fails to follow best practices in realising any security values, or (2) fails to adequately administer the loans that fall into arrears or default. In the event that the servicer is unable to meet its administrative obligations, a substitute servicer will need to be appointed. There is a risk that a substitute servicer will not be available when required, that the substitute servicer will not be able to perform its duties with the requisite level of skill and competence or that it will require extra time to assume responsibility for the portfolio.

### **Non-Exchange Traded and Privately Placed Securities Risk**

With respect to certain privately placed securities, including those securities which are neither listed nor traded on a Regulated Market, a Fund may not be able to initiate a transaction or liquidate a position in such securities at a desirable price. Disposing of such securities may involve time-consuming negotiation and legal expenses, and selling them promptly at an acceptable price may be difficult.

### **Commodities Risk**

Where disclosed in the relevant supplement, a Fund may invest in collective investment schemes, transferable securities, or other instruments eligible for investment by UCITS and set out in this Prospectus, to gain exposure to commodities. Commodity prices can be extremely volatile and are affected by many factors, including changes in overall market movements, real or perceived inflationary trends, commodity index volatility, changes in interest rates or currency exchange rates, population growth and changing demographics, nationalisation, expropriation, or other confiscation, international regulatory, political, and economic developments (e.g., regime changes and changes in economic activity levels), and developments affecting a particular industry or commodity, such as drought, floods, or other weather conditions, livestock disease, trade embargoes, competition from substitute products, transportation bottlenecks or shortages, fluctuations in supply and demand and tariffs.

### **Sustainability Risk**

The SFDR defines "sustainability risks" as environmental, social or governance events or conditions that, if they occur, could cause an actual or a potential material negative impact on the value of an investment. The Company, the Investment Manager, the Fund's issuers or investee companies and other parties, such as service providers of the Fund or of counterparties of the Fund's issuers or investee companies, may be negatively affected by sustainability risks. If appropriate for an investment, the Investment Manager may conduct sustainability risk-related due diligence and/or take steps to mitigate sustainability risks and preserve the value of the investment, with an assessment of good corporate governance being a key part of this analysis; however, there can be no assurance that all such risks will be mitigated in whole or in part, nor identified prior to the date the risk materialises. The Company, the Investment Manager, the Fund's issuers or investee companies and other parties may maintain insurance to protect against certain sustainability risks, where available on reasonable commercial terms, although such insurance is subject to customary deductibles and coverage limits and may not be sufficient to recoup all losses. Any of the foregoing may therefore adversely affect the performance of the Fund and its investments.

### **Taxation Risk**

Prospective investors' attention is drawn to the taxation risks associated with investing in the Company. Please see the section entitled "Taxation" for additional information.

### **Subscription Default Risk**

Each Fund will bear the risk of subscription default. For the purposes of efficient portfolio management, the Investment Manager may purchase securities or utilise efficient portfolio management techniques and instruments on the basis that settlement will be received on the relevant settlement date. In the event that such settlement monies are not received by the Fund on or by the relevant settlement date, the Fund may have to sell such purchased securities or close out its position under such efficient portfolio management techniques which could result in a loss to the Fund notwithstanding that a subscriber who defaults in settling a subscription payment may be liable to the Fund for any such loss.

### **Excessive Trading**

Prospective investors' attention is drawn to the risks associated with excessive trading. Please see the section entitled "Excessive Trading" for additional information.

### **Legal and Regulatory Risk**

Legal, tax, and regulatory changes could occur during the life of a Fund that may adversely affect the Fund. New (or revised) laws or regulations or interpretations of existing law may be issued by the Central Bank or other regulators, or other governmental regulatory authorities, or self-regulatory organisations that supervise the financial markets that could adversely affect a Fund. A Fund also may be adversely affected by changes in the enforcement or interpretation of existing statutes and rules by these regulators, governmental regulatory authorities or self-regulatory organisations. For example, there has been an increase in governmental, as well as self-regulatory, scrutiny of the alternative investment industry. It is impossible to predict what, if any, changes in regulations may occur, but any regulation that restricts the ability of the Fund or any underlying funds to trade in securities could have a material adverse impact on the Fund's performance.

In addition, the securities and futures markets are subject to comprehensive statutes, regulations, and margin requirements. Regulators, and self-regulatory organisations and exchanges, are authorised to take extraordinary actions in the event of market emergencies. The regulation of securitisation and derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by supranational, governmental and judicial action.

On 7 May 2024 the European Securities and Markets Authority ("ESMA") published a call for evidence ("Call for Evidence") as part of its review of the Eligible Assets Directive 2007/16/EC ("EAD") as requested by the European Commission. The objective of this Call for Evidence is to gather information from stakeholders on market practices, interpretation and practical application issues with respect to the eligibility criteria set down in the EAD, and to assess the possible risks and benefits of UCITS gaining exposure to certain specified asset classes on which there are divergent views as regards their eligibility as UCITS investments. Some of the asset classes on which ESMA is seeking input include CLOs, CoCos, REITs, commodities (including exchange-traded commodities) and unlisted equities. Following the conclusion of this Call for Evidence, it is currently expected that ESMA will publish technical advice on amendments to the EAD during 2025, after which the European Commission will consider amendments to the EAD. The impact of this review of the EAD on the Funds is difficult to predict and, in particular, it is unclear whether any amendments to the investment policies or

other changes to the operations of the Funds may be necessary in the future to address any changes to the EAD.

Directive (EU) 2024/927 of the European Parliament and of the Council of 13 March 2024 amending the Directive will, among other things, impose requirements on UCITS funds with respect to the selection, calibration, activation and deactivation of liquidity management tools ("LMTs"), to address redemption pressures under stressed market conditions and better protect investors. The Company will need to ensure that these additional requirements are addressed by its liquidity risk management policies and procedures. Regulatory technical standards to specify the characteristics of the LMTs (the "RTS") and guidelines on the selection and calibration of liquidity management tools by UCITS (the "Guidelines") are expected to be finalised during the course of 2025.

To the extent the provisions of this Prospectus and/or the Articles are not aligned with such requirements, changes will need to be made. Compliance with these requirements may increase operating costs of the Fund and affect the LMTs used by the Funds in respect of investor redemptions.

### **T+1 Settlement Risks**

On 28 May 2024, securities trading in the United States moved from a T+2 to a T+1 settlement cycle. On 18 November 2024, ESMA published its report on the shortening of the settlement cycle in the EU and has recommended 11 October 2027 as the optimal date for a shift in trade settlement regime to T+1 in the EU. In the UK, the Accelerated Settlement Taskforce Technical Group published a draft recommendations report on 27 September 2024 which recommends that the UK move to a T+1 trade settlement cycle by no later than 31 December 2027.

T+1 settlement of securities trading will reduce post-trade processing time with the result that the Funds may be compelled to hold more cash for liquidity purposes and/or make increased use of Contractual Settlement Arrangements subject to applicable limits on temporary borrowing arrangements for UCITS.

The compression of liquidity and cash management processes for the trading of securities which settle on a T+1 basis may be challenging for cross-currency transactions with a foreign exchange element and delays in confirmations of security purchases could cause significant knock-on effects to such transactions.

If administrative processes are not tailored to the new T+1 settlement cycle, there may be an increase in failed trades. Any increase in failed trades may in turn result in an increase in penalties payable under CSDR.

Asymmetry in settlement times between a Fund and a particular securities market may lead to delays in trading by the Investment Manager and, in consequence, cash drag and/or opportunity costs to the relevant Fund and subscribers for Shares should prices move unfavourably in the intervening period. The Investment Manager may seek to mitigate cash drag by obtaining equity or other exposures through the use of derivatives.

### **Eurozone Risks**

A number of countries in the EU have experienced severe economic and financial difficulties. Many non-governmental issuers, and even certain governments, have defaulted on, or been forced to restructure, their debts; many other issuers have faced difficulties obtaining credit or refinancing existing obligations; financial institutions have in many cases required government or central bank support, have needed to raise capital, and/or have been impaired in their ability

to extend credit; and financial markets in the EU and elsewhere have experienced extreme volatility and declines in asset values and liquidity. These difficulties may continue, worsen or spread within and outside the EU.

Certain countries in the EU have had to accept assistance from supra-governmental agencies such as the International Monetary Fund (the "IMF") and the European Financial Service Facility (the "EFSF"). The European Central Bank (the "ECB") has also been intervened to purchase Eurozone debt in an attempt to stabilise markets and reduce borrowing costs. Responses to the financial problems by European governments, central banks and others including austerity measures and reforms, may not work, may result in social unrest and may limit future growth and economic recovery or have other unintended consequences. Further defaults or restructurings by governments and others of their debt could have additional adverse effects on economies, financial markets and asset valuations around the world.

In addition, one or more countries may abandon the euro and/or withdraw from the EU. The impact of these actions, especially if they occur in a disorderly fashion, is not clear but could be significant and far-reaching. Whether or not a Fund invests in securities of issuers located in the EU or with significant exposure to EU issuers or countries, these events could negatively affect the value and liquidity of the Fund's investments. If the euro is dissolved entirely, the legal and contractual consequences for holders of euro-denominated obligations would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Shares.

### **Changes Resulting from the United Kingdom's Vote to Leave the European Union**

The U.K. withdrew from the EU and the EEA on January 31, 2020 ("Brexit"). Following the end of the Brexit transition period, the EU and the UK's approach to regulating the financial services sector, including the fund industry, will continue to diverge. This divergence will be particularly apparent in respect of those EU financial services regulations that the UK chose to retain as part of its post-Brexit regulatory framework. The Financial Services and Markets Act 2023 (FSMA 2023) contains a mechanism that allows for the revocation of retained EU financial services law. Keeping up to date with these changes is likely to result in increased legal, regulatory and compliance obligations for the Investment Manager.

The future application of EU-based legislation to the private fund industry in the U.K. will depend on the agreed future relationship and the actions of the U.K. government. Any re-negotiated terms or amended laws and regulations could have an adverse impact on the Funds and its investments, including the ability of the Funds to achieve their investment objectives.

While the most immediate impacts on corporate transactions will likely be related to changes in market conditions, the development of new regulatory regimes and parallel competition law enforcement could have an adverse impact on transactions, particularly those occurring in, or impacted by conditions in, the U.K. and elsewhere in Europe.

### **EU Risk Retention and Due Diligence Regulations**

The Fund could be subject to EU risk retention and due diligence requirements insofar as the Fund invests in securitisations. EU risk retention and due diligence requirements (the "EU Risk Retention Requirements") have been in effect in Europe since 2011. These requirements are based on the indirect approach that requires various types of EU-regulated investors, including credit institutions, authorised alternative investment fund managers, investment firms and

insurance and reinsurance undertakings (rather than the arrangers or securitisation issuers) to satisfy themselves that certain securitisation transactions they intend to invest in is compliant with the EU Risk Retention Requirements. Among other things, such requirements restrict a relevant investor from investing in securitisations unless (i) that investor is able to demonstrate that it has undertaken certain due diligence in respect of various matters including its investment position, the underlying assets and (in the case of certain types of investors) the relevant sponsor, original lender or originator and (ii) the originator, sponsor or original lender in respect of the relevant securitisation has explicitly disclosed to the investor that it will retain, on an ongoing basis, a net economic interest of not less than 5% in respect of certain specified credit risk tranches or asset exposures. Failure to comply with one or more of the EU Risk Retention Requirements may result in various penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a penal capital charge on the notes acquired by the relevant investor.

On 17 January 2018 the new Securitisation Regulation (Regulation EU 2017/2402) (the "Securitisation Regulation") came into force and applied across the EU from 1 January 2019. The Securitisation Regulation replaces the existing sector-specific approach to securitisation regulation with a new set of rules that apply to all European securitisations. Alternative investment funds such as the Fund will be within scope of the Securitisation.

The definition of "securitisation" is intended to capture any transaction or scheme where the credit risk associated with an exposure or a pool of exposures is tranching. Essentially, the definition includes any investment with tranches or classes where payments in the transaction or scheme are dependent on the performance of the exposure or of the pool of exposures and the participation in losses differs between the tranches during the life of the transaction or scheme.

A UCITS management company must ensure that the Originator, sponsor or Original Lender of a securitisation retains at least a 5% net economic interest in the securitisation. These rules mean that the Manager will need to conduct due diligence before an investment is made in a securitisation position and continue to perform due diligence during the period the investment continues in a securitisation. This new direct approach is intended to complement the existing due diligence requirements on institutional investors to verify before investing whether or not the securitising entity has retained risk. As a consequence, the new direct approach requires securitising entities established in the EU to retain risk even if the investors are located outside of the EU and are not institutional investors.

The Securitisation Regulation applies to securitisations the securities of which are issued on or after 1 January 2019 or which create new securitisation positions on or after that date. Pre-existing securitisations will be required to continue to apply the rules in place immediately prior to the effective date of the Securitisation Regulation unless new securities are issued or new positions created. Though the Securitisation Regulation applies to securitisations the securities of which are issued on or after 1 January 2019, there can be no assurance as to whether the investments described herein made by the Fund will be affected by the Securitisation Regulation or any change thereto or review thereof.

### **European Benchmark Regulation**

Regulation (EU) 2016/1011, as may be amended or supplemented from time to time, (the "Benchmark Regulation") was published in the Official Journal of the European Union on 29 June 2016 and entered into force on 30 June 2016. The Benchmark Regulation applies principally to "administrators", "contributors" and "users" of critical benchmarks, significant benchmarks, EU climate transition benchmarks and EU Paris-aligned benchmarks, each as defined in the Benchmark Regulation. The Benchmark Regulations requires, among other

things, that: (i) such benchmark administrators within scope to be authorised (or, if non-EU-based, to be subject to an equivalent regulatory regime) and make significant changes to the way in which benchmarks falling within scope of the Benchmark Regulation are governed (including reforms of governance and control arrangements, obligations in relation to input data, certain transparency and record-keeping requirements and detailed codes of conduct for contributors); and (ii) prevents certain uses of “benchmarks” provided by unauthorised administrators by supervised entities in the EU.

For indices that are within scope of the Benchmark Regulation, potential effects include (among other things): an index which is a “benchmark” could not be used by a supervised entity in certain ways if such index’s administrator does not obtain authorisation or, if based in a non-European Union jurisdiction, the administrator is not otherwise recognised as equivalent; and the methodology or other terms of the “benchmark” could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could (among other things) have the effect of reducing or increasing the rate or level, or affecting the volatility, of the published rate or level of the benchmark.

The benchmark administrator for each Fund’s Benchmark has: (a) been included in the register maintained by ESMA under the Benchmarks Regulation; or (b) has been exempted from this requirement.

The Investment Manager will receive a performance fee in respect of certain Classes of Shares based upon the amount by which a Fund out-performs its Benchmark. Benchmarks may be discontinued if they do not comply with the requirements of the Benchmark Regulation, or if the administrator of the benchmark either fails to apply for authorisation or is refused authorisation by its home regulator. If advised by the Investment Manager that the Benchmark will cease to exist or will change materially, the Directors will request that the Investment Manager identify a suitable replacement index for consideration and approval by the Board and instruct that the performance fee calculation methodology is amended as appropriate. If no suitable replacement is identified then the performance fee methodology will be amended to remove the reference as appropriate. Any changes to the performance fee methodology requires the approval of the Central Bank and, depending on the nature of the change (i.e., if the change would result in an increase in the performance fee payable), the approval of the Shareholders.

If any proposed changes when implemented change the way in which a Benchmark is calculated, this could adversely affect the relevant Fund’s profitability, Net Asset Value and Share price.

### **Cyber Security Risk**

Like other business enterprises, the use of the internet and other electronic media and technology exposes the Company, the Company’s service providers, and their respective operations, to potential risks from cyber-security attacks or incidents (collectively, “cyber-events”). Cyber-events may include, for example, unauthorised access to systems, networks or devices (such as, for example, through “hacking” activity), infection from computer viruses or other malicious software code, and attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality. In addition to intentional cyber-events, unintentional cyber-events can occur, such as, for example, the inadvertent release of confidential information. Any cyber-event could adversely impact the Company and the Shareholders, and cause a Fund to incur financial loss and expense, as well as face exposure to regulatory penalties, reputational damage, and additional compliance costs associated with corrective measures. A cyber-event may cause the Company, a Fund, or the Company’s service providers to lose proprietary information, suffer data corruption, lose

operational capacity (such as, for example, the loss of the ability to process transactions, calculate the Net Asset Value of the Fund or allow Shareholders to transact business) and/or fail to comply with applicable privacy and other laws. Among other potentially harmful effects, cyber-events also may result in theft, unauthorised monitoring and failures in the physical infrastructure or operating systems that support the Company and the Company's service providers. In addition, cyber-events affecting issuers in which a Fund invests could cause the Fund's investments to lose value.

### **Pandemics, Epidemics and Other Public Health Crises**

A pandemic, epidemic or other public health crisis could adversely impact the investment Manager, the Funds and other issuers of the Fund's investments. Many countries have experienced outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and COVID-19. The COVID-19 pandemic has resulted in numerous deaths and the imposition of both local and more widespread "work from home" and other quarantine measures, border closures and other travel restrictions, causing social unrest and commercial disruption on a global scale.

The COVID-19 pandemic has had, and will continue to have, a material adverse impact on local economies in the affected jurisdictions and also on the global economy, as cross-border commercial activity and market sentiment are increasingly impacted by the pandemic and government and other measures seeking to contain its spread. In addition to these developments having adverse consequences for certain portfolio investments and other issuers in or through which the Fund invests and the value of the Fund's investments therein, the operations of Waverton and the Fund in many jurisdictions have been, and could continue to be, adversely impacted, including through quarantine measures, business closures and suspensions, travel restrictions and health issues impacting personnel and service providers based around the world. Disruptions to commercial activity relating to the imposition of quarantines or travel restrictions (or more generally, a failure of containment efforts) could adversely impact investments of the Fund, including by delaying or causing supply chain disruptions or by causing staffing shortages. Any of the foregoing events could materially and adversely affect the Fund's ability to source, manage and divest its investments and its ability to fulfil its investment objectives. Similar consequences could arise with respect to other comparable infectious diseases.

The COVID-19 pandemic has contributed to, and could continue to contribute to, volatility in financial markets, including changes in interest rates. It has also had a material and negative impact on certain economic fundamentals and consumer confidence, increased the risk of default of particular portfolio investments, reduced the availability of debt financing to the Fund and potential purchasers of their portfolio investments, negatively impacted market values, caused credit spreads to widen and reduced liquidity, all of which have had and could have in the event of a continued outbreak, an adverse effect on the returns of the Fund. No assurance can be given as to the long-term effect of these events on the value of the Fund's investments. The impact of a public health crisis, such as COVID-19 (or any future pandemic, epidemic or other outbreak of a contagious disease), is difficult to predict, which presents material uncertainty and risk with respect to the performance of the Fund.

### **Risk Management Methods**

The Company and/or the Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed by the Manager, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

### **Risks Associated with Delays in Providing Complete Customer Due Diligence**

Shareholders should note that there is a risk that any delay in providing a signed copy of the application form and all documents required in connection with the obligations to prevent money laundering and terrorist financing to the Administrator may result in Shares not being issued on the Dealing Day on which the applicant initially wished to have Shares issued.

## FEES AND EXPENSES

Each Fund shall pay all of its expenses and its allocable share of any expenses incurred by the Company. These expenses may include the costs of: (i) maintaining the Company and the relevant Fund and registering the Company, the relevant Fund and the Shares with any governmental or regulatory authority or with any Regulated Market or stock exchange; (ii) management, administration, custodial and related services; (iii) preparation, printing and posting of prospectuses, sales literature and reports to Shareholders, the Central Bank and other governmental agencies; (iv) marketing expenses; (v) taxes; (vi) commissions and brokerage fees; (vii) expenses incurred in connection with the acquisition and disposal of the assets of the Company (including, without limitation, fees in respect of foreign exchange currency contracts executed on the Investment Manager's foreign exchange transaction platform); (viii) auditing, tax and legal fees (including expenses arising in respect of legal or administrative proceedings); (ix) insurance premiums; (x) fees of paying agents, local representatives and similar agents, such fees to be at normal commercial rates; and (xi) other operating expenses.

The Articles of Association provide 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. As of the date of this Prospectus, Directors' remuneration in any one year shall not exceed €200,000.

