

---

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

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

---

**THE WORLD MARKETS  
UMBRELLA FUND PLC**

*(An umbrella investment company with variable capital structured as an umbrella fund with segregated liability between its Funds incorporated with limited liability in Ireland under registration number 291789)*

**PROSPECTUS**

**INVESTMENT MANAGER**

**CITY OF LONDON INVESTMENT MANAGEMENT COMPANY LIMITED**

---

This Prospectus replaces the Prospectus dated 30 September 2019.

The date of this Prospectus is 7 February 2022.

## THE WORLD MARKETS UMBRELLA FUND PLC

### IMPORTANT INFORMATION

This Prospectus comprises information relating to The World Markets Umbrella Fund plc (the "Company"), an open-ended umbrella investment company with variable capital and having segregated liability between its Funds incorporated under the laws of Ireland on 6 August 1998. It qualifies and is authorised in Ireland by the Central Bank of Ireland (the "Central Bank") as a UCITS for the purposes of the Regulations. The Company is structured as an umbrella fund in that the share capital of the Company may be divided into different classes of shares ("Shares") with one or more classes representing a separate Fund of the Company.

This Prospectus may only be issued with one or more supplements (each a "Supplement"), each containing information relating to a separate Fund and/or with one or more addenda. If there are different classes of Shares in a Fund, details relating to the separate classes may be dealt with in the same Supplement or in separate Supplements for each class. This Prospectus, the relevant Supplement and any relevant Addendum should be read and constituted as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement/Addendum, the relevant Supplement/Addendum shall prevail.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplement and/or Addendum) and the latest published audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report. These reports will form part of this Prospectus.

In relation to each class of Shares, issued or to be issued from the date of this Prospectus, an application may be made to The Irish Stock Exchange for those Shares to be admitted to the Official List and to trading on the Main Securities Market of The Irish Stock Exchange. The admission of the relevant Shares to the Official List and to trading on the Main Securities Market of The Irish Stock Exchange shall constitute a warranty or representation by The Irish Stock Exchange as to the competence of the service providers to or any party connected with the Company, the adequacy of information contained in this Prospectus or in the relevant Supplement or the suitability of the Company for investment purposes. None of the Company's Shares are listed or proposed to be listed on any stock exchange.

**The Company is both authorised and supervised by the Central Bank. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus. The authorisation of the Company by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.**

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

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

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

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

Potential investors should inform themselves as to:

- (a) the legal requirements within the countries of their nationality, citizenship, residence, ordinary residence or domicile for the acquisition of Shares;
- (b) any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition or sale of Shares; and
- (c) the income tax and other taxation consequences which might be relevant to the acquisition, holding, redemption, conversion or disposal of Shares.

Shares may not be purchased or held by or on behalf of Irish Residents or Irish Ordinary Residents (other than certain Irish investors who, with the consent of the Directors, are permitted to invest in the Company without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company) (for further details see heading "Irish Taxation" below).

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

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

The Shares have not been, and will not be, registered under the 1933 Act or the securities laws of any of the states of the United States and the Shares may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of any US Person, except pursuant to an exemption from, or in a transaction not subject to the regulatory requirements of, the 1933 Act and any applicable state securities laws. Any re-offer or resale of any of the Shares in the United States or to US Persons may constitute a violation of US law. In the absence of such exemption or transaction, each applicant for Shares will be required to certify that it is not a US Person.

This Prospectus and any Supplement/Addendum may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus/Supplement/Addendum. To the extent that there is any inconsistency between the English language Prospectus/Supplement/Addendum and the Prospectus/Supplement/Addendum in another language, the English language Prospectus/Supplement/Addendum will prevail, except to the extent (and only to the extent) required by law of any jurisdiction (including the regulations or requirements of the financial regulator of such jurisdiction) where the Shares are sold, that in an action based upon disclosure in a prospectus/supplement/addendum in a language other than English, the language of the prospectus/supplement/addendum on which such action is based shall prevail.

All disputes as to the terms of this Prospectus, any Supplement and/or any Addendum, regardless of the language in which they are translated, shall be governed by and construed in accordance with the laws of Ireland.

Investors should read and consider the risk discussion under "Risk Factors" and the "Risk Factors" section in the relevant Supplement before investing in the Company.

**Where set out in the relevant Supplement, the Directors may charge a fee on the redemption of Shares in any class or classes of a Fund of up to 1.5% of the Net Asset Value of the Shares. The fee shall be payable to the Investment Manager (or as it may direct) but will only be charged if a Shareholder redeems his Shares within the first year of issue of the particular Shares or within the first year of acquiring Shares (by subscription or transfer).**

**The value of Investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund. The difference, if any, at any one time**

**between subscription and redemption prices for Shares means that any investment should be viewed as medium to long term.**

Investment in the Company should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

The Company, or the Manager acting on behalf of the Company, may make application to register and distribute the Company's Shares in jurisdictions outside Ireland. In the event that such registrations take place, the Company, or the Manager acting on behalf of the Company, may appoint or be required to appoint representatives, distributors or other agents in the relevant jurisdictions. The fees and expenses in connection with the registration and distribution of shares in such jurisdictions, which will be at normal commercial rates, may be borne by the Company and/or the Funds.

This Prospectus, the applicable Supplement(s) and any relevant Addenda and KIID(s) should be read in their entirety before making an application for Shares.

## INDEX

<b>IMPORTANT INFORMATION</b> .....	<b>2</b>
<b>DEFINITIONS</b> .....	<b>7</b>
<b>DIRECTORY</b> .....	<b>11</b>
<b>THE WORLD MARKETS UMBRELLA FUND PLC</b> .....	<b>12</b>
INTRODUCTION .....	12
INVESTMENT OBJECTIVE AND POLICIES .....	12
INVESTMENT AND BORROWING RESTRICTIONS .....	13
INVESTMENT IN FINANCIAL DERIVATIVE INSTRUMENTS ("FDI") .....	13
EFFICIENT PORTFOLIO MANAGEMENT / DIRECT INVESTMENT .....	13
DIVIDEND POLICY .....	14
RISK FACTORS .....	15
<b>MANAGEMENT AND ADMINISTRATION</b> .....	<b>20</b>
THE DIRECTORS .....	20
THE PROMOTER .....	21
THE MANAGER .....	21
THE INVESTMENT MANAGER .....	24
THE DEPOSITARY .....	25
THE ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT .....	26
SECRETARY .....	26
FACILITIES AGENTS .....	26
CONFLICTS OF INTEREST .....	28
MEETINGS .....	29
ACCOUNTS AND INFORMATION .....	29
<b>VALUATION, SUBSCRIPTIONS AND REDEMPTIONS</b> .....	<b>29</b>
CALCULATION OF NET ASSET VALUE .....	29
SUBSCRIPTIONS .....	30
REDEMPTION .....	30
SWITCHING .....	30
SUBSCRIPTIONS/REDEMPTIONS IN SPECIE .....	32
TOTAL REDEMPTION .....	33
COMPULSORY REDEMPTION .....	33
ANTI-MONEY LAUNDERING .....	33
TRANSFER OF SHARES .....	34
TEMPORARY SUSPENSIONS .....	34
<b>FEES AND EXPENSES</b> .....	<b>36</b>
<b>ALLOCATION OF ASSETS AND LIABILITIES</b> .....	<b>38</b>
<b>TAXATION</b> .....	<b>39</b>
<b>TAXATION IN IRELAND</b> .....	<b>39</b>
UNITED KINGDOM .....	47
OTHER JURISDICTIONS .....	51
<b>STATUTORY AND GENERAL INFORMATION</b> .....	<b>53</b>
<b>APPENDIX I</b> .....	<b>64</b>
STOCK EXCHANGES AND REGULATED MARKETS .....	64
<b>APPENDIX II</b> .....	<b>67</b>

<b>APPENDIX III.....</b>	<b>77</b>
<b>APPENDIX IV .....</b>	<b>80</b>
<b>INVESTMENT AND BORROWING RESTRICTIONS.....</b>	<b>80</b>

## DEFINITIONS

"Act", the Companies Act 2014 as may be amended, supplemented or re-enacted from time to time.

"Addendum", any document issued by the Company expressed to be an addendum to this Prospectus.

"Administration Agreement", the administration agreement dated 28 August 2002 as amended by a supplemental administration agreement dated 5 September 2006, as amended and novated by a novation agreement dated 31 July 2008, as amended and by an amendment agreement dated 7 February 2022 as same may be amended from time to time.

"Administrator", BNY Mellon Fund Services (Ireland) Designated Activity Company, and/or such other person as may be appointed, in accordance with the requirements of the Central Bank, to provide administration services to the Funds, or any of them.

"AIFs", Alternative Investment Funds.

"Articles", the Articles of Association of the Company, as may be adopted or amended from time to time.

"Auditors", KPMG, Chartered Accountants, Dublin or such other entity as may be appointed auditor of the Company from time to time.

"Business Day", in relation to a Fund, such day or days as the Directors may from time to time determine (see relevant Supplement).

"Central Bank", the Central Bank of Ireland or any successor thereto.

"Central Bank UCITS Regulations", the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as may be amended, supplemented or re-enacted from time to time.

"Company", The World Markets Umbrella Fund plc.

"Depositary", The Bank of New York Mellon SA/NV Dublin Branch, a limited liability company incorporated in Ireland or such other person(s) as may be appointed, in accordance with the requirements of the Central Bank, to act as depositary to the Company.

"Depositary Agreement", the depositary agreement dated 1 July 2016 as same may be amended from time to time.

"Dealing Day", such Business Day as the Directors may from time to time determine for dealings in a Fund, provided always that there shall be at least one Dealing Day in every fortnight (see relevant Supplement).

"Directors", the directors of the Company or any duly authorised committee thereof.

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

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

"ESMA", the European Securities and Markets Authority.

"EU", the European Union.

"Euro" and "€", the single European currency unit referred to in Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the Euro.

"FDI", financial derivative instrument(s).

"Financial Intermediary", any broker-dealer, financial institution or other industry professional appointed in writing by the Company and/or the Investment Manager to distribute Shares and/or to provide certain ongoing services to their clients and customers in respect of Shares.

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

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

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

"Investment Management and Distribution Agreement", the investment management and distribution agreement dated 7 February 2022 as may be amended from time to time.

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

"Manager", Carne Global Fund Managers (Ireland) Limited, and/or such other person as may be appointed, in accordance with the requirements of the Central Bank, to act as manager of the Company and its Funds.

"Management Agreement", the management agreement between the Company and the Manager dated 7 February 2022 as may be amended from time to time.

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

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

"Minimum Redemption", a minimum redemption (whether initial or subsequent) for Shares of any class as set out in the relevant Supplement, or as may be determined from time to time by the Investment Manager.

"Minimum Subscription", a minimum subscription (whether initial or subsequent) for Shares of any class as set out in the relevant Supplement, or as may be determined from time to time by the Investment Manager.

"Net Asset Value", the net asset value of a Fund, or where applicable, of a class of Shares, determined in accordance with the Articles.

"Net Asset Value per Share", the Net Asset Value divided by the number of Shares of the relevant Fund subject to such adjustment, if any, as may be required where there is more than one class of Shares in the Fund.

"Price", the price at which Shares will be issued and redeemed on each Dealing Day (excluding any preliminary charge or redemption fee which may be applied) as set out in the relevant Supplement.



"*Prospectus*", this document as it may be amended from time to time in accordance with the requirements of the Central Bank together with, where the context requires or implies, any Supplement or Addendum.

"*Qualified Holder*", any person, corporation or entity other than (i) a US Person who is not a Qualified US Person; (ii) any person, corporation or entity which cannot acquire or hold Shares without violating laws or regulations applicable to it or who might expose the Company to adverse tax or regulatory consequences; or (iii) a custodian, nominee, or trustee for any person, corporation or entity described in (i) and (ii) above.

"*Qualified US Person*", a US Person who has acquired Shares with the consent of the Directors provided that the number of Qualified US Persons shall not exceed such number as the Directors shall determine from time to time with a view to precluding the Company from being required to register as an investment company under the 1940 Act.

"*Regulated Markets*", the stock exchanges and/or regulated markets listed in Appendix I.

"*Regulations*", the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) as may be amended, supplemented or re-enacted from time to time.

"*SEC*", the United States Securities and Exchange Commission.

"*Secretary*", Carne Global Financial Services Limited and/or such other person as may be appointed to act as secretary to the Company.

"*Securities Financing Transaction*", "*SFT*", means (a) a repurchase transaction; (b) securities or commodities lending and securities or commodities borrowing; (c) a buy-sell back transaction or sell-buy back transaction; and/or (d) a margin lending transaction, each as defined in accordance with SFTR.

"*SFDR*", Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, as amended and as may be further amended.

"*SFTR*", Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No. 648/2012, as may be amended, supplemented and/or replaced from time to time.

"*Share(s)*", a share or shares of no par value in the Company designated as a "Participating Share" or "Participating Shares" in the Articles.

"*Shareholder*", the registered holder of a Share.

"*Sterling*", and "*Stg£*", the lawful currency of the United Kingdom.

"*Subscriber Shares*", shares of US\$1 each in the capital of the Company designated as "Subscriber Shares" in the Articles and issued for the purposes of incorporating the Company.

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

"*Sustainability Factors*", as defined in the SFDR, means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

"*Sustainability Risk*", an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of an Investment."

"*UCITS*", an Undertaking for Collective Investment in Transferable Securities, as defined in the Regulations.

"*United Kingdom*", the United Kingdom of Great Britain and Northern Ireland.

*"United States" and "US"*, the United States of America, its territories, possessions, any State of the United States and the Federal District of Columbia.

*"US Dollars" and "US\$"*, the lawful currency of the United States.

*"US Person"*,

- (a) any US citizen or natural person resident in the United States;
- (b) any partnership or corporation organised or incorporated under the laws of the United States;
- (c) any estate of which any executor or administrator is a US Person;
- (d) any trust of which any trustee is a US Person;
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated or (if an individual) resident in the United States;
- (h) any partnership or corporation if:
  - (i) organised or incorporated under the laws of any non-US jurisdiction; and
  - (ii) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts; and
- (i) any other person or entity deemed by the SEC from time to time to be a "US Person" under Rule 902(a) of the 1933 Act.

*"Valuation Point"*, such time and day as the Directors may from time to time determine in relation to the valuation of the assets of a Fund (see relevant Supplement).

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

*"1940 Act"*, the United States Investment Company Act of 1940, as amended.

## DIRECTORY

### Directors

The Directors of the Company, whose registered office and business address is at 6<sup>th</sup> Floor 2 Grand Canal Square Dublin 2 Ireland are as follows:

Kevin Molony  
Mark Dwyer  
Josephine Kitcher  
Patricia Taylor

### The Manager

Carne Global Fund Managers (Ireland) Limited  
2<sup>nd</sup> Floor, Block E,  
Iveagh Court,  
Harcourt Road,  
Dublin 2  
D02 YT22  
Ireland

### Promoter & Investment Manager

City of London  
Investment  
Management Company  
Limited  
77 Gracechurch Street  
London EC3V 0AS  
England

Tel: +44 20 7711 0771  
Fax: +44 20 7711 0772  
Email:  
ukclientservicing@citlon.co.uk

### Depository

The Bank of New York Mellon SA/NV, Dublin Branch  
Riverside 2  
Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2  
Ireland

### Administrator

BNY Mellon Fund Services (Ireland) Designated Activity Company  
One Dockland Central  
Guild Street  
IFSC  
Dublin 1  
Ireland

### Registrar and Transfer Agent

BNY Mellon Fund Services (Ireland) Designated Activity Company  
Wexford Business Park  
Rochestown, Drinagh  
Wexford Y35 VY03  
Ireland

Tel: 353 1 448 5033  
Fax: 353 1 642 8804

### Auditors

KPMG  
Chartered Accountants  
85 South Mall  
Cork  
Ireland

### Secretary

Carne Global Financial Services Limited  
2<sup>nd</sup> Floor  
Block E Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

### Legal Advisers

*as to Irish Law*  
William Fry  
2 Grand Canal Square  
Dublin 2  
Ireland

## **THE WORLD MARKETS UMBRELLA FUND PLC**

### **Introduction**

The World Markets Umbrella Fund plc was incorporated under the laws of Ireland on 6 August 1998 and is an open-ended umbrella investment company with variable capital. The Company has been authorised by the Central Bank as a UCITS pursuant to the Regulations.

The Company is structured as an umbrella fund (with segregated liability between its Funds) in that different classes of Shares (each allocated to a particular Fund) may be issued from time to time by the Directors with the prior consent of the Central Bank. In addition, each Fund may have more than one Share class allocated to it. The Shares of each class allocated to a Fund will rank pari passu with each other in all respects except as to all or any of the following: currency of denomination of the class, dividend policy, the level of fees and expenses to be charged and the Minimum Subscription, Minimum Holding and Minimum Redemption applicable. The assets of each Fund will be separate from one another and will be invested in accordance with the investment objectives and policies applicable to each such Fund.

The share capital of the Company shall at all times equal its Net Asset Value. The base currency of each Fund will be determined by the Directors and set out in the relevant Supplement.

As at the date of this Prospectus, the Company has one Fund, The Emerging World Fund.

### **Investment Objective and Policies**

#### **General**

The specific investment objective and policies for each Fund will be formulated by the Directors, in consultation with the Manager, at the time of the creation of that Fund and set out in the relevant Supplement.

The stock exchanges and markets in which the Funds may invest are set out in Appendix I. These stock exchanges and markets are listed in accordance with the regulatory criteria set out in the Central Bank UCITS Regulations, it being noted that the Central Bank does not issue a list of approved exchanges or markets.

Any alteration to the investment objective or any material alteration to the investment policies of any Fund at any time will be subject to the prior approval in writing of a majority of the Shareholders of the relevant Fund, or, if a general meeting of the Shareholders of such Fund is convened, by a majority of the votes cast at such meeting. Shareholders will be given two weeks advance notice of the implementation of any alteration to the investment objective or policies of a Fund to enable them to redeem their Shares prior to such implementation if they so wish.

A Fund may invest in other collective investment schemes, including Funds of the Company, subject to the restrictions set out in Appendix IV.

## **Investment and Borrowing Restrictions**

Investment of the assets of each Fund must comply with the Regulations. A detailed statement of the general investment and borrowing restrictions applicable to each Fund is set out in Appendix IV. The Directors, in consultation with the Manager, may impose further restrictions in respect of any Fund. Details will be set out in the relevant Supplement.

The Company will not take legal or management control of any of the entities in which its underlying investments are made.

If the limitations set out in Appendix IV, are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, the Directors must adopt as a priority objective the remedying of that situation taking due account of the interest of the Shareholders.

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

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

### **Investment in Financial Derivative Instruments ("FDI") Efficient Portfolio Management / Direct Investment**

The Company may, on behalf of each Fund and subject to the conditions and within the limits laid down by the Central Bank, employ techniques and instruments relating to transferable securities, including investments in FDI. Such techniques and instruments may be used for efficient portfolio management purposes, or to provide protection against exchange risk or for direct investment purposes, where applicable. Such techniques and instruments are set out in Appendix III and may include, but are not limited to, futures, forwards, options, swaps, swaptions and warrants.

Efficient portfolio management means investment techniques involving transactions that are entered into for one or more of the following specific aims: the reduction of risk, the reduction of cost, or the generation of additional capital or income for a Fund. New techniques and instruments may be developed which may be suitable for use by the Company and the Company may (subject to the conditions and limits laid down by the Central Bank) employ such techniques and instruments subject to the Supplement for the relevant Fund being updated and Shareholders being notified in advance. Where the Company intends to use these instruments for direct investment purposes, full details will be disclosed in the relevant Fund's investment policy. Where a Fund intends to engage in transactions involving FDI under any circumstances, the Manager shall employ a risk management process in accordance with the requirements of the Central Bank to enable it to accurately monitor, measure and manage, on a continuous basis, the risk to all open derivative positions and their contribution to the overall risk profile of the Fund. Only such FDI as are provided for in the current risk management process for the Manager approved by the Central Bank may be used by the Manager.

## **Dividend Policy**

Each Fund will aim to seek capital growth rather than a significant income return and does not guarantee to distribute to Shareholders any income that it may receive on its investments.

If dividends are declared, these will generally be calculated by reference to a Fund's net investment income return (effectively the Fund's income from dividends, interest or otherwise, less that Fund's accrued expenses).

Dividends payable to Shareholders will be reinvested by subscription for further Shares on the dividend payment date, unless Shareholders specifically request that dividends be paid in cash. A Shareholder who elects to receive dividends in cash will be deemed to have made a similar election in respect of any further Shares acquired by the Shareholder until the Shareholder revokes the election. If a Shareholder's dividends are reinvested, there is no preliminary charge payable on the reinvestment.

Any cash dividend to be paid on a Share that is not claimed on the dividend payment date will not earn interest and, if not claimed within six years of its declaration, shall be forfeited and shall be applied for the benefit of the relevant Fund.

## Risk Factors

***The following risk factors do not purport to be a complete description or explanation of all risk factors which should be considered when investing in the Company. Investors should also read and consider the additional Risk Factors Section (if any) in the relevant Supplement.***

### General

1. The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in value of Investments will occur. The value of Investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. There is no assurance that the investment objectives of any Fund will actually be achieved, and investment in any Fund should be viewed as a long term investment. In Funds where there are subscription and/or redemption charges, an investor who realises his investment in such Funds after a short period may not realise the amount originally invested.
2. The value of the assets of a Fund may be affected by uncertainties such as international political or diplomatic developments, changes in government policies, taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in applicable laws and regulations.
3. Depending on an investor's currency of reference, currency fluctuations between an investor's currency of reference and the base currency of the relevant Fund, may adversely affect the value of an investment in one or more of the Funds.
4. Fund assets may be denominated in a currency other than the base currency of the Fund and changes in the exchange rate between the base currency and the currency of denomination of the asset may lead to a depreciation of the value of the relevant Fund's Investments when expressed in the base currency. In addition, the Funds do not engage in hedging at Share class level. Accordingly, the value of Shares denominated in currencies different to the base currency of the relevant Fund will be subject to exchange rate risk in relation to that Fund's base currency.
5. The Net Asset Value of a Fund may vary in value within a short period of time because of variations in value of the underlying assets of such Fund and the income derived therefrom.
6. Investors are reminded that in certain circumstances their right to redeem Shares may be suspended (see "Temporary Suspensions" below).
7. Each Fund will be exposed to a credit risk in respect of parties with whom it trades and may also bear the risk of settlement default.
8. Lack of liquidity and efficiency in certain of the stock markets or foreign exchange markets in certain emerging markets may mean that from time to time the Investment Manager may experience more difficulty in purchasing or selling holdings of securities than it would in a more developed market. Accordingly, an investment in the Fund should not constitute a substantial proportion of any investor's investment portfolio and may not be appropriate for all investors.
9. The Company is structured as an umbrella fund with segregated liability between its Funds. As a matter of Irish law, the assets of one Fund will not be available to meet the liabilities of another. However, the Company is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation. Accordingly, there is no absolute certainty that the assets of any Fund of the Company will not be exposed to the liabilities of other Funds of the Company. As at the date of this Prospectus, the Directors are not aware of any existing or contingent liability of any Fund of the Company. For further details on segregation of assets and liabilities, see the heading "Allocation of Assets and Liabilities/Segregation of Liability between Funds."
10. All subscription and redemption monies and dividends payable to or from the Funds are channelled and managed (depending upon the reference currency) through one or other of a number of

collection accounts that have been established and are operated at umbrella level in the name of the Company (each an “Umbrella Subscriptions/Redemptions Account”).

Subscriptions monies received in respect of a Fund in advance of the issue of Shares will be held in an Umbrella Subscriptions/Redemptions Account and will be treated as an asset of the relevant Fund. Investors, however, will be unsecured creditors of the Company with respect to any such cash amount subscribed and held by the Company in an Umbrella Subscriptions/Redemptions Account until such time as the Shares subscribed are issued, and will not benefit from any appreciation in the Net Asset Value of the relevant Fund in respect of which the subscription request was made or any other shareholder rights (including dividend entitlement, if any) until such time as the relevant Shares are issued. In the event of the insolvency of the Fund in respect of which the subscription request was made, or of the Company, there is no guarantee that the Fund or Company will have sufficient funds to pay unsecured creditors in full.

Where subscription monies are received into an Umbrella Subscriptions/Redemptions Account with insufficient documentation to adequately identify the party from whom monies have been received, the Company, in conjunction with the Depositary, will, in accordance with the requirements of the Central Bank, seek to return such monies within 5 working days to the account from which they were paid

Payment by a Fund of redemption proceeds and dividends (if any) is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Payment of redemption proceeds or dividends to the Shareholders entitled to such amounts may accordingly be blocked pending compliance with the foregoing requirements to the satisfaction of the Administrator. Redemption and dividend amounts, including blocked redemption or dividend amounts, will, pending payment to the relevant investor or Shareholder, be held in an Umbrella Subscriptions/Redemptions Account. For as long as such amounts are held in an Umbrella Subscriptions/Redemptions Account, the investors/Shareholders entitled to such payments from a Fund will be unsecured creditors of the Company with respect to those amounts and, with respect to and to the extent of their interest in such amounts, will not benefit from any appreciation in the Net Asset Value of the relevant Fund or any other Shareholder rights (including further dividend entitlement). Redeeming Shareholders will cease to be Shareholders with regard to the redeemed Shares as and from the relevant redemption date. In the event of the insolvency of the relevant Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to dividends should therefore ensure that any outstanding documentation and/or information required in order for them to receive such payments to their own account is provided to the Company or its delegate, the Administrator, promptly. Failure to do so is at such Shareholder’s own risk.

In the event of the insolvency of a Fund, recovery of any amounts to which other Funds are entitled, but which may have transferred to the insolvent Fund as a result of the operation of a Collection Account, will be subject to the principles of Irish trust law and the terms of the operational procedures for the relevant Umbrella Subscriptions/Redemptions 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 other Funds.

## **FDI**

- 11.** Each Fund may use FDI including, but not limited to, futures, forwards, options, swaps, swaptions and warrants, subject to the limits and conditions set out in Appendix III. Such FDI tend to have a greater volatility than the securities to which they relate and they bear a corresponding greater degree of risk.
- 12.** Each Fund may employ various FDI for efficient portfolio management purposes. These derivative positions may be executed either on exchange or over the counter. The primary risks associated with the use of such derivatives are (i) failure to predict accurately the direction of market movements and (ii) market risks, for example, lack of liquidity or lack of correlation between the change in the value of the underlying asset and that of the value of the relevant Fund's derivatives. These techniques may not always be possible or effective in enhancing returns or mitigating risk. A Fund's investment in over the counter derivatives is subject to the risk of counterparty default. In addition,



a Fund may have to transact with counterparties on standard terms which it may not be able to negotiate and may bear the risk of loss because a counterparty does not have the legal capacity to enter into a transaction, or because the transaction becomes unenforceable due to relevant legislation and regulation. To the extent that a Fund invests in FDI it may take a credit risk with regard to the parties with whom it trades and may also bear the risk of settlement default.

### **Warrants**

13. Investors should note that it is intended that each Fund may invest in warrants. Warrants often involve a high degree of gearing so that relatively small movements in the price of the underlying security results in disproportionately large movements in the price of the warrant. These movements may be favourable or unfavourable. The price of warrants is therefore volatile. Accordingly, an investment in the Fund should not constitute a substantial proportion of any investors' investment portfolio and may not be appropriate for all investors.

### **Convertible Bonds**

14. Each Fund may invest in convertible bonds. Convertible bonds can be converted into (that is, exchanged for) common stocks or other equity securities at a stated price or rate. Because convertible bonds can be converted into equity securities, their value will normally vary in some proportion with that of the underlying equity securities. Due to the conversion feature, convertible bonds generally yield less than non-convertible fixed income securities of similar credit quality and maturity. A Fund's investment in convertible bonds may at times include securities that have a mandatory conversion feature, pursuant to which the securities convert automatically into common stock at a specified date and conversion ratio, or that are convertible at the option of the issuer. When conversion is not at the option of the holder, the Fund may be required to convert the security into the underlying common stock or other equity security even at times when the value of the underlying common stock or other equity security has declined substantially.

### **Emerging Markets**

15. Emerging markets tend to have a greater level of risk and volatility associated with them and to be less liquid than more established markets. Investors should consider whether or not investment in the Funds with exposure to emerging markets is either suitable or should constitute a substantial part of the investors' portfolio.
16. The Net Asset Value, the marketability and the returns derived from a particular Fund's investments in emerging markets may be affected by uncertainties such as political or diplomatic developments, social and religious instability, changes in government policies, taxation and interest rates, currency conversion and repatriation and other political and economic developments in law or regulations in emerging markets and, in particular, the risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership. All of these factors may adversely affect the overall investment climate and, in particular, investment opportunities available to a Fund.
17. Companies operating or established in emerging markets may not be subject:
  - a. to accounting, auditing and financial reporting standards, practices and disclosure requirements comparable to those applicable to companies operating or established in more developed markets;
  - b. to the same level of government supervision and regulation of stock exchanges as might apply in countries with more advanced securities markets.

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

18. The reliability of trading and settlement systems in some emerging markets may not be equal to that available in more developed markets, which may result in delays in realising investments.

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

#### **Risks relating to the European General Data Protection Regulation**

26. The EU General Data Protection Regulation ("GDPR") came into effect on 25 May 2018 in all Member States and applies where a controller's processing activities relate to the provision of services to individuals in the EU. GDPR introduced significant new obligations on controllers, including requirements around accountability and transparency, formalising the processing operations of their delegates, responding to additional data subjects' rights requests within shorter timelines, reporting of personal data breaches to data protection authorities or data subjects, consideration of data protection as any new services are developed and limitation of the amount of personal data collected, processed and stored.

GDPR also introduced a substantially more comprehensive regulatory regime, of which one of the main features is that administrative fines for breaches of GDPR can reach as high as €20m or 4% of an undertaking's (or group of undertakings') annual turnover (whichever amount is greater).

The implementation of GDPR required significant changes to the policies and procedures of the Company in relation to data protection. These changes may increase the operational and compliance costs borne by the Company and in the event of failure to comply with the requirements of GDPR, the Company could face significant administrative and monetary sanctions as well as reputational damage which may have a material adverse effect on its operations, financial condition and prospects. These risks may apply equally to certain entities in which the Funds may invest.

### **Brexit Risk**

27. The UK left the EU on 1 January 2021 following the end of a transition period. EU law no longer applies in the UK and for many financial service businesses, this will mean changes to existing systems and services. Although passporting is no longer permitted after the end of the transition period, the FCA introduced a Temporary Permissions Regime ("TPR") and a Temporary Marketing Permissions Regime ("TMPR"). The TPR will allow EEA-based firms passporting into the UK to continue to operate in the UK within the scope of their current permissions for a limited period, while they seek full FCA authorisation. TMPR will allow certain EEA funds which were passporting into the UK at the end of the transition period to continue to be marketed in the UK in the same manner as they were before the transition period ended. Although it is unclear how long these regimes will last, the Financial Services Bill published by the UK contains provisions for the TPR to be extended to 5 years. Operating in the period following the end of the transition period and under the TPR may lead to uncertainty and volatility in both the UK and in wider European markets. The economic uncertainty may also have an adverse effect on the economy generally and on the ability of the Funds to execute their investment strategies and to receive attractive returns, and may also result in increased costs to the Funds.

### **Pandemic Risk**

28. Events such as the outbreak of health pandemics or disease (for example Covid-19 or other viral outbreaks) may lead to increased short-term market disruptions and volatility and may have adverse long-term effects on world economies and markets generally. The outbreak of such epidemics, together with any resulting restrictions on travel or quarantines, could have a negative impact on the economy and business activity in the countries in which the Funds may invest and on global commercial activity generally and thereby adversely affect the performance of the Funds' Investments.

Pandemics and similar events could also have an acute effect on individual issuers or related groups of issuers and could adversely affect securities markets, interest rates, auctions, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to the Fund's investments or the Investment Manager's operations and the operations of the Manager's, the Investment Manager's or the Funds' service providers.

Additionally, risks are heightened due to uncertainty as to whether a pandemic or its consequences would qualify as a force majeure event. If a force majeure event is determined to have occurred, a counterparty to a Fund or a portfolio investment may be relieved of its obligations under certain contracts to which it is a party, or, if it has not, the Fund and its Investments may be required to meet their contractual obligations, despite potential constraints on their operations and/or financial stability.

Either outcome could adversely impact investments and the Funds' performance.

## MANAGEMENT AND ADMINISTRATION

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

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

Details of the up-to-date remuneration policy of the Manager (including, but not limited to: (i) a description of how remuneration and benefits are calculated; (ii) the identities of persons responsible for awarding the remuneration and benefits; and (iii) the composition of the remuneration committee, where such a committee exists) will be available by means of a website <http://www.carnegroup.com/policies-and-procedures/>. A paper copy of the remuneration policy of the Manager is available upon request free of charge from the Manager.

The Directors control the affairs of the Company and are responsible for the overall investment policy, which will be determined by them in accordance with the Regulations, this Prospectus and the Articles.

### The Directors

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

*Kevin Molony (Irish)* has broad and extensive experience in investment management, institutional stockbroking and management services having worked with leading international firms over his career. He currently provides independent directorship services to several international investment managers. Kevin was Managing Director of Walkers Corporate Services (Dublin) Limited until that business was acquired in June 2012. From 1999 to 2009, he was a Director of Citigroup Global Markets where he was instrumental in establishing and building their Irish institutional broking business. His specific area of expertise at Citigroup was US and Latin American equities. Before joining Citigroup, he was an institutional stockbroker with Deutsche Bank. Kevin began his career as a UK equity fund manager with Phillips & Drew Fund Managers, who were the leading institutional investment manager in London at the time. He later joined AIB Investment Managers as a Senior Portfolio Manager specialising in US equity funds. Kevin received a BA in Economics from University College Dublin and a Professional Diploma in Corporate Governance from Smurfit Business School, Dublin.

*Mark Dwyer (British)* was the EM CEF CIO Manager at City of London Investment Management Company Limited (the “Investment Manager” or “CLIM”) before becoming the CIO of CLIM in March 2019. He re-joined CLIM in May 2012 and has over twenty years’ investment experience. Prior to re-joining CLIM, Mark spent eight years with Banco Commercial Portuguese as a Director in the Asset Management department. Mark initially joined CLIM in 1995 and was a Portfolio Manager based in the UK, followed by the US office. He established CLIM’s Singapore Office in 2000 where he spent two years. He holds a BA in economics and is a CFA Charterholder.

*Josephine Kitcher (English)* is the European Operations and Client Servicing Manager for the Investment Manager, based in the UK office. Josephine joined the Investment Manager’s finance department in 2004 and moved into the UCITS Operations and European Client Servicing department in 2008. She has been employed within the Financial Sector since 2001 and currently serves as first point of contact for European client, consultant and UCITS operational enquiries.

*Patricia Taylor (Irish)* is a partner in the law firm William Fry, Dublin. Since 1993, Ms Taylor has specialised in advising on the establishment of Irish domiciled investment funds of all kinds. She also advises the promoters of, and service providers to, investment funds including assets managers, fund administrators and trustees/depositaries. Prior to 1993 she was involved in corporate and commercial law, principally mergers and acquisitions for publicly quoted and private clients. She has a Bachelor of Civil Law from University College Dublin (1980) and has been involved exclusively in private practice since qualifying as a solicitor in 1983. She is a non-executive director of a number of Irish companies.

### **The Promoter**

City of London Investment Management Company Limited is the Company's Promoter, and operates out of offices in London, Pennsylvania and Singapore, specialising in emerging markets strategies which serve an institutional client base.

### **The Manager**

The Company delegates UCITS management company functions to Carne Global Fund Managers (Ireland) Limited. The Central Bank UCITS Regulations refer to the "responsible person" being the party responsible for compliance with the relevant requirements of the Central Bank UCITS Regulations on behalf of an Irish authorised UCITS. The Manager assumes the role of the responsible person for the Company.

#### *Management of the Company - General*

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

#### *The Manager*

The Company has appointed the Manager to act as manager to the Company and each Fund with power to delegate one or more of its functions subject to the overall supervision and control of the Company. The Manager is a private limited company and was incorporated in Ireland on 10 November 2003 under the registration number 377914 and has been authorised by the Central Bank to act as a UCITS management company and to carry on the business of providing management and related administration services to UCITS collective investment schemes. The Manager's parent company is Carne Global Financial Services Limited, a company incorporated in Ireland with limited liability.

The Manager is responsible for the general management and administration of the Company's affairs and for ensuring compliance with the Central Bank UCITS Regulations, including investment and reinvestment of each Fund's assets, having regard to the investment objective and policies of each Fund. However, pursuant to the Administration Agreement, the Manager has delegated certain of its administration and transfer agency functions in respect of each Fund to the Administrator.

Pursuant to the Investment Management and Distribution Agreement, the Manager has delegated certain investment management functions in respect of each Fund to the Investment Manager.

The directors of the Manager are:

#### *Neil Clifford (nationality: Irish – Irish resident)*

Mr. Clifford is a Director with the Carne Group. He is an experienced Irish-based investment professional and fund director with wide experience of the governance and operations of alternative investments at the institutional level, including infrastructure and private equity funds. He has also had experience as an equity fund manager and is a qualified risk management professional. Neil joined the Manager in October 2014 from Irish Life Investment Managers ("ILIM") (April 2006 – September 2014), where he was head of alternative investments. He also supervised ILIM's illiquid investments in private equity and infrastructure, including acting as an independent director on a number of investment companies. He began his career with Irish Life as a sector-focused equity fund manager. Prior to this, Neil was a senior

equity analyst for Goodbody Stockbrokers (September 2000 - April 2006) in Dublin. He has also worked as an engineer with a number of leading engineering and telecoms firms in Ireland. Neil has a bachelor of electrical engineering from University College Cork and a master of business administration from the Smurfit School of Business, University College, Dublin. He is a chartered alternative investment analyst and a financial risk manager (FRM – Global Association of Risk Professionals).