The expenses relating to the establishment of Waverton Multi-Asset Growth Fund are not expected to exceed £30,000. The expenses relating to the establishment of Waverton Multi-Asset Balanced Fund, Waverton Multi-Asset Cautious Fund, Waverton Multi-Asset Defensive Fund, and Waverton Multi-Asset Growth Fund (€ Denominated) are not expected to exceed £35,000 in respect of each Fund. In each case, the allocable share of these expenses for each Fund will be amortised over the first five years of the operation of the relevant Fund or such shorter period as may be determined by the Directors.

The collective investment schemes in which a Fund may invest will bear their own fees and expenses including management fees and performance fees. Such management fees shall not exceed 2 per cent. per annum of the net asset value of the underlying collective investment schemes.

The following fees will be borne by the Company:

### **Investment Management Fee**

Under the Investment Management Agreement, the Company will pay to the Investment Manager a management fee up to the aggregate annual rate by each Fund as set out in the Supplement for the relevant Fund.

The Investment Management Fee shall be calculated and accrued on each Dealing Day and paid monthly in arrears. In addition, the Investment Manager shall be entitled to be reimbursed its reasonable vouched out-of-pocket expenses. Each Fund shall bear *pro rata* its share of such out-of-pocket expenses.

It should be noted that the Investment Manager shall waive any subscription or redemption charges payable upon subscription for shares in underlying collective investment schemes that are managed by the Investment Manager. Where a commission is received by the Investment Manager by virtue of an investment in the shares in underlying collective investment schemes that commission shall be paid into the property of the Funds, as appropriate. The Fund will receive a rebate of any management fees paid to the Investment Manager in respect of any

underlying collective investment scheme managed by the Investment Manager so that there is no duplication of management fees.

### **Management Fee**

The Manager will receive a management fee out of the assets of the Fund of either up to 2 basis points per annum of the Net Asset Value of the Fund or an annual minimum fee of €60,000 per annum, whichever is higher. The Management Fee shall accrue on each Dealing Day and is payable monthly in arrears. The Management Fee may be waived or reduced by the Manager. The Manager shall be entitled to be reimbursed by the Company for all reasonable out of pocket expenses properly incurred.

### **Expense Cap**

The Investment Manager may voluntarily agree to cap the total annual fees and expenses in respect of a Fund as set out in the relevant Supplement.

The Investment Manager may modify or terminate these arrangements at any time upon notice to Shareholders. This expense cap will cover all costs and expenses connected with the operating activities of the Funds, including the Investment Management Fee, administration, registration, transfer agency, depositary and trustee fees, and other operating expenses.

The expense caps referred to above will not cover: such non-recurring and extraordinary or exceptional costs and expenses (if any) as may arise from time to time; withholding taxes that may be deducted from interest; stamp duties or other documentary transfer taxes, or similar duties; investment expenses arising with respect to the purchase or sale of securities by the Funds. The Investment Manager will absorb (directly or by way of a refund to the Funds) any difference that may arise between the actual cost of operations of the Funds and the relevant expense cap.

### **Performance Fee**

The Investment Manager may receive a performance fee based on its investment management performance during a performance period ("Performance Period") as set out in the supplement for the relevant Fund. A Performance Period shall: (i) in the case of the first Performance Period, commence upon the close of the Initial Offer Period and end on the next following 31 December; and (ii) thereafter shall commence on the day immediately following the end of the prior Performance Period and shall end on the next following 31 December.

Unless otherwise stated in the supplement for the relevant Fund, the performance fee shall be calculated and accrued on each Dealing Day and paid annually in arrears at the end of a Performance Period. When calculating the performance fee payable, the Net Asset Value will be adjusted, as appropriate, for subscriptions, redemptions, dividends paid, any accruals of performance fee, by the amount, if any, by which the Net Asset Value underperformed the Benchmark in any preceding Performance Period, and to reverse any anti-dilution adjustments (see "Administration of the Company – Dilution Adjustments"). Any dividends which are to be added back in order to determine the performance fee will be added back as a per Share amount based on the number of Shares in issue when the dividends were paid.

Unless otherwise stated in the supplement for the relevant Fund, where a performance fee is payable it will be based on the Net Asset Value of a Class as at the end of each Performance Period. As a result a performance fee may be paid in respect of unrealised gains, which may subsequently never be realised. Furthermore, because the performance fee is payable on the performance of a Fund relative to a Benchmark (outperformance), a performance fee may be

payable in circumstances where the Fund has out-performed its Benchmark but, overall, has a negative performance. On the other hand a prior relative under performance must be recouped before a performance fee shall again be payable.

The following are examples of how the performance fee will be calculated:

- (a) Example 1: A Shareholder acquires one Share on a Dealing Day falling after 1 January at a Net Asset Value per Share of GBP 100. On the Dealing Day that falls on the following 31 December, the Net Asset Value per Share (before accrual of the performance fee) has risen by GBP 10 to GBP 110, and the increase in the Benchmark for that Class over the corresponding period was 5 per cent. As the increase in the Net Asset Value per Share of the Class (10 per cent.) is greater than the increase in the Benchmark, there is an accrued performance fee equal to GBP 1 (i.e., 20 per cent. of the GBP 5 increase in value above the Benchmark), resulting in a final Net Asset Value per Share on the 31 December Dealing Day, after the accrual of the performance fee, of GBP 109.
- (b) Example 2: A Shareholder acquires one Share on the Dealing Day falling on 1 January at a Net Asset Value per Share of GBP 100. On the Dealing Day that falls on the following 31 December, the Net Asset Value per Share (before accrual of the performance fee) has fallen by GBP 1 to GBP 99, and the decrease in the Benchmark for that Class over the corresponding period was 2 per cent. Because the decrease in the Net Asset Value per Share of the Class (1 per cent.) is less than the decrease in the Benchmark, there is an accrued performance fee equal to GBP 0.20 (i.e., 20 per cent. of the GBP 1, which is the difference between the decrease in value of the Net Asset Value per Share and the decrease in value of the Benchmark) resulting in a final Net Asset Value per Share on the 31 December Dealing Day, after the accrual of the performance fee, of GBP 98.80.
- (c) Example 3: A Shareholder acquires one Share on the Dealing Day falling on 1 January at a Net Asset Value per Share of GBP 100. On the Dealing Day that falls on the following 31 December, the Net Asset Value per Share (before accrual of the performance fee) has fallen by GBP 10 to GBP 90, and the Benchmark for that Class over the corresponding period decreased by 5 per cent. Because the decrease in the Net Asset Value per Share of the Class (10 per cent.) is greater than the decrease in the Benchmark, there is no accrued performance fee, resulting in a final Net Asset Value per Share on the 31 December Dealing Day of GBP 90.

More detailed performance fee worked examples, as well as details of the past performance of the relevant Class against that of the relevant Benchmark, are available from the Administrator and the Investment Manager upon request.

The performance fee calculation is not open to manipulation. The calculation will be verified by the Depositary and by the auditors of the Company as part of the annual audit of the Company. Performance fee worked examples are available from the Administrator and the Investment Manager upon request.

### **Depositary's Fee**

The Depositary shall be entitled to a trustee fee payable out of the assets of each Fund accruing daily and payable monthly in arrears at the end of each calendar month at an annual rate of up to 0.016% of the Net Asset Value of each Fund, subject to a minimum annual fee for each Fund, exclusive of transaction charges and out-of-pocket expenses, of €9,200. The Depositary

shall also be entitled to a cash flow monitoring and reconciliation fee of €4,000 payable by the Company, and allocated to each Fund on a pro rata basis.

Safekeeping fees based on the market value of the assets of each Fund may also be charged which shall vary from 0.0025% to 0.675% depending on the country in which the security is traded and held, subject to a minimum monthly fee for each Fund, exclusive of transaction charges and out-of-pocket expenses, of €500. Each Fund shall also be subject to transaction charges, which shall not exceed normal commercial rates. The Depositary shall also be entitled to reimbursement of properly vouched out-of-pocket expenses incurred by the Depositary, or any sub-custodian, out of the assets of the Fund in respect of which such expenses were incurred.

### **Administrator's Fee**

The Administrator, in relation to the provision of its services as fund accountant, administrator and transfer agent is entitled to a fee payable out of the assets of each Fund, accruing daily and payable monthly in arrears at the end of each calendar month at a rate of up to 0.004% of the Net Asset Value of each Fund, subject to a minimum annual fee for each Fund, exclusive of out-of-pocket expenses, of €22,000 (which is based on two Share Classes) per Fund. The Funds shall also be subject to transaction charges, which shall not exceed normal commercial rates. The Administrator shall also be entitled to certain other fees for registrar and transfer agency subject to a minimum annual fee of €24,000 per umbrella, financial statements production and other services and to reimbursement of all reasonable out-of-pocket expenses incurred out of the assets of the Fund in respect of which such expenses were incurred.

### **Charging of Fees and Expenses to Capital**

Shareholders should note that, in the case of Funds for which a performance fee may be charged, any performance fee will be charged to the capital of the relevant Fund. Shareholders should further note that, for those Classes of Shares identified in the column of the table in the Supplement for the relevant Fund headed "Fees and Expenses Charged to Income or Capital" as "Capital", 100 per cent. of the management fees, Administrator fees, Depositary fees, operational expenses and borrowing expenses, where applicable, will be charged to the capital of the relevant Fund. Thus, on redemption of the Shares, Shareholders may not receive back the full amount invested. The reason for charging these fees and expenses to capital is to increase the amount of income that can be distributed by the relevant Funds. It should be noted that the distribution of income in Funds which charge fees and expenses to capital may result in the erosion of capital and that increased income will be achieved by foregoing some of the potential for future capital growth.

Shareholders in Funds which invest predominantly in debt instruments should note that future capital returns may be diminished where expenses are charged to capital given the reduced potential for capital growth. Furthermore where a Fund's priority is the generation of income rather than capital growth, Shareholders should note that the Central Bank considers that any distributions to Shareholders in the Fund are a form of capital reimbursement.

## **ADMINISTRATION OF THE COMPANY**

### **Determination of Net Asset Value**

The Administrator shall determine the Net Asset Value per Share of each Class, at the Valuation Point on the basis set forth below and in accordance with the Articles.

The Net Asset Value per Share of a Fund shall be the value of the gross assets attributable to such Fund less all of the liabilities attributable to such Fund (including such provisions as the Administrator considers appropriate in respect of the costs and expenses payable in relation to such Fund) divided by the number of Shares of such Fund outstanding as of the Dealing Day. Any liabilities of the Company which are not attributable to any Fund shall be allocated *pro rata* among all of the Funds.

The Net Asset Value of each Class shall be determined by calculating the amount of the Net Asset Value attributable to each Class. The amount of the Net Asset Value of a Fund attributable to a Class shall be determined by establishing the proportion of the assets of the Class as at the most recent Net Asset Value calculation or the close of the Initial Offer Period in the case of an initial offer of a Class, adjusted to take account of any subscription orders (after deduction of any repurchase orders) and by allocating relevant Class Expenses (as defined below) and fees to the Class and making appropriate adjustments to take account of distributions paid, if applicable, and apportioning the Net Asset Value accordingly. The Net Asset Value per Share of a Class shall be calculated by dividing the Net Asset Value of the Class by the number of Shares in issue in that Class. Class Expenses or fees or charges not attributable to a particular Class may be allocated amongst the Classes based on their respective Net Asset Value or any other reasonable basis approved by the *Depositary* having taken into account the nature of the fees and charges. Class Expenses and fees relating specifically to a Class will be charged to that Class. In the event that Classes are priced in a currency other than the Base Currency, currency conversion costs will be borne by that Class.

“Class Expenses” means the expenses of registering a class in any jurisdiction or with any stock exchange, regulated market or settlement system and all other expenses arising from such registration and such further expenses howsoever arising as may be disclosed in the Prospectus. The cost of converting currency and the costs and gains/losses of the hedging transactions are borne solely by the relevant Class.

In calculating the Net Asset Value:

- (a) assets listed or traded on a Regulated Market shall be valued at the latest mid-market quotation on the Regulated Market which is the principal market for such security as at the Valuation Point or, if unavailable or, in the opinion of the Investment Manager and/or the Administrator unrepresentative of fair market value, the value shall be calculated with care and in good faith by a competent person (which may include the Investment Manager) appointed by the Manager approved for that purpose by the *Depositary* in consultation with the Investment Manager on the basis of the probable realisation value for such assets as at the close of business on the relevant Regulated Market on the Dealing Day valued by any other means provided that the value is approved by the *Depositary*;
- (b) if the assets are listed or traded on several Regulated Markets the latest mid-market quotation on the Regulated Market which in the opinion of the Administrator constitutes the principal market for such assets will be used;
- (c) in the event that any of the investments is not listed or traded on any Regulated Market, such security shall be valued at the probable realisation value determined with care and in good faith by a competent person (which may include the Investment Manager) approved by the *Depositary* as a competent person for such purpose in consultation with the Investment Manager. Such probable realisation value will be determined: (i) by using the original purchase price; (ii) where there have been subsequent trades with substantial volumes, by using the latest trade price provided that the Administrator in consultation with the Investment Manager considers such

trades to be at arm's length; (iii) where the Investment Manager believes the investment has suffered a diminution in value, by using the original purchase price that shall be discounted to reflect such a diminution; or (iv) if the Administrator in consultation with the Investment Manager believes a mid quotation from brokers reliable, by using such mid quotation or, if unavailable, a bid quotation. Alternatively, the Administrator in consultation with the Investment Manager may use such probable realisation value estimated with care and in good faith as may be recommended by a competent professional (which may include the Investment Manager) approved for that purpose by the *Depositary* in consultation with the Investment Manager. Due to the nature of such unquoted securities and the difficulty in obtaining a valuation from other sources, such competent professional may be related to the Investment Manager;

- (d) cash and other liquid assets will be valued at their face value with interest accrued as at the Valuation Point;
- (e) units or shares in collective investment schemes will be valued at the latest available net asset value relevant to the collective investment scheme;
- (f) exchange-traded derivative instruments will be valued as at the Valuation Point at the settlement price for such instruments on the relevant exchange. If the settlement price of an exchange-traded derivative instrument is not available, the value of such instrument shall be the probable realisation value estimated with care and in good faith by a competent professional (which may include the Investment Manager) appointed by the Manager approved for that purpose by the *Depositary* in consultation with the Investment Manager;
- (g) the Manager may choose to value over-the-counter derivative instruments using either the counterparty valuation or an alternative valuation, such as a valuation calculated by the Company or by an independent pricing vendor provided that the Company or other party has adequate human and technical means to perform the valuation. Where a counterparty valuation is used, the over-the-counter derivative instruments will be valued as at the Valuation Point at the valuation provided by the counterparty to such transaction daily. The counterparty must be prepared to value the contract and to close out the transaction at the request of the Company and/or the Manager at fair value. Where the Manager values over-the-counter derivatives using an alternative valuation, the Manager must follow international best practice and will adhere to the principles on the valuation of over-the-counter instruments established by bodies such as IOSCO (the International Organisation of Securities Commissions) and AIMA (the Alternative Investment Management Association). An alternative valuation must be provided by a competent person (which may include the Investment Manager) appointed by the Manager and approved for the purpose by the *Depositary*, or a valuation by any other means provided that the value is approved by the *Depositary*. An alternative valuation will be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Where the Manager values over-the-counter derivatives using the counterparty valuation the valuation must be approved or verified by a party who is approved for the purpose by the *Depositary* and who is independent of the counterparty. The independent verification must be carried out at least weekly;

Forward foreign exchange contracts shall be valued at the Valuation Point in accordance with the preceding paragraph or, alternatively by reference to the

prevailing market quotations, namely the price at which a new forward contract of the same size and maturity could be undertaken;

- (h) in determining the value of the assets there shall be added to the assets any interest or dividends accrued but not received and any amounts available for distribution but in respect of which no distribution has been made; and
- (i) any value expressed otherwise than in the Base Currency (whether of an investment or cash) and any non-Base Currency borrowing shall be converted into the Base Currency at the rate (whether official or otherwise) which the Administrator deems appropriate in the circumstances.

The Directors, with the approval of the Depositary, may adjust the Net Asset Value per Share when calculating realisation prices for any Fund to reflect the value of such Fund's investments assuming they were valued using the bid price on the relevant market at the relevant time and provided that such methodology shall be applied on a consistent basis in respect of all asset classes. The Directors' intention is only to exercise this discretion to preserve the value of the holdings of continuing Shareholders in the event of substantial or recurring net repurchases of Shares in the relevant Fund.

In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out above or if such valuation is not representative of a security's fair market value, the Administrator being a competent person approved for the purpose by the Depositary in consultation with the Investment Manager is entitled to use such other generally recognised valuation method in order to reach a proper valuation of that specific instrument, provided that such method of valuation has been approved by the Depositary.

### **Dilution Adjustments**

In calculating the Net Asset Value per Share for a Fund on any Dealing Day, the Directors may, at their discretion, adjust the Net Asset Value per Share and/or initial subscription price per Share for each Class by applying a dilution adjustment: (1) if the cash-flows into or out of the Fund attributable to net subscriptions or repurchases exceed certain pre-determined percentage thresholds relating to the Fund's Net Asset Value (where such percentage thresholds have been pre-determined for the Fund from time to time by the Directors or by a committee established by the Directors); or (2) in any other cases where there are net subscriptions or repurchases in the Fund and the Directors reasonably believe that imposing a dilution adjustment is in the best interests of existing Shareholders. The Directors' intention is only to exercise this discretion to cover dealing costs and to preserve the value of the Fund's assets. In this regard, the Directors, with the approval of the Depositary, may adjust the value of an asset or a basket of assets comprising all or part of an in specie subscription or repurchase where such an adjustment is considered necessary to track the dilution adjustment applied to the Net Asset Value per Share. It is expected that the adjustment factor applied to the in specie subscription or repurchase would match that applied to the Net Asset Value per Share.

The dilution adjustment amount for a Fund will be calculated from time to time and applied by reference to the spread costs and actual charges incurred in dealing in the underlying investments of the Fund. Where there are net cash-flows into the Fund in excess of the applicable pre-determined threshold (if any), the dilution adjustment will increase the Net Asset Value per Share. Where there are net cash-flows out of the Fund in excess of the applicable pre-determined threshold (if any), the dilution adjustment will decrease the Net Asset Value per Share and/or initial subscription price per Share. The Net Asset Value per Share and/or initial subscription price per Share, as adjusted by any dilution adjustment, will be applicable to all transactions in Shares in the Fund on the relevant Dealing Day. Therefore, for an investor

who subscribes to the Fund on a Dealing Day when the dilution adjustment increases the Net Asset Value per Share and/or initial subscription price per Share, the cost per Share to the investor will be greater than it would have been absent the dilution adjustment. For an investor who repurchases a certain number of Shares from the Fund on a Dealing Day when the dilution adjustment decreases the Net Asset Value per Share, the amount received by the investor in repurchase proceeds for the Share redeemed will be less than it would have been absent the dilution adjustment. More information about the dilution adjustments applied on a particular Dealing Day can be obtained by Shareholders upon request from the Investment Manager.

### **Application for Shares**

The Initial Offer Period for Classes of Shares is set out in the Supplement for the relevant Fund.

Subscriptions for Shares must be made in the currency denomination of the particular Class for which Shares are being subscribed. However, by agreement with the Administrator and the Company, subscriptions may be made in any freely convertible currency approved by the Administrator but will be converted into the Base Currency at the rate of exchange available to the Administrator and the costs of conversion shall be deducted from the subscription monies which will then be invested in Shares.

Application forms for Shares may be obtained from the Investment Manager and Distributor. Shares may be issued on any Dealing Day to eligible investors who have forwarded the completed application form and provided satisfactory proof of identification to the Administrator, so that the application form shall be received by the Administrator no later than 10.00 a.m. (Irish time) on the relevant Dealing Day in the case of all Funds. Before subscribing for shares an investor will be required to complete a declaration as to the investor's tax residency or status in the form prescribed by the Revenue Commissioners of Ireland. This declaration shall be forwarded to the Administrator within five Business Days of the application being made. The original application form must be delivered to the Administrator. Repurchase proceeds cannot be released until the original application form and all anti-money laundering documentation have been received from the investor and all anti-money laundering procedures have been carried out.

Investors should transmit cleared funds representing the subscription monies by wire instructions to the relevant accounts set out in the attached subscription application form for Shares, so that cleared funds are received in the Company's account within three (3) Business Days of receipt and acceptance of the subscription order or the time agreed with the Administrator.

Applications for Shares by *in specie* transfer may be made by agreement with the Investment Manager and Distributor on a case-by-case basis. In such cases the Company shall issue Shares in exchange for investments which the Company may acquire in accordance with its investment objectives and policies and may hold or sell, dispose of or otherwise convert such securities into cash.

No Shares shall be issued until the investments are vested in the Depositary or its nominee. The value of the Shares to be issued shall be calculated on the same basis as the valuation of Shares to be issued for cash.

The Manager and the Administrator reserve the right to reject in whole or in part any application for Shares or to request further details or evidence of identity from an applicant for Shares. The Funds are not intended for excessive trading. Where an application for Shares is rejected, the subscription monies shall be returned to the applicant within seven days of the date of such rejection.

Class M Shares are only available for subscription by: (i) the Investment Manager or its affiliates; (ii) employees of the Investment Manager or its affiliates; and (iii) such other investors as determined by the Company from time to time.

The Company may issue fractional Shares rounded to the third decimal place. Fractional Shares shall not carry any voting rights.

The minimum initial and subsequent investments per Shareholder in a Fund are set out in the Supplement for the relevant Fund.

The Company and/or the Manager reserves the right to vary the minimum initial investment or the minimum subsequent investment and may choose to waive these minimum investment requirements if considered appropriate.

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

Measures aimed at the prevention of money laundering will require an applicant to verify their identity and the source of wealth and/or source of funds to the Administrator or the Investment Manager. The Administrator will not accept funds from an investor until verification of identity and the source of wealth and/or source of funds is completed to its satisfaction. The Manager may at its discretion take such steps as it determines necessary to discontinue the business relationship it has with any investor where required to do so under applicable anti-money laundering laws or regulations.

Notwithstanding that funds have come from a designated body within a prescribed country recognised by Ireland as having equivalent anti-money laundering regulations, evidence of identity must be established in accordance with the relevant anti-money laundering requirements which are advised to clients prior to application.

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

The Administrator reserves the right to request such documentation as is necessary to verify the identity and the source of wealth and/or source of funds of the applicant. This may result in Shares being issued on a Dealing Day subsequent to the Dealing Day on which the applicant initially wished to have Shares issued to him.

It is further acknowledged that the Administrator, in the performance of its delegated duties, shall be held harmless by the subscriber against any loss arising as a result of a failure to process the subscription if such information as has been requested by the Administrator has not been provided by the applicant.

### **Subsequent Subscriptions**

Subsequent subscriptions (i.e. subsequent to an initial subscription for Shares within a Fund) may be made by submitting an instruction to the Administrator by the relevant deadline in writing, by fax, by electronic means, or such other means in accordance with the requirements of the Central Bank.

Subsequent faxed subscription requests may be processed without a requirement to submit original documentation.

### **Subscription Price**

The initial subscription price per Share shall be EUR 10, US\$10, Stg£10 or CA\$10, as the case may be, depending on the Base Currency of the Fund, subject to any applicable dilution adjustment. Please see the section entitled "Administration of the Company – Dilution Adjustments". Any Class not denominated in the Base Currency shall be issued at the equivalent thereof in the currency of denomination of the Class or the equivalent thereof in Sterling, U.S. Dollar or Euro, as appropriate.

Following the expiry of the applicable Initial Offer Period, Shares in all Classes shall be issued at the Net Asset Value per Share plus subscription fees, if any, applicable on the Dealing Day on which the Shares are deemed to be issued, subject to any applicable dilution adjustment. Typically, the Initial Offer Period of a Class ends following the receipt by the relevant Fund of the initial subscription.

On any Dealing Day a dilution adjustment may be made, which will be reflected in the Net Asset Value per Share. Please see the section entitled "Administration of the Company - Dilution Adjustments".

### **Written Confirmations of Ownership**

The Administrator shall be responsible for maintaining the Company's register of Shareholders in which all issues, repurchases, conversions and transfers of Shares will be recorded. Written confirmations of ownership shall be issued by post or facsimile in relation to each issue of Shares. The Administrator shall 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 shall be available for inspection at the registered office of the Company during normal business hours where a Shareholder may inspect only his entry on the register.

Written confirmations of ownership shall be issued by telefax or by post in relation to each shareholder trade. The shareholder must revert upon receipt, or in any event, no later than settlement date to the Administrator if any detail contained in the contract note is not in order.

### **Repurchase Requests**

Shares may be repurchased on a Dealing Day by contacting the Administrator so that a written repurchase request is received by the Administrator no later than 10.00 a.m. (Irish time) on the Dealing Day.

Repurchase requests received subsequent to the relevant deadline outlined above shall be effective on the next succeeding Dealing Day.

If repurchase requests on any Dealing Day exceed 10 per cent. of the Shares in a Fund, the Manager may defer the excess repurchase requests to subsequent Dealing Days and shall repurchase such Shares rateably. Any deferred repurchase requests shall be treated as if they were received for each subsequent Dealing Day until all the shares to which the original request related have been repurchased. In such cases, the deferred repurchase request shall be reduced *pro rata* on the next and following Dealing Days so as to give effect to the above limitation. The Manager shall notify any applicant if his application is deferred in which case a Member may revoke or withdraw a repurchase request, either in respect of the request to the

portion which has been deferred or otherwise, by not less than 15 days' written notice to the Company before the relevant Dealing Day. Subject to the section entitled "Temporary Suspension of Valuation of the Shares and of Sales and Repurchases", such repurchase requests shall in all cases be satisfied within ten Business Days of the Dealing Day on which they were effective.

### **Repurchase Price**

Shares shall be repurchased at the applicable repurchase price, which shall be the Net Asset Value per Share calculated at the Valuation Point on the Dealing Day on which repurchase is effected, subject to any applicable dilution adjustment.

On any Dealing Day a dilution adjustment may be made, which will be reflected in the Net Asset Value per Share. Please see the section entitled "Administration of the Company – Dilution Adjustments".

All payments of repurchase monies shall normally be made within three Business Days but in any event within ten Business Days of the Dealing Day on which the repurchase request is effective provided the original repurchase request has been received. The repurchase proceeds shall be made by telegraphic transfer to the Shareholder's bank account, details of which shall be set out by the Shareholder to the Administrator in the application form. Repurchase proceeds cannot be released until the original application form and all anti-money laundering documentation have been received from the investor in good order and all anti-money laundering procedures have been carried out.

With the consent of the Shareholder making such repurchase request, assets may be transferred to a Shareholder in satisfaction of the repurchase monies payable on the repurchase of Shares, provided that such distribution is equitable and not prejudicial to the interests of the remaining Shareholders. At the request of the Shareholder making such repurchase request such assets may be sold by the Company and the proceeds of sale shall be transmitted to the Shareholder.

### **Mandatory Repurchase of Shares**

If a repurchase causes a Shareholder's holding in the Company to fall below the minimum subscription or investment amount set out above or such lesser amount as the Manager may determine, the Company may repurchase the whole of that Shareholder's holding. Before doing so, the Company and/or the Manager shall notify the Shareholder in writing and allow the Shareholder thirty days to purchase additional Shares to meet the minimum requirement. The Company and the Manager reserves the right to vary this mandatory redemption amount.

Shareholders are required to notify the Administrator immediately in the event that they become U.S. Persons. Shareholders who become U.S. Persons may be required to dispose of their Shares to non-U.S. Persons on the next Dealing Day thereafter unless the Shares are held pursuant to an exemption which would allow them to hold the Shares. The Company and/or the Manager reserves the right to repurchase or require the transfer of any Shares which are or become owned, directly or indirectly, by a U.S. Person or other person if the holding of the Shares by such other person is unlawful or, in the opinion of the Manager, the holding might result in the Company or the Shareholders incurring any liability to taxation or suffering pecuniary or material administrative or regulatory disadvantage which the Company or the Shareholders might not otherwise suffer or incur.

## **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. 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 Fund, the transferee must complete an application form and comply with the relevant anti-money laundering procedures. The Manager may decline to register any transfer of Shares if in consequence of such transfer the transferor or transferee would hold less than the currency equivalent of the amount of the minimum initial investment for the relevant Fund or would otherwise infringe the restrictions on holding Shares outlined above. The registration of transfers may be suspended at such times and for such periods as the Manager may from time to time determine, provided always that such registration shall not be suspended for more than thirty days in any year. The Manager 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 Manager may reasonably require together with such other evidence as the Manager may reasonably require to show the right of the transferor to make the transfer. Such evidence may include a declaration that the proposed transferee is not a U.S. Person and that upon transfer the Shares will not be held by or for the account of any U.S. Person.

## **Clearstream/Euroclear Participants**

Shares can be subscribed for and repurchased by Clearstream/Euroclear participants. Such Shares subscribed for will be registered on issue by entry in the register or by a global unit certificate which will be exchangeable for definitive Shares in registered form in the limited circumstances set out in the global unit certificate. The Administrator will register Shares held through Euroclear or Clearstream in the name of the common depository's nominee. Shares held through Euroclear or Clearstream are freely transferable and no ownership or transfer restrictions will be monitored by Euroclear, Clearstream, the Depositary or the Administrator. Shares held in Euroclear or Clearstream may only be repurchased by the Administrator upon the instructions of Euroclear or Clearstream, as appropriate. All such requests received by Euroclear or Clearstream will be forwarded to the Administrator and settled on an actual basis, delivery versus payment.

## **Umbrella Cash Accounts**

Cash accounts arrangements have been put in place in respect of the Company and the Funds as a consequence of the introduction of new requirements relating to subscription and redemption collection accounts pursuant to the Investor Money Regulations. The following is a description of how such cash accounts arrangements will operate. These cash accounts are not subject to the protections of the Investor Money Regulations and instead will be subject to the guidance issued by the Central Bank from time to time in relation to umbrella cash accounts.

Subscription monies received from, and redemption monies due to, investors in the Funds and dividend monies due to Shareholders (together, "Investor Monies") may be held in a single Umbrella Cash Account. The assets in an Umbrella Cash Account will be assets of the Company. Subscription monies received by a Fund in advance of the issue of Shares will be held in an Umbrella Cash Account and will be treated as an asset of the relevant Fund. The subscribing investors will be unsecured creditors of the relevant Fund with respect to their subscription monies until the Shares are issued to them on the relevant Dealing Day. The subscribing investors will be exposed to the credit risk of the institution at which the Umbrella Cash Account has been opened. Such investors will not benefit from any appreciation in the Net Asset Value

of the Fund or any other Shareholder rights in respect of the subscription monies (including dividend entitlements) until such time as the Shares are issued on the relevant Dealing Day.

Redeeming investors will cease to be Shareholders of the redeemed Shares from the relevant Dealing Day. Redemption and dividend payments will, pending payment to the relevant investors, be held in the Umbrella Cash Account. Redeeming investors and investors entitled to dividend payments held in the Umbrella Cash Account will be unsecured creditors of the relevant Fund with respect to those monies. Where the redemption and dividend payments cannot be transferred to the relevant investors, for example, where the investors have failed to supply such information as is required to allow the Company to comply with its obligations under applicable anti-money laundering and counter terrorist legislation, the redemption and dividend payments will be retained in the Umbrella Cash Account and investors should address the outstanding issues promptly. Redeeming investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including, without limitation, the entitlement to future dividends) in respect of such amounts.

For information on the risks associated with Umbrella Cash Accounts, see "Risks Associated with Umbrella Cash Accounts" in the section entitled "Risk Factors".

### **Withholdings and Deductions**

The Company will be required to account for tax on the value of the Shares repurchased or transferred at the applicable rate unless it has received from the transferor a Relevant Declaration confirming that the Shareholder is neither resident in Ireland nor ordinarily resident in Ireland in respect of whom it is necessary to deduct tax. 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 Revenue Commissioners of Ireland.

### **Conversion of Shares**

With the consent of the Manager, a Shareholder may convert Shares of one Fund or Class into Shares of another Fund or Class on giving notice to the Administrator in such form as the Administrator may require provided that the shareholding satisfies the minimum investment criteria and provided that the original application is received within the time limits specified above in the case of subscriptions. Conversion is not intended to facilitate short term or excessive trading. The conversion is effected by arranging for the repurchase of Shares of one Fund or Class, converting the repurchase proceeds into the currency of another Fund or Class and subscribing for the Shares of the other Fund or Class with the proceeds of the currency conversion. No transaction costs will be payable.

Conversion will take place in accordance with the following formula:-

$$NS = \frac{A \times B \times C}{D}$$

where:

NS = the number of Shares which will be issued in the new Fund or Class;

A = the number of the Shares to be converted;

B = the repurchase price of the Shares to be converted;

- C = the currency conversion factor as determined by the Manager;
- D = the issue price of Shares in the new Fund or Class on the relevant Dealing Day; and

If NS is not an integral number of Shares the Manager reserves 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 each of the time required to obtain payment of repurchase proceeds from the Fund whose Shares are being acquired and the time required to effect any foreign exchange transaction which may be necessary for the Shareholder to obtain the currency of the Fund in which Shares are being subscribed. A Shareholder is not required to submit a new application form for the purchase of Shares in connection with a conversion.

### **Excessive Trading**

Investment in the Funds is intended for long-term purposes only. The Manager will take reasonable steps to seek to prevent short-term trading. Excessive short-term trading into and out of a Fund can 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 Manager reserves the right to reject any purchase request (including any conversion request) 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 Manager may refuse a purchase order if the Manager or the Investment Manager believes it would be unable to invest the money effectively in accordance with the Fund's investment policies or the 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 Funds' excessive trading policy are not deemed accepted by a Fund and may be cancelled or revoked by the Fund 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 the Company or in Funds in accordance with their own investment mandate or investment strategies. The Company 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 Company 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.

## **Disclosure of Portfolio Information**

Information on the underlying investments in the Funds such as stock, sector and geographic allocation is available to all Shareholders. Shareholders should contact the Investment Manager to request this information. There will be an appropriate time-lag between the purchase/sale of the relevant Fund's investments and the time at which the information is made available.

## **Publication of the Price of the Shares**

Except where the determination of the Net Asset Value has been suspended, in the circumstances described below, the Net Asset Value per Share shall be made public at the registered office of the Administrator on each Dealing Day and shall be published on the Business Day immediately succeeding each Dealing Day on the internet address [www.waverton.co.uk](http://www.waverton.co.uk). Such information shall relate to the Net Asset Value per Share for the previous Dealing Day and is published for information only. It is not an invitation to subscribe for, repurchase or convert Shares at that Net Asset Value.

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

The Company and/or the Manager may temporarily suspend the determination of the Net Asset Value and the sale or repurchase of Shares in any Fund or Class during:-

- (i) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the Fund's investments, or when trading thereon is restricted or suspended;
- (ii) any period during which disposal of investments which constitute a substantial portion of the assets of the Fund is not practically feasible;
- (iii) any period when for any reason the prices of any investments of the Fund cannot be reasonably, promptly or accurately ascertained by the Administrator;
- (iv) any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments of the Fund cannot, in the opinion of the Manager, be carried out at normal rates of exchange;
- (v) any period when proceeds of the sale or repurchase of the Shares cannot be transmitted to or from the Fund's account;
- (vi) upon the service on the Shareholders of a notice to consider a resolution to wind up a Fund or Class;
- (vii) upon the occurrence of an event causing the Company or any Fund to enter into liquidation; and
- (viii) in exceptional cases, where the circumstances so require, and where the Manager considers it justifiable to do so having regard to the best interests of the Shareholders of the Company or the Fund, as the case may be, as a whole.

Any such suspension shall be notified immediately to the Central Bank. A suspension of repurchase may be made at any time prior to the payment of repurchase proceeds and the removal of the Shareholder's name from the Company's register of Shareholders. A suspension of subscriptions may be made at any time prior to the entry of a Shareholder's name on the Company's register of Shareholders.

## Data Protection Notice

Investors should note that by completing the application form they have provided personal information, which may constitute "personal data" within the meaning of the Irish Data Protection Acts 1988 to 2018, the EU ePrivacy Directive 2002/58/EC (as amended), the General Data Protection Regulation (Regulation (EU) 2016/679) and any other national privacy legislation in force and any relevant transposition of, or successor or replacement to, those laws (together, the "Data Protection Legislation").

Investors' personal data will be used by the Company for the following purposes:

- to manage and administer an investor's holding in the Company and any related accounts on an ongoing basis as required for the performance of the contract between the investor and the Company;
- to carry out statistical analysis and market research as necessary and proportionate in the Company's legitimate business interest to assess and improve the Company's business and offerings;
- to comply with legal and regulatory obligations applicable to the investor and the Company from time to time including applicable tax, anti-money laundering and counter terrorist financing legislation. In particular, in order to comply with the information reporting regimes set out in Section 891C and Section 891E to Section 891G (inclusive) of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to those sections, investors' personal data (including financial information) may be shared with the Irish Revenue Commissioners. They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including the U.S. Internal Revenue Service and foreign tax authorities located outside the EEA). Please consult the AEOI (Automatic Exchange of Information) webpage on [www.revenue.ie](http://www.revenue.ie) for further information in this regard;
- to record the telephone calls from investors, shareholders and other individuals to the Company and its agents and service providers for record-keeping, security, quality assurance and training purposes; and
- for any other specific purposes where the investor has given specific consent.

Investors' personal data may be disclosed by the Company to its delegates, professional advisors, service providers, regulatory bodies, auditors, technology providers and any duly authorised agents or related, associated or affiliated companies of the foregoing for the same or related purposes.

Investors' personal data may be transferred to countries outside the EEA which may not have the same or equivalent data protection laws as Ireland. Personal data may be transferred outside the EEA to countries which have been certified by the European Commission as having an adequate level of data protection to enable such transfers to occur. Personal data may also be transferred outside the EEA to countries which have not been certified by the European Commission as having an adequate level of level of data protection, provided that such transfers meet the requirements of Chapter V GDPR. If such transfer occurs, the Company is required to ensure that appropriate safeguards are in place such as entering into model contractual clauses (as published by the European Commission) or ensuring that the recipient is self-certified under the EU-US Data Privacy Framework, if appropriate. For more information on the means of

transfer of investors' data or a copy of the relevant safeguards, please contact [dataprotection@bridgefundservices.com](mailto:dataprotection@bridgefundservices.com).

Pursuant to the Data Protection Legislation, investors have a number of rights which may be exercised in respect of their personal data, i.e.:

- the right of a data subject to receive detailed information on the processing (by virtue of the transparency obligations on data controllers);
- the right of access to personal data held by the Company;
- the right to amend and rectify any inaccuracies in personal data held by the Company;
- the right to erase personal data held by the Company (right to be forgotten);
- the right to data portability of personal data held by the Company;
- the right to request restriction of the processing of personal data held by the Company;
- **the right to object to processing of personal data held by the Company, unless such processing is conducted on the basis of the Company's legitimate interests;**
- the right to object to automated decision-making, including profiling;
- the right to withdraw consent to processing grounded on consent, however withdrawal of consent will not affect any processing which occurred before consent was withdrawn; and
- the right to lodge a complaint with the competent data protection supervisory authority, which in Ireland is the Irish Data Protection Commission.

These rights will be exercisable subject to limitations as provided for in the Data Protection Legislation. In certain circumstances it may not be feasible for the Company to discharge these rights, for example because of the structure of the Company or the manner in which the Shareholder holds Shares in a Fund. Investors may make a request to the Company to exercise these rights by contacting data [dataprotection@bridgefundservices.com](mailto:dataprotection@bridgefundservices.com). Requests shall be dealt with in accordance with Data Protection Law.

Please note that personal data may be retained by the Company for the duration of an investor's investment and afterwards in accordance with the Company's legal and regulatory obligations, including but not limited to the Company's record retention policy.

The Company is a data controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with the Data Protection Legislation. For queries, requests or comments in respect of this notice or the way in which the Company uses investors' personal data, please contact [dataprotection@bridgefundservices.com](mailto:dataprotection@bridgefundservices.com). Investors have the right to lodge a complaint with the Office of the Data Protection Commissioner if they are dissatisfied with the manner in which their personal data is used by the Company.

By signing the application form, investors acknowledge that telephone calls made to, and received from, them by the Company, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies will be recorded, for record keeping, security and/or training purposes.