*Teddy Otto (nationality: German – Irish resident)*

Mr. Otto is a Principal with the Carne Group. He specialises mainly in product development, fund establishment and risk management. Before joining the Manager, Mr. Otto was employed by the Allianz / Dresdner Bank group in Ireland for six years. During this time, he acted as head of fund operations, head of product management and was appointed as a director of the Irish management company for Allianz Global Investors and a range of Irish and Cayman domiciled investment companies. He had previously held senior positions in the areas of market data and custody at Deutsche International (Ireland) Limited and worked in the investment banking division of Deutsche Bank, Frankfurt. He spent over six years at DeutscheBank group. Prior to that, he was employed with Bankgesellschaft Berlin for two years. Mr. Otto holds a degree in business administration from Technische Universität Berlin.

*Michael Bishop (nationality: British – U.K. resident)*

Mr. Bishop was with UBS Global Asset Management (U.K.) Ltd. (1990 – 2011) holding executive director and then managing director positions and was responsible for the development and management of the U.K. business's range of investment funds. His areas of expertise include U.K. open-ended investment companies, unit trusts, unit linked funds and Irish, Cayman Islands, Channel Islands and other investment structures. He was a director of and responsible for the launch of UBS Global Asset Management Life Ltd. and UBS (Ireland) plc. Mr. Bishop has designed and launched products catering for all capabilities including equities, fixed income and alternative strategies. He has also been responsible for service provider appointment and management, as well as holding senior accounting and managerial roles with other financial services companies including Flemings and Tyndall. He has served on a number of the Investment Management Association's committees, industry forums and consultation groups specialising in U.K. and international regulation, product development and taxation. Mr. Bishop is a Fellow of the Association of Chartered Certified Accountants. Since retiring in 2011, he has been involved with various charities.

*Sarah Murphy (nationality: Irish – Irish resident)*

Sarah is a Director of Oversight at Carne, with a particular focus on the governance and operations of management companies and fund platforms. She currently acts as a Director and Chief Operations Officer of Carne's management companies in addition to serving on the boards of Carne's UCITS and QIAIF platforms. Sarah is primarily responsible for leading the execution of the firm's management companies' operations, which collectively oversee more than \$100bn in assets. She began her career at Carne as a business manager where she was tasked with leading the launch and development of a number of the firm's corporate services businesses.

Prior to joining Carne, Sarah held a number of senior management roles in BDO Ireland's corporate services business. During this period, Sarah was responsible for providing advisory services to a broad range of domestic and international clients in relation to corporate governance and company law issues associated with acquisitions, disposals and company re-organisations.

Sarah is a Fellow of the Institute of Chartered Secretaries and Administrators and is currently completing the Chartered Alternative Investment Analyst certification.

*David McGowan (nationality: Irish – Irish resident)*

David joined Carne as the Global Chief Operating Officer in October 2019. David has over 15 years' experience in building and managing complex operations teams across a variety of industries. David has responsibility for a multitude of operational functions across a number of business lines across the

Carne Group. As part of David's remit within Carne Group, he is responsible for ensuring that the most appropriate operating model is in place for the Manager's regulatory environment as the Manager grows in terms of assets under management, number of funds under management and number of delegate arrangements.

In David's role prior to joining Carne, he served as a Director of Global Business Services with LinkedIn leading a number of global business lines, including heading up functions of over 400 full time employees with global accountability for relationship management and management operating systems implementation. Prior to his role with LinkedIn, David was a Director of Global Business Services with Accenture Plc providing domain and analytical support for outsourced relationships in EMEA and project implementation across a number of areas including Customer Success and Sales.

David holds a BSc in Supply Chain Management and Logistics from the Aston University Manchester.

*Elizabeth Beazley (nationality: Irish – Irish resident)*

Elizabeth Beazley is a Director with the Carne Group specialising in corporate governance, product development, financial reporting and fund oversight for both mutual and hedge funds. Elizabeth has a 20-year track record in financial services. As Group Chief of Staff for Carne Group, Elizabeth works on various strategic projects within the Executive Committee and oversees the Global Onboarding team at Carne which is responsible for overseeing a team project managing the establishment of UCITS and AIFs and several third-party management companies covering service provider selection, governance, documentation drafting and operational set-up.

Elizabeth currently acts as Director on a number of funds/management companies. Prior to joining Carne, Elizabeth spent four years with AIB/BNY Fund Management in Ireland, and before that worked for HSBC. Elizabeth has been a member of various industry working groups including the Technical committee and the ETF committee and currently sits on the Irish Funds' Management Company working group. She graduated with a Bachelor of Commerce from University College Cork and has a Masters' degree in Business Studies from the Smurfit Graduate School of Business. Elizabeth is a member of the Association of Chartered Certified Accountants.

The Secretary of the Manager is Carne Global Financial Services Limited.

*Management Agreement*

Pursuant to the Management Agreement the Manager is responsible for the general management and administration of the Company's affairs, subject to the overall supervision and control of the Directors. Pursuant to the provisions of the Management Agreement the Manager may delegate one or more of its functions subject to the overall supervision and control of the Company.

The Manager shall exercise the due care of a professional UCITS manager in the performance of its duties under the Management Agreement, including with regard to the selection, appointment and monitoring of any delegates and shall use its best endeavours, skill and judgment and all due care in performing its duties and obligations and exercising its rights and authorities under the Management Agreement provided that for the avoidance of any doubt the Manager shall not be liable for any decline in the value of the Investments of the Company or any Fund or any part thereof to the extent that such decline results from any investment decision made by the Manager in good faith unless such decision was made negligently, fraudulently, in bad faith or with wilful default.

Neither the Manager nor any of its directors, officers, employees or agents shall be liable for any loss or damage arising directly or indirectly out of or in connection with the performance by the Manager of its obligations and duties under the Management Agreement unless such loss or damage has arisen out of or in connection with the negligence, wilful default, fraud or bad faith of or by the Manager in the performance of its duties under the Management Agreement.

The Company shall be liable and shall indemnify and keep indemnified and hold harmless the Manager (and each of its directors, officers, employees, delegates and agents) from and against any and all actions, proceedings, claims, demands, losses, damages, costs and expenses (including reasonable

legal and professional fees and expenses arising) which may be made or brought against or suffered or incurred by the Manager (or any of its directors, officers, employees, delegates or agents) arising out of or in connection with the performance of its obligations and duties under the Management Agreement in the absence of any negligence, wilful default, fraud or bad faith of or by the Manager in the performance of its duties under the Management Agreement or as otherwise may be required by law.

The Manager may perform any of its duties, obligations and responsibilities under the Management Agreement by or through its directors, officers, servants or agents and shall be entitled to delegate or sub-contract all or any of its functions, powers, discretions, duties and obligations as the Manager under the Management Agreement to any person approved by the Directors and the Central Bank on such terms and conditions as agreed between the Company and the Manager, provided that any such delegation or sub-contract shall terminate automatically on the termination of the Management Agreement. The Manager's liability to the Company shall not be affected by the fact that the Manager has delegated all or any part of its functions delegated to it in the Management Agreement, or as specified in the Regulations and in the Central Bank UCITS Regulations to a third party.

The Management Agreement shall continue in full force and effect unless terminated by any party at any time upon ninety (90) days prior written notice to the other party or at any time if any party: (i) commits any material breach of the Agreement or commit persistent breaches of the Agreement which is or are either incapable of remedy or have not been remedied within thirty (30) days of the non-defaulting party serving notice requiring the remedying of the default; (ii) becomes incapable of performing its duties or obligations under the Agreement due to any change in law or regulatory practice; (iii) is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof; (iv) is the subject of a petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets; (v) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (vi) is the subject of an effective resolution for the winding up (except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party) or (vii) is the subject of a court order for its winding up or liquidation. Either party may also terminate the Management Agreement by notice in writing to the other party in the event that a force majeure event, as defined in the Management Agreement, continues for longer than fourteen (14) days.

### **The Investment Manager**

The Manager has appointed City of London Investment Management Company Limited as Investment Manager to the Company pursuant to the Investment Management and Distribution Agreement. Under the terms of the Investment Management and Distribution Agreement, the Investment Manager has responsibility for the management of the investment of the assets of the Company in accordance with the investment objective and policies described in this Prospectus and the relevant Supplement, subject always to the supervision and direction of the Manager and Directors.

The Investment Manager is a private company limited by shares and was incorporated in England and Wales on 7 September 1993 and is a wholly owned subsidiary of City of London Investment Group plc, which is listed on the London Stock Exchange. The Investment Manager has an issued and fully paid up share capital of Stg£500,000.00. The Investment Manager's main business is the provision of fund management services to collective investment schemes such as the Company. The Investment Manager is authorised and regulated in the UK by the Financial Conduct Authority (the "FCA") in the conduct of investment business and is subject to the rules of the FCA. The Investment Manager is also registered as an investment adviser in the United States with the SEC. As of 30 June 2021, funds under management and advice of the Investment Manager totalled approximately US\$7.5 billion.

The Investment Management and Distribution Agreement provides that the appointment of the Investment Manager will continue in force unless and until terminated by either party giving to the other not less than 90 days written notice although in certain circumstances (e.g. the insolvency of either party, unremedied breach after notice, etc.) the Investment Management and Distribution Agreement may be terminated forthwith by notice in writing by either party to the other. The Investment Management and Distribution Agreement may be terminated automatically upon the revocation of Central Bank authorisation of the Company, Central Bank approval of all sub-funds of the Company or upon the termination of the Management Agreement. The Investment Management and Distribution Agreement



contains indemnities in favour of the Investment Manager other than in respect of matters arising by reason of its fraud, bad faith, wilful default, or negligence in the performance of its duties and obligations and also contains provisions regarding the Manager and the Investment Manager's legal responsibilities.

### **The Depositary**

The Company has appointed The Bank of New York Mellon SA/NV, Dublin branch to act as Depositary of the Company's assets pursuant to the Depositary Agreement. The principal activity of the Depositary is to act as trustee and custodian of the assets of collective investment schemes such as the Company. The Depositary is authorised by the Central Bank under the Investment Intermediaries Act, 1995 (as amended).

The Depositary is a limited liability company established in Belgium on 30 September 2008. The principal activity of the Depositary is asset servicing, which is provided to both third party and to internal clients within The Bank of New York Mellon group. The Depositary is regulated and supervised as a significant credit institution by the European Central Bank (ECB) and the National Bank of Belgium (NBB) for prudential matters and under the supervision of the Belgian Financial Services and Markets Authority (FSMA) for conduct of business rules. It is regulated by the Central Bank for conduct of business rules.

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

The Depositary has delegated its safe-keeping duties in respect of financial instruments in custody to The Bank of New York Mellon SA/NV and/or The Bank of New York Mellon. The list of entities appointed by The Bank of New York Mellon SA/NV or The Bank of New York Mellon as sub-delegates (as at the date of this Prospectus) is set out in Appendix II to this Prospectus. The use of any particular sub-delegate(s) to safe-keep assets of the Funds will depend on the markets in which the Funds invest.

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

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

Please refer to the sub-section below entitled “Conflicts of Interest” for details of potential conflicts that may arise involving the Depositary.

The Depositary Agreement provides that the appointment of the Depositary will continue in force unless and until terminated by any party thereto giving to the other parties not less than 90 days written notice although in certain circumstances (e.g. unremedied breach after notice etc.) the Depositary Agreement may be terminated forthwith by notice in writing by either party to the other. The Depositary Agreement contains indemnities in favour of the Depositary and also contains provisions regarding the Depositary's legal responsibilities and the circumstances in which the Depositary will be contractually liable to the Company and/or the Shareholders for loss.

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

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

The Manager has appointed BNY Mellon Fund Services (Ireland) Designated Activity Company to act as 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 of each Fund.

The Administrator is a private limited company incorporated in Ireland on 31st May 1994 and is engaged in the provision of fund administration, accounting, registration, transfer agency and related shareholders services to collective investment schemes and investment funds. The Administrator is authorised by the Central Bank under the Investment Intermediaries Act, 1995.

The Administrator is a wholly-owned indirect subsidiary of The Bank of New York Mellon Corporation. BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. As at 30 June 2021, it had US\$45 trillion in assets under custody and administration and US\$2.3 trillion in assets under management.

The Administration Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by any party giving to the other 90 days written notice although in certain circumstances (e.g. the insolvency of any party, unremedied breach after notice, etc.) the Administration Agreement may be terminated forthwith by notice in writing by any party to the other. The Administration Agreement contains indemnities in favour of the Administrator other than in respect of matters arising by reason of its fraud, bad faith, wilful default or negligence in the performance of its duties and obligations, and also contains provisions regarding the Administrator's legal responsibilities.

### **Secretary**

The Secretary of the Company is Carne Global Financial Services Limited, 2nd Floor, Block E Iveagh Court, Harcourt Road, Dublin 2, Ireland.

### **Facilities Agents**

In order to register the Company and the Funds for sale in certain jurisdictions, paying agents, facilities agents and/or representative agents ("Facilities Agents") may need to be appointed in those jurisdictions through which subscription and redemption monies will be paid and in respect of which accounts will be maintained. The Company, or the Manager on behalf of the Company, may therefore appoint Facilities Agents for this purpose whose fees and expenses, which will be charged at normal commercial rates, will be discharged out of the assets of the Company.

Where Shareholders choose or are obliged under local regulations to pay or receive subscription or redemption monies respectively through a Facilities Agent rather than directly to the Company, such

investors will bear a credit risk against the Facilities Agent with respect to (a) subscription monies prior to the transmission of such monies to the Company and (b) redemption monies payable by the Facilities Agent to the relevant Shareholders.

## Conflicts of Interest

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

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

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

In the case of each transaction entered into with an Interested Party for or on behalf of the Company or any Fund(s), the Depositary (or the Manager in the case of a transaction involving the Depositary), shall document the manner in which the transaction has complied with the principles set out at (i) to (iii) above and where a transaction with an Interested Party is conducted in accordance with (iii) above, the Depositary (or the Manager in the case of a transaction involving the Depositary) shall document its/their rationale for being satisfied that the transaction conformed to the requirement that such transactions be conducted at arm's length and in the best interests of Shareholders as at the date of the transaction

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

The Investment Manager's Fair Value Pricing Committee ("FVPC") has been appointed by the Directors in accordance with the Company's valuation principles as the competent person with responsibility for setting the fair value price of assets for which no price is ascertainable or in respect of which the available

price is unrepresentative. This may result in a potential conflict of interest as the Investment Manager's fee may increase as the Net Asset Value of a Fund increases.

### **Meetings**

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

### **Accounts and Information**

The Company's accounting period will end on 31 January in each year. The Company will prepare an annual report and audited annual accounts which will be published within four months of the end of the financial period to which they relate (i.e. by 31 May in each year). Copies of the unaudited half yearly reports (made up to 31 July in each year) will also be published within two months of the end of the half year period to which they relate (i.e. by 30 September in each year). The annual report and audited annual accounts will be made available to Shareholders on the Investment Manager's website at [https://www.citlon.com/ucits/reg-reports/WMUF\\_Annual\\_english.pdf](https://www.citlon.com/ucits/reg-reports/WMUF_Annual_english.pdf). The unaudited half-yearly reports will be made available to Shareholders on the Investment Manager's website at [https://www.citlon.com/ucits/reg-reports/WMUF\\_Interim\\_english.pdf](https://www.citlon.com/ucits/reg-reports/WMUF_Interim_english.pdf).

Copies of this Prospectus, the Supplements any Addendum and the annual and half-yearly reports of the Company may be obtained free of charge from the Administrator at the address given under the heading "Directory".

### **VALUATION, SUBSCRIPTIONS AND REDEMPTIONS** **Calculation of Net Asset Value**

The Net Asset Value of each Fund is expressed in its base currency. The calculation of the Net Asset Value of each Fund and of each class thereof will be carried out by the Administrator in accordance with the requirements of the Articles, and details are set out under the heading "Statutory and General Information" below. Except when the determination of the Net Asset Value of any Fund has been suspended or postponed in the circumstances set out under the heading "Temporary Suspensions" below, the calculation of the Net Asset Value of each Fund, the Net Asset Value of each class and the Net Asset Value per Share will be prepared as at each Valuation Point and will be available to Shareholders on request. The Net Asset Value per Share shall also be made public at the offices of the Administrator during normal business hours and will be published daily on the Investment Manager's website at <https://www.citlon.com/ucits/ucits-fund-prices.php> (which must be kept up-to-date). The Net Asset Value of any class of Shares within a Fund will be determined by deducting the share of liabilities attributable to that class from the share of the assets of the Fund attributable to that class. The Net Asset Value of each Share of each class will be determined by dividing the Net Asset Value of the class by the number of Shares of that class in issue and deemed to be in issue.

The costs and liabilities/benefits arising from instruments entered into for the purposes of hedging the currency exposure for the benefit of any particular class of a Fund (where the currency of a particular class is different to the base currency of the Fund) shall be attributable exclusively to that class. The Net Asset Value of each Share of each class will be determined by dividing the Net Asset Value of the class by the number of Shares of that class. Where there are different classes of Shares in a Fund, the relevant Supplement shall state whether or not this policy is being adopted in respect of any class of such Fund.

## **Subscriptions**

### **General**

The Directors may issue Shares of any class of any Fund and on such terms as they may from time to time determine. The terms and conditions applicable to the issue of Shares of any class together with subscription and settlement details and procedures will be set out in the relevant Supplement. All Shares will be registered in inscribed form and evidenced by entry on the Company's register of shareholders. Certificates will not be issued in respect of any Shares.

The Company has the right to seek such evidence of identity from investors as the Directors deem appropriate to comply with the Company's obligations under relevant anti-money laundering legislation and, in the absence of satisfactory evidence, or for any other reason, may reject any application in whole or in part. The Directors have appointed the Administrator to undertake the necessary due diligence checks on investors of the Company, which is overseen by the Company's Money Laundering Reporting Officer.

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

If an application is rejected, any monies received will be returned to the applicant (but without interest, costs or compensation) as soon as possible by bank transfer.

No Shares of any Fund will be issued or allotted during a period when the determination of the Net Asset Value of that Fund is suspended.

Shares will be issued at the Price (details in respect of which are set out in the relevant Supplement), plus the preliminary charge, if any.

## **Redemption**

### **General**

Shareholders may redeem their Shares on any Dealing Day in accordance with the procedures set out in the relevant Supplement.

Shares will be redeemed at the Price (details in respect of which are set out in the relevant Supplement), less the redemption fee, if any.