## **MANAGEMENT AND ADMINISTRATION**

### **The Board of Directors**

The Board of Directors is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator, the Manager, the Investment Manager and other parties, subject to supervision and direction by the Directors and provided that the delegation does not prevent the Company from being managed in the best interests of its investors. The conduct of the Company's business shall be decided by at least two of the Directors.

The Directors and their principal occupations are set forth below. The Company has delegated the day-to-day management of the Company to the Manager, and the Manager has delegated the day-to-day administration of the Company to the Administrator and, consequently, none of the directors is an executive director. The address of the directors is the registered office of the Company.

**Samantha McConnell:** Ms. McConnell has over 25 years' experience in the investment and pensions industry covering administration, investment services, change and integration management. She now acts as a full time independent, non-executive director on a wide range of boards including fund, MIFID, AIFM and "Super Manco" entities both in Ireland and Europe. Ms. McConnell was previously a non-executive director for CFA Ireland and was also executive director of Willis Human Capital & Benefits (Willis Towers Watson's MIFID regulated entity in Ireland). Ms. McConnell holds a first class honours degree in Commerce from University College Dublin and graduated first in Ireland in the ACCA exams. She is a CFA Charterholder, a holder of the Institute of Directors Diploma in Company Direction where she graduated first in UK & Ireland and was awarded the Graduate of Merit award from the Institute of Directors as well as the LIA's Pension Trustee Practitioner Gold Medal.

**Louise McMorrow:** Ms. McMorrow has over 20 years of experience in the funds, structured finance, and banking & capital markets sectors. Her extensive non-executive board experience includes roles with top-tier regulated alternative investment managers. Ms. McMorrow's operational expertise in these asset classes is complemented by her recent role as a designated person for investment management with Super Manco, Goodbody Fund Management. Ms. McMorrow was previously an executive director in the Alternative Investment Solutions division of State Street Ireland's operations and more recently Sanne Group/Apex Group. Her early career was with PricewaterhouseCoopers. Ms. McMorrow holds a first class honours degree in Accounting and Finance from Dublin City University, is a Certified Investment Fund Director and Chartered Accountant. Ms. McMorrow also serves on an Irish State Board, Beaumont Hospital.

**Marc Geduldt:** Mr. Geduldt joined Waverton Investment Management (formerly J O Hambro Investment Management) in August 2001 and has held various management roles within Operations before moving to his current position as Director & Head of Operations in May 2009. He is a member of the Operations Executive Committee and Risk Committee. He is the Investment Manager's CF10a and Chairman of the CASS Committee. He previously worked for Standard Bank Commercial Division for five years where he completed his CAIB (SA). Overall, he has in excess of 20 years' experience in the industry. Marc studied in his home country of South Africa before coming to the UK in 2000 where he graduated from London Guildhall

University in 2004 with an Honours degree in Financial Services. He was appointed Director of the Company in 2015 and brings with him comprehensive knowledge of the Waverton Funds suite since inception.

**Michael Allen:** Mr. Allen joined W1M Investment Management Limited in July 2019 as Chief Operating Officer. Prior to this, he was Chief Operating Officer for London, Dublin and Dubai for Lazard Asset Management. Mr. Allen has over 30 years' industry experience including roles as Chief Operating Officer at Augustus Asset Management and Head of Fixed Income administration at GAM (UK). Michael has held a number of managerial positions in both London and Zurich. He is a member of the Charters Institute for Securities and Investments (CISI).

The Articles of Association do not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation. The Articles of Association provide that a Director may be a party to any transaction or arrangement with the Company or in which the Company is interested provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. A Director may not vote in respect of any contract in which he has a material interest. However, a Director may vote in respect of any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5 per cent. or more of the issued shares of any class of such company or of the voting rights available to members of such company.

A Director may also vote 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 part.

The Company Secretary is Bradwell Limited.

### **The Manager**

The Company has appointed Bridge Fund Management Limited as its manager pursuant to the Management Agreement and Bridge Fund Management Limited is responsible on a day-to-day basis, under the supervision of the Directors, for the management of the Company's affairs. The Manager is a limited liability company incorporated in Ireland on 16 December 2015 with registration number 573961. The Manager is authorized by the Central Bank to act as a fund management company pursuant to the UCITS Regulations and an Alternative Investment Fund Manager (AIFM) pursuant to the European Communities (Alternative Investment Fund Managers) Regulations, 2013, as amended. Its principal business is acting as manager of investment funds. The Manager has appointed the Investment Manager to act as discretionary investment manager of the Fund. The Manager has appointed the Administrator to perform the day-to-day administration and transfer agency functions of the Company, including the calculation of the Net Asset Value of Funds and of the Shares, and related fund accounting services.

The Manager's corporate secretarial function is provided by the company secretary of the Manager. The Manager may act as manager of, and/or provide other services to, other funds or clients established in Ireland or elsewhere any of which may be competing with the Company in the same markets.

The directors of the Manager are as follows:

**David Dillon:** David Dillon is a solicitor having qualified in 1978. He is a graduate of University College Dublin (Bachelor of Law) and has an MBA from Trinity College Dublin. David was a founding partner of the law firm Dillon Eustace. David is a director of a number of Irish based investment and fund management companies. He has served as a member of a number of committees and sub-committees established by the Irish Law Society relating to commercial and financial services law. He is a former Chairman of the Investment Funds Committee (Committee I) of the International Bar Association, past Chairman of the Irish government's IFSC Funds Working group and a member of the IFSC's Clearing Group. He was a member of the Certified Accountant Accounts Awards Committee. He is currently on the organising committee of the Globalisation of Investment Funds organised by the ICI. He worked with the international law firm of Hamada and Matsumoto (now Mori Hamada and Matsumoto) in Tokyo during 1983/1984. Mr. Dillon speaks regularly at international fora.

**Patrick Robinson:** Patrick Robinson has over 20 years' experience in the asset management and funds services industry. Patrick began working as a consultant with Bridge Consulting Limited, an affiliate of the Manager, in October 2009, before becoming Chief Executive Officer in August 2014. Patrick has an in-depth knowledge of UCITS and AIFM requirements and has project managed fund launches to include providing assistance on product development. He has established the risk, compliance and operational infrastructures of a number of asset management firms. Patrick joined Bridge Consulting Limited from RBS Fund Services (Ireland) Ltd where he headed the Operations Team responsible for the supervision and oversight of a variety of managers and service providers contracted to funds managed by RBS FSI. Prior to this Patrick worked with Olympia Capital (Ireland) Ltd where he managed the fund accounting operations for an array of clients with a diverse range of alternative fund products. He holds a Master's degree in Finance and Investment from the University of Ulster.

**Hugh Grootenhuis:** Hugh Grootenhuis has over 35 years' experience of working in financial services, in a variety of roles. He worked for the Schroder banking group for eighteen years where he obtained a wide range of investment banking experience. He worked for Schroders in London, Tokyo and Singapore, and spent the majority of his time in the international equity capital markets group. Hugh joined W1M Investment Management Limited (previously called Waverton Investment Management Limited, and before that, J O Hambro Investment Management Limited) in 1999 as a director of new business. While with W1M Investment Management Limited, he was responsible for marketing Waverton's private client business as well as structuring long only equity and hedge fund vehicles. In May 2007 he was appointed head of the funds business and joined the executive board. In June 2009 he was appointed Chief Executive Officer and acted in this capacity until July 2015. Hugh was appointed as a special advisor to S.W. Mitchell Capital LLP in January 2016 to assist with the development of its business, including governance and oversight. He is also a director of S.W. Mitchell Capital plc, Dublin UCITS. In 2017 he joined the Boards of Charles Stanley Group PLC and Charles Stanley & Co. Hugh graduated from the University of Cambridge where he read geography and land economy.

**Brian Finneran:** Brian Finneran has over 20 years' experience in the financial services industry. Since joining Bridge in November 2014, Brian has been appointed as the Designated Person (PCF-39C), including for the Fund Risk Management function, to a number of self-managed UCITS funds, UCITS management companies and AIFMs. He has also undertaken a number of risk-based consultancy projects for asset managers. Before joining Bridge, Brian worked for Marathon Asset Management (London) managing the Hedge fund operations team with responsibility for the oversight, control and development of Marathon's alternative fund range. Prior to this, Brian worked with Citi Hedge Fund Services (previously BISYS Hedge Fund Services) where he managed a team responsible for the administration of a number of hedge

fund and fund of hedge fund clients. Brian has served as a member of the Irish Funds Investment Risk Working group including as Chair since 2021. Brian holds a Degree in Accounting & Finance from Dublin City University and is an affiliate of the Association of Chartered Certified Accountants.

**Carol Mahon:** Carol is an Irish resident with over 25 years' experience in the Irish Funds industry. She previously held executive positions in a number of financial services companies including Head of Hermes Fund Managers Ireland Ltd between November 2018 and April 2021. Prior to joining Federated Hermes Investment Management, Carol was the Chief Executive Officer for FIL Life Insurance (Ireland) Limited from March 2013 to November 2018 and Executive Director for FIL Fund Management (Ireland) Limited from January 2004. Before joining the Fidelity International Group in 2000, Carol held a number of positions within MeesPierson Fund Services (Dublin) Limited.

Carol has an extensive knowledge of corporate governance and a proven record in helping businesses to develop out their strategy, building out of their products & proposition and managing the business day to day as well as overseeing global operations. Furthermore, she has practical experience in developing relationships with key stakeholders and clients, both internal and external, and has a great knowledge of regulatory developments and risk management.

Carol is experienced in acting as both an Executive Director and a Non-Executive Director on a variety of boards, both for profit and non-profit organisations. She has gained extensive experience in managing the dynamics and effectiveness of boards. Carol has a keen interest in corporate social responsibility (CSR) and diversity, having chaired a CSR Committee as well as sitting on a global diversity working group.

Carol holds a degree in Economics from UCD and an MBA from UCD Michael Smurfit Graduate Business School.

**Paul Gorman:** Paul is an Irish resident with over 35 years' experience in the investment management industry. He has an in-depth knowledge across Global markets in the major asset classes and through-out his career has had significant engagement with investors.

Before joining Bridge, Paul was the Chief Investment Officer for an established Irish family office. Paul spent almost 20 years with Pioneer Investments (now Amundi) in Dublin where he was a Senior Portfolio Manager. While at Pioneer he managed both Global and European Equity funds and spent 4 years as Head of European Equity Research. He was part of the investment leadership team for a range of Equity funds with AUM of > €30bn.

Paul previously spent 10 years as a Portfolio Manager for Global Equity and Fixed Income mandates with Bank of Ireland Asset Management in Dublin. Paul started his portfolio management career in London with Refuge Assurance.

Paul is a Business Studies graduate from Trinity College Dublin and is an Associate of the Society of Investment Analysts in Ireland (now part of the CFA Institute). He also holds a Professional Certificate in Financial Advice from the Institute of Banking in Ireland.

Paul started with Bridge in 2021 as the Designated Person for Investment Management (PCF 39D).

## **The Investment Manager and Distributor**

The Investment Manager and Distributor was incorporated in England and Wales and is authorised and regulated by the Financial Conduct Authority. The principal activity of the Investment Manager and Distributor is the provision of investment management services. Its assets under management amounted to approximately Stg£13.7 billion as of 31 December 2024. The Investment Manager and Distributor was acquired by Bermuda National Limited and the existing investment management team in 2013 and changed its name from J O Hambro Investment Management Limited to Waverton Investment Management Limited on 13 January 2014 and to W1M Investment Management Limited on 2 June 2025.

The terms relating to the appointment of the Investment Manager and Distributor are set out in the Investment Management and Distribution Agreement. The Investment Management and Distribution Agreement provide that the Investment Manager and Distributor shall be responsible for investing and re-investing the assets of the Funds and for distributing the Shares. The Investment Manager and Distributor will not be liable for any loss suffered by the Company or a Shareholder except a loss resulting from fraud, negligence, wilful misfeasance, bad faith or reckless disregard on the part of the Investment Manager and Distributor in the performance of its duties and obligations. The Company, agrees to indemnify the Investment Manager and Distributor, its directors, employees and agents from and against all costs, demands, loss and expenses (including legal and professional fees) incurred by the Investment Manager and Distributor in the performance of its duties, except in the case of fraud, negligence, wilful misfeasance, bad faith or reckless disregard of its or their duties. The appointment of the Investment Manager and Distributor shall continue in full force and effect unless and until terminated by either party giving not less than ninety days' written notice to the other or may be terminated in the event of the insolvency of the other party or the inability of the other party to perform its obligations under applicable law or the failure to remedy a breach of the Investment Management and Distribution Agreement within thirty days of being requested to do so.

Under the Investment Management and Distribution Agreement, the Investment Manager may delegate the performance of its functions with respect to a Fund, including the discretionary management of the Fund's assets, to one or more sub-investment managers or other delegates. Information on any sub-investment manager(s) appointed by the Investment Manager will be provided to Shareholders on request. Details of all sub-investment managers will be disclosed in the annual and half-yearly reports of the relevant Fund. The Investment Manager may, in accordance with the requirements of the Central Bank, change the sub-investment manager if it determines that such a variance might better achieve the investment objectives of a Fund and there is no guarantee that any particular sub-investment manager will be appointed or will continue to be appointed to a Fund.

## **The Administrator**

The Manager has appointed CACEIS Ireland Limited to act as the administrator, registrar and transfer agent of the Company with responsibility for performing the day-to-day administration of the Company, including the calculation of the Net Asset Value and the Net Asset Value per Share.

The Administrator is regulated by the Central Bank to provide fund administration services to collective investment schemes and was established on 26 May 2000.

The Administration Agreement shall continue in full force and effect until terminated by any party thereto on 90 days' written notice provided that any party may terminate the

Administration Agreement immediately at any time (a) if any other party goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the non-defaulting party) or is unable to pay its debts or commits any act of insolvency under the laws of Ireland or if a receiver is appointed over any of the assets of such other party or if some event having an equivalent effect occurs; (b) any other party commits any material breach of the Administration Agreement and has not remedied such breach (if capable of remedy) within thirty days of notice requiring the same to be remedied; (c) an examiner, administrator or similar person is appointed to any party; (d) the Administrator ceases to be permitted to act as an administrator of a collective investment scheme authorised by the Central Bank under Irish laws; or (e) the Manager ceases to be permitted to act as a management company of collective investment schemes under Irish laws.

The Administrator will be liable to the Company and/or the Manager for losses suffered as a result of negligence, fraud, wilful default, bad faith or recklessness on the part of the Administrator, or its unjustifiable failure to perform its obligations or its improper performance of them in accordance with the Administration Agreement or for its failure to comply with any regulatory requirement of the Central Bank applicable to it. The Company agrees to indemnify and hold the Administrator harmless from and against all claims on a full indemnity basis and other costs, charges and expenses incurred in enforcing or attempting to enforce this indemnity which the Administrator may suffer or incur in acting as Administrator (including, without limitation, acting on proper instructions or other directions under which it is authorised to act or rely pursuant to the Administration Agreement) other than by reason of the Administrator's fraud, negligence, wilful default, bad faith or recklessness. The Administrator is not liable to the Company, the Manager or any Shareholder in respect of any special, indirect or consequential loss.

### **The Depositary**

The Company has appointed CACEIS Bank, Ireland Branch to act as the depositary of the Company. CACEIS Bank, Ireland Branch (Company No. C129254) is regulated and supervised by the Central Bank of Ireland. The principal activity of the Depositary is to act as the custodian and trustee of the assets of collective investment schemes. The Depositary is registered in Ireland with the Companies Registration Office (Company No. 904970). The Depositary is wholly owned by CACEIS, which is the asset servicing and banking group of Crédit Agricole S.A. and Banco Santander. The Depositary provides services to the Company and its Funds as set out in the Depositary Agreement and, in doing so, shall comply with the UCITS Regulations.

#### *The Depositary's Functions*

The Depositary is responsible for the:

- (a) safekeeping of the assets of the Company;
- (b) oversight duties; and
- (c) cash flow monitoring.

Under its oversight duties, the Depositary is required to:

- ensure that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the UCITS Regulations, this Prospectus and the Articles of Association;

- verify on an on-going basis that appropriate and consistent procedures are established and applied for the valuation of the assets of the Company in compliance with the UCITS Regulations and the Articles of Association, and ensure that the valuation policies and procedures are effectively implemented and periodically reviewed;
- carry out the instructions of the Company, unless they conflict with the UCITS Regulations, this Prospectus or the Articles of Association;
- ensure that in transactions involving the Company's assets, any consideration is remitted to the Company within the usual time limits and detect any situation where consideration in transactions involving the assets of the Company is not remitted to the Company within the usual time limits, notify the Company accordingly and, where the situation has not been remedied, to request the restitution of the assets from the counterparty where possible;
- ensure that the Company's net income is applied in accordance with the UCITS Regulations, this Prospectus and the Articles of Association, and check the completeness and accuracy of dividend payments;
- regularly check that there is consistency between the total number of Shares in the Company's accounts and the total number of outstanding Shares that appears in the Company's register;
- ensure compliance with the investments restrictions of the Company;
- ensure that appropriate measures are taken where the Company's auditor has expressed reserves on the annual financial statements;
- enquire into the conduct of the Company in each annual accounting period and to report thereon to the Shareholders. The Depositary must also in such report to Shareholders state whether in the Depositary's opinion, the Company has been managed in that period: (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company and the Depositary by this Prospectus, the Articles of Association and the UCITS Regulations; and (ii) otherwise in accordance with the provisions of this Prospectus, the Articles of Association and the UCITS Regulations.

#### *The Depositary's Liability*

The Depositary will be liable to the Company and the Shareholders for: (a) the loss of assets held in custody by the Depositary or a third party to whom custody of financial instruments required to be held in custody in accordance with paragraph (4)(a) of Regulation 34 of the UCITS Regulations has been delegated (in the case of such a loss of a financial instrument held in custody, the Depositary shall return financial instruments of identical type or the corresponding amount to the Company without undue delay); and (b) all other losses suffered by the Company and the Shareholders as a result of the negligence or intentional failure from the Depositary, its sub-custodian or its delegates to properly fulfil their obligations pursuant to the UCITS Regulations or the Depositary Agreement. Subject and without prejudice to (a) above, the Depositary will not be held liable provided the Depositary can demonstrate that: (i) the event which led to the loss was not the result of any act or omission of the Depositary or third party to whom the safekeeping of financial instruments held in custody in accordance with point (a) of Article 22(5) of the Directive; (ii) the Depositary could not have reasonably prevented the occurrence of the event which led to the loss despite adopting all precautions incumbent on a diligent depositary as reflected in common industry practice; (iii) the loss had

arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary; (iv) the Depositary could not have prevented the loss despite rigorous and comprehensive due diligence as documented by: (A) establishing, implementing, applying and maintaining structures and procedures and insuring expertise that are adequate and proportionate to the nature and complexity of the assets of the Company in order to identify in a timely manner and monitor on an ongoing basis external events which may result in loss of a financial instrument held in custody; (B) assessing on an ongoing basis whether any of the events identified under the subparagraph (ii) above presents a significant risk of loss of a financial instrument held in custody; and (C) informing the Company of the significant risks identified and taking appropriate actions, if any, to prevent or mitigate the loss of financial instruments held in custody, where actual or potential external events have been identified which are believed to present a significant risk of loss of a financial instrument held.

Subject and without prejudice to the above, the Depositary shall not be liable to the Company or to the Shareholders or any other person for indirect, incidental, special, or consequential damages and damages for loss of profits, revenue or savings (actual or anticipated), economic loss, loss of data or loss of goodwill or other similar measure (whether or not either Party knew of the possibility of such damage or such damage was otherwise foreseeable), to the extent permitted by applicable law, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

The Company agrees to indemnify the Depositary, its officers, employees, agents and representatives against all losses and damages suffered or incurred, sustained or threatened against the Depositary (including interests, expenses and legal fees), whether direct or indirect, on a full indemnity basis: (a) arising out of the Depositary's observance of, or acts performed or omissions made under and in accordance with the provisions of the Depositary Agreement and applicable law; (b) arising from the Depositary acting on proper instructions; (c) arising in connection with certification and reporting requirements, claims for exemption or refund, additions for late payment, interests, penalties and other expenses (including legal expenses) that may be assessed against the Depositary on account of the Company; (d) as a result of any fraud, negligence, misfeasance, default or breach of the Depositary Agreement by the Company or its delegates, officers, agents, employees, including, without limitation, any breach in connection with the Depositary's confidential information and any breach of a warranty, covenant, or obligation under the Depositary Agreement; (e) as a result of any breach by the Company of its certain specified obligations under the Depositary Agreement; (f) for any costs reasonably incurred by the Depositary in order to ensure the safekeeping of assets of the Company under applicable law during the period that the Company is being transferred to a new depositary or being wound up pursuant to the Depositary Agreement; and (g) for all actions, suits, claims and demands which may be brought or threatened against or suffered or sustained by the Depositary, by a holder of an interest or an investor or a person who holds a charge or security over any property of the Company or a Share, security or interest in the Company including but not limited to a claim under an external complaints resolution scheme; save that no such indemnity shall apply to, and the Company shall have no liability to the Depositary for, any matter for which the Depositary is liable pursuant to the first paragraph in this section.

### *Termination*

The Depositary Agreement shall continue in force and effect until terminated by either party by 90 days' written notice provided that either party may terminate the Depositary Agreement immediately if at any time: (i) a new depositary is appointed; (ii) either party is in material breach of any of its obligations under the Depositary Agreement and, if such breach is capable of remedy, it has failed to remedy such breach within thirty days of receipt of written notice

from the notifying party requiring it to do so; (iii) the Company shall cease to be authorised under the UCITS Regulations; (iv) the Depositary shall cease to be authorised to perform its duties and obligations under the Depositary Agreement; (v) the Depositary has not been in a position to transfer the assets to an alternative entity identified in the contingency plan in accordance with the Depositary Agreement and neither party has been in a position to find a viable solution within ten days following the notification of such failure of the transfer by the Depositary; (vi) the Company fails to take actions satisfactory to the Depositary to reduce risks of which it has been notified by the Depositary in accordance with the Depositary's obligations under the UCITS Rules, the Level 2 Regulations or the Directive; (vii) a force majeure event within the meaning of the Depositary Agreement subsists of the obligations owing by a party under the Depositary Agreement, and suitable alternative arrangements have not been agreed by affected party with the other party; (viii) the parties have completed the escalation process within the meaning of the Depositary Agreement, but have failed to resolve any dispute or ensure the remedy of an escalation process trigger within the meaning of the Depositary Agreement; or (ix) the Company invests or maintains investments in prohibited jurisdictions within the meaning of the Depositary Agreement.

#### *Delegation*

The Depositary may delegate to third parties any part of its safekeeping functions. The Depositary's liability shall not be affected by any delegation of its functions under the Depositary Agreement.

Please see Schedule IV for a list of the sub-custodians of the Depositary. Such list may be updated from time to time. Up-to-date information regarding the duties of the Depositary, the Depositary's delegation arrangements, any conflicts of interest that may arise, and complete list of all delegates and sub-custodians of the Depositary may be obtained, free of charge and upon request, from the Depositary.

#### *Conflicts of interest*

Potential conflicts of interest may arise from time to time from the provision by the Depositary and/or its affiliates of other services to the Company and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, trustee and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company and/or other funds for which the Depositary (or any of its affiliates) act. Potential conflicts of interest may also arise between the Depositary and its delegates, for example, where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy in accordance with the UCITS Rules, the Level 2 Regulation and the Directive, aimed at identifying all conflicts of interests and taking all reasonable steps to avoid those conflicts of interest. Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safekeeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Shareholders on request.

## TAXATION

### IRISH TAX CONSIDERATIONS

**The following is a general summary of the main Irish tax considerations applicable to the Company and certain investors in the Company who are the beneficial owners of Shares in the Company. It does not purport to deal with all of the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Shareholders whose acquisition of Shares in the Company would be regarded as a shareholding in a Personal Portfolio Investment Undertaking (PPIU). Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.**

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and 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 is made will endure indefinitely.

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

The Directors have been advised that, under current Irish law and practice, the Company qualifies as an investment undertaking for the purposes of Section 739B of the Taxes Consolidation Act, 1997, as amended ("TCA") so long as the Company is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its income and gains.

#### *Chargeable Event*

However, Irish tax can arise on the happening of a "chargeable event" in the Company. A chargeable event includes any payments of distributions to Shareholders, any encashment, repurchase, redemption, cancellation or transfer of Shares and any deemed disposal of Shares as described below for Irish tax purposes arising as a result of holding Shares in the Company for a period of eight years or more. Where a chargeable event occurs, the Company is required to account for the Irish tax thereon.

No Irish tax will arise in respect of a chargeable event where:

- (a) the Shareholder is neither resident nor ordinarily resident in Ireland ("Non-Irish Resident") and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or
- (b) the Shareholder is Non-Irish Resident and has confirmed that to the Company and the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn; or

(c) the Shareholder is an Exempt Irish Resident as defined below.

A reference to "intermediary" means an intermediary within the meaning of Section 739B(1) of the TCA, being a person who (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds units in an investment undertaking on behalf of other persons.

In the absence of a signed and completed declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the Company at the relevant time there is a presumption that the Shareholder is resident or ordinarily resident in Ireland ("Irish Resident") or is not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:

- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- a transfer of Shares between spouses/civil partners and any transfer of Shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate; or
- an exchange by a Shareholder, effected by way of arm's length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the Company with another investment undertaking.

If the Company becomes liable to account for tax on a chargeable event, the Company shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to repurchase and cancel such number of Shares held by the Shareholder as is 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.

#### *Deemed Disposals*

The Company may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares in a Fund held by Shareholders who are Irish Resident and, who are not Exempt Irish Residents as defined below, is 10 per cent. or more of the Net Asset Value of the Fund, the Company will be liable to account for the tax arising on a deemed disposal in respect of Shares in that Fund as set out below. However, where the total value of Shares in the Fund held by such Shareholders is less than 10 per cent. of the Net Asset Value of the Fund, the Company may, and it is expected that the Company will, elect not to account for tax on the deemed disposal. In this instance, the Company will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves. Further details of this are set out below under the heading "Taxation of Irish Resident Shareholders".

### *Irish Courts Service*

Where Shares are held by the Irish Courts Service the Company is not required to account for Irish tax on a chargeable event in respect of those Shares. Rather, where money under the control or subject to the order of any Court is applied to acquire Shares in the Company, the Courts Service assumes, in respect of the Shares acquired, the responsibilities of the Company to, *inter alia*, account for tax in respect of chargeable events and file returns.

### **Exempt Irish Resident Shareholders**

The Company will not be required to deduct tax in respect of the following categories of Irish Resident Shareholders, provided the Company has in its possession the necessary declarations from those persons (or an intermediary acting on their behalf) and the Company is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct. A Shareholder who comes within any of the categories listed below and who (directly or through an intermediary) has provided the necessary declaration to the Company is referred to herein as an "Exempt Irish Resident":

- (a) a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA, applies;
- (b) a company carrying on life business within the meaning of Section 706 of the TCA;
- (c) an investment undertaking within the meaning of Section 739B(1) of the TCA, or an investment limited partnership within the meaning of Section 739J of the TCA;
- (d) a special investment scheme within the meaning of Section 737 of the TCA;
- (e) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- (f) a qualifying management company within the meaning of Section 739B(1) of the TCA;
- (g) a unit trust to which Section 731(5)(a) of the TCA applies;
- (h) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the Shares are assets of a PRSA;
- (j) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (k) the National Asset Management Agency;
- (l) the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance of Ireland is the sole beneficial owner or Ireland acting through the National Treasury Management Agency;
- (m) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);

- (n) in certain circumstances, a company within the charge to corporation tax in respect of payments made to it by the Company; or
- (o) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising the tax exemptions associated with the Company.

There is no provision for any refund of tax to Shareholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate Shareholders who are within the charge to Irish corporation tax.

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

Non-Irish Resident Shareholders who (directly or through an intermediary) have made the necessary declaration of non-residence in Ireland, where required, are not liable to Irish tax on the income or gains arising to them from their investment in the Company and no tax will be deducted on distributions from the Company or payments by the Company in respect of an encashment, repurchase, redemption, cancellation or other disposal of their investment. Such Shareholders are generally not liable to Irish tax in respect of income or gains made from holding or disposing of Shares except where the Shares are attributable to an Irish branch or agency of such Shareholder.

Unless the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn, in the event that a non-resident Shareholder (or an intermediary acting on its behalf) fails to make the necessary declaration of non-residence, tax will be deducted as described above on the happening of a chargeable event and notwithstanding that the Shareholder is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

Where a Non-Irish Resident company holds Shares in the Company which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the Company under the self-assessment system.

### **Taxation of Irish Resident Shareholders**

#### *Deduction of Tax*

Tax will be deducted and remitted to the Revenue Commissioners by the Company from any distributions made by the Company (other than on a disposal) to an Irish Resident Shareholder who is not an Exempt Irish Resident at the rate of 41 per cent.

Tax will also be deducted by the Company and remitted to the Revenue Commissioners from any gain arising on an encashment, repurchase, cancellation, redemption or other disposal of Shares by such a Shareholder at the rate of 41 per cent. Any gain will be computed as the difference between the value of the Shareholder's investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Where the Shareholder is an Irish resident company and the Company is in possession of a relevant declaration from the Shareholder that it is a company and which includes the company's tax reference number, tax will be deducted by the Company from any distributions made by the Company to the Shareholder and from any gains arising on an encashment,

repurchase, redemption, cancellation or other disposal of shares by the Shareholder at the rate of 25 per cent.

#### *Deemed Disposals*

Tax will also be deducted by the Company and remitted to the Revenue Commissioners in respect of any deemed disposal where the total value of Shares in a Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is 10 per cent. or more of the Net Asset Value of the Fund. A deemed disposal will occur on each and every eighth anniversary of the acquisition of Shares in the Fund by such Shareholders. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, as described below where the Company so elects, the value of the Shares on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising will be taxable at the rate of 41 per cent (or in the case of Irish resident corporate Shareholders where a relevant declaration has been made, at the rate of 25 per cent.) Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

Where the Company is obliged to account for tax on deemed disposals it is expected that the Company will elect to calculate any gain arising for Irish Resident Shareholders who are not Exempt Irish Residents by reference to the Net Asset Value of the relevant Fund on the later of the 30 June or 31 December prior to the date of the deemed disposal, in lieu of the value of the Shares on the relevant eight year anniversary.

The Company may elect not to account for tax arising on a deemed disposal where the total value of Shares in the relevant Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is less than 10 per cent. of the Net Asset Value of the Fund. In this case, such Shareholders will be obliged to account for the tax arising on the deemed disposal under the self-assessment system themselves. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary and the relevant cost of those Shares. The excess arising will be regarded as an amount taxable under Case IV of Schedule D and will be subject to tax where the Shareholder is a company, at the rate of 25 per cent., and where the Shareholder is not a company, at the rate of 41 per cent. Tax paid on a deemed disposal should be creditable against the tax payable on an actual disposal of those Shares.

#### *Residual Irish Tax Liability*

Corporate Shareholders resident in Ireland which receive 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 from which tax at the rate of 25 per cent. (or 41 per cent. if no declaration has been made) has been deducted. Subject to the comments below concerning tax on a currency gain, in general, such Shareholders will not be subject to further Irish tax on payments received in respect of their holding from which tax has been deducted. A corporate Shareholder resident in Ireland which holds the Shares in connection with a trade will be taxable on any income or gains received from the Company as part of that trade with a set-off against corporation tax payable for any tax deducted from those payments by the Company. In practice, where tax at a rate higher than 25 per cent. has been deducted from payments to a corporate Shareholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25 per cent. should be available.

Subject to the comments below concerning tax on a currency gain, in general, non-corporate Irish Resident Shareholders will not be subject to further Irish tax on income arising on the

Shares or gains made on disposal of the Shares, where the appropriate tax has been deducted by the Company from distributions paid to them.

Where a currency gain is made by a Shareholder on the disposal of Shares, the Shareholder will be liable to capital gains tax in respect of that gain in the year/s of assessment in which the Shares are disposed of.

Any Irish Resident Shareholder who is not an Exempt Irish Resident and who receives a distribution from which tax has not been deducted or who receives a gain on an encashment, repurchase, redemption, cancellation or other disposal from which tax has not been deducted, (for example, because the Shares are held in a recognised clearing system) will be liable to account for income tax or corporation tax as the case may be on the payment or on the amount of the gain under the self-assessment system and in particular, Part 41A of the TCA.

Pursuant to Section 891C of the TCA and the Return of Values (Investment Undertakings) Regulations 2013, the Company is obliged to report certain details in relation to Shares held by investors to the Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the investment number associated with and the value of the Shares held by, a Shareholder. In respect of Shares acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. These provisions do not require such details to be reported in respect of Shareholders who are:

- Exempt Irish Residents (as defined above);
- Shareholders who are neither Irish Resident nor ordinarily resident in Ireland (provided the relevant declaration has been made); or
- Shareholders whose Shares are held in a recognised clearing system. However investors should note the section entitled "The OECD Common Reporting Standard" for information on additional investor information gathering and reporting requirements to which the Company is subject.

### **Overseas Dividends**

Dividends (if any) and interest which the Company receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is not known whether the Company will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries.

However, in the event that the Company receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of such repayment.

### **Stamp Duty**

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

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities of a company or other body corporate not registered in Ireland, provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the TCA or a qualifying company within the meaning of Section 110 of the TCA) which is registered in Ireland.

## **Residence**

In general, investors in the Company will be either individuals, corporate entities or trusts. Under Irish rules, both individuals and trusts may be resident or ordinarily resident. The concept of ordinary residence does not apply to corporate entities.

### ***Base Erosion and Profit Shifting***

The final versions of the OECD proposals regarding their Base Erosion and Profit Shifting ("BEPS") initiative were released on 5 October 2015. How BEPS will be implemented by the various governments is not yet known however, the following are the main actions contained within the proposals that are relevant for a Fund:

Action 2: Neutralising the Effects of Hybrid Mismatch Arrangements;

Action 6: Preventing the Granting of Treaty Benefits in Inappropriate Circumstances;

Action 7: Preventing the Artificial Avoidance of Permanent Establishment Status;

Action 13: Transfer Pricing & Country by Country Reporting; and

Action 15: Developing a Multilateral Instrument to Modify Bilateral Tax Treaties.

In particular, it is anticipated that the Action 6 proposals will impact investors in a Fund in the form of increased information requirements to be provided on subscription (e.g., tax identification and/or citizenship information prior to investment). While the additional requirements may ultimately result in positive withholding tax outcomes for a Fund, there could also be a knock on effect in the form of tax-drag on investment return which may be reduced by increased withholding taxes as a result of denial of treaty relief. Corporate structures will be impacted by Action 7, the result of the widening of the scope of the dependent agent rules and restrictions in relation to the independent agent criteria. In addition, the impact of increased reporting to tax authorities under the country-by-country reporting provisions will need to be determined. Each of these proposals could add to the costs incurred by a Fund and may have a material adverse effect on its Net Asset Value.

The proposals are likely to be implemented by several countries over the course of the next several years.

### ***Individual Investors***

#### *Test of Residence*

An individual will be regarded as resident in Ireland for a particular tax year if the individual is present in Ireland: (1) for a period of at least 183 days in any one tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is resident

in Ireland for at least 31 days in each tax year. In determining days present in Ireland, an individual is deemed to be present if he / she is present in the country at any time during the day.

If an individual is not resident in Ireland in a particular tax year the individual may, in certain circumstances, elect to be treated as resident.

#### *Test of Ordinary Residence*

If an individual has been resident for the three previous tax years then the individual will be deemed "ordinarily resident" from the start of the fourth year. An individual will remain ordinarily resident in Ireland until the individual has been non-resident for three consecutive tax years.

#### **Trust Investors**

A trust will generally be regarded as resident in Ireland where all of the trustees are resident in Ireland. Trustees are advised to seek specific tax advice if they are in doubt as to whether the trust is resident in Ireland.

#### **Corporate Investors**

A company will be resident in Ireland if its central management and control is in Ireland or (in certain circumstances) if it is incorporated in Ireland. For Ireland to be treated as the location of a company's central management and control this typically means Ireland is the location where all fundamental policy decisions of the company are made.

All companies incorporated in Ireland are resident in Ireland for tax purposes except where:

- (i) in the case of a company incorporated before 1 January 2015, the company or a related company carries on a trade in Ireland, and either (a) the company is ultimately controlled by persons resident in a "relevant territory", being an EU member state (other than Ireland) or a country with which Ireland has a double taxation agreement in force by virtue of Section 826(1) of the TCA or that is signed and which will come into force once all the ratification procedures set out in Section 826(1) of the TCA have been completed, or (b) the principal class of the shares in the company or a related company is substantially and regularly traded on a recognised stock exchange in a relevant territory; or
- (ii) the company is regarded as resident in a country other than Ireland and not resident in Ireland under a double taxation agreement between Ireland and that other country.

A company incorporated in Ireland and coming within either (i) or (ii) above will not be regarded as resident in Ireland unless its central management and control is in Ireland, PROVIDED however, a company coming within (i) above which has its central management and control outside of Ireland will still be regarded as resident in Ireland if (a) it would by virtue of the law of a relevant territory be tax resident in that relevant territory if it were incorporated in that relevant territory but would not otherwise be tax resident in that relevant territory, (b) is managed and controlled in that relevant territory, and (c) would not otherwise be tax resident in that territory by virtue of the law of any territory be regarded as resident in that territory for tax purposes.

The exception from the incorporation rule of tax residence at (i) above in respect of a company incorporated before 1 January 2015 will however cease to apply or be available after 31 December 2020, or, if earlier, from the date, after 31 December 2014, of a change in ownership

(direct or indirect) of the company where there is a major change in the nature or conduct of the business of the company within the period beginning on the later of 1 January 2015 or the date which occurs one year before the date of the change in ownership of the company, and ending 5 years after the date of the change in ownership. For these purposes a major change in the nature or conduct of the business of the company includes the commencement by the company of a new trade or a major change arising from the acquisition by the company of property or of an interest in or right over property.

### **Disposal of Shares and Irish Capital Acquisitions Tax**

(a) **Persons Domiciled or Ordinarily Resident in Ireland**

The disposal of Shares by means of a gift or inheritance made by a disponent domiciled or ordinarily resident in Ireland or received by a beneficiary domiciled or ordinarily resident in Ireland may give rise to a charge to Irish Capital Acquisitions Tax for the beneficiary of such a gift or inheritance with respect to those Shares.

(b) **Persons Not Domiciled or Ordinarily Resident in Ireland**

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, the disposal of Shares will not be within the charge to Irish Capital Acquisitions Tax provided that;

- the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date;
- the donor is not domiciled or ordinarily resident in Ireland at the date of the disposition; and
- the beneficiary is not domiciled or ordinarily resident in Ireland at the date of the gift or inheritance.

### **Automatic Exchange of Information**

Ireland has implemented the "Standard for Automatic Exchange of Financial Account Information", also known as the Common Reporting Standard ("CRS"), into Irish law.

The CRS is a new, single global standard on Automatic Exchange of Information ("AEOI") which was approved by the Council of the Organisation for Economic Cooperation and Development ("OECD") in July 2014. It draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions.

Under the CRS, participating jurisdictions are required to exchange certain information held by financial institutions regarding their non-resident customers. Over 90 jurisdictions have committed to exchanging information under the CRS and a group of over 40 countries, including Ireland, have committed to the early adoption of the CRS. For these early adopters, the first exchange of information in relation to accounts coming into existence from 1 January 2016 and individual high value accounts in existence at 31 December 2015 is expected take place by the end of September 2017, with information about individual low value accounts in existence at 31 December 2015 and entity accounts is expected to first be exchanged either by the end of September 2017 or September 2018 depending on when financial institutions identify them as reportable accounts.

Shareholders should note that the Company is required to disclose the name, address, jurisdiction(s) of tax residence, date and place of birth, account reference number and tax identification number(s) of each reportable person in respect of a reportable account for CRS and information relating to each Shareholder's investment (including but not limited to the value of and any payments in respect of the Shares) to the Revenue Commissioners of Ireland who may in turn exchange this information with the tax authorities in territories who are participating jurisdictions for the purposes of the CRS. In order to comply with its obligations, the Company may require additional information and documentation from Shareholders.

By signing the application form to subscribe for Shares in the Company, each Shareholder is agreeing to provide such information upon request from the Company or its delegate. The non-provision of such information may result in mandatory redemption of Shares or other appropriate action taken by the Company. Shareholders refusing to provide the requisite information to the Company may also be reported to the Revenue Commissioners.