## **Switching**

Shareholders may switch between Funds (when more than one Fund is operational). The facility to so switch will be set out in the relevant Supplement. Switching will be effected by way of conversion of the holding of Shares in one Fund to the Shares of another Fund. Subject as set out below, shareholders will be able to apply to convert on any Dealing Day such minimum amount in value of their holding of Shares in any Fund (the "Original Fund") as may be specified by the Directors to Shares of another Fund which are being offered at that time (the "New Fund").

If a switch from the Original Fund to the New Fund would result in the Shareholder holding a number of Shares of either the Original Fund or the New Fund of a value which is less than the Minimum Holding, the Administrator may, if it thinks fit, convert the whole of the applicant's holding of Shares of the Original Fund to Shares in the New Fund or refuse to effect any switch from the Original Fund. No switch will be made during any period when the right of Shareholders to require the redemption of their Shares is suspended.

The number of Shares in any New Fund to be issued will be calculated in accordance with the following formula:

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

where:

- A = the number of Shares of the New Fund to be allotted;
- B = the number of Shares of the Original Fund to be converted;
- C = the Price per Share of the Original Fund in respect of the Valuation Point on the relevant Dealing Day;
- D = the currency conversion factor determined by the Administrator as representing the effective rate of exchange of settlement on the relevant Dealing Day applicable to the transfer of assets between the relevant Funds (where the base currencies of the relevant Funds are different) or where the base currencies of the relevant Funds are the same, D = 1; and
- E = the Net Asset Value per Share of the New Fund in respect of the Valuation Point on the relevant Dealing Day plus any applicable switching fee.
- F = the switching factor (if any) to be applied to conversion between Funds with different settlement dates. This factor will be determined by the Administrator, and shall be as derived from the borrowing rate of interest (which may be retail or business depending on the volume of switching) where the settlement date for Shares in the New Fund is earlier than the settlement date for Shares in the Original Fund. In such circumstances, this factor shall operate to compensate the New Fund for late settlement. In all other cases, including where the settlement dates of the relevant Funds are the same, F = 1

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

### **Institutional Classes**

In relation to any class of a Fund which is designated as an Institutional Class, switching shall be effected by notice in writing from the Shareholder(s) to the Administrator. Switching requests must be signed and may be sent to the Administrator by facsimile at the risk of the Shareholder, provided that the original signed switching request is sent to arrive with the Administrator within three Business Days of the relevant Dealing Day or an original signed fax indemnity has been received by the Administrator. A switching request will not be processed unless all supporting documents (if any) as may be required by the Directors have been received.

### **Retail A Classes**

All classes of Shares designated as Retail A Classes have been closed to further subscription. Accordingly, no switching of Shares into a Retail A Class may be effected.

### **Retail B Classes**

All classes of Shares designated as Retail B Classes have been closed to further subscription. Accordingly, no switching of Shares into a Retail B Class may be effected.

## **Subscriptions/Redemptions in Specie**

### **Subscription in Specie**

The Directors may (at their absolute discretion) issue Shares of any class within a Fund by way of exchange for Investments provided that:

- (a) in the case of a person who is not an existing Shareholder, no Shares shall be issued until the person concerned shall have completed and delivered to the Administrator an Application Form as required in accordance with this Prospectus (or otherwise) and satisfied all the requirements of the Directors and Administrator as to such person's application;
- (b) the nature of the Investments transferred into the Fund are such as would qualify as Investments of such Fund in accordance with the investment objectives, policies and restrictions of such Fund;
- (c) no Shares shall be issued until the Investments shall have been vested in the Depositary or any sub-custodian to the Depositary's satisfaction and the Depositary shall be satisfied that the terms of such settlement will not be such as are likely to result in any prejudice to the existing Shareholders of the Fund; and
- (d) the Directors are satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to existing Shareholders and provided that any such exchange shall be effected upon the terms (including provision for paying any expenses of exchange and any preliminary charge as would have been payable for Shares issued for cash) that the number of Shares issued shall not exceed the number which would have been issued for cash against payment of a sum equal to the value of the Investments concerned calculated in accordance with the procedures for the valuation of the assets of the Company. Such sum may be increased by such amount as the Directors may consider represents an appropriate provision for Duties and Charges which would have been incurred by the Fund in the acquisition of the Investments by purchase for cash or decreased by such amount as the Directors may consider represents any Duties and Charges to be paid to the Fund as a result of the direct acquisition by the Fund of the Investments.

### **Redemption in Specie**

The Directors may (at their absolute discretion) redeem Shares of any class within a Fund by way of exchange for Investments provided that:

- (a) a form of redemption is completed and delivered to the Administrator in such format as may be required by the Directors and the Administrator from time to time and the redemption request otherwise satisfies all the requirements of the Directors and the Administrator as to such request; and
- (b) the Shareholder seeking redemption of Shares agrees to the request for redemption being satisfied in specie or, if a redeeming Shareholder requests redemption of a number of Participating Shares that represents 5% or more of the Net Asset Value of a Fund, the Directors in their sole discretion may redeem the Shares by way of exchange for Investments and in such circumstances the Company will, if requested by the redeeming Shareholder, sell the Investments on behalf of the Shareholder (the cost of the sale can be charged to the Shareholder); and
- (c) the Directors are satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to the remaining Shareholders, and elects that instead of the Shares being redeemed in cash, the redemption shall be satisfied in specie by the transfer to the Shareholder of Investments provided that the value thereof shall not exceed



the amount which otherwise would have been payable on a cash redemption and provided that the transfer of Investments is approved by the Depositary. Such value may be reduced by such amount as the Directors may consider represents any Duties and Charges to be paid to the Fund as a result of the direct transfer by the Fund of the Investments or increased by such amount as the Directors may consider represents any appropriate provision for Duties and Charges which would have been incurred by the Fund in the disposition of the Investments to be transferred. The shortfall (if any) between the value of the Investments transferred on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption shall be satisfied in cash. Any decline in the value of the Investments to be transferred in settlement of a redemption between the relevant Dealing Day and the day on which Investments are delivered to the redeeming Shareholders shall be borne by the redeeming Shareholders.

If the discretion to satisfy a redemption request in specie is exercised, the Directors shall notify the Depositary and shall supply to the Depositary particulars of the Investments to be transferred and any amount of cash to be paid to the Shareholder. All stamp duties, transfer and registration fees in respect of such transfers shall be payable by the Shareholder. Any allocation of Investments pursuant to an in specie redemption is subject to the approval of the Depositary.

### **Total Redemption**

All of the Shares of any class of any Fund may be redeemed:

- (a) at the discretion of the Directors, by giving not less than 30 days' notice in writing to the relevant Shareholders; or
- (b) if the Shareholders of the Company or of the relevant Fund or Share class so approve by way of special resolution.

### **Compulsory Redemption**

The Directors shall have the right to redeem compulsorily any Shares of any class of any Fund at the Price or to require the transfer of any Shares to any Qualified Holder if in their opinion (i) such Shares are held (whether legally or beneficially) by a person other than a Qualified Holder; (ii) the holding of such Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the relevant Fund or its Shareholders as a whole; or (iii) a Shareholder holds less than the applicable Minimum Holding. Failure to provide the original Application Form and other required documentation to the Administrator by the relevant time as set out in the relevant Supplement may at the discretion of the Administrator or the Investment Manager, result in the compulsory redemption of the relevant Shares.

### **Anti-Money Laundering**

Measures aimed towards the prevention of money laundering will require a detailed verification of the identity of existing Shareholders, applicants for and potential transferees of Shares. Detailed verification requirements may differ depending on the circumstances of each applicant.

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

The Company reserves the right to request such information as is necessary to verify the identity of an applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Company may take such action as it sees fit, including refusing to accept the application and all subscription monies or, if Shares have been issued, compulsorily redeeming such Shares. It may also withhold redemption proceeds and approval of transfer of Shares, as the circumstances warrant.

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

### **Transfer of Shares**

Shares are (save as hereinafter specified) freely transferable and may be transferred in writing in a form approved by the Directors. Prior to the registration of any transfer, transferees must complete an Application Form. The Directors may decline to register any transfer of a Share where it appears that such transfer would be likely to result in the legal or beneficial ownership of such Share by a person who is not a Qualified Holder or expose the Company to adverse tax or regulatory consequences.

In the case of a transfer or redemption of Shares of the estate of a deceased Shareholder, the Administrator may require an Irish grant of probate in order to pay the redemption proceeds or transfer the Shares.

### **Temporary Suspensions**

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

- (a) during the whole or any part of any period when any of the principal markets or stock exchanges on which any significant portion of the Investments of the relevant Fund from time to time are quoted, listed, traded or dealt in is closed (otherwise than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended or trading on any relevant futures exchange or market is restricted or suspended;
- (b) during the whole or any part of any period when, as a result of political, economic, military or monetary events or any other circumstances outside the control, responsibility and power of the Directors, any disposal or valuation of Investments of the relevant Fund is not, in the opinion of the Directors, reasonably practicable without this being prejudicial to or detrimental to the interests of owners of Shares in general or the owners of Shares of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value cannot fairly be calculated;
- (c) during the whole or any part of any period during which any breakdown occurs in the means of communication normally employed in determining the value of any of the Investments of the Company or when for any other reason the value of any of the Investments or other assets of the relevant Fund cannot reasonably or fairly be ascertained;
- (d) during the whole or any part of any period when the Company is unable to repatriate funds required for the purpose of making redemption payments or when such payments cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange or during which there are difficulties or it is envisaged that there will be difficulties, in the transfer of monies or assets required for subscriptions, redemptions or trading;
- (e) upon the publication of a notice convening a general meeting of Shareholders for the purpose of resolving to wind up the Company; or
- (f) during any period when the Directors believe it is in the best interests of the Shareholders to suspend dealings in the relevant Share class.

The Company, where possible, will take all necessary steps to bring any period of suspension to an end as soon as possible.

If total requests for redemption or switching on any Dealing Day for any Fund exceed 10% of the Net Asset Value of that Fund, each redemption or switching request in respect of Shares in such Fund may, at the sole discretion of the Directors, be carried forward to the next Dealing Day and/or reduced "pro rata" so that all such requests represent no more than 10% of the Net Asset Value of such Fund or such higher percentage of that Fund's Net Asset Value as may be determined by the Directors at their sole discretion. Any redemption or switching request so reduced shall be carried forward and dealt with in accordance with the terms of the Articles on the next Dealing Day and on each subsequent Dealing Day as the Directors may determine to be necessary until the request has been satisfied in full. If redemption or switching requests are so carried forward, the Directors shall procure that the Shareholders whose dealings are affected thereby are promptly informed.

In the event of any suspension as set out above, the Company will, where practicable, publish such fact in such publication(s) as the Directors may determine and shall, without delay, notify the Central Bank of the suspension in addition to notifying any other competent authority in a Member State or other country in which Shares are marketed. The Company shall also notify the Central Bank immediately upon the lifting of any temporary suspension and, in circumstances where a temporary suspension has not been lifted within 21 working days of its application, upon the expiration of that 21 working day period and upon the expiration of each subsequent 21 working day period that the suspension continues to apply, shall provide the Central Bank with an update as to the status of the suspension.

## **FEES AND EXPENSES**

### **Establishment Expenses**

All fees and expenses relating to the establishment of the Company have been borne by the Company. All fees and expenses relating to the establishment of any Fund will be borne by the relevant Fund and amortised over such period as the Directors may determine. These establishment expenses will be charged as between the various Funds established by the Company within the amortisation period on such terms and in such manner as the Directors (with the consent of the Depositary) deem fair and equitable and provided that each Fund will bear its own direct establishment. The fees and expenses within each Fund and class thereof will be set out in the relevant Supplement.

Value Added Tax (if any) on fees payable by the Company will be borne by the Company.

The fees and expenses of the Manager, Investment Manager, the Administrator and Depositary are set out in the relevant Supplement.

### **Directors' Fees**

The Directors not affiliated with the Investment Manager shall be entitled to an annual fee and remuneration for their services at a rate to be determined from time to time by the Directors. Such Directors are currently Kevin Molony and Patricia Taylor. The fees of any Director not affiliated with the Investment Manager in any accounting period shall not exceed \$50,000 without the approval of the Board. All Directors will be entitled to reimbursement by the Company of expenses directly incurred in attending board meetings or in connection with the business of the Company.

Any increase in a Director's fees above \$50,000 will be notified to Shareholders in advance.

### **Operational Expenses**

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

- a) any fees in respect of circulating details of the Net Asset Value (including publishing prices);
- b) stamp duties;
- c) taxes;
- d) company secretarial fees;
- e) rating fees (if any);
- f) brokerage and other expenses of acquiring and disposing of Investments;
- g) fees and expenses of the auditors, tax, legal and other professional advisers of the Company;
- h) fees and expenses in connection with the distribution of Shares, the costs of registration of the Company and/or in respect of agents appointed by the Company in jurisdictions outside Ireland;
- i) costs of preparing, printing and distributing the Prospectus, any Supplements or addenda thereto, any KIID issued in accordance with the Regulations, reports, accounts and any explanatory memoranda;
- j) any necessary translation fees;
- k) any costs incurred as a result of periodic updates of the Prospectus, any Supplement, Addendum and/or any KIID, or of a change in law or the introduction of any new law

(including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law);

- l) the Central Bank's industry funding levy.
- m) any other fees and expenses relating to the management and administration of the Company or attributable to the Company's investments; and
- n) fees and expenses connected with the winding-up of the Company and/or the closure of any Fund;
- o) in respect of each financial year of the Company in which expenses are being determined, such proportion (if any) of any establishment expenses and/or reconstruction expenses as are being amortised in that year.

The above expenses shall be charged on an annual basis as between each Fund and class thereof on such terms and in such manner as the Directors (with the consent of the Depositary) deem fair and equitable.

All fees and expenses, Duties and Charges will be charged to the Fund (and class thereof, if appropriate) in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Fund (or class thereof), the expense will normally be allocated to classes of all Funds pro rata to the Net Asset Value of the relevant Funds. Expenses of the Company which are directly attributable to a specific class of Shares are charged against the income available for distribution to the holders of such Shares. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

### **Preliminary Charge**

The Directors may in their absolute discretion, charge a preliminary charge of up to 4.5% of the Net Asset Value per Share of any class. The actual preliminary charge, if any, applicable to each class of Shares of a Fund shall be set out in the relevant Supplement. This charge shall be paid to the Investment Manager. The Investment Manager may pay all or any part of the preliminary charge to Financial Intermediaries assisting with the sale of Shares in any Fund.

### **Redemption and Switching Fees**

The Articles authorise the Directors to charge fees on redemption and switching between Funds. Where set out in the relevant Supplement, the Directors may charge a fee on the redemption of Shares in any class of up to 1.5% of the Net Asset Value per Share. The fee shall be payable to the Investment Manager (or as it may direct) but will only be charged if a Shareholder redeems his Shares within the first year of issue of the particular Shares or within the first year of acquiring Shares (by subscription or transfer).

The Directors may charge a fee on the switching of Shares of any class of up to a maximum of 1% of the Net Asset Value per Share, which may be waived in whole or in part. The actual switching fee, if any, applicable to each Fund shall be set out in the relevant Supplement. The fee shall accrue to the benefit of the Fund from which the switch is being made. Investors shall be entitled at least to one free switch every twelve months (running from the date of issue of the relevant Shares).

### **Research and Inducements**

The Investment Manager may receive non-monetary benefits (including without limitation investment research, information, training and hospitality) from third parties (including without limitation brokers and dealers) with whom it enters into transactions or other business for the Company and/or its other clients, where it deems that its receipt of such benefits is in accordance with its obligations under applicable law and the FCA Handbook and does not impinge on its ability to act in the best interests of the Company and/or its other clients. The Investment Manager has arrangements in place with its brokers and dealers

which ensure that the execution of transactions for and on behalf of the Company does not generate research credits or similar financial incentives for the Investment Manager.

### **ALLOCATION OF ASSETS AND LIABILITIES**

The Company is an umbrella fund with segregated liability between its Funds pursuant to the Act. The Act provides that there shall be implied in every contract, agreement, arrangement or transaction entered into by the Company with another party (the "Counterparty") the following terms:

- the Counterparty shall not seek whether in any proceedings or by any other means whatsoever or wheresoever to have recourse to any assets of any Fund of the Company in the discharge in all or any part of the liability which was not incurred on behalf of that Fund;
- if the Counterparty shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Fund in the discharge in all or any part of a liability which was not incurred on behalf of that Fund, the Counterparty shall be liable to the Company to a sum equal to the value of the benefit thereby obtained by the Counterparty; and
- if the Counterparty shall succeed in seizing or attaching by any means, or otherwise levying execution against, any assets of a Fund in respect of a liability which was not incurred on behalf of that Fund, the Counterparty 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 separately and identifiable as such property.

The Articles contain the following provisions regarding the operation of each fund:

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

## TAXATION

The following summary of certain relevant taxation provisions is based on current law and practice and does not constitute legal or tax advice. It does not purport to deal with all the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. Shareholders and potential investors are advised to consult their professional advisers 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 taxation of income and capital gains of the Company and of Shareholders is subject to the fiscal laws and practices of Ireland and other countries in which Shareholders are resident or otherwise subject to tax.

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

Potential investors and Shareholders should note that the statements on taxation which are set out below are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.

### TAXATION IN IRELAND

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

#### Definitions

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

#### "Courts Service"

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

#### "Equivalent Measures"

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

#### "Exempted Irish Investor"

- an Intermediary within the meaning of Section 739B of the Taxes Act;
- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act.
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a qualifying management company within the meaning of Section 739B of the Taxes Act;

- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a specified company within the meaning of Section 734(1) of the Taxes Act;
- a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Asset Management Agency being a person referred to in Section 739D(6)(ka) of the Taxes Act;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- the Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers' Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018);
- a company that is or will be within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act, in respect of payments made to it by the Company;
- an Irish Resident company investing in a money market fund being a person referred to in Section 739D(6)(k) of the Taxes Act; or
- any other Irish Resident or Irish Ordinary Resident who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company,

provided that they have completed the Relevant Declaration.

**“Intermediary”**, means a person who:-

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

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

**“Irish Ordinary Resident”**

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

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident.

**“Irish Resident”**

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

*Residence – Individual*

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



- spends 183 days or more in Ireland in that twelve month tax year; or
- has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that twelve month tax year together with the number of days spent in Ireland in the preceding twelve month tax year.

Presence in a twelve month tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any time during that day.

#### *Residence – Company*

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

A company incorporated in Ireland is automatically considered resident in Ireland for tax purposes, unless it is considered resident in a jurisdiction with which Ireland has a double tax agreement. A company incorporated in a foreign jurisdiction that is centrally managed and controlled in Ireland will continue to be treated as resident in Ireland for tax purposes, unless otherwise resident by virtue of a double tax agreement.