The above description is based in part on regulations, guidance from the OECD and the CRS, all of which are subject to change.

Pursuant to information-sharing arrangements in place between Ireland and/or the European Union and certain third countries and/or dependant or associated territories of CRS-participating jurisdictions, to the extent that those countries or territories are not "Reportable Jurisdictions" under the CRS, the Administrator, or such other entity considered to be a paying agent for these purposes, may be obliged to collect certain information (including the tax status, identity and residency of the Shareholders) in order to satisfy the disclosure requirements under those arrangements and to disclose such information to the relevant tax authorities. Those tax authorities may in turn be obliged to provide the information disclosed to the tax authorities of other relevant jurisdictions.

Shareholders will be deemed by their subscription for Shares in a Fund to have authorised the automatic disclosure of such information by the Administrator, or other relevant person to the relevant tax authorities.

Each prospective investor should consult its own tax advisers on the requirements applicable to it under these arrangements.

### **EU Mandatory Disclosure Rules**

On 25 May 2018, the European and Financial Affairs Council ("ECOFIN") formally adopted Council Directive (EU) 2018/822 which relates to the mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements (known as "DAC6"). The main goals of DAC6 are to strengthen tax transparency and to fight against what is regarded as aggressive cross-border tax planning.

DAC6 imposes mandatory reporting requirements on EU-based tax advisors, accountants, lawyers, banks, financial advisors and other intermediaries who design, market, organise, make available for implementation or manage the implementation of potentially aggressive cross-border tax planning schemes. It also covers persons who provide aid, assistance or advice in relation to potentially aggressive cross-border tax-planning schemes, where they can be reasonably expected to know that they have performed that function. If the intermediary is located outside the EU or is bound by legal professional privilege, the obligation to report can pass to the Company in certain instances, as the taxpayer.

An arrangement is reportable if it falls within certain hallmarks. These hallmarks are very broadly defined and have the potential to capture a wide range of transactions.

Any reportable transactions that occur from 1 January 2021 are required to be reported within 30 days.

In the event that the Company enters into a reportable transaction, the Company may be required to obtain certain information from Shareholders in order to disclose the relevant transaction to the Revenue Commissioners. In addition, the Company may be required to disclose certain details on Shareholders to the Revenue Commissioners as part of their reporting obligations.

## **UK TAX CONSIDERATIONS**

**The Directors have been advised that the UK taxation position of the Company and the Shareholders is as set out below.**

**This summary is intended only as a general guide and is based on UK tax law and practice and the interpretation thereof which is current at the date of this document. This summary is not intended to constitute legal or tax advice and prospective investors should consult their own professional advisers on the tax, legal and other consequences of making an investment. Prospective investors should also obtain separate advice on foreign tax issues.**

**The following paragraphs are based on UK tax law, practice and interpretation thereof as at the date of this document. UK tax law, practice and interpretation thereof may change from time to time and in particular with each annual Finance Bill.**

### ***The Company***

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

Certain interest and other income received by the Company which has a UK source may be subject to withholding taxes in the UK.

### ***Shareholders***

Subject to their personal circumstances, Shareholders resident in the UK for taxation purposes will be liable to UK income tax or corporation tax in respect of dividends or other distributions of an income nature, including deemed distributions of any excess income over the sums distributed by the Company, whether or not such distributions are reinvested in further Shares of the Company. The nature of the charge to tax and any entitlement to a tax credit in respect of dividends or distributions will depend on a number of factors which may include the composition of the relevant assets of the Fund and the extent of a Shareholder's interest in the Fund.

UK Shareholders (whether individual or corporate) should note that a new offshore funds taxation regime was introduced on 1 December 2009. In accordance with the offshore funds regime, each Class of Shares of each Fund will be viewed as a separate "offshore fund" for UK tax purposes under Part 8 of the Taxation (International and Other Provisions) Act 2010 ("TIOPA 2010").

Part 2 of The Offshore Funds (Tax) Regulations 2009 ("Regulations 2009") provides that if a Shareholder who is resident or ordinarily resident in the UK for taxation purposes holds an interest in an overseas company that constitutes an offshore fund and that interest does not qualify as a "reporting fund" throughout the period during which the Shareholder holds that interest, any gain accruing to the Shareholder upon the sale, redemption or other disposal or part disposal of that interest (including a conversion of Shares of one Fund into Shares in another Fund and, in certain circumstances, a conversion of Shares within one Fund) will be taxed at the time of such sale, redemption or disposal as income ("offshore income gain") and not as a capital gain unless the Shareholder makes an election under Section 48 of the UCITS Regulations 2009 for a deemed disposal at the date of conversion of the Fund from a non-reporting fund to a reporting fund. Where such gains are taxed as income no relief will be available for capital gains tax exemptions or other reliefs.

Alternatively where an offshore fund has been certified as a distributing or reporting fund for each accounting period during which the Shareholder has held his interest in the fund, any gain accruing upon sale or other disposal of the interest, will be calculated and subject to UK tax as a capital gain rather than an offshore income gain, with relief for any accumulated or reinvested profits which have already been charged to UK income tax or UK corporation tax on income (including where such profits are exempt from UK corporation tax).

Whereas certification as a distributing fund is granted retrospectively, the reporting fund regime requires an offshore fund to seek advance approval from HMRC to be treated as a reporting fund. Once an offshore fund has been granted reporting fund status, it maintains that status so long as it continues to satisfy the conditions to be a reporting fund, without an application for further certification by HMRC.

Each Class of Shares of the Funds has been, or will apply to be, certified as a reporting fund. Although the Directors will endeavour to ensure that the appropriate conditions for reporting fund status will continue to be met, there can be no guarantee that they will continue to be met for future accounting periods of the Company.

As the Company has been previously granted distributing fund status for the purposes of Chapter 5, Part 17 of the Income and Corporation Taxes Act 1988 ("ICTA 1988") transitional provisions apply on the conversion to a reporting fund and there will be no impact on Shareholders of the transition.

The Directors may at their discretion apply for any future Class of Shares to be recognised as a reporting fund. However, there can be no guarantee that reporting fund status will be obtained and/or maintained for any Class of Shares.

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

A UK individual who is resident, or an eligible non UK resident (e.g., an individual opting to be taxed on a remittance basis) who receives a relevant income distribution made by a non UK resident company is entitled to a non-refundable tax credit equal to one-ninth of the amount of the grossed up distribution. The non-refundable tax credit is available in respect of distributions (including any sums treated as an excess of reported income) from offshore funds unless the offshore fund fails to meet the qualifying investments test at any time in the relevant period. An offshore fund fails to meet the qualifying investment test if the market value of the fund's qualifying investments exceeds 60 per cent. of the market value of all the assets of the fund (excluding cash awaiting investment). Qualifying investments include those assets which are interest bearing assets (e.g., cash on deposit, certain derivative contracts or holdings in other collective investment schemes which do not themselves satisfy the qualifying investments test). Where an offshore fund fails to meet the qualifying investment test the distribution is treated as interest under Chapter 2 of Part 4 of the Income Tax (Trading and Other Income) Act 2005 ("ITTOIA 2005"). Shares will constitute interests in an offshore fund and on the basis of the investment policies of certain Funds, such a Fund could fail to satisfy the qualifying investments test.

Under the Finance Act 2009 where a dividend or other distribution is received by a company which is resident in the UK and is a small company, that dividend will be normally be exempt from corporation tax provided the payer is a resident of a qualifying territory. For the purposes of this legislation the Company is a resident of a qualifying territory. Where a dividend or other distribution is received by a company which is resident in the UK and is not a small company, that dividend will be exempt from corporation tax if the distribution falls into an exempt class. For the purposes of this legislation the exempt classes include distributions from controlled companies, distributions in respect of non-redeemable ordinary shares and distributions in respect of portfolio holdings where the recipient holds less than 10 per cent. of the issued share capital of the payer.

The attention of corporate shareholders is drawn to the provisions of Chapter 3 of Part 6 of the Corporation Taxes Act 2009 ("CTA 2009") which provides that if, at any time in an accounting period a corporate shareholder holds an interest in an offshore fund, and there is a time in that period when the Fund fails to meet the qualifying investments test, the interest held by such a corporate investor will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the rules for the taxation of corporate debt contained in CTA 2009. An offshore fund fails to satisfy the qualifying investments test at any time when more than 60 per cent. of its assets by market value (excluding cash awaiting investment) comprise "qualifying investments". Qualifying investments include government and corporate Debt Securities, cash on deposit, certain derivative contracts and holdings in other collective investment schemes which at any time in the accounting period of the person holding the interest in the offshore fund do not themselves satisfy the qualifying investments test.

The Shares will constitute such interests in an offshore fund and on the basis of the investment policies of certain Funds, such a Fund could fail to satisfy the qualifying investments test. In that eventuality, the Shares in that Fund will be treated for corporation tax purposes as within the loan relationships regime. Accordingly, depending on its own circumstances, all returns on the Shares in that Fund in respect of such a person's accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a "fair value accounting" basis and may incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

## ***Anti-avoidance***

Individuals resident or ordinarily resident in the UK for taxation purposes should note that Chapter 2 of Part 13 of the Income Tax Act 2007 ("ITA 2007") contains anti-avoidance provisions dealing with the transfer of assets to overseas persons, which may in certain circumstances, render them liable to income tax in respect of the undistributed income or profits of the Company on an annual basis, where the income has not already been attributed to the individual under a separate provision. However the provisions will not apply to Shareholders if they can demonstrate that it would not be reasonable to conclude that avoiding liability to UK taxation was the purpose or one of the purposes of their investment in the Fund. The anti-avoidance provisions will also not apply if it can be demonstrated that all relevant transactions were genuinely commercial, carried out for the purposes of a trade or business and on arm's length terms. It must also be demonstrated that it would not be reasonable to conclude that any of the relevant transactions was more than incidental to the purpose of avoiding liability to taxation.

This legislation has recently been the subject of an HMRC consultation, with the intention that changes will be included in Finance Bill 2013, to have retrospective effect from 6 April 2012. These changes will provide exemption for genuine commercial business activities overseas and also for transactions that do not involve commercial activities but are nevertheless genuine transactions that are protected by the single European market.

The attention of persons resident or ordinarily resident in the United Kingdom (and who, if individuals, are also domiciled in the United Kingdom) is drawn to the fact that the provisions of Section 13 of the Taxation of Chargeable Gains Act 1992 ("Section 13") could be material to any such person whose proportionate interest in the Fund when aggregated with that of persons connected with that person is more than 10 per cent., if, at the same time, the Fund is itself controlled in such manner that it would, were it to be resident in the United Kingdom for United Kingdom taxation purposes, be a "close" company for those purposes. Section 13 could, if applied, result in a person with such an interest in the Fund being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any capital gain accruing to the Fund (such as on a disposal of any of its investments) had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Fund.

This legislation has recently been the subject of an HMRC consultation, with the intention that legislation will be introduced in Finance Bill 2013, to have retrospective effect from 6 April 2012. The changes are expected to introduce a new exemption which will exclude gains from genuine business activity overseas from the charge and increase the participation threshold at which participators may have gains attributed to them from more than 10 per cent. to more than 25 per cent. It is further expected that an exemption from the provisions of the reformed Section 13 will be granted to offshore funds that are widely held or marketed.

UK resident companies should note that the "controlled foreign companies" legislation contained in Part 9A TIOPA 2010 could apply to any United Kingdom resident company which holds alone, or together with certain other associated persons, shares which confer a right to at least 25 per cent. of the profits of a non-resident company where that non-resident company is controlled (as "control" is defined in Chapter 18 of TIOPA 2010) by persons (whether companies, individuals or others) who are resident in the United Kingdom. The "controlled foreign company" legislation has been extensively updated and the revised legislation applies for accounting periods beginning on or after 1 January 2013. This legislation provides for certain exceptions including an exception for a company which has an interest in an offshore fund in certain circumstances. It is recommended that United Kingdom resident companies holding a right to 25 per cent. or more of the profits of the Fund (directly or indirectly) should

take their own specific professional taxation advice. These provisions are not directed towards the taxation of capital gains.

Shareholders who are individuals resident or ordinarily resident but not domiciled in the UK will be liable to tax on disposals on a remittance basis in certain circumstances. Individuals who have been UK resident but non UK domiciled or non UK ordinarily resident for at least seven of the nine tax years immediately preceding the relevant tax year will, in order to retain the benefit of the remittance basis of taxation, be obliged to pay an annual charge of £30,000 to HMRC. In addition, from the tax year 2012-13 onwards, individuals who have been UK resident but non-UK domiciled or non-UK ordinarily resident for at least twelve of the fourteen tax years immediately preceding the relevant tax year will, in order to retain the benefit of the remittance basis of taxation, be obliged to pay the higher level annual charge of £50,000 to HMRC. If no claim for the remittance basis to apply is made by the individual Shareholder, this will result in such individuals becoming subject to UK tax on their worldwide income and gains.

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

The Shares are assets situated outside the UK for the purposes of UK inheritance tax. A liability to UK inheritance tax may arise in respect of gifts by, or on the death of, individuals domiciled, or deemed to be domiciled, in the UK.

## **US TAX CONSIDERATIONS**

The foreign account tax compliance provisions ("FATCA") of the Hiring Incentives to Restore Employment Act 2010 are designed to require certain U.S. persons' direct and indirect ownership of certain non-U.S. accounts and non-U.S. entities to be reported by foreign financial institutions ("FFI") to the U.S. Internal Revenue Service ("IRS"). The Company may be regarded as a FFI for FATCA purposes. FATCA may impose a withholding tax of up to 30 per cent. with respect to certain U.S. source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends paid to a FFI. Ireland has entered into an intergovernmental agreement with the U.S. to simplify the FATCA compliance process and minimise the risk of withholding tax. Under this agreement, FATCA compliance will be enforced under Irish tax legislation, including the Financial Accounts Reporting (United States of America) Regulations 2014 and reporting rules and practices. Irish Revenue Guidance related to compliance with the Ireland/U.S. intergovernmental agreement and the Irish Regulations remains in draft form and is subject to change. The Company may require additional information from Shareholders in order to comply with these provisions. The Company may disclose the information, certificates or other documentation that it receives from (or concerning) its Shareholders to the Irish tax authorities as necessary to comply with the Irish tax legislation and reporting rules and practices relating to FATCA, related intergovernmental agreements or other applicable law or regulation. The Irish tax authorities will, in turn, report such information to the IRS. If a Shareholder causes the Company to suffer a withholding for or on account of FATCA ("FATCA Deduction") or other financial penalty, cost, expense or liability, the Company may compulsorily redeem any Shares of such Shareholder and/or take any action required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically borne by such Shareholder. Each prospective investor is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the prospective investor's own situation. If applicable, investors should contact their intermediary regarding the application of this regime to their investments in the Company.

## **GERMAN TAX CONSIDERATIONS**

To the extent it is necessary for a Fund to comply with certain provisions of the German Investment Tax Act, the Fund will invest more than 50% of its total assets within the meaning of Section 2, Article 6, 7 and 9a of the German Investment Tax Act in equity securities which constitute "equity participation" within the meaning of Section 2, Article 8 of the German Investment Tax Act.

## **GENERAL**

### **Conflicts of Interest and Best Execution**

The Company and the Manager have adopted a policy designed to ensure that in all transactions, a reasonable effort is made to avoid conflicts of interest, and when they cannot be avoided, such conflicts are managed so that the Funds and their Shareholders are fairly treated. The Investment Manager, the Manager, the *Depositary* and the Administrator may from time to time act as investment manager, manager, investment adviser, *depositary*, administrator, company secretary, dealer or distributor in relation to, or be otherwise involved in, other funds established by parties other than the Company which have similar investment objectives to those of the Company and any Fund. The Investment Manager, and its affiliates shall not be under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of (or share with the Company or inform the Company of) any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the Company and other clients, taking into consideration the investment objectives, investment limitations, capital available for investment and diversification posture of the Company and other clients. The Investment Manager may hold Shares in any Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Company and a Fund. Each will, at all times, have regard in such event to its obligations to the Company and the Fund and will ensure that such conflicts are resolved fairly.

The Manager is required to ensure that any transaction between the Company and/or the Manager and a Connected Person is conducted at arm's length and is in the best interests of Shareholders.

The Manager may enter into a transaction with a Connected Person if at least one of the conditions in the following paragraphs (a), (b) or (c) is complied with:

- (a) the value of the transaction is certified by either: (i) a person who has been approved by the Depositary as being independent and competent; or (ii) a person who has been approved by the Manager as being independent and competent in the case of transactions involving the Depositary;
- (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of the relevant exchange; or
- (c) the transaction is executed on terms which the Depositary is or, in the case of a transaction involving the Depositary, the Manager is, satisfied conformed to the requirement that transactions with Connected Persons be conducted at arm's length and in the best interests of Shareholders.

The Depositary or, in the case of a transaction involving the Depositary, the Manager, shall document how it or they complied with the requirements of (a), (b) or (c) above. Where

transactions are conducted in accordance with (c) above, the Depositary or, in the case of a transaction involving the Depositary, the Manager, shall document its or their rationale for being satisfied that the transaction conformed to the requirement that transactions with Connected Persons be conducted at arm's length and in the best interests of Shareholders.

Conflicts of interest may arise as a result of transactions in FDI and efficient portfolio management techniques and instruments. For example, the counterparties to, or agents, intermediaries or other entities which provide services in respect of, such transactions may be related to the Company or the *Depositary*. As a result, those entities may generate profits, fees or other income or avoid losses through such transactions. Furthermore, conflicts of interests may also arise where the collateral provided by such entities is subject to a valuation or haircut applied by a related party.

The Investment Manager and/or its affiliates may invest, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Company. Neither the Investment Manager nor any of its affiliates is under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of or share with the Company or inform the Company of any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the Company and other clients.

The Investment Manager may be responsible for valuing certain securities held by the Funds. The Investment Manager is paid a fee which is a percentage of the Net Asset Value of each Class. Consequently a conflict of interest could arise between its interest and those of the Funds. In the event of such a conflict of interests, the Investment Manager shall have regard to its obligations to the Company and the Fund and will ensure that such a conflict is resolved fairly and in the best interests of the Shareholders.

The Manager has adopted a policy designed to ensure that its service providers act in the Funds' best interests when executing decisions to deal and placing orders to deal on behalf of those Funds in the context of managing the Funds' portfolios. For these purposes, all reasonable steps must be taken to obtain the best possible result for the Funds, taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, research services provided by the broker to the Investment Manager, or any other consideration relevant to the execution of the order. Information about the Manager's execution policy and any material change to the policy is available to Shareholders at no charge upon request.

### **The Share Capital**

The share capital of the Company shall at all times equal the Net Asset Value of the Company. The Directors are empowered to issue up to five hundred billion Shares of no par value in the Company at the Net Asset Value per Share on such terms as they may think fit. There are no rights of pre-emption upon the issue of Shares in the Company. As of the date of this document the Company has issued Subscriber Shares to the value of EUR 2. The Subscriber Shares do not participate in the assets of any Fund.

Each of the Shares entitles the Shareholder to participate equally on a *pro rata* basis in the dividends and net assets of the Fund attributable to the relevant class in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares' entitlement is limited to the amount subscribed and accrued interest thereon.

The proceeds from the issue of Shares shall be applied in the books of the Company to the relevant Fund and shall be used in the acquisition on behalf of the relevant Fund of assets in which the Fund may invest. The records and accounts of each Fund shall be maintained separately.

Each Fund will be treated as bearing its own liabilities and the Directors reserve the right to redesignate any class of Shares from time to time, provided that shareholders in that class shall first have been notified by the Manager that the Shares will be redesignated and shall have been given the opportunity to have their Shares repurchased by the Company, except that this requirement shall not apply where the Directors redesignate Shares in issue in order to facilitate the creation of an additional class of Shares.

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

Any resolution to alter the class rights of the Shares requires the approval of three quarters of the holders of the Shares represented or present and voting at a general meeting duly convened in accordance with the Articles of Association.

The Articles of Association of the Company empower the Directors to issue fractional Shares in the Company. Fractional Shares may be issued and shall not carry any voting rights at general meetings of the Company or of any Fund or class and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the Company, but do not entitle the holders to participate in the dividends or net assets of any Fund or of the Company.