#### *Residence – Trust*

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

#### **“PPIU”**

means, Personal Portfolio Investment Undertaking, a personal portfolio investment undertaking in respect of a Shareholder where some or all of the property of the undertaking, may be or was, selected by, or the selection of some or all of the property may be, or was, influenced by

- (i) the Shareholder;
- (ii) a person acting on behalf of the Shareholder;
- (iii) a person connected with the Shareholder;
- (iv) a person connected with a person acting on behalf of the Shareholder;
- (v) the Shareholder and a person connected with the Shareholder; or
- (vi) a person acting on behalf of both the Shareholder and a person connected with the Shareholder.

An investment undertaking is not a PPIU if the only property which may be or has been selected was available to the public at the time that the property is available for selection by an investor and is clearly identified in the investment undertaking's marketing or other promotional material. The investment undertaking must also deal with all investors on a non-discriminatory basis. In the case of investments deriving 50% or more of their value from land, any investment made by an individual is limited to 1% of the total capital required.

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

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

**“Taxes Act”**, The Taxes Consolidation Act, 1997 (of Ireland) as amended.

## **The Company**

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

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

However, tax can arise on the happening of a “chargeable event” in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or transfer of Shares or appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of the tax payable on a gain arising on a transfer of an entitlement to a Share. It also includes the ending of a Relevant Period.

No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Irish Ordinary Resident at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is not or, is no longer materially correct.

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

A chargeable event does not include:

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

The holding of Shares at the end of the Relevant Period will also constitute a chargeable event. To the extent that any tax arises on such chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares. Should an excess payment of appropriate tax arise on the redemption of Shares as a result of tax paid on an earlier deemed chargeable event, the Company, on election, is not obliged to process the refund arising on behalf of a relevant Shareholder provided the value of the Shares does not exceed 15% of the total value of the Shares in the Company. Instead the Shareholder should seek such a repayment directly from the Revenue Commissioners.

Where the value of the Shares held by non-exempt Irish Shareholders is less than 10% of the value of the total Shares of the Company, the Company will not be obliged to deduct tax on the happening of a chargeable event on the ending of a Relevant Period, provided the Company elects to report certain information to the Revenue Commissioners and the Shareholder. In such circumstances, the

Shareholder will have to account for the appropriate tax arising on the happening of the chargeable event on a self-assessment basis.

Where the chargeable event is the ending of a Relevant Period, the Company has the option of electing to value the Shares at certain dates other than at the date of the deemed eight year disposal itself.

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

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

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

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at a rate of 25%. However, the Company can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

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

Anti-avoidance provisions apply where an investment undertaking is regarded as a PPIU in respect of Irish tax resident individual Shareholders. In such circumstances any payment to a Shareholder will be taxed at a rate of 60%. It is a matter of fact whether or not the Shareholder or a connected person has a right of selection as envisaged in the anti-avoidance measures. Individual Shareholders should seek independent legal advice to ascertain whether the investment undertaking, as a result of their personal circumstances, could be regarded as a PPIU.

## **Shareholders**

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

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

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

A gain shall not be treated as arising to the Company on the happening of a chargeable event in respect of Shareholders who are neither Irish Residents nor Irish Ordinary Residents and who have made Relevant Declarations in respect of which the Company is not in possession of any

information which would reasonably suggest that the information contained therein is not, or is no longer materially correct. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from the Shares or gains made on disposal of the Shares.

Where taxes are withheld by the Company on the basis that no Relevant Declaration has been filed with the Company by the Shareholder, Irish legislation does not provide for a refund of tax except in the following circumstances;

- i. The appropriate tax has been correctly returned by the Company and within one year of making of the return the Company can prove to the satisfaction of the Revenue Commissioners that it is just and reasonable for such tax which has been paid to be repaid to the Company.
- ii. Where a claim is made for a refund of Irish tax under Section 189, 189A, 192 and 205A of the Taxes Act (relieving provisions relating to incapacitated persons, trusts in relation thereto and persons incapacitated as a result of drugs containing thalidomide and Magdalen Laundry payments) the income received will be treated as net income chargeable to tax under Case III of Schedule D from which tax has been deducted.

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

Unless a Shareholder is an Exempted Irish Investor and provides a Relevant Declaration to that effect or unless the Shares are purchased by the Courts Service or the Shareholder is a corporate which has provided a declaration of its corporate status, tax at the rate of 41% will have to be deducted by the Company on distributions and gains arising to the Shareholder on an encashment, redemption, cancellation or transfer of Shares by a Shareholder. Tax at a rate of 41% will also be required to be deducted by the Company on the ending of a Relevant Period at which time there is a deemed disposal of Shares by the Shareholder. Tax at a rate of 25% will have to be deducted by the Company where the Shareholder is a company regardless of the nature of the distribution and the Shareholder has provided a formal declaration of its corporate status.

In general, non-corporate Shareholders who are Irish Resident or Irish Ordinary Resident will not be subject to further Irish tax on income from their Shares or gains made on disposal of the Shares where tax has been deducted by the Company on payments received. Where a currency gain is made by a Shareholder on the disposal of his or her Shares, such a Shareholder may be liable to capital gains tax in the year assessment in which the Shares are disposed of. Irish Resident corporate Shareholders who receive distributions from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the Taxes Act from which tax at the 25% rate has been deducted. An Irish Resident corporate Shareholder whose Shares are held in connection with a trade will be taxable on any income or gains as part of that trade with a set-off against corporation tax payable for any tax deducted by the Company. Any Shareholder who is Irish Resident or Irish Ordinary Resident and receives a distribution or a gain on any encashment, redemption, cancellation or transfer of Shares from which tax has not been deducted may be liable to income tax or corporation tax on the amount of such distribution or gain.

## **(iii) Irish Courts Service**

Where Shares are held by the Courts Service no tax is deducted by the Company on payments made to the Courts Service. Where money under the control or subject to the order of the Court Service is applied to acquire Shares in the Company, the Courts Service assumes, in respect of those Shares acquired, the responsibilities of the Company with regard to, inter alia, deduction of tax in respect of chargeable events, filing returns and collection of the tax.

In addition, the Courts Service must make, in respect of each year of assessment, on or before 28 February in the year following the year of assessment, a return to the Revenue Commissioners which:

- (a) specifies the total amount of gains arising to the investment undertaking in respect of the Shares acquired; and
- (b) specifies in respect of each person who is or was beneficially entitled to those Shares:
  - where available, the name and address of the person,
  - the amount of total gains to which the person has beneficial entitlement, and
  - such other information as the Revenue Commissioners may require.

### **Stamp Duty**

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

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

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

### **Capital Acquisitions Tax**

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

### **Automatic Exchange of Information**

Irish reporting financial institutions, which may include the Company, have reporting obligations in respect of certain investors under FATCA as implemented pursuant to the IGA and/or CRS (see below).

#### **(i) Foreign Account Tax Compliance Act (“FATCA”)**

The Hiring Incentives to Restore Employment Act was signed into US law on 18 March 2010 and includes foreign account tax compliance provisions generally known as “FATCA”. The thrust of these provisions is that details of certain US investors holding assets outside the US may be reported by foreign financial institutions (“FFIs”) to the US Internal Revenue Services (“IRS”).

FATCA generally imposes a 30% withholding tax on payments of US source interest and dividends made on or after 1 July 2014, to an FFI (which could include the Company) unless the FFI enters directly into an agreement (“FFI Agreement”) with the IRS. An FFI Agreement will impose obligations on the FFI including disclosure of certain information on its US investors/accountholders directly to the IRS and the imposition of withholding tax in the case of non-compliant investors/accountholders.

The US has developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement (“Irish IGA”) on 21 December 2012. Irish FFIs are governed by the provisions of the Irish IGA, together with supporting Financial Accounts Reporting (United States of America) Regulations 2014 (the “FATCA Regulations”) and guidance notes as released by the Irish Revenue Commissioners.

The Irish IGA is intended to reduce the burden for Irish financial institutions of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Broadly, FFIs are

obliged to carry out appropriate due diligence and reporting requirements in respect of their Financial Accounts in order to identify reportable account holders. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each FFI (unless the FFI is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners, who will then provide such information to the IRS.

Accordingly, in order to comply with its FATCA obligations, the Company may require investors to provide the Company with information and documentation prescribed by applicable law and such additional documentation as reasonably requested by the Company. Under the FATCA Regulations, FFIs are required to collect information on certain investors and on certain controlling persons in the case of the investors(s) being a Passive Non-Financial Foreign Entity, as defined for FATCA purposes, (for example, name, address, jurisdiction of residence, tax identification number, date and place of birth (as appropriate), the account number and the account balance or value at the end of each calendar year) to identify accounts which are reportable to the Irish Revenue Commissioners.

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

Investors should consult their own tax advisers regarding the FATCA requirements with respect to their own situation and the possible implications of FATCA on their investment in the Company.

Each investor agrees to provide the Company with information and documentation prescribed by applicable law and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under FATCA.

## **(ii) Common Reporting Standard (“CRS”)**

The Common Reporting Standard (“CRS”) is a single global standard on Automatic Exchange Information (“AEOI”). It was approved by the Organisation for Economic Co-operation and Development (“OECD”) in February 2014. OECD has used FATCA concepts and as such the Standard is broadly similar to the FATCA requirements, albeit with numerous alterations. When compared to FATCA, CRS will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported. CRS came into effect on 1 January 2016.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation (“DAC II”) implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis. A global list of participating jurisdictions is maintained by the Irish Revenue Commissioners, of who Ireland is mandated to, or has agreed to, share information with.

Sections 891F and 891G of the TCA contain measures necessary to implement the CRS internationally and across the European Union, respectively.

Under the CRS, reporting financial institutions, are required to collect information on certain investors and on certain controlling persons in the case of the investors(s) being a Passive Non-Financial Entity, as defined for CRS purposes, (for example, name, address, jurisdiction of residence, tax identification number, date and place of birth (as appropriate), the account number and the account balance or value at the end of each calendar year) to identify accounts which are reportable to the Irish Revenue Commissioners. The Irish Revenue Commissioners shall in turn exchange such information with their counterparts in participating jurisdictions.

Investors should consult their own tax advisers regarding the CRS requirements with respect to their own situation and the possible implications of CRS on their investments in the Company.

Each investor agrees to provide the Company with information and documentation prescribed by applicable law and such additional documentation reasonably requested by the Company as may be necessary for the Company to comply with its obligations under the CRS.

## United Kingdom

**Warning:** The information contained below is provided for (i) individuals holding shares who are resident and domiciled for tax purposes in the UK and (ii) UK resident corporate shareholders and is based on our understanding of UK tax legislation and the known current HM Revenue & Customs ("HMRC") interpretation thereof. This can vary according to individual circumstances and is subject to change. It is intended as a guide only and not a substitute for professional advice. It does not purport to be a complete analysis of all tax considerations relating to the holding of Shares. The information given below does not constitute legal or tax advice, and prospective investors should consult their own professional advisers as to the overall legal and tax implications of subscribing for, purchasing, holding, switching or disposing of Shares under the laws of any jurisdiction in which they may be subject to tax.

This summary in particular does not address the tax consequences for non UK resident persons who hold the shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch or agency or permanent establishment). In addition, the summary only addresses the tax consequences for UK holders who hold the Shares as an investment and not as trading stock. It does not deal with the position of certain classes of investors, such as dealers in securities and insurance companies, trusts and persons who have acquired their Shares by reason of their or another's employment; nor does it deal with the position of individuals who are UK resident but non-domiciled.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The statements are based on current tax legislation, together with HMRC practice, all of which are subject to change at any time - possibly with retrospective effect.

Shareholders who owned Shares prior to the relevant Fund or class of Shares being accepted as a Reporting Fund should obtain independent advice on the transitional arrangements that apply.

### The Company

It is the intention of the Directors to conduct the affairs of the Company so that its central management and control is not exercised within the United Kingdom and it is not resident and is not carrying out any trade through a permanent establishment, branch or agency in the United Kingdom for taxation purposes. On this basis, the Company should not be liable for United Kingdom taxation on its income and gains other than certain income deriving from a United Kingdom source (or income with a comparable connection to the UK) from which income tax may be deducted, or gains arising on certain assets which fall within the UK non-resident capital gains tax regime for UK land (broadly assets which derive at least 75% of their value (directly or indirectly) from interests in UK land).

Further comfort in this regard can be obtained from the provisions of s363A Taxation (International and Other Provisions) Act 2010, which provide that, where a corporate fund is authorised as a UCITS, then the corporate fund should not be viewed as UK resident for UK income tax, corporation tax or capital gains tax purposes even if it would be so viewed under general UK tax principles.

If the Company should invest in UK investments, any UK source income arising may be subject to UK withholding tax depending on the nature of those investments and whether the Company can make a valid Double Taxation Agreement ("DTA") claim to avoid or minimise such withholding tax.

In addition, if the Company should invest in assets which derive at least 75% of their value (directly or indirectly) from interests in UK land; then UK capital gains tax liabilities may arise, subject to the availability of any reliefs, exemptions and whether the Company can make a DTA claim to avoid or minimise such capital gains tax arising.

### Taxation of United Kingdom resident Investors

Each Fund of the Company or, for any Fund with more than one class of Shares, each class of Shares within that Fund, (each Fund, or class of Shares, being a "**Sub-Fund**") will be regarded as an "offshore fund" for the purposes of United Kingdom taxation and, for the purposes of the offshore fund and bond fund rules, should be treated as a separate fund.

The tax treatment applicable to Shares (as discussed below) will depend on whether the relevant Sub-Fund has been accepted by HM Revenue & Customs as a "**Reporting Fund**".

### **Overview of the UK Reporting Fund Regime**

HM Revenue & Customs has accepted each class of Shares currently in issue in The Emerging World Fund (each such class being a "**Reporting Sub-Fund**") as Reporting Funds with effect from 1 February 2010, with the exception of the £ Institutional Class which is registered as a UK reporting Fund with effect from 1 February 2016.

Under the UK Reporting Fund Regime, taxable UK resident Shareholders can secure capital gains tax treatment on disposal of their investment in Shares of the Company, where the Share Class has been certified by HMRC as a "Reporting Fund" through the entire period over which the taxable UK resident Shareholder held their investment. Otherwise, an offshore income gain is likely to arise.

If, for any reason, any of the Reporting Sub-Funds cease to be accepted as a Reporting Fund, Shareholders should immediately seek independent tax advice as to any elections that may be made to minimise the resultant tax consequences.

In the event that any future share class of any sub-fund does not apply to HMRC for UK reporting fund status for its first period of account, it should be noted that UK reporting fund status cannot be obtained retrospectively and would therefore generally only be available from the period in which the Directors made the appropriate applications to HMRC (and future periods). Once the deadline for an application for UK reporting fund status has passed for any period of the Company, HMRC policy is not to accept any late applications.

The comments below in relation to the UK taxation of UK resident investors in the Company are based on the assumption that each Reporting Sub-Fund will maintain reporting fund status with HMRC over the entire period in which it has UK resident investors. It is important to note that reporting fund status must be maintained on an annual basis. If reporting fund status is revoked by HMRC for any Reporting Sub-Fund, that Reporting Sub-Fund will be unable to regain reporting fund status and will thereafter be permanently outside the reporting fund regime.

In respect of any reporting period, to the extent that any reportable income relating to Shares in a Reporting Sub-Fund exceed attributable dividends paid in relation to those Shares, the excess will be reported to investors and is likely to be taxed as if a dividend had been paid equal to such excess (see below for comments on the tax treatment of dividends, and the 'bond fund' rules). Therefore, UK taxpayers who own Shares in a Reporting Sub-Fund may, depending on their circumstances, be subject to tax in respect of income that they have not actually received.

The Directors intend that the statement (the "Reported Income Statement") that must be made available to investors pursuant to the Offshore Fund (Tax) Regulations 2009 will be made available at the web address <https://www.citlon.com/ucits/uk-tax.php> or such other web address as may be notified to Shareholders on an annual basis in accordance with the Offshore Fund (Tax) Regulations 2009. Alternatively, a hard copy of the Reported Income Statement may be obtained from the Investment Manager by sending a written request to the Investment Manager.

The information below includes some comments in relation to the UK taxation implications of UK resident investors in any share class of any non-Reporting Sub-Fund of the Company.

### **Taxation of UK resident individual investors in a Reporting Sub-Fund**

#### *Income and deemed distributions*

Broadly speaking, an investor will be taxed on income accruing in a Reporting Sub-Fund on an annual basis, rather than when it is distributed to the investor. This is the case irrespective of whether any income is physically distributed to a shareholder in a Reporting Sub-Fund in any period in respect of their holding.



UK investors will be viewed as receiving income equivalent to their proportionate share of the “reported income” of the Reporting Sub-Fund; and the tax point for any “reported income” should be the date falling 6 months after the end of the reporting period (i.e. 31 July each year on the basis that the Fund continues to prepare financial statements to 31 January). Credit is given for actual dividends paid in calculating the reported income, although these cannot reduce the “reported income” to a negative amount.

A UK resident individual who receives, or is deemed to receive, a relevant income distribution (including any “excess income”) from a Reporting Sub-Fund may be subject to UK tax on the deemed distribution.

UK resident and domiciled investors do not currently have to pay tax on the first £2,000 of dividend income, regardless of the quantum of non-dividend income received. However tax will be levied on any dividends received over £2,000 at 7.5% on dividend income within the basic rate band, 32.5% on dividend income within the higher rate band and 38.1% on dividend income within the additional rate band.

For any share class that is not a ‘bond fund’ (discussed in greater detail below) the excess of reported income over actual distributions should be viewed as foreign dividends for UK taxation purposes. For any share class that is a ‘bond fund’ the excess of reported income over actual distributions should be viewed as interest income for UK taxation purposes.

In certain specified circumstances, investors in receipt of dividends can be viewed as receiving trading income. The above summary assumes that all investors will be viewed as holding the shares as investment assets and that the dividends are treated as investment, rather than trading, income for tax purposes.

### *Capital Gains*

The relevance of reporting fund status for UK investors is that gains realized by investors on disposals of investments in Reporting Sub-Funds, which retain their reporting fund status for the entire period in which the investor holds the investment, will in most circumstances be treated as a ‘capital disposal’ for UK taxation purposes.

Individual shareholders who are resident and domiciled in the UK for tax purposes may therefore be liable to capital gains tax (as opposed to income tax) in respect of capital disposals of their Shares where those shares are in a Share Class which has received approval as a reporting fund.

Any capital increase in the value of the Shares realised on eventual sale (when compared to deductible costs) is likely to be taxable under the UK capital gains code (current headline rate of 20%), subject to the availability of various exemptions and/ or reliefs. Deductible costs should include the amount initially paid for the Shares, as well as any accumulated and not distributed amounts that have been taxable as income in the hands of the individual.

### ***Taxation of UK resident individual investors in a non-Reporting Sub-Fund***

#### *Income*

A UK resident investor in a non-Reporting Sub-Fund should only have a potential liability to UK tax in respect of actual distributions received. The tax point for such distributions is likely to be the date on which such distributions were paid. These distributions should be viewed as foreign dividend income for UK individual investors.

Dividends and other income distributions paid or deemed to be paid to UK resident and domiciled individual Shareholders in respect of Shares in the Company which are deemed to be ‘bond funds’ (discussed below) may instead be taxed as ‘interest’ (as opposed to ‘dividends’). The current applicable rates of tax on interest received that is not covered by the personal savings allowance, or other relief, would be 20% for basic rate tax payers, 40% for higher rate taxpayers and 45% for additional rate taxpayers.

#### *Capital gains*

Individual shareholders who are resident and domiciled in the UK for tax purposes may be liable to capital gains tax in respect of capital disposals of Shares in non-Reporting Sub-Funds. However, gains realised on disposals of investments in non-Reporting Sub-Funds are likely to be taxable as an income receipt in the hands of the investors as an offshore income gain under the UK offshore fund regime and any amounts taxable as an income receipt should be deducted from the proceeds from a capital gains tax perspective.

### ***Taxation of UK resident corporate investors in a Reporting Sub-fund***

#### *Income*

UK corporate investors in Reporting Sub-Funds may be exempt from UK corporation tax on the excess of reportable income over actual distributions if any actual distribution would fall within one of the dividend exemption categories for corporate recipients. If the deemed dividends represented by the reported income do not fall within one of the dividend exemption categories, they are likely to represent taxable income in the hands of the corporate investor at their marginal rate of UK corporation tax.

#### *Capital gains*

UK corporate investors may be liable to UK corporation tax in respect of capital disposals of Shares in a Reporting Sub-Fund.

Deemed distributions received by the corporate investor throughout their period of ownership of reporting fund Shares may in certain circumstances represent additional base cost on sale of Shares in a Share Class which has been approved as a reporting fund.

### ***Taxation of UK resident corporate investors in a non-Reporting Sub-fund***

Similarly, UK corporate investors may be exempt from UK corporation tax on distributions in respect of Shares in a non-Reporting Sub-Fund if the distribution falls within one of the dividend exemption categories. If the distributions do not fall within one of the dividend exemption categories, then they are likely to represent taxable income in the hands of the corporate investor at their marginal rate of UK corporation tax.

### ***Taxation of UK resident corporate investors – impact of bond fund rules***

UK resident corporate Shareholders within the charge to UK corporation tax should note that under the loan relationships regime, if at any time in an accounting period they hold an interest in a 'bond fund' (discussed below) that interest will be treated for that period as if it were rights under a creditor relationship for the purposes of the regime – which is likely to mean total returns from the share class are subject to corporation tax on a mark-to-market basis, and the offshore income gain regime should not apply.

### ***Overview of taxation of investors in “Bond Funds”***

The general comments set out above are prepared on the basis that no Share Class in the Company which is a Reporting Sub-Fund are categorised as 'bond funds' under the relevant UK legislation.

However, if at any time in an accounting period more than 60 per cent of the assets associated with any Reporting Sub-Fund are "qualifying investments", that Reporting Sub-Fund may fall to be treated as a "**Bond Fund**" for the whole of that accounting period under s378A Income (Trading and Other Income) Act 2005. In simple terms, "qualifying investments" are broadly investments that give an interest return or a return that has the nature of interest. It is not the intention of the Company that the pattern of investment of any of the Sub-Funds should result in any of the Sub-Funds being treated as a Bond Fund and the high level summary below is based on the premise that none of the Sub-Funds will be a Bond Fund. Shareholders wanting further specific information on the taxation of Bond Funds should consult their professional advisers.

Whether a Reporting Sub-Fund is a 'bond fund' for any period would need to be formally confirmed on an annual basis by review of the proportional weighting of the 'qualifying investments' to total assets throughout that period on a sub-fund basis (as a separate pool of assets is maintained for each sub-fund).

However, in general, dividends and other income distributions paid or deemed to be paid to UK resident and domiciled individual Shareholders in respect of Shares in the Company which are deemed to be 'bond funds' may instead be taxed as 'interest' (as opposed to 'dividends') as noted above.

#### ***Further information for Shareholders subject to UK income tax and capital gains tax***

The UK tax legislation contains a wide range of anti-avoidance legislation which could, depending on the specific circumstances of an investor, apply to Shareholdings in the Company, including, but not limited to:

- *Section 3 of the Taxation of Chargeable Gains Act 1992 (attribution of gains arising in non UK close companies)*
- 
- *Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 (transfer of assets abroad).*
- Chapter 1, Part 13 of the Income Tax Act 2007 and Part 15 of the Corporation Tax Act 2010 (*Transactions in Securities*)

Investors who are concerned about the potential application of these provisions, or any other UK anti-avoidance provisions should seek detailed tax advice based on their own circumstances.

#### **UK Stamp Duty and Stamp Duty Reserve Tax ("SDRT")**

**The following comments are intended as a guide to the general UK stamp duty and SDRT position and may not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.**

No UK stamp duty will be payable on the issue of the Shares. Legal instruments transferring the Shares should not be subject to UK stamp duty provided that such instruments are executed outside the UK and do not relate to matters done or to be done in the UK.

Provided that the Shares are not registered in any register of the Company kept in the United Kingdom and the Shares are not paired with any UK shares, any agreement to transfer the Shares should not be subject to UK SDRT.

Shareholders should note that other aspects of United Kingdom taxation legislation may also be relevant to their investment in the Company.

**This information is of a general nature based on the Directors' understanding of the current revenue law and practice in Ireland and the United Kingdom, and is subject to change. It applies only to persons holding Shares as investments and may not apply to certain classes of persons such as securities dealers. It should not be regarded as legal or tax advice.**

#### **Other Jurisdictions**

The receipt of any dividends by Shareholders and the redemption of Shares may result in a tax liability for Shareholders according to the tax regime applicable in their various countries of residence. Investors resident in or citizens of certain countries which have anti-offshore fund legislation may have a current

liability for the undistributed income and gains of the Company. The Directors, the Company, any Fund and each of the Company's agents shall have no liability in respect of the individual tax affairs of investors.

**Investors who are in any doubt as to their tax position or who require more detailed information than the general outline above, should take appropriate advice regarding the tax liabilities arising from the acquisition, holding, redemption, sale, switching or other disposal of Shares under the law of their country of domicile, residence or citizenship.**

## STATUTORY AND GENERAL INFORMATION

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

- (a) The Company was incorporated in Ireland on 6 August 1998 as an investment company with variable capital with limited liability under registration number 291789.
- (b) The registered office of the Company is presently at 6<sup>th</sup> Floor, 2 Grand Canal Square, Dublin 2, Ireland.
- (c) On incorporation the authorised share capital of the Company was US\$ 60,000 divided into 60,000 Subscriber Shares of a par value of US\$1 each and 5,000,000,000 Shares of no par value.
- (d) In order to provide for the minimum share capital on incorporation required under Irish law 7 Subscriber Shares have been issued fully paid up for cash at par to nominees of the Investment Manager. No further Subscriber Shares will be issued.

The Subscriber Shares referred to above may be repurchased by the Company at any time. The repurchase price will be US\$1 per Subscriber Share.

- (e) Neither the Subscriber Shares nor Shares carry pre-emption rights.

### 2. Share Rights

#### (a) Subscriber Shares

The holders of the Subscriber Shares shall:

- (i) on a vote taken on a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per Subscriber Share;
- (ii) not be entitled to any dividends whatsoever in respect of their holding of Subscriber Shares; and
- (iii) in the event of a winding up or dissolution of the Company, have the entitlements referred to under "Distribution of Assets on a Liquidation" below.

#### (b) Shares

The holders of Shares shall:

- (i) on a vote taken on a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per whole Participating Share;
- (ii) be entitled to such dividends as the Directors may from time to time declare; and
- (iii) in the event of a winding up or dissolution of the Company, have the entitlements referred to under "Distribution of Assets on a Liquidation" below.

### 3. Voting Rights

This is dealt with under the rights attaching to the Subscriber Shares and Shares respectively referred to at 2 above. Shareholders who are individuals may attend and vote at general meetings in person or by proxy. Shareholders who are corporations may attend and vote at general meetings by appointing a representative or by proxy.

Subject to any special terms as to voting upon which any Shares may be issued or may for the time being be held, at any general meeting on a show of hands every Shareholder who (being an individual) is present in person or (being a corporation) is present by duly authorised

representative shall have one vote. On a poll every such holder present as aforesaid or by proxy shall have one vote for every Share held.

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

A majority of not less than 75% of the Shareholders present in person or by proxy and (being entitled to vote) voting in general meetings is required in order to pass a special resolution including a resolution to (i) rescind, alter or amend an Article or make a new Article and (ii) wind up the Company.

#### 4. Memorandum of Association

The Memorandum of Association of the Company provides that the sole object for which the Company is established is the collective investment in transferable securities and/or other liquid financial assets referred to in the Regulations of capital raised from the public and which operates on the principle of spreading investment risk in accordance with the Regulations. The object of the Company is set out in full in Clause 3 of the Memorandum of Association which is available for inspection at the registered office of the Company.

#### 5. Articles of Association

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

##### Alteration of share capital

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

##### Issues of shares

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

##### Variation of rights

Whenever the share capital is divided into different classes of Shares, the rights of any class may be varied or abrogated with the consent in writing of the holders of three quarters of the issued and outstanding Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of that class of Shares and the necessary quorum shall be (other than an adjourned meeting) two persons holding Shares issued in that class (and at the adjourned meeting the necessary quorum shall be one person holding Shares of that class or his proxy).

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

##### Transfers of Shares

- (a) All transfers of Shares shall be effected by an instrument in writing in a form approved by the Directors but need not be under seal. No transfer of Subscriber Shares can be effected without the prior written consent of the Company.

- (b) The instrument of transfer of a Share must be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Company's register of Shareholders in respect of such Share.
- (c) The Directors may decline to register a transfer of Shares unless the instrument of transfer is deposited at the registered office of the Company together with such evidence as is required by the Directors to show the right of the transferor to make the transfer and satisfying the Directors as to their requirements to prevent money laundering as they may apply from time to time. The registration of transfers may be suspended for such times and at such periods as the Directors may determine provided always that such registration may not be suspended for more than thirty days in any one year.
- (d) The Directors shall decline to register any transfer of a Share where:
  - (i) they are aware or believe that such transfer would be likely to result in the beneficial ownership of such Shares by a person who is not a Qualified Holder or expose the Company to adverse tax or regulatory consequences; or
  - (ii) to a person who is not already a Shareholder if, as a result of such transfer, the proposed transferee would not be the holder of a Minimum Holding.

#### Directors

- (a) Unless and until otherwise determined from time to time by the Company in general meeting, each Director shall be entitled to such remuneration for his services as the Directors shall from time to time resolve. The Directors may also be paid, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company. Any Director who devotes special attention to the business of the Company may be paid such extra remuneration as the Directors may determine.
- (b) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, and may act in a professional capacity to the Company on such terms as the Directors may determine.
- (c) Subject to the provisions of the Act, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:
  - (i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or any subsidiary or associated company thereof;
  - (ii) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company thereof is otherwise interested; and
  - (iii) shall not be accountable, by reason of his office, to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- (d) A Director shall not generally be permitted to vote at a meeting of the Directors or a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote. Notwithstanding the foregoing, a Director shall be entitled to vote (and be counted in the quorum) in respect of resolutions concerning certain matters in which he has an interest including (inter alia) any proposal concerning any other company in which he is interested, directly or indirectly, provided that he is not the holder of or beneficially interested in 10%

or more of the issued shares of any class of such company or of the voting rights available to members of such company (or of a third company through which his interest is derived).

- (e) There is no provision in the Articles requiring a Director to retire by rotation or by reason of any age limit and no share qualification for Directors.
- (f) The number of Directors shall not be less than two (2).
- (g) The quorum for meetings of Directors may be fixed by the Directors and unless so fixed shall be two (2).
- (h) The office of a Director shall be vacated in any of the following circumstances i.e. if:
  - (i) he ceases to be a Director by virtue of any provisions of the Act or becomes prohibited by law from being a Director;
  - (ii) the Central Bank has issued a prohibition notice in respect of such Director;
  - (iii) he becomes a bankrupt or makes any arrangement or composition with his creditors generally;
  - (iv) in the opinion of a majority of the Directors he becomes incapable by reason of mental disorder of discharging his duties as a Director;
  - (v) he resigns from his office by notice to the Company;
  - (vi) he is convicted of an indictable offence and the Directors determine that as a result of such conviction he should cease to be a Director;
  - (vii) a majority of the Directors are satisfied on reasonable grounds that he no longer complies with such standards of fitness and probity issued by the Central bank in a code from time to time;
  - (viii) he shall for more than six (6) consecutive months have been absent without permission of the Directors from any meetings of the Directors held during that period and the Directors pass a resolution that he has by reason of such absence vacated office.

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

#### Borrowing powers

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

#### Dividends

No dividends are payable on the Subscriber Shares.

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends on a class or classes of Shares, but no dividends shall exceed the amount recommended by the Directors. If the Directors so resolve and in any event on the winding up of the Company or on the total redemption of Shares, any dividend which has remained unclaimed for six (6) years shall be forfeited and become the property of the Company.



#### Distribution of assets on a liquidation

- (a) If the Company shall be wound up, the liquidator shall, subject to the provisions of the Act, apply the assets of the Company on the basis that any liability incurred or attributable to a Fund shall be discharged solely out of the assets of that Fund.
- (b) The assets available for distribution among the members shall then be applied in the following priority:
  - (i) firstly, in the payment to the holders of the Shares of each class of each Fund a sum in the currency in which that class is designated or in any other currency selected by the liquidator as nearly as possible equal (at the prevailing rate of exchange) to the Net Asset Value of the Shares held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made, recourse shall be had to the assets of the Company (if any) not comprised within any of the Funds and not (save as provided in the Act) to the assets comprised within any of the Funds;
  - (ii) secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under sub-paragraph (b)(i) above. In the event that there are insufficient assets aforesaid to enable such payment to be made, no recourse shall be had to the assets comprised within any of the Funds; and
  - (iii) thirdly, in the payment to the holders of each class of Shares of any balance 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 holders of the Shares of any balance then remaining and not comprised within any of the Funds such payment being made in proportion to the value of each Fund and within each Fund to the value of each class and in proportion to the number of Shares held in each class.
- (c) A Fund may be wound up in accordance with the Act and in such event the provisions of paragraph (b)(i) and Article 124 of the Articles of Association will apply mutatis mutandis in respect of that Fund.

#### Indemnities

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

#### The assets of the Company and the calculation of the Net Asset Value

- (a) The Net Asset Value of each Fund shall be determined (except in the case of suspension) as at each Valuation Point and shall be the value of all the assets comprised in a Fund less all the liabilities attributable to the Fund calculated in accordance with the requirements of the Central Bank.

- (b) The assets of the Company shall be deemed to include: (i) all cash in hand, on deposit or on call including any interest accrued thereon and all accounts receivable; (ii) all bills, demand notes, certificates of deposit and promissory notes; (iii) all bonds, forward currency transactions, time notes, shares, stock, units of or participation in collective investment schemes/mutual funds, debentures, debenture stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, fixed rate securities, variable or floating rate securities, securities in respect of which the return and/or redemption amount is calculated by reference to any index, price or rate, financial instruments and other investments and securities owned or contracted for in respect of the Company, other than rights and securities issued by it; (iv) all stock and cash dividends and cash distributions to be received in respect of the Fund and not yet received by the Company but declared to stockholders on record on a date on or before the day as of which the Net Asset Value is being determined; (v) all interest accrued on any interest-bearing securities attributed to the Company except to the extent that the same is included or reflected in, the principal value of such security; (vi) all other Investments of the Company; (vii) the establishment costs attributable to the Company and the cost of issuing and distributing Shares of the Company in so far as the same have not been written off; and (viii) all other assets of the Company of every kind and nature including prepaid expenses as valued and defined from time to time by the Directors.
- (c) The valuation principles to be used in valuing the Company's assets are as follows:
- (i) the Directors shall be entitled to use the amortised cost method of valuation, whereby Investments are valued at their cost of acquisition adjusted for amortisation of premium or accretion of discount on the Investments rather than at the current market value of the Investments. However, the amortised cost method of valuation may only be used in relation to Funds which comply with the Central Bank's requirements for money market funds and where a review of the amortised cost valuation vis à vis the market valuation is carried out in accordance with the Central Bank's guidelines. Money market instruments in a non-money market fund may be valued on an amortised cost basis in accordance with the Central Bank's requirements;
  - (ii) the value of any Investment which is quoted, listed or normally dealt in on a Regulated Market shall (save in the specific cases set out in paragraph (i) above or in the relevant paragraphs below) be based on the closing mid-market price on such Regulated Market as at the Valuation Point (or the last traded price when no closing mid-market price is available), provided that:
    - A. if an Investment is quoted, listed or normally dealt in on more than one Regulated Market, the Directors may in their absolute discretion, select any one of such markets for the foregoing purposes (provided that the Directors have determined that such market constitutes the main market for such Investment or provides the fairest criteria for valuing such Investment) and once selected a market shall be used for future calculations of the Net Asset Value of that Investment unless the Directors otherwise determine;
    - B. in the case of any Investment which is quoted, listed or normally dealt in on a Regulated Market but in respect of which, for any reason, prices on that market may not be available at any relevant time, or, in the opinion of the Directors, may not be representative, the value therefor shall be the probable realisation value thereof estimated with care and in good faith by a competent person, appointed by the Directors (and approved for the purpose by the Depositary); and
    - C. in the case of any Investment which is quoted, listed or normally dealt in or on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant Regulated Market, the Investment may be valued taking into account the level of premium or discount at the date of the valuation. The Depositary must ensure that the adoption of such a procedure

is justifiable in the context of establishing the probable realisation value of the Investment;

- (iii) the value of any Investment which is not quoted, listed or normally dealt in on a Regulated Market shall be the probable realisation value thereof estimated with care and in good faith by a competent person, appointed by the Directors (and approved for the purpose by the Depositary);
- (iv) the value of any Investment which is a share of, unit of or participation in an open-ended collective investment scheme shall be the latest available net asset value for the Investment as published by the collective investment scheme in question or, where such Investment is quoted, listed or dealt in on a Regulated Market, may be a value determined in accordance with the provisions of Article 17(b)(ii);
- (v) the value of any prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors (with the approval of the Depositary) may consider appropriate in such case to reflect the true value thereof;
- (vi) deposits/cash in hand shall be valued at their face/nominal amount plus accrued interest from the date on which the same were acquired or made;
- (vii) treasury bills shall be valued at the middle market dealing price on the market on which same are traded or admitted to trading as at the Valuation Point, provided that where such price is not available, same shall be valued at the probable realisation value therefor estimated with care and in good faith by a competent person appointed by the Directors (and approved for the purpose by the Depositary);
- (viii) bonds, notes, debenture stocks, certificates of deposit, bank acceptances, trade bills and similar assets shall be valued at the latest available middle market dealing price on the market on which these assets are traded or admitted for trading (being the market which is the sole market or in the opinion of the Directors the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired;
- (ix) the value of any futures contracts and options (including index futures) which are dealt in on a Regulated Market shall be the settlement price as determined by the market in question, provided that if such settlement price is not available for any reason or is unrepresentative, same shall be valued at the probable realisation value thereof estimated with care and in good faith by a competent person appointed by the Directors (and approved for the purpose by the Depositary);
- (x) the value of any over-the-counter derivative contracts shall be:
  - A. the quotation from the counterparty provided that such quotation is provided on at least a daily basis and verified at least weekly by a person independent of the counterparty (this can include a party related to the counterparty but which constitutes an independent unit within the counterparty's group and which does not rely on the same pricing models employed by the counterparty) and who is approved for the purpose by the Depositary; or
  - B. an alternative valuation as the Directors may determine in accordance with the requirements of the Central Bank. This may be a valuation that is provided on at least a daily basis by a competent person (which may be the Company and/or the Manager or the Investment Manager or an independent pricing vendor provided that the appointed party has adequate means to perform the valuation) appointed by the Directors and approved for that purpose by the Depositary (or a valuation by any other means provided that the value is

approved by the Depositary). The valuation principles employed must follow best international practice established by bodies such as IOSCO (International Organisation of Securities Commission) and AIMA (the Alternative Investment Management Association) and any such alternative valuation must be reconciled to that of the counterparty on a monthly basis. Where significant differences arise on the monthly reconciliation, these must be promptly investigated and explained;

- (xi) forward foreign exchange and interest rate swaps contracts may be valued in accordance with the previous paragraph or by reference to freely available market quotations (in which case there is no requirement to have such prices independently verified or reconciled to the counterparty valuation);
  - (xii) notwithstanding any of the foregoing sub-paragraphs, the Directors with the approval of the Depositary may adjust the value of any Investment if, having regard to currency, applicable rates of interest, maturity, marketability and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof. The rationale for adjusting the value must be clearly documented;
  - (xiii) if in any case a particular value is not ascertainable as above provided or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant Investment then in such case the method of valuation of the relevant Investment shall be such as the Directors shall decide with the approval of the Depositary;
  - (xiv) notwithstanding the foregoing, where at any time of any valuation any asset of the Company has been realised or contracted to be realised there shall be included in the assets of the Company in place of such asset the net amount receivable by the Company in respect thereof provided that if such amount is not then known exactly then its value shall be the net amount estimated by the Directors as receivable by the Company;
  - (xv) the Directors may, in order to comply with any applicable accounting standards, present the value of any assets of the Company in financial statements to Shareholders in a manner different to that set out in this Article.
- (d) Any certificate as to Net Asset Value of Shares given in good faith (and in the absence of negligence or manifest error) by or on behalf of the Directors shall be binding on all parties.