### **The Funds and Segregation of Liability**

The Company is an umbrella fund with segregated liability between Funds and each Fund may comprise one or more Classes of Shares in the Company. The Directors may, from time to time, upon the prior approval of the Central Bank, establish further Funds by the issue of one or more separate Classes of Shares on such terms as the Directors may resolve. The Directors may, from time to time, in accordance with the requirements of the Central Bank, establish one or more separate Classes of Shares within each Fund on such terms as the Directors may resolve.

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 to 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 Memorandum and Articles of Association;
- (b) where any asset is derived from another asset, such derivative 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 *Depositary*, 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.

There shall be implied in every contract, agreement, arrangement or transaction entered into by the Manager on behalf of the Company the following terms, that:

- (i) the party or parties contracting with the Company and/or the Manager on behalf of the Company shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund;
- (ii) if any party contracting with the Company and/or the Manager on behalf of the Company shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund, that party shall be liable to the Manager on behalf of the Company to pay a sum equal to the value of the benefit thereby obtained by it; and
- (iii) if any party contracting the Company and/or the Manager on behalf of the Company shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of a fund in respect of a liability which was not incurred on behalf of that fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the Company and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by the Company and/or the Manager on behalf of the Company shall be credited against any concurrent liability pursuant to the implied terms set out in (i) to (iii) above.

Any asset or sum recovered by the Company and/or the Manager on behalf of the Company shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the 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 Manager, with the consent of the *Depositary*, 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 the Fund were a separate legal person.

Separate records shall be maintained in respect of each Fund.

### **Termination**

All of the Shares or all of the Shares in a Fund or class may be repurchased by the Company in the following circumstances:

- (i) a majority of votes cast at a general meeting of the Company or the relevant Fund or class, as appropriate, approve the repurchase of the Shares;
- (ii) if so determined by the Directors, provided that not less than twenty one days' written notice has been given to the holders of the Shares of the Company or the Fund or the class, as appropriate, that all of the Shares of the Company, the Fund or the class, as the case may be, shall be repurchased by the Company; or
- (iii) if no replacement *depository* shall have been appointed during the period of three months commencing on the date the *Depository* or any replacement thereof shall have notified the Company of its desire to retire as *depository* or shall have ceased to be approved by the Central Bank.

Where a repurchase of Shares would result in the number of Shareholders falling below two or such other minimum number stipulated by statute or where a repurchase of Shares would result in the issued share capital of the Company falling below such minimum amount as the Company may be obliged to maintain pursuant to applicable law, the Company may defer the repurchase of the minimum number of Shares sufficient to ensure compliance with applicable law. The repurchase of such Shares will be deferred until the Company is wound up or until the Company procures the issue of sufficient Shares to ensure that the repurchase can be effected. The Company shall be entitled to select the Shares for deferred repurchase in such manner as it may deem to be fair and reasonable and as may be approved by the *Depository*.

On a winding up or if all of the Shares in any Fund are to be repurchased, the assets available for distribution (after satisfaction of creditors' claims) shall be distributed *pro rata* to the holders of the Shares in proportion to the number of the Shares held in that Fund. 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 Class of each Fund of a sum in the Base Currency in which that class is denominated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange reasonably determined by the liquidator) to the Net Asset Value of the Shares of such Class held by such holders respectively as at the date of commencement of the winding up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any Class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made, recourse shall be had to the assets of the Company not comprised within any of the Funds;
- (ii) secondly, in the payment to the holders of the Subscriber Shares of sums up to the amount paid thereon (plus any interest accrued) out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under paragraph (i) above. In the event that there are insufficient assets as aforesaid to enable such

payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;

- (iii) thirdly, in the payment to the Shareholders of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of shares held; and
- (iv) fourthly, in the payment to the Shareholders of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the value of each Fund and within each Fund to the value of each class and in proportion to the Net Asset Value per share.

With the authority of an ordinary resolution of the Shareholders or with the consent of any Shareholder, the Company may make distributions *in specie* to Shareholders or to any individual Shareholder who so consents. At the request of any Shareholder the Company shall arrange the sale of such assets at the expense of such Shareholder and without any liability on the part of the Company, the Administrator or the Investment Manager if the proceeds of sale of any asset are less than the value of the assets at the time at which it was distributed *in specie*. The transaction costs incurred in the disposal of such investments shall be borne by the Shareholder. The Subscriber Shares do not entitle the holders to participate in the dividends or net assets of any Fund.

### **Meetings**

All general meetings of the Company or of a Fund shall be held in Ireland. In each year the Company shall hold a general meeting as its annual general meeting. The quorum for general meetings shall be two Shareholders present in person or by proxy provided that, in the event that there is only one Shareholder in a Fund or Class, the quorum shall be one Shareholder present in person or by proxy at the meeting. Twenty-one days' notice (excluding the day of posting and the day of the meeting) shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a plurality of votes cast and a special resolution is a resolution passed by a majority of 75 per cent. or more of the votes cast. The Articles of Association provide that matters may be determined by a meeting of Shareholders on a show of hands with each Shareholder having one vote unless a poll is requested by five Shareholders or by Shareholders holding 10 per cent. or more of the Shares or unless the Chairman of the meeting requests a poll. Each Share (including the Subscriber Shares) gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll.

### **Reports**

In each year the Manager shall cause to be prepared an annual report and audited annual accounts for the Company. These will be made available to Shareholders by placing a copy of such document on the website of the Company (or alternatively by sending to the Shareholder by post, by electronic mail or any other means of electronic communication on request) within four months of the end of the financial year and at least twenty one days before the annual general meeting. In addition, the Manager shall prepare and make available to Shareholders by placing a copy of such document on the website of the Company (or alternatively by sending to the Shareholder by post, by electronic mail or any other means of electronic communication on request) within two months of the end of the relevant period a half-yearly report which shall include unaudited half-yearly accounts for the Company.

Annual accounts shall be made up to 30 April in each year. Unaudited half-yearly accounts shall be made up to 31 October in each year.

Audited annual reports and unaudited half-yearly reports incorporating financial statements shall be made available to Shareholders by placing a copy of such document on the website of the Company (or alternatively by sending to the Shareholder by post, by electronic mail or any other means of electronic communication on request), and will be made available for inspection at the registered office of the Manager.

In accordance with the Articles of Association, any requirement for the consent of a Shareholder with regard to electronic communications and the use of a website shall be deemed to have been satisfied where the Shareholder subscribes for or holds Shares as the Shareholder is bound by the Articles of Association as if they had been signed by such Shareholder. The Shareholder may at any time revoke such consent by requesting the Manager to communicate with that Shareholder in documented form; provided however, that this requirement to communicate in documented form shall not take effect until thirty days after written notice of the requirement is received by the Manager.

### **Voting Policy**

The Manager has developed a strategy for determining when and how voting rights are exercised. Details of the actions taken on the basis of those strategies are available to Shareholders at no charge upon request.

### **Remuneration Policy of the Manager**

In line with the provisions of the UCITS Regulations, the Manager applies its remuneration policy and practices in a way and to the extent that is proportionate to its size, its internal organisation and the nature, scope and complexity of its activities.

Further information on the remuneration policy of the Manager is available on <https://bridgefundservices.com/disclosures>. As the Manager has delegated the investment management of the Funds to the Investment Manager, the Manager will ensure that the Investment Manager applies in a proportionate manner the remuneration rules as detailed in the UCITS Regulations or, alternatively, that the Investment Manager is subject to equally effective remuneration requirements or contractual arrangements are put in place between with the Manager and the Investment Manager in order to ensure that there is no circumvention of the remuneration rules set down in the ESMA Guidelines on Remuneration for UCITS.

Details of the remuneration policy of the Manager, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, will be available free of charge upon request from the Manager.

### **Complaints**

The Manager has adopted a policy for handling complaints. Information regarding the complaints procedures in respect of the Manager is available to Shareholders free of charge upon request. Shareholders may file any complaints about the Manager or a Fund free of charge at the registered office of the Manager.

### **Material Contracts**

The following contracts, details of which are set out in the section entitled "Management and Administration", have been entered into and are, or may be, material:-

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

### **Supply and Inspection of Documents**

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

- (a) this Prospectus, the Supplements, the KIDs, the KIIDs, the certificate of incorporation, and Memorandum and Articles of Association of the Company;
- (b) the material contracts referred to above;
- (c) the UCITS Regulations and the UCITS Rules issued by the Central Bank thereunder; and
- (d) the worked example of the performance fee calculation submitted to the Central Bank.

Copies of the Memorandum and Articles of Association of the Company (each as amended from time to time) and the latest financial reports of the Company, as appropriate, may be obtained, free of charge, upon request at the registered office of the Company.

## SCHEDULE I

### The Regulated Markets

With the exception of permitted investments in unlisted securities or in units of open-ended collective investment schemes, the Company will only invest in securities traded or listed on a stock exchange or market which meets with the regulatory criteria of the Central Bank (i.e. regulated, operating regularly and open to the public) and which is listed in this Prospectus.

The Regulated Markets shall comprise:

- (i) any stock exchange in the EU (excluding a stock exchange in Cyprus, Estonia and Lithuania); any stock exchange in a member state of the EEA (excluding a stock exchange in Liechtenstein); any stock exchange in the US, Australia, Canada, Japan, New Zealand, Switzerland, or the UK, which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges;
- (ii) the market organised by the International Capital Market Association; NASDAQ; the market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York; the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the Securities and Exchange Commission and by the National Association of Securities Dealers, Inc. and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market previously known as the "Grey Book Market" that is conducted through those persons governed by Chapter 3 of the Market Conduct Sourcebook (inter-professional conduct) published by the Financial Conduct Authority of the United Kingdom; the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the UK, regulated by the London Stock Exchange; the French Market for Titres de Creance Negotiable (over-the-counter Market in negotiable debt instruments); NASDAQ Europe; the over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada; SESDAQ and KOSDAQ; and the Euro MTF operated by the Luxembourg Stock Exchange;
- (iii) the following stock exchanges:
  - Brazil - Rio de Janeiro and Sao Paulo Exchanges
  - China - Shanghai and Shenzhen Stock Exchanges
  - Croatia - Zagreb Stock Exchange
  - Hong Kong - Hong Kong Stock Exchange
  - India - National Stock Exchange of India and Madras, Bombay, Delhi, Bangalore, Cochin, Gauhati, Pune, Hyderabad, Ludhiana, Uttar Pradesh and Calcutta Stock Exchanges
  - Indonesia - Jakarta and Surabaya Stock Exchanges
  - Israel - Tel Aviv Stock Exchange
  - Korea - Korea Stock Exchange

Malaysia	-	Kuala Lumpur Stock Exchange
Mexico	-	Mexico Stock Exchange
Pakistan	-	Karachi Stock Exchange
Philippines	-	Philippines Stock Exchange
Singapore	-	Singapore Stock Exchange
South Africa	-	Johannesburg Stock Exchange
Sri Lanka	-	Colombo Stock Exchange
Thailand	-	Stock Exchange of Thailand
Taiwan	-	Taiwan Stock Exchange
Turkey	-	Istanbul Stock Exchange
Ukraine	-	Ukrainian Stock Exchange
Vietnam	-	Ho Chi Minh Stock Exchange and Hanoi Stock Exchange

(iv) for financial derivative instruments ("FDI") investments:

all derivative exchanges in the EU, the EEA and the UK on which FDI may be listed or traded, American Stock Exchange, Chicago Board Options Exchange, Chicago Mercantile Board, Chicago Mercantile Exchange (CME), Chicago Board of Trade (CBOT), Commodity Exchange (COMEX), International Securities Market Association, Kansas City Board of Trade, Financial Futures and Options Exchange, New York Futures Exchange, New York Mercantile Exchange, New York Stock Exchange, Philadelphia Board of Trade, Philadelphia Stock Exchange and The National Association of Securities Dealers Automated Quotations System (NASDAQ), ICE Futures U.S., Inc, Tokyo Stock Exchange, Inc. JPX, Osaka Exchange, Inc. JPX, Singapore Exchange Derivatives Trading Limited, Singapore Exchange Securities Trading Limited, ICE Futures Singapore.

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

## SCHEDULE II

### INVESTMENT RESTRICTIONS APPLICABLE TO THE FUNDS

<b>1</b>	<b>Permitted Investments</b>
	Investments of a Fund are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments other than those dealt on a Regulated Market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of AIFs.
<b>1.6</b>	Deposits with credit institutions.
<b>1.7</b>	Financial derivative instruments ("FDI").
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A Fund may invest no more than 10% of Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	<p><u>Recently Issued Transferable Securities</u></p> <p>1. Subject to paragraph 2 below, a Fund shall not invest any more than 10% of its assets in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations applies.</p> <p>2. Paragraph 1 above does not apply to an investment by a Fund in U.S. securities known as "Rule 144A securities" provided that:</p> <p style="padding-left: 40px;">(i) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</p> <p style="padding-left: 40px;">(ii) the securities are not illiquid securities, i.e., they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.</p>
<b>2.3</b>	A Fund may invest no more than 10% of Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Fund. It is not proposed to avail of this without the prior approval of the Central Bank.

<b>2.5</b>	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
<b>2.6</b>	The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
<b>2.7</b>	A Fund may not invest more than 20% of Net Asset Value in deposits made with the same credit institution.
<b>2.8</b>	<p>Deposits with any one credit institution, other than credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan and the United States) or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand, held as ancillary liquidity, must not exceed 10% of Net Asset Value.</p> <p>This limit may be raised to 20% in the case of deposits made with the Depository.</p>
<b>2.8</b>	<p>The risk exposure of a UCITS to a counterparty to an OTC FDI may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</p>
<b>2.9</b>	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of 2 or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:</p> <ul style="list-style-type: none"> <li>(i) investments in transferable securities or money market instruments;</li> <li>(ii) deposits; and/or</li> <li>(iii) counterparty risk exposures arising from OTC FDI transactions.</li> </ul>
<b>2.10</b>	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
<b>2.11</b>	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.
<b>2.12</b>	<p>A Fund may invest up to 100% of Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list:  OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the relevant issues are investment grade), Government of India (provided the relevant issues are investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal Home Loan Bank Federal Farm Credit Bank and the Tennessee Valley Authority.</p> <p>The Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>

<b>3</b>	<b>Investment in Collective Investment Schemes ("CIS")</b>
<b>3.1</b>	A Fund may not invest more than 20% of Net Asset Value in any one CIS.
<b>3.2</b>	Investment in AIFs may not, in aggregate, exceed 30% of Net Asset Value.
<b>3.3</b>	The underlying CIS is prohibited from investing more than 10% of its net asset value in other open-ended CIS.
<b>3.4</b>	When a Fund invests in the units of other CIS that are managed, directly or by delegation, by 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 investment in the units of such other CIS.
<b>3.5</b>	Where by virtue of investment in the units of another CIS, the Fund, an investment manager or an investment advisor receives a commission on behalf of the Fund (including a rebated commission), the Company shall ensure that the relevant commission is paid into the property of the Fund.
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	A Fund may invest up to 20% of Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.
<b>4.2</b>	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
<b>5.1</b>	An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
<b>5.2</b>	A Fund may acquire no more than: <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>

<b>5.3</b>	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed; and</li> <li>(v) Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of units at unit-holders' request exclusively on their behalf.</li> </ul>
<b>5.4</b>	A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
<b>5.5</b>	The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for 6 months following the date of their authorisation, provided they observe the principle of risk spreading.
<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unit holders.
<b>5.7</b>	Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: <ul style="list-style-type: none"> <li>(i) transferable securities;</li> <li>(ii) money market instruments<sup>1</sup>;</li> <li>(iii) units of investment funds; or</li> <li>(iv) FDI.</li> </ul>
<b>5.8</b>	A Fund may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments</b>
<b>6.1</b>	A Fund's global exposure relating to FDI must not exceed its total net asset value. (This provision does not apply to a Fund which does not use the commitment approach to calculate its global exposure but instead uses the VaR approach, as described in the section of the Prospectus entitled "Measurement of Market Risk and Leverage".)

<sup>1</sup> Any short selling of money market instruments by UCITS is prohibited.

<b>6.2</b>	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Regulations or guidance issued by the Central Bank from time to time (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 Regulations.)
<b>6.3</b>	A Fund may invest in FDIs dealt in over-the-counter ("OTC") provided that the counterparties to over-the-counter transactions ("OTCs") are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
<b>6.4</b>	Investment in FDI are subject to the conditions and limits laid down by the Central Bank.

## **SCHEDULE III**

### **Investment Techniques and Instruments**

A Fund may use derivative instruments traded on an organised exchange and on over-the-counter markets, whether such instruments are used for investment purposes or for the purposes of the efficient portfolio management of the Fund. A Fund's ability to use these strategies may be limited by market conditions, regulatory limits and tax considerations and these strategies may be used only in accordance with the investment objectives of the Fund.

### **Permitted financial derivative instruments ("FDI")**

1. The Company shall only invest assets of a Fund in FDI if:
  - 1.1 the relevant reference items or indices consist of one or more of the following: instruments referred to in Regulation 68(1)(a) – (f) and (h) of the UCITS Regulations, including financial instruments having one or several characteristics of those assets, financial indices, interest rates, foreign exchange rates or currencies;
  - 1.2 the FDI do not expose the Fund to risks which it could not otherwise assume (e.g., gain exposure to an instrument/issuer/currency to which the Fund cannot have a direct exposure);
  - 1.3 the FDI do not cause the Fund to diverge from its investment objectives;
  - 1.4 the reference in 1.1 above to financial indices shall be understood as a reference to indices which fulfil the following criteria:
    - (a) they are sufficiently diversified, in that the following criteria are fulfilled:
      - (i) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
      - (ii) where the index is composed of assets referred to in Regulation 68(1) of the UCITS Regulations, its composition is at least diversified in accordance with Regulation 71 of the UCITS Regulations;
      - (iii) where the index is composed of assets other than those referred to in Regulation 68(1) of the UCITS Regulations, it is diversified in a way which is equivalent to that provided for in Regulation 71(1) of the UCITS Regulations;
    - (b) they represent an adequate benchmark for the market to which they refer, in that the following criteria are fulfilled:
      - (i) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;
      - (ii) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;
      - (iii) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;

- (c) they are published in an appropriate manner, in that the following criteria are fulfilled:
  - (i) their publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value, including pricing procedures for components where a market price is not available;
  - (ii) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

Where the composition of assets which are used as underlyings by FDI does not fulfil the criteria set out in (a), (b) or (c) above, those FDI shall, where they comply with the criteria set out in Regulation 68(1)(g) of the UCITS Regulations, be regarded as FDI on a combination of the assets referred to in Regulation 68(1)(g)(i) of the UCITS Regulations, excluding financial indices; and

- 1.5 where the Company enters, on behalf of a Fund, into a total return swap or invests in other FDI with similar characteristics, the assets held by the Fund must comply with Regulations 70, 71, 72, 73 and 74 of the UCITS Regulations.