## 6. Circumstances of a Winding Up

The Company shall be wound up in the following circumstances:

- (a) by the passing of a special resolution for a winding-up;
- (b) where the Company does not commence business within a year of being incorporated or where it suspends its business for a year;
- (c) where the number of members falls below the statutory minimum (currently 2);
- (d) where the Company is unable to pay its debts and a liquidator has been appointed;
- (e) where the appropriate court in Ireland is of the opinion that the Company's affairs and the powers of the Directors have been exercised in a manner oppressive to members; or
- (f) the appropriate court in Ireland is of the opinion that it is just and equitable that the Company should be wound up.

## 7. Commissions

Save as disclosed under the heading "Fees and Expenses" above, no commissions, discounts, brokerages or other special terms have been granted or are payable by the Company in connection with the issue or sale of any capital of the Company.

## 8. Directors' Interests

- (a) Neither the Directors nor any connected person has any interest in the Shares or any options in respect of such Shares, other than as may be disclosed in the Company's financial statements.
- (b) For the purposes of this paragraph "connected person" means in respect of any Director:
  - (i) his spouse, parent, brother, sister or child;
  - (ii) a person acting in his capacity as the trustee of any trust, the principal beneficiaries of which are the Director, his spouse or any of his children or any body corporate which he controls;
  - (iii) a partner of the Director; or
  - (iv) a company controlled by that Director.
- (c) There are no existing or proposed service contracts between any of the Directors and the Company.
- (d) Save for the contracts listed in paragraph 9 below, no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.
- (e)
  - (i) Patricia Taylor is a partner in William Fry which acts as legal adviser to the Company in Ireland;
  - (ii) Mark Dwyer and Josephine Kitcher are employees of the Investment Manager;

## 9. Material Contracts

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

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

Details of the above contracts are given under the heading "Management and Administration" above.

## 10. Miscellaneous

- (a) The Company does not have as at the date of this Prospectus any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank

overdraft, liabilities under acceptances or acceptance credits, obligations under finance leases, hire purchase, commitments, guarantees or other contingent liabilities.

- (b) The Company does not have, nor has it had since its incorporation, any employees.
- (c) Save as disclosed in paragraph 8 above, no Director has any interest direct or indirect in the promotion of the Company or in any assets which have been acquired or disposed of by or leased to the Company or are proposed to be acquired by, disposed of or leased to the Company, nor is there any contract or arrangement subsisting at the date of this document in which a Director is materially interested and which is unusual in its nature and conditions or significant in relation to the business of the Company.
- (d) The Company has not and does not intend to purchase or acquire nor agree to purchase or acquire any property.

## 11. SFDR

The purpose of this Section is to provide investors with certain disclosures required under the SFDR. Further information can be found at <https://www.citlon.com/ucits/sustainable-finance.php>.

### Principal Adverse Impacts

As a financial market participant, the SFDR requires the Manager to make a “comply or explain” decision whether to consider the principal adverse impacts (“PAIs”) of its investment decisions on Sustainability Factors in the manner prescribed under Article 4(1)(a) of the SFDR.

The Manager takes account of Sustainability Risk in the investment decision making process applied to the Fund's Investments, but has determined not to consider the PAIs of investment decisions on Sustainability Factors (as defined in Article 2(24) of SFDR).

The Manager and the Investment Manager do not consider PAIs on the basis that, in the context of the investment strategy of the Fund, it is not possible to conduct detailed diligence on the principal adverse impacts of the Investment Manager's investment decisions on Sustainability Factors.

The Investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

### *Sustainability Risks*

As a financial market participant, the Manager integrates into its investment decisions, consideration of Sustainability Risks. As the Manager has delegated investment management of the Fund to the Investment Manager, the Manager will in practice need to rely upon the investment decision-making processes of the Investment Manager in order to give effect to the foregoing.

The Manager through the Investment Manager integrates consideration of Sustainability Risks into the due diligence it undertakes as part of its investment decision processes.

Due to the nature of the Fund's investment strategy, the Investment Manager does not screen out potential investments based on Sustainability Risks. Further, the Investment Manager does not invest in or divest specific assets based on Sustainability Risks as the Investment Manager's key objective in managing the Fund is to seek to achieve superior investment performance.

Nonetheless, the Investment Manager's due diligence with managers of the closed end funds in which the Fund invests involves discussion of Sustainability Risks where relevant with a view

to encouraging better disclosure by the closed end fund managers about the ESG characteristics of their strategies.

The impacts of Sustainability Risks on the returns of the Fund may be numerous and vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there could be a negative impact on, or entire loss of, its value.

## 12. Inspection of Documents

Copies of the following documents will be available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) free of charge at the registered office of the Company in Dublin:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Prospectus; and
- (c) the latest annual and semi-annual reports of the Company.

The documents listed at (b) and (c) may be obtained, on request free of charge, from the Administrator or via the following link on the Investment Manager's website <https://www.citlon.com/ucits/emerging-world-fund.php>. The documents listed at (a) may be obtained, on request free of charge, from the registered office of the Company in Dublin.

## 13. Facilities in the United Kingdom

Facilities are maintained in the United Kingdom where any person may inspect and obtain copies of the Memorandum and Articles of Association of the Company, the Prospectus and KIIDs and the Company's latest annual and half-yearly reports free of charge and where any investor may obtain information about the price of Shares and may redeem Shares and obtain payment, and where any person who has a complaint to make about the operation of the Company can submit his complaint.

These facilities are maintained at City of London Investment Management Company Limited, 77 Gracechurch Street, London EC3V 0AS, England.

## APPENDIX I

### Stock Exchanges and Regulated Markets

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

1. All stock exchanges of the Member States, Australia, Canada, Hong Kong, Iceland, Japan, New Zealand, Norway, Switzerland, the United Kingdom and the United States;
2. The following stock exchanges:-

in Argentina	the Buenos Aires Stock Exchange
in Bahrain	the Bahrain Stock Exchange
in Bangladesh	the Dhaka Stock Exchange
in Bermuda	the Bermuda Stock Exchange
in Botswana	the Botswana Stock Exchange
in Brazil	Brasil Bolsa Bacao S.A.
in the Cayman Islands	the Cayman Islands Stock Exchange
in Chile	the Santiago Stock Exchange
in China	the Shanghai Stock Exchange the Shenzhen Stock Exchange
in Colombia	the Bolsa de Valores de Colombia
in Croatia	the Zagreb Stock Exchange
in Egypt	the Egyptian Exchange
in Ghana	the Ghana Stock Exchange
in India	BSE Ltd (formerly the Bombay Stock Exchange) the National Stock Exchange of India the Madras Stock Exchange
in Indonesia	the Indonesian Stock Exchange
in Israel	the Tel Aviv Stock Exchange
in Jordan	the Amman Stock Exchange
in Kazakhstan	the Kazakhstan Stock Exchange
in Kenya	the Nairobi Stock Exchange
in Kuwait	Boursa Kuwait
in Malaysia	the Kuala Lumpur Stock Exchange



in Mauritius	the Stock Exchange of Mauritius
in Mexico	the Mexican Stock Exchange
in Morocco	the Casablanca Stock Exchange
in Namibia	the Namibian Stock Exchange
in Oman	the Muscat Securities Market
in Pakistan	Pakistan Stock Exchange
in Peru	the Lima Stock Exchange
in Philippines	the Philippine Stock Exchange
in Qatar	Qatar Exchange
in Romania	the Bucharest Stock Exchange
in Saudi Arabia	the Tadawul Stock Exchange
in Serbia	the Belgrade Stock Exchange
in Singapore	the Singapore Exchange Limited
in South Africa	the Johannesburg Stock Exchange
in South Korea	the Korea Exchange
in Sri Lanka	the Colombo Stock Exchange
in Thailand	the Stock Exchange of Thailand
in Taiwan	the Taiwan Stock Exchange
in Tunisia	the Tunis Stock Exchange
in Turkey	Borsa Istanbul
in Ukraine	the PFTS Stock Exchange
in United Arab Emirates	the Dubai Financial Market the Abu Dhabi Securities Exchange NASDAQ Dubai
in Uruguay	Bolsa de Valores de Uruguay
in Vietnam	the Ho Chi Minh Stock Exchange the Hanoi Stock Exchange
in Zambia	the Lusaka Stock Exchange
in Zimbabwe	the Zimbabwe Stock Exchange

- (a) The Tokyo Over-the-Counter Market regulated by the Securities Dealers Association of Japan;
- (b) The Alternative Investment Market regulated and operated by the London Stock Exchange Limited.
- (c) The over the counter market in the United States regulated by the National Association of Securities Dealers;
- (d) The market in the UK conducted by the "listed money market institutions" as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, foreign currency and bullion)."
- (e) The market in US Government Securities conducted by primary dealers regulated by the Federal Reserve Bank of New York.
- (f) NASDAQ (the electronic inter-dealer quotation system of America operated by the Financial Industry Regulatory Authority).
- (g) NASDAQ OMX.
- (h) Any derivative market approved within the EEA (apart from any market within Liechtenstein which is not listed above) and the UK on which financial derivative instruments are traded.

## APPENDIX II

The Depositary has delegated its safe-keeping duties in respect of the assets of the Funds to The Bank of New York Mellon SA/NV and/or The Bank of New York Mellon.

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

Country/Market	Subcustodian	Address
<b>Argentina</b>	The Branch of Citibank, N.A. in the Republic of, Argentina	Bartolome Mitre 530, 3rd floor (C1036AAJ) Ciudad de Buenos Aires Argentina
<b>Australia</b>	Citigroup Pty Limited	Level 16, 120 Collins Street, Melbourne Victoria 3000, Australia
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central, Hong Kong
<b>Austria</b>	UniCredit Bank Austria AG	Rothschildplatz 1, 1020 Vienna, Austria
<b>Bahrain</b>	HSBC Bank Middle East Limited	The address of the registered office of HSBC Bank Middle East Limited is: HSBC Bank Middle East Limited, The Gate Village, Building 8, Level 1, Dubai International Financial Centre (DIFC), P O Box 30444, Dubai, United Arab Emirates  The address of HSBC Bahrain is: HSBC Bank Middle East Ltd Securities Services 4th Floor Building No 2505 Road No 2832 Al Seef 428 Kingdom of Bahrain
<b>Bangladesh</b>	The Hongkong and Shanghai Banking Corporation Limited	1 Queen's Road Central, Hong Kong SAR
<b>Belgium</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000, Brussels, Belgium

<b>Country/Market</b>	<b>Subcustodian</b>	<b>Address</b>
<b>Bermuda</b>	HSBC Bank Bermuda Limited	37 Front Street, Hamilton HM11 PO Box HM 1020 Hamilton HM DX, Bermuda
<b>Botswana</b>	Stanbic Bank Botswana Limited	Plot 50672, Fairgrounds Office Park, Gaborone, Botswana
<b>Brazil</b>	Citibank N.A., Brazil	Citibank N.A. Brazilian Branch, Avenida Paulista, 1111 Sao Paulo, S.P. Brazil 01311-920
<b>Brazil</b>	Itaú Unibanco S.A.	Praca Alfredo Egydio de Souza Aranha, 100 Sao Paulo, S.P. – Brazil 04344-902
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	48 Sitnyakovo Blvd Serdika Offices, 10th floor Sofia 1505, Bulgaria
<b>Canada</b>	CIBC Mellon Trust Company (CIBC Mellon)	1 York Street, Suite 900 Toronto, Ontario, M5J 0B6 Canada
<b>Cayman Islands</b>	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286 United States
<b>Channel Islands</b>	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286 United States
<b>Chile</b>	Banco de Chile	Ahumada 251 Santiago, Chile Postal code 8320204
<b>Chile</b>	Itaú Corpbanca S.A.	Avda. Presidente Riesco N 5537 18th Floor Las Condes Santiago, Chile
<b>China</b>	HSBC Bank (China) Company Limited	33 Floor, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong Shanghai, China (200120)
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria	Carrera 9A No. 99-02 Piso 2 Santa Fe de Bogotá, Colombia
<b>Costa Rica</b>	Banco Nacional de Costa Rica	1st and 3rd Avenue, 4th Street San José, Costa Rica

<b>Country/Market</b>	<b>Subcustodian</b>	<b>Address</b>
<b>Croatia</b>	Privredna banka Zagreb d.d.	Radnicka cesta 50 10 000 Zagreb Croatia
<b>Cyprus</b>	BNP Paribas Securities Services	2 Lampsakou Street Kerasountos 115 28 Athens Greece
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka	Bucharova 2641/14 158 02 Prague 5, Czech Republic
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm Sweden
<b>Egypt</b>	HSBC Bank Egypt S.A.E.	306 Corniche El Nil, Maadi, Cairo, Egypt
<b>Estonia</b>	SEB Pank AS	Tornimäe Str. 2 15010 Tallinn Estonia
<b>Eswatini</b>	Standard Bank Eswatini Limited	Corporate Place, Swazi Plaza Mbabane, Eswatini
<b>Euromarket</b>	Clearstream Banking S.A.	42 Avenue J.F. Kennedy, 1855 Luxembourg, Grand Duchy of Luxembourg
<b>Euromarket</b>	Euroclear Bank	1 Boulevard du Roi Albert II, B- 1210 Brussels, Belgium
<b>Finland</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>France</b>	BNP Paribas Securities Services S.C.A.	Office Address: Les Grands Moulins de Pantin – 9 rue du Débarcadère 93500 Pantin, France  Legal address: 3 rue d'Antin, 75002 Paris, France
<b>France</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000, Brussels, Belgium
<b>Germany</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
<b>Ghana</b>	Stanbic Bank Ghana Limited	Stanbic Heights, Plot No. 215 South Liberation RD, Airport City, Cantonments, Accra, Ghana

<b>Country/Market</b>	<b>Subcustodian</b>	<b>Address</b>
<b>Greece</b>	BNP Paribas Securities Services	2 Lampsakou Street 115 28 Athens Greece
<b>Hong Kong</b>	Citibank N.A. Hong Kong	50/F, Champion Tower Three Garden Road, Central Hong Kong
<b>Hong Kong</b>	Deutsche Bank AG	57/F International Commerce Centre 1 Austin Road West, Kowloon, Hong Kong
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central, Hong Kong SAR
<b>Hungary</b>	Citibank Europe plc. Hungarian Branch Office	Váci út 80, 1133 Budapest, Hungary
<b>Iceland</b>	Landsbankinn hf.	Hafnarstraeti 10-12 155 Reykjavik Iceland
<b>India</b>	Deutsche Bank AG	4th Floor, Block I, Nirlon Knowledge Park, W.E. Highway Mumbai - 400 063, India
<b>India</b>	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central, Hong Kong SAR
<b>Indonesia</b>	Deutsche Bank AG	5th Floor, Deutsche Bank Building Jl. Imam Bonjol No.80, Jakarta – 10310, Indonesia
<b>Ireland</b>	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286, United States
<b>Israel</b>	Bank Hapoalim B.M.	63 Yehuda Halevi St. Tel Aviv 6522701 Israel
<b>Italy</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000, Brussels, Belgium
<b>Japan</b>	Mizuho Bank, Ltd.	Shinagawa Intercity Tower A, 2- 15-1, Konan, Minato-ku, Tokyo 108-6009, Japan
<b>Japan</b>	MUFG Bank, Ltd	1-3-2, Nihombashi Hongoku-cho, Chuo-ku, Tokyo 103-0021, Japan
<b>Jordan</b>	Standard Chartered Bank, Jordan Branch	Shmeissani, Al-Thaqafa Street, Building #2, PO Box 926190, Amman, 11190