## **2. Credit derivatives and OTC FDI**

Credit derivatives are permitted where:

- 2.1 they allow the transfer of the credit risk of an asset as referred to in paragraph 1.1 above, independently from the other risks associated with that asset;
  - 2.2 they do not result in the delivery or in the transfer, including in the form of cash, of assets other than those referred to in Regulations 68(1) and (2) of the UCITS Regulations;
  - 2.3 they comply with the criteria for OTC FDI set out in paragraph 4 below; and
  - 2.4 their risks are adequately captured by the risk management process of the Manager, and by its internal control mechanisms in the case of risks of asymmetry of information between the Fund and the counterparty to the credit derivative resulting from potential access of the counterparty to non-public information on firms the assets of which are used as underlyings by credit derivatives. The Fund must undertake the risk assessment with the highest care when the counterparty to the FDI is a related party of the Fund or the credit risk issuer.
- 3. FDI must be dealt in on a market which is regulated, operates regularly, is recognised and is open to the public in a Member State or a non-Member State. Restrictions in respect of individual stock exchanges and markets may be imposed by the Central Bank on a case by case basis.
  - 4. Notwithstanding paragraph 3, a Fund may invest in OTC FDI if:
    - 4.1 the counterparty is: (a) a credit institution that is within any of the categories set out in Regulation 7 of the Central Bank Regulations; (b) an investment firm authorised in accordance with the Markets in Financial Instruments Directive; (c) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding

company consolidated supervision by that Federal Reserve; or (d) such other type of counterparty as is permitted by the Central Bank;

- 4.2 where a counterparty within sub-paragraphs (b) or (c) of paragraph 4.1: (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company 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) of this paragraph 4.2 this shall result in a new credit assessment being conducted of the counterparty by the Company without delay;
- 4.3 where an OTC FDI referred to in paragraph 4.1 above is subject to a novation, the counterparty after the novation must be:
  - (a) an entity that is within one of the categories set out in paragraph 4.1 above; or
  - (b) a CCP authorised, or recognised by ESMA under EMIR or, pending recognition by ESMA under Article 25 of EMIR, an entity classified as a derivatives clearing organisation by the Commodity Futures Trading Commission or a clearing agency by the SEC (both CCP);
- 4.4 risk exposure to the counterparty does not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations. In this regard, the Fund shall calculate the counterparty exposure using the positive mark-to-market value of the OTC FDI contract with that counterparty. The Fund may net FDI positions with the same counterparty, provided that the Fund is able to legally enforce netting arrangements with the counterparty. Netting is only permissible with respect to OTC FDI with the same counterparty and not in relation to any other exposures the Fund may have with the same counterparty. The Company may take account of collateral received by the Fund in order to reduce the exposure to the counterparty, provided that the collateral meets with the requirements specified in paragraphs (3), (4), (5), (6), (7), (8), (9) and (10) of Regulation 24 of the Central Bank Regulations; and
- 4.5 the OTC FDI are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative.
5. Collateral received must at all times meet with the requirements set out in paragraphs 25 to 32 below.
6. Collateral passed to an OTC FDI counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in Regulation 70(1)(c) of the UCITS Regulations. Collateral passed may be taken into account on a net basis only if the Fund is able to legally enforce netting arrangements with this counterparty.

#### **Calculation of issuer concentration risk and counterparty exposure risk**

7. A Fund using the commitment approach must ensure that its global exposure does not exceed its total Net Asset Value. The Fund may not therefore be leveraged in excess of 100% of its Net Asset Value. A Fund using the VaR approach must employ back testing and stress testing and comply with other regulatory requirements regarding the use of VaR. The VaR method is

detailed in the Manager's risk management procedures for FDI, which are described below under "Risk management process and reporting".

Each Fund must calculate issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations on the basis of the underlying exposure created through the use of FDI pursuant to the commitment approach.

8. The risk exposures to a counterparty arising from OTC FDI transactions and efficient portfolio management techniques must be combined when calculating the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.
9. Where the initial margin posted to and variation margin receivable from a broker relating to an exchange-traded FDI or an OTC FDI is not protected by client money rules or other similar arrangements to protect the Fund in the event of the insolvency of the broker, the Company shall calculate exposure of the Fund within the OTC counterparty limit referred to in Regulation 70(1)(c) of the UCITS Regulations.
10. The calculation of issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations must take account of any net exposure to a counterparty generated through a stocklending or repurchase agreement. Net exposure refers to the amount receivable by a Fund less any collateral provided by the Fund. Exposures created through the reinvestment of collateral must also be taken into account in the issuer concentration calculations.
11. When calculating exposures for the purposes of Regulation 70 of the UCITS Regulations, the Company must establish whether the exposure of the Fund is to an OTC counterparty, a broker, a central counterparty or a clearing house.
12. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments or collective investment schemes when combined, where relevant, with positions resulting from direct investments, may not exceed the investment limits set out in Regulations 70 and 73 of the UCITS Regulations. When calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure. This position exposure must be taken into account in the issuer concentration calculations. Issuer concentration of a Fund must be calculated using the commitment approach when appropriate or the maximum potential loss as a result of default by the issuer if more conservative. It must also be calculated by all Funds, regardless of whether they use VaR for global exposure purposes. 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 Regulation 71(1) of the UCITS Regulations.
13. A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in the UCITS Regulations and which contain a component which fulfils the following criteria:
  - (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone FDI;
  - (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
  - (c) it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.

14. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument.

### **Cover requirements**

15. The Manager shall ensure that, at all times, a Fund is capable of meeting all its payment and delivery obligations incurred by transactions involving FDI.
16. The Manager shall ensure that, at all times, the risk management process includes the monitoring of FDI transactions to ensure that every such transaction is covered adequately;
17. The Manager shall ensure that, at all times, a transaction in FDI which gives rise to, or could potentially give rise to, a future commitment on behalf of a Fund is covered in accordance with the following:
  - (a) in the case of FDI that is, automatically or at the discretion of the Fund, cash-settled, the Fund must, at all times, hold liquid assets that are sufficient to cover the exposure; and
  - (b) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by a Fund. Alternatively a Fund may cover the exposure with sufficient liquid assets where:
    - (i) the underlying assets consist of highly liquid fixed income securities; and/or
    - (ii) the exposure can be covered without the need to hold the underlying assets, the specific FDI are addressed in the risk management process and details are provided in the Prospectus.

### **Risk management process and reporting**

18. The Manager must provide the Central Bank with details of its proposed risk management process vis-à-vis its FDI activity, pursuant to Chapter 3 of the Central Bank Regulations. The initial filing is required to include information in relation to:
  - (a) permitted types of FDI, including embedded FDI in transferable securities and money market instruments;
  - (b) details of the underlying risks;
  - (c) relevant quantitative limits and how these will be monitored and enforced; and
  - (d) methods for estimating risks.

Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments and/or associated activities objected to by the Central Bank may not be made.

19. The Company must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must include information which reflects a true and fair view of the types of FDI used by the Funds, the underlying risks, the quantitative limits and the methods

used to estimate those risks, must be submitted with the annual report of the Company. The Company must, at the request of the Central Bank, provide this report at any time.

### **Techniques and instruments, including repurchase/reverse repurchase agreements and securities lending, for the purposes of efficient portfolio management**

20. A Fund may employ techniques and instruments relating to transferable securities and money market instruments subject to the UCITS Regulations and to conditions imposed by the Central Bank. The use of these techniques and instruments should be in line with the best interests of the Fund.
21. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:
  - 21.1 they are economically appropriate in that they are realised in a cost-effective way;
  - 21.2 they are entered into for one or more of the following specific aims:
    - (a) reduction of risk;
    - (b) reduction of cost;
    - (c) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in Regulation 71 of the UCITS Regulations; and
  - 21.3 their risks are adequately captured by the risk management process of the Manager.

### **Repurchase/reverse repurchase agreements and securities lending**

22. Repurchase/reverse repurchase agreements and securities lending ("efficient portfolio management techniques") may only be effected in accordance with normal market practice.
23. All assets received by a Fund in the context of efficient portfolio management techniques should be considered as collateral and should comply with the criteria set down in paragraph 24 below.
24. Collateral must, at all times, meet with the following criteria:
  - (a) **liquidity:** Collateral received, other than cash, should be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations.
  - (b) **valuation:** Collateral that is received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
  - (c) **issuer credit quality:** Collateral received should be of high quality. The Company shall ensure that:
    - (i) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and

- (ii) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in sub-paragraph (i) this shall result in a new credit assessment being conducted of the issuer by the Company without delay;
  - (d) **correlation:** Collateral received should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the Company to expect that it would not display a high correlation with the performance of the counterparty;
  - (e) **diversification (asset concentration):**
    - (i) Subject to sub-paragraph (ii) below, collateral received should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
    - (ii) It is intended that a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Fund's Net Asset Value. The Member States, local authorities, third countries, or public international bodies or issuing or guaranteeing securities which a Fund is able to accept as collateral for more than 20% of its Net Asset Value shall be drawn from the following list:
      - OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, IMF, Euratom, The Asian Development Bank, ECB, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, the EU, Federal Home Loan Bank, Federal Farm Credit Bank and Tennessee Valley Authority.
  - (f) **immediately available:** Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
25. The Manager shall ensure that the risk management process identifies, manages and mitigates risks linked to the management of collateral, including operational risks and legal risks.
26. Where a Fund receives collateral on a title transfer basis, the Company shall ensure that the collateral is to be held by the Depositary. Where a Fund receives collateral on any basis other than a title transfer basis, that collateral may be held by a third party depositary, provided

that the depositary is subject to prudential supervision and is unrelated and unconnected to the provider of the collateral.

27. The Manager shall not sell, pledge or re-invest the non-cash collateral received by a Fund.
28. Where the Manager invests cash collateral received by a Fund, such investments shall only be made in one or more of the following:
  - (a) deposits with a credit institution referred to in Regulation 7 of the Central Bank Regulations (which are set out in paragraph 4.1 above);
  - (b) high-quality government bonds which, at the time of purchase, have a rating from a recognised rating agency not below than AA (Standard & Poor's and Fitch) or Aa3 (Moody's) or equivalent ratings from other rating agencies;
  - (c) reverse repurchase agreements provided the transactions are with a credit institution referred to in Regulation 7 of the Central Bank Regulations (which are set out in paragraph 4.1 above) and the Fund is able to recall at any time the full amount of cash on an accrued basis; or
  - (d) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).
29. Where the Manager invests cash collateral received by a Fund: (a) that investment shall comply with the diversification requirements applicable to non-cash collateral; and (b) invested cash collateral shall not be placed on deposit with the counterparty or with any entity that is related or connected to the counterparty.
30. The Manager shall ensure that, where a Fund receives collateral for at least 30% of its assets, there is in place 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:
  - (a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
  - (b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
  - (c) reporting frequency and limit/loss tolerance threshold/s; and
  - (d) mitigation actions to reduce loss including haircut policy and gap risk protection.
31. The Manager shall establish and ensure adherence to a haircut policy for a Fund, adapted for each class of assets received as collateral. When devising the haircut policy, the Company shall take into account the characteristics of the assets, such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with Regulation 21 of the Central Bank Regulations. The Manager shall document the haircut policy and the Company shall justify and document each decision to apply a specific haircut or to refrain from applying any haircut, to any specific class of assets.
32. Where a counterparty to a repurchase or a securities lending agreement which has been entered into by the Company on behalf of a Fund: (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager 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 sub-paragraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Manager without delay.

33. The Company shall ensure that it is at all times able to recall any security that has been lent out or to terminate any securities lending agreement to which it is party.
34. Where the Company enters into a reverse repurchase agreement on behalf of a Fund it shall ensure that it is able at all time able to recall the full amount of cash or to terminate the relevant agreement on either an accrued basis or a mark-to-market basis. In circumstances in which cash is, by virtue of the obligation under Regulation 25(1) of the Central Bank Regulations, recallable at any time on a mark-to-market basis, the Company shall use the mark-to-market value of the reverse repurchase agreement for the calculation of the Net Asset Value of the Fund.
35. Where the Company enters into a repurchase agreement on behalf of a Fund it shall ensure that it is at all times able to recall any securities that are subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
36. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations, respectively.
37. The Company shall ensure that all the revenues arising from efficient portfolio management techniques and instruments, net of direct and indirect operational costs, are returned to the Fund.

## SCHEDULE IV

### LIST OF SUB-CUSTODIANS

Market	Sub-custodian
Argentina	Banco Santander Rio SA
Australia	Citigroup Pty Limited
Austria	CACEIS Bank S.A., Germany branch
Bahrain	Standard Chartered Bank, DIFC Branch
Bangladesh	Standard Chartered Bank
Belgium	CACEIS Bank
Bermuda	TBC - Citibank N.A.
Bosnia & Herzegovina	TBC - Raiffeisen Bank International AG + Unicredit (TBC)
Botswana	Standard Chartered Bank Botswana Limited
Brazil	S3 CACEIS Brasil DTVM S.A
Bulgaria	Raiffeisen Bank International AG.
Canada	CIBC Mellon Trust Company
Chile	Banco de Chile
China – A Shares	Standard Chartered Bank (China) Limited
China - Shanghai	Standard Chartered Bank (China) Limited
China - Shenzhen	Standard Chartered Bank (China) Limited
Clearstream	Clearstream Banking S.A., Luxembourg
Colombia	Santander CACEIS Colombia S.A Sociedad Fiduciaria
Costa Rica	TBC - Citibank N.A.
Croatia	Raiffeisen Bank International AG
Cyprus	Citibank Europe Plc, Greece Branch
Czech Republic	Raiffeisen Bank International AG
Denmark	Citibank Europe Plc
Egypt	Citibank N.A. Egypt
Estonia	AS SEB Bank
Euroclear	Euroclear Bank SA/NV
Finland	Citibank Europe Plc
France	CACEIS Bank
Georgia	TBC - Citibank N.A.
Germany	CACEIS Bank S.A., Germany branch
Ghana	Standard Chartered Bank Ghana Plc
Greece	Citibank Europe Plc, Greece Branch
Hong Kong (SCB)	Standard Chartered Bank (Hong Kong) Limited
Hong Kong (Bond Connect)	HSBC (Hong Kong)
Hong Kong (Stock Connect)	HSBC (Hong Kong)
Hungary	Raiffeisen Bank International AG
Iceland	Clearstream Banking S.A. Luxembourg
India	Standard Chartered Bank
Indonesia	Standard Chartered Bank
Ireland	Euroclear Bank SA/NV
Israel	Citibank N.A Israel
Italy	CACEIS Bank Milan branch
Jamaica	TBC - Citibank N.A.
Japan	Citibank N.A., Tokyo Branch
Jordan	TO CLOSE
Kazakhstan	TBC - Citibank N.A.

<b>Market</b>	<b>Sub-custodian</b>
Kenya	Standard Chartered Bank Kenya Limited
Kuwait	Citibank, N.A. Kuwait Branch
Latvia	AS SEB Bank
Lithuania	AS SEB Bank
Macedonia	TBC - Citibank N.A.
Malaysia	Standard Chartered Bank Malaysia Berhad
Mauritius	Standard Chartered Bank (Mauritius) Limited
Mexico	Banco S3 CACEIS México, S.A.
Morocco	Attijariwafa Bank, Casablanca
Namibia	TBC - Standard Chartered Bank
Netherlands	CACEIS Bank
New Zealand	Citibank N.A. New Zealand Branch
Nigeria	Standard Chartered Bank Nigeria Limited
Norway	Citibank Europe Plc
Oman	Standard Chartered Bank, DIFC Branch
Pakistan	Standard Chartered Bank (Pakistan) Ltd
Panama	TBC - Citibank N.A. + Euroclear Bank (TBC)
Peru	Citibank del Peru S.A.
Philippines	Standard Chartered Bank
Poland	Bank Pekao S.A.
Portugal	Citibank Europe Plc
Qatar	Standard Chartered Bank, DIFC Branch
Romania	UniCredit Bank S.A.
Russia	Raiffeisen Bank International AG
Saudi Arabia	HSBC Saudi Arabia Ltd
Serbia	Raiffeisen Bank International AG
Singapore	Standard Chartered Bank (Singapore) Limited
Slovakia	Raiffeisen Bank International AG
Slovenia	Raiffeisen Bank International AG
South Africa	Standard Chartered Bank Johannesburg branch
South Korea	Standard Chartered Bank Korea Limited
Spain	CACEIS Bank, Spain S.A.U.
Sri Lanka	Standard Chartered Bank
Sweden	Citibank Europe, Sweden Branch
Switzerland	CACEIS Bank Switzerland branch
Taiwan	Standard Chartered Bank (Taiwan) Limited
Tanzania	TBC - Standard Chartered Bank
Thailand	Standard Chartered Bank (Thai) Pcl
Tunisia	Amen Bank
Turkey	Citibank Türkiye A.S.
Uganda	TBC - Standard Chartered Bank
Ukraine	TBC - Citibank N.A.
United Arab Emirates	Standard Chartered Bank, DIFC Branch
United Kingdom	Citibank N.A.
Uruguay	TBC - Citibank N.A.
USA	The Bank of New York Mellon
Vietnam	Standard Chartered Bank Vietnam
Zambia	Standard Chartered Bank Zambia Plc

## **COUNTRY SUPPLEMENT ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY**

**Dated: 18 December 2025**

**This document is supplemental to, forms part of and should be read in conjunction with the prospectus for Waverton Investment Funds plc (the "Company") dated 11 December 2025 as amended from time to time (the "Prospectus").**

*Terms used herein shall have the meanings attributed to them in the Prospectus, unless otherwise stated.*

### Right to market Shares in Germany

The Company has notified its intention to market Shares in Germany. Since completion of the notification process the Company has the right to market Shares in Germany.

**No marketing notification has been submitted for:**

**Waverton Absolute Return Fund  
Waverton European Dividend Growth Fund  
Waverton Multi-Asset Growth Fund (€ Denominated)  
Waverton Multi-Asset Balanced Fund  
Waverton Multi-Asset Cautious Fund  
Waverton Multi-Asset Defensive Fund  
Waverton Multi-Asset Growth  
Waverton Multi-Asset Income Fund  
Waverton Real Assets Fund  
Waverton Sterling Bond Fund  
Waverton Strategic Equity Fund  
Waverton Global Credit Opportunities Fund**

**Consequently, these Funds must not be marketed in Germany.**

### Facility in Germany

Facility services according to Sec. 306a (1) no. 1. to 6. German Investment Code ("KAGB") are provided in Germany by:

**GerFIS - German Fund Information Service GmbH  
Zum Eichhagen 4  
21382 Brietlingen**

(the "German Facility Agent").

The Company has concluded a written agreement with the German Facility Agent stipulating that all functions referred to in Sec. 306a (1) no. 1. to 6. KAGB are to be performed by the German Facility Agent towards German Shareholders and that the German Facility Agent will receive all relevant information and documents from the Company.

Subscription, payment, redemption and conversion orders for Shares of German Shareholders may be processed by the German Facility Agent in accordance with the conditions set out in the sales documents referred to in Sec. 297 (4) sentence 1 KAGB.

The German Facility Agent provides Shareholders in Germany with information on how orders referred to above can be made and how redemption proceeds are paid.

Appropriate procedures and arrangements have been established by the Company to ensure that there are no restrictions on investors exercising their rights arising from their investment in the Funds of Company. For Shareholders in Germany the German Facility Agent facilitates the access to and provides information on procedures and arrangements referred to in Art. 15 Directive 2009/65/EC relating to the exercise of German Shareholders' rights arising from their investment in the Funds of the Company and provides detailed information thereon.

Copies of the certificate of incorporation and Memorandum and Articles of Association, the Prospectus, the Key Investor Information Documents and the annual and semi-annual reports may be obtained free of charge in paper form at the registered office of the German Facility Agent.

Furthermore, the following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays and public holidays excepted) at the registered office of the German Facility Agent:-

- a) the UCITS Regulations and the UCITS Rules issued by the Central Bank thereunder;  
and
- b) the worked example of the performance fee calculation submitted to the Central Bank.

The subscription, redemption and conversion prices are available free of charge at the German Facility Agent as well.

The German Facility Agent provides German Shareholders with information relevant to the tasks that it performs on a durable medium.

The German Facility Agent acts as the contact point for communication with the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).

#### Publications

In Germany, the subscription and redemption prices will be published on [www.fundinfo.com](http://www.fundinfo.com); Shareholder notifications, if any, will be published in the Federal Gazette.

In the cases enumerated in Sec. 298 (2) KAGB, Shareholders additionally will be notified by means of a durable medium in terms of Sec. 167 KAGB.

#### Fees and Expenses

Information relating to the fees and expenses payable by investors in each of the sub-funds is set out under the section headed "FEES AND EXPENSES" in the Prospectus. The attention of investors and/or prospective investors is drawn to the information relating to fees and expenses set out therein.

#### Taxation in Germany

The Waverton Asia Pacific Fund, Waverton European Capital Growth Fund and Waverton Global Equity Fund will invest more than 50% of its total assets within the meaning of Section 2, Article 6, 7 and 9a of the German Investment Tax Act in equity securities which constitute "equity participation" within the meaning of Section 2, Article 8 of the German Investment Tax Act. The equity securities in which the Fund will invest will be the shares of companies active in the equity markets included on the list in Schedule I to the Prospectus. For the purposes of this investment restriction, a company will be considered to be active in a country if the company carries out the predominant part (more than 51%) of its economic activities there or if the company is listed on a regulated market in the country.

There may be instances where the weighting of any constituent security of the Index could cause the Fund to breach the investment restrictions set out in the Prospectus. If such an event occurs, it is intended that the Fund will purchase other assets, the effect of which will seek to maintain, so far as is possible, the same economic exposure to and the same weighting of the security of that issuer in the Index without breaching its investment restrictions.