<b>Country/Market</b>	<b>Subcustodian</b>	<b>Address</b>
		Jordan
<b>Kazakhstan</b>	Citibank Kazakhstan Joint-Stock Company	Park Palace Building A, 41 Kazybek Bi Street, Almaty, Kazakhstan
<b>Kenya</b>	Stanbic Bank Kenya Limited	First Floor, Stanbic Bank Centre P.O. Box 72833 00200 Chiromo Road, Westlands, Nairobi, Kenya
<b>Kuwait</b>	HSBC Bank Middle East Limited, Kuwait	Sharq Area, Abdulaziz Al Sager Street, Al Hamra Tower, 37F P.O. Box 1683, Safat 13017, Kuwait
<b>Latvia</b>	AS SEB banka	Meistaru iela 1 Valdlauci Kekavas pagasts, Kekavas novads LV-1076 Latvia
<b>Lithuania</b>	AB SEB bankas	Konstitucijos Ave. 24, LT-08105, Vilnius, Lithuania
<b>Luxembourg</b>	Euroclear Bank	1 Boulevard du Roi Albert II B-1210 Brussels - Belgium
<b>Malawi</b>	Standard Bank PLC	Standard Bank Centre Africa Unity Avenue PO Box 30380 Lilongwe 3 Malawi
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad	Level 20, Menara IMC No 8 Jalan Sultan Ismail 50250 Kuala Lumpur, Malaysia
<b>Malta</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	The address of the registered office and head office of The Hongkong and Shanghai Banking Corporation Limited is: HSBC Main Building 1 Queen's Road Central Hong Kong SAR  Address in Mauritius: The Hongkong and Shanghai Banking Corporation Limited Securities Services,

<b>Country/Market</b>	<b>Subcustodian</b>	<b>Address</b>
		Custody and Clearing Department 6F HSBC Centre 18 CyberCity Ebene Mauritius
<b>Mexico</b>	Banco Nacional de México S.A., integrante del Grupo Financiero Banamex	Official address:  Isabel la Católica No.44 Colonia Centro México City C.P. 06000 Mexico  Securities Services Head Offices:  Actuario Roberto Medellín 800, 5 <sup>th</sup> floor north Colonia Santa Fe Ciudad de Mexico , Mexico
<b>Mexico</b>	Banco S3 CACEIS Mexico, S.A., Institución de Banca Múltiple	Av. Vasco De Quiroga No. 3900 Torre Diamante A, Piso 20. Lomas de Santa Fe, Contadero Ciudad de Mexico – CDMX, 05300 Mexico
<b>Morocco</b>	Citibank Maghreb S.A.	Zenith Millenium, Immeuble 1 Sidi Maarouf, B.P. 40 20190 Casablanca Morocco
<b>Namibia</b>	Standard Bank Namibia Limited	Standard Bank Campus, No. 1 Chasie Street Hill Top Kleine Kuppe Windhoek Namibia
<b>Netherlands</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Tower, Level 21, 188 Quay Street, Auckland 1010, New Zealand
<b>Nigeria</b>	Stanbic IBTC Bank Plc	Walter Carrington Crescent Victoria Island, Lagos Nigeria
<b>Norway</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden
<b>Oman</b>	HSBC Bank Oman S.A.O.G.	Ground Floor, Head Office Building, P.O. Box 1727, Al Khuwair, Postal Code 111, Sultanate of Oman



<b>Country/Market</b>	<b>Subcustodian</b>	<b>Address</b>
<b>Pakistan</b>	Deutsche Bank AG	242-243, Avari Plaza, Fatima Jinnah Road Karachi – 75330, Pakistan
<b>Panama</b>	Citibank N.A., Panama Branch	Calle Punta Darien y Punta Coronado Torre de las Americas Apartado 0834-00555 Panama City Panama
<b>Peru</b>	Citibank del Peru S.A.	Avenida Canaval y Moreyra, 480, 3rd floor Lima 15047, Peru
<b>Philippines</b>	Deutsche Bank AG	19th Floor, Four/NEO 31st Street corner 4th Avenue E-Square Zone, Crescent Park West Bonifacio Global City, Taguig City 1634 Philippines
<b>Poland</b>	Bank Polska Kasa Opieki S.A.	53/57 Grzybowska Street 00-844 Warszawa
<b>Portugal</b>	Citibank Europe Plc	North Wall Quay 1, Dublin, Ireland
<b>Qatar</b>	Qatar National Bank	Al Corniche Street PO Box 1000 Doha Qatar
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central, Hong Kong
<b>Romania</b>	Citibank Europe plc, Romania Branch	145, Calea Victoriei 010072 Bucharest Romania
<b>Russia</b>	AO Citibank	8-10 Building 1 Gasheka Street, Moscow 125047 Russia
<b>Russia</b>	PJSC Rosbank	Mashi Poryvaevoy, 34 107078, Moscow Russia
<b>Saudi Arabia</b>	HSBC Saudi Arabia	HSBC Building, 7267 Olaya Road, Al-Murooj Riyadh 12283-2255, Kingdom of Saudi Arabia
<b>Serbia</b>	UniCredit Bank Serbia JSC	Rajiceva Street 27-29, 11000 Belgrade, Serbia

<b>Country/Market</b>	<b>Subcustodian</b>	<b>Address</b>
<b>Singapore</b>	DBS Bank Ltd	12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
<b>Singapore</b>	Standard Chartered Bank (Singapore) Limited	8 Marina Boulevard Marina Bay Financial Centre Tower 1, #27-00 Singapore 018981
<b>Slovak Republic</b>	Citibank Europe plc, pobočka zahraničnej banky	Dvorakovo nábrazie 8, 811 02 Bratislava, Slovak Republic
<b>Slovenia</b>	UniCredit Banka Slovenia d.d.	Smartinska 140, 1000 - Ljubljana, Slovenia
<b>South Africa</b>	The Standard Bank of South Africa Limited	9th Floor 5 Simmonds Street Johannesburg 2001, South Africa
<b>South Africa</b>	Standard Chartered Bank	1 Basinghall Avenue London EC2V 5DD United Kingdom
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	Direct Custody and Clearing Korea, Securities Services 8F, HSBC Building 37, Chilpae-ro, Jung-gu, Seoul, Korea, 04511
<b>South Korea</b>	Deutsche Bank AG	12F, Centropolis Tower A, 26, Ujeonggukro, Jongno-gu, Seoul, Korea, 03261
<b>Spain</b>	Banco Bilbao Vizcaya Argentaria, S.A.	Plaza San Nicolás, 4 48005 Bilbao Spain
<b>Spain</b>	Caceis Bank Spain, S.A.U.	Parque Empresarial La Finca Paseo Club Deportivo 1 - Edificio 4, Planta 2 28223 Pozuelo de Alarcón (Madrid)
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited	1 Queen's Road Central Hong Kong SAR
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm Sweden
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd.	Paradeplatz 8 8001 Zurich Switzerland
<b>Switzerland</b>	UBS Switzerland AG	Max-Hogger-Strasse 80 8048 Zurich Switzerland

<b>Country/Market</b>	<b>Subcustodian</b>	<b>Address</b>
<b>Taiwan</b>	HSBC Bank (Taiwan) Limited	11F, No. 369, Section 7, Zhongxiao East Road Nangang District, Taipei City 115 Taiwan
<b>Tanzania</b>	Stanbic Bank Tanzania Limited	Plot Number 99A Corner of Ali Hassan Mwinyi and Kinondoni Roads PO Box 72647 Dar es Salaam Tanzania
<b>Thailand</b>	The Hongkong and Shanghai Banking Corporation Limited	Level 5, HSBC Building, 968 Rama IV Road, Bangrak Bangkok 10500, Thailand
<b>Tunisia</b>	Union Internationale de Banques	65 Avenue Habib Bourguiba, 1000 Tunis Tunisia
<b>Turkey</b>	Deutsche Bank A.S.	Esentepe Mahallesi Büyükdere Caddesi Ferko Signature No. 175/149 Sisli Istanbul, Turkey
<b>Uganda</b>	Stanbic Bank Holdings Limited	Plot 17 Hannington Road Short Tower- Crested Towers P.O. Box 7131, Kampala, Uganda
<b>Ukraine</b>	JSC "Citibank"	16G Dilova Street 03150 Kiev Ukraine
<b>U.A.E.</b>	HSBC Bank Middle East Limited, Dubai	HSBC Bank Middle East Limited Securities Services UAE- Markets & Securities Services, HSBC Tower, Downtown Dubai, Level 16, PO Box 66, Dubai, United Arab Emirates.
<b>U.K.</b>	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom
<b>U.K.</b>	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286, United States
<b>U.S.A.</b>	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286, United States
<b>U.S.A. Precious Metals</b>	HSBC Bank, USA, N.A.	452 Fifth Avenue, New York, NY 10018

<b>Country/Market</b>	<b>Subcustodian</b>	<b>Address</b>
<b>Uruguay</b>	Banco Itaú Uruguay S.A.	Zabala 1463 CP 11.000 Montevideo, Uruguay
<b>Vietnam</b>	HSBC Bank (Vietnam) Ltd	Floor 1,2,3,6, The Metropolitan 235 Dong Khoi, District 1 Ho Chi Minh City Vietnam
<b>WAEMU*</b>	Societe Generale Cote d'Ivoire	5/7 Avenue Joseph Anoma 01 BP 1355 Abidjan 01 Ivory Coast
<b>Zambia</b>	Stanbic Bank Zambia Limited	Stanbic House, Plot 2375, Addis Ababa Drive P.O Box 31955 Lusaka, Zambia
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited	59 Samora Machel Avenue, Harare, Zimbabwe

\*Note: Benin, Bukina-Faso, Guinea Bissau, Ivory Coast, Mali, Niger, Senegal and Togo are members of the West African Economic and Monetary Union (WAEMU).

## APPENDIX III

### A. Investment in Financial Derivative Instruments ("FDI")

The following provisions apply whenever a Fund proposes to engage in transactions in FDI including, but not limited to, futures, forwards, options, swaps (noting, however, that the Company does not invest in 'Total Return Swaps' as such term is defined in accordance with the SFTR), swaptions and warrants where the transactions are for the purposes of the efficient portfolio management of the Fund or, where disclosed in the Fund's investment policy, for direct investment purposes. Where the Company engages in transactions in relation to FDI, the Manager shall employ a risk management process to enable it to monitor and measure, on a continuous basis, the risk of all open derivative positions and their contribution to the overall risk profile of a Fund's portfolio. The Manager will, on request, provide supplemental information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

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

1. A Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to FDI must not exceed its total Net Asset Value.
2. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations).
3. A Fund may invest in FDI dealt in OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
4. Investment in FDI are subject to the conditions and limits laid down by the Central Bank.

### B. Efficient Portfolio Management - Techniques and Instruments

The Company may employ techniques and instruments relating to transferable securities and money market instruments subject to the conditions imposed by the Central Bank. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management, including FDI which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

- (a) they are economically appropriate in that they are realised in a cost-effective way;
- (b) they are entered into for one or more of the following specific aims:
  - (i) reduction of risk;
  - (ii) reduction of cost;
  - (iii) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in Regulation 70 and 71 of the Regulations;
- (c) their risks are adequately captured by the risk management process of the Manager (in the case of FDI only); and

- (d) they cannot result in a change to the Fund's declared investment objective or add supplementary risks in comparison to the general risk policy as described in the sales documents.

In addition to entering into FDI for efficient portfolio management purposes, the Company may also engage in efficient portfolio management techniques including repurchase/reverse repurchase agreements and securities lending (“efficient portfolio management techniques”).

Efficient portfolio management techniques may only be effected in accordance with normal market practice and in accordance with the requirements of the Central Bank set out in the Central Bank UCITS Regulations.

The Company, however, does not currently enter into repurchase/reverse repurchase agreements or engage in securities lending, nor does it currently engage in any other form Securities Financing Transactions contemplated by the SFTR.

### **C. Collateral Policy**

All assets received by the Company in the context of efficient portfolio management techniques must be considered as collateral.

All collateral received by the Company, whether as a consequence of its investments in OTC FDI or as a result of efficient portfolio management techniques in which it has engaged must comply with certain criteria as set out by the Central Bank in the Central Bank UCITS Regulations, including conditions relating to the re-investment of cash collateral.

The Company does not currently either engage in efficient portfolio management techniques or invest in OTC FDI which result in it receiving collateral. However, to the extent that the Company may do so in the future, this Prospectus will be amended to disclose, as part of this policy on collateral, information on the following:

- (i) permitted types of collateral;
- (ii) level of collateral required and haircut policy; and
- (iii) cash collateral re-investment policy (including a description or description of the risks arising from such re-investment policy).

### **D. Eligible Counterparties: OTC Derivatives**

1. A Fund may invest in FDI that are dealt in the OTC market provided that the relevant counterparty is one of the following:
  - (i) a credit institution authorised in the European Economic Area (EEA) (i.e. European Union Member States, Norway, Iceland, Liechtenstein);
  - (ii) a credit institution authorised within a signatory state, other than a Member State of the EEA, to the Basle Capital Convergence Agreement of July 1988;
  - (iii) a credit institution in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No.575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No.648/2012 (i.e. as at the date of this Prospectus: a credit institution in Argentina, Australia, Brazil, Canada, China, Faroe Islands, Greenland, Guernsey, Hong Kong, India, Isle of Man, Japan, Jersey, Mexico, Monaco, New Zealand, Saudi Arabia, Serbia, Singapore, South Africa, South Korea, Switzerland, Turkey or the USA);

- (iv) an investment firm, authorised in accordance with the Markets in Financial Instruments Directive;
  - (v) a group company of an entity approved as a bank holding company by the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by the Federal Reserve.
- 2.** Where a counterparty within the meaning of sub-paragraph 1 (iv) or 1 (v) above:
- (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account in the credit assessment process: and
  - (b) is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) immediately above, this shall result in a new credit assessment being conducted of the counterparty without delay.
- 3.** Where an OTC derivative is subject to a novation, the counterparty after the novation must be:
- (a) an entity that falls within any of the categories set out in D1 above; or
  - (b) a central counterparty that is:
    - (i) authorised or recognised under EMIR; or
    - (ii) pending recognition by ESMA under Article 25 of EMIR, an entity classified:
      - A. by the SEC as a clearing agency: or
      - B. by the Commodity Futures Trading Commission of the United States of America as a derivatives clearing organisation.

## APPENDIX IV

### Investment and Borrowing Restrictions

<b>1</b>	<b>Permitted Investments</b>
	Investments of each Fund are confined to:
<b>1.1</b>	Transferable securities and money market instruments, as prescribed in the Central Bank UCITS Regulations, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments, as defined in the Central Bank UCITS Regulations, other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of alternative investment funds (“AIFs”) as set out in the Central Bank’s guidance entitled “UCITS Acceptable Investment in other Investment Funds”.
<b>1.6</b>	Deposits with credit institutions as prescribed in the Central Bank UCITS Regulations.
<b>1.7</b>	Financial derivative instruments as prescribed in the Central Bank UCITS Regulations.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	Each Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	Each Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by a Fund in certain US securities known as Rule 144A securities provided that: <ul style="list-style-type: none"> <li>- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li> <li>- the securities are not illiquid securities i.e. they may be realised by a Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.</li> </ul>
<b>2.3</b>	Each Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Fund. <b>To avail of this provision, the prior approval of the Central Bank is required.</b>
<b>2.5</b>	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.



<b>2.6</b>	The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
<b>2.7</b>	<p>Investment in deposits and cash booked in accounts and held as ancillary liquidity made with the same credit institution shall not exceed 20% of the net assets of a Fund.</p> <p>Deposits, or cash booked in accounts and held as ancillary liquidity, shall only be made with a credit institution which is within at least one of the following categories:</p> <ul style="list-style-type: none"> <li>• a credit institution authorised in the EEA (i.e. European Union Member States, Norway, Iceland, Liechtenstein);</li> <li>• a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or</li> <li>• a credit institution in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No.575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No.648/2012 (i.e. as at the date of this Prospectus: a credit institution in Argentina, Australia, Brazil, Canada, China, Faroe Islands, Greenland, Guernsey, Hong Kong, India, Isle of Man, Japan, Jersey, Mexico, Monaco, New Zealand, Saudi Arabia, Serbia, Singapore, South Africa, South Korea, Switzerland, Turkey or the USA).</li> </ul>
<b>2.8</b>	<p>The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of a credit institution which is within at least one of the categories of credit institution specified in paragraph 2.7.</p>
<b>2.9</b>	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:</p> <ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> <li>- deposits, and/or</li> <li>- counterparty risk exposures arising from OTC derivatives transactions.</li> </ul>
<b>2.10</b>	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
<b>2.11</b>	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
<b>2.12</b>	<p>Each Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers may be drawn from the following list:  OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie</p>

	<p>Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC.</p> <p>Each 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>	Investments made by a Fund in units of CIS may not exceed, in aggregate, 10% of the net assets of the Fund.
<b>3.2</b>	<p>Notwithstanding the provisions of section 3.1, where the Supplement of a Fund states that the Fund may invest more than 10% of its assets in UCITS and/or other CIS, the following restrictions shall apply instead of the restrictions set out at section 3.1 above:</p> <p>(a) the Fund may not invest more than 20% of its Net Asset Value in any one UCITS or other CIS;</p> <p>(b) the Fund's Investments in AIFs (i.e. non-UCITS CIS) may not, in aggregate, exceed 30% of the Fund's Net Asset Value;</p>
<b>3.3</b>	A Fund may not invest in a UCITS or other CIS which is not itself prohibited from investing more than 10% of its net asset value in aggregate in other open-ended CIS.
<b>3.4</b>	When a Fund invests in the units of other CIS that are managed, directly or by delegation, by any other company with which the Company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion, redemption or management fees on account of the Fund's investment in the units of such other CIS.
<b>3.5</b>	Where a commission (including a rebated commission) is received by the Fund or Investment Manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.
<b>3.6</b>	<p>The following investment restrictions apply where a Fund invests in other Funds of the Company:</p> <ul style="list-style-type: none"> <li>• a Fund will not invest in a Fund of the Company which itself holds shares in other Funds within the Company;</li> <li>• a Fund investing in such other Fund of the Company will not be subject to subscription or redemption fees;</li> <li>• the Investment Manager will not charge an investment management fee to a Fund in respect of that portion of the Fund's assets invested in another Fund of the Company; and</li> <li>• investment by a Fund in another Fund of the Company will be subject to the limits set out in paragraph 3.1 above (where the investing Fund is not a fund of funds) or alternatively, to the limits set out in paragraph 3.2 above (where the investing Fund is a fund of funds).</li> </ul>
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	Each Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the 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>	The Company may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
<b>5.2</b>	<p>A Fund may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
<b>5.3</b>	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <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, 5.1, 5.2, 5.4, 5.5 and 5.6, and either 3.1 or 3.2 as applicable, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</li> <li>(v) Shares held by the Company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at Shareholders request exclusively on their behalf.</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 six months following the date of their authorisation, provided they observe the principle of risk spreading.
<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
<b>5.7</b>	<p>The Company may not carry out uncovered sales of:</p> <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments<sup>1</sup>;</li> <li>- units of CIS; or</li> <li>- financial derivative instruments.</li> </ul>
<b>5.8</b>	A Fund may hold ancillary liquid assets.

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

## **Borrowing Restrictions**

The Regulations provide that the Company in respect of each Fund:

- (c) may not borrow, other than borrowings which in the aggregate do not exceed 10% of the Net Asset Value of the Fund and provided that this borrowing is on a temporary basis. The Depositary may give a charge over the assets of a Fund in order to secure the borrowings attributed to it. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding;
- (d) may acquire foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of the borrowing restriction in paragraph (a), provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding. However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purposes of paragraph (a) above.