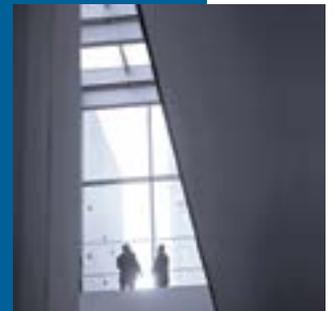


(A UCITS umbrella fund authorised and regulated by the Central Bank of Ireland)

# Prospectus



## **FIDELITY INSTITUTIONAL VARIABLE CAPITAL COMPANY FUND PLC**

An open-ended umbrella investment company with segregated liability between sub funds incorporated with limited liability as an open-ended umbrella investment company with variable capital under the laws of Ireland with registered number 487561

## **PROSPECTUS**

This Prospectus is dated 2 December 2019

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

**Dillon Eustace**

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## INTRODUCTION

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**If Applicants are in any doubt about the contents of this Prospectus and the relevant Supplement Applicants should consult a stockbroker or other financial adviser.**

**FIDELITY INSTITUTIONAL VARIABLE CAPITAL COMPANY FUND PLC**  
(the "Company")

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**The Company is an investment company with variable capital incorporated on 10 August 2010 under the Companies Act 2014. The Company shall be authorised by the Central Bank pursuant to the Regulations as may be amended, supplemented or consolidated from time to time. This authorisation however, 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. Authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus and the Supplements.**

The Company is structured as an open-ended umbrella investment company with segregated liability between Sub-Funds. Shares representing interests in different Sub-Funds may be issued from time to time by the Directors. Shares of more than one class may be issued in relation to a Sub-Fund. All Shares of each class will rank *pari passu* save as provided for in the relevant Supplement. On the introduction of any new Sub-Fund (for which prior Central Bank approval is required) or any new class of Shares (which must be issued in accordance with the requirements of the Central Bank and notified to and cleared in advance by the Central Bank), the Company will prepare and will issue a new or updated Supplement setting out the relevant details of each such Sub-Fund or new class of Shares as the case may be. A separate portfolio of assets will be maintained for each Sub-Fund (and accordingly not for each class of Shares) and will be invested in accordance with the investment objective and strategies applicable to such Sub-Fund.

Particulars relating to individual Sub-Funds and the classes of Shares available therein are set out in the relevant Supplement. Any amendments to the Prospectus or any Supplement must be cleared in advance by the Central Bank.

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

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised. In particular, the Shares have not been and will not be registered under the Securities Act or the securities laws of any state or political subdivision of the United States and may not be directly or indirectly offered or sold in the United States or to any U.S. Person. The Company will not be registered under the Investment Company Act.

**ALTHOUGH THE SUB-FUNDS MAY INVEST IN COMMODITY INTERESTS, THE MANAGER IS EXEMPT FROM REGISTRATION WITH THE U.S. COMMODITY FUTURES TRADING COMMISSION ("CFTC") AS A COMMODITY POOL OPERATOR, AND THE INVESTMENT MANAGER AND ANY OF ITS DELEGATES IS EXEMPT FROM REGISTRATION AS A COMMODITY TRADING ADVISOR, WITH RESPECT TO THE SUB-FUNDS PURSUANT TO CFTC RULES 3.10(c)(3) AND 4.14(a)(8), RESPECTIVELY, UNDER THE COMMODITY EXCHANGE ACT, AS AMENDED, BECAUSE PARTICIPATION IN THE SUB-FUNDS IS LIMITED TO NON-UNITED STATES PERSONS. THEREFORE, UNLIKE A REGISTERED COMMODITY POOL OPERATOR, THE MANAGER IS NOT REQUIRED TO DELIVER A DISCLOSURE DOCUMENT AND A CERTIFIED ANNUAL REPORT TO PARTICIPANTS IN THE SUB-FUNDS. THIS OFFERING MEMORANDUM HAS NOT BEEN REVIEWED OR APPROVED BY THE CFTC.**

The Company reserves the right to impose restrictions on the holding of Shares directly or indirectly by (and consequently to redeem Shares held by) such entities as described under the section entitled "**Mandatory Redemptions**".

The address for service of notices and documents in respect of the Company for UK investors is c/o FIL Pensions Management, Oakhill House, 130. Tonbridge Road, Hildenborough, Tonbridge, Kent, TN11 9DZ, United Kingdom (the “**Facilities Agent**”), at which address:

- (a) copies of the Prospectus, any Supplements, the key investor information documents, the Memorandum and Articles (and any amendments thereto) and the latest periodic reports can be inspected and obtained;
- (b) information about the most recent sale and purchase prices can be obtained; and
- (c) any complaints about the operation of the Company may be received and forwarded to the Company.

All documents in (a) are available for inspection free of charge at that address. Copies of the Prospectus, any Supplements and the key investor information documents will be supplied free of charge; however, the Company reserves the right to impose a reasonable charge to supply copies of the other documents in (a).

In addition to the above, requests for redemption of Shares and any notices or other documents required or authorised to be served under the UK Financial Services and Markets Act, 2000 (as amended) (the “**FSMA**”) can also be sent to FIL Pensions Management, Oakhill House, 130 Tonbridge Road, Hildenborough, Tonbridge, Kent, TN11 9DZ, United Kingdom.

The Company is a “recognised scheme” for the purposes of Section 264 of the FSMA and may be promoted to the public in the UK subject to compliance with the FSMA and applicable regulations hereunder.

This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language document. To the extent that there is any inconsistency between this English language document and the document in another language, this English language document shall prevail except to the extent (but only to the extent) required by the laws of any jurisdiction where the Shares are sold so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail.

**Potential subscribers and purchasers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.**

**The value of and income from Shares in a Sub-Fund may go up or down and Shareholders may not get back the amount they have invested in the Sub-Fund. Shares constituting each Sub-Fund are described in a Supplement to this Prospectus for each such Sub-Fund, each of which is an integral part of this Prospectus and is incorporated herein by reference with respect to the relevant Sub-Fund. Your attention is drawn to the section entitled “Risk Factors” below.**

**A Redemption Charge of up to 3% may be payable on a request for a redemption of Shares. The difference at any one time between the sale and Redemption Price (as defined herein) of Shares means that the investment should be viewed as medium to long term.**

Any information given or representations made, by any dealer, salesman or other person which are not contained in this Prospectus or the relevant Supplement or key investor information document or in any reports and accounts of the Company forming part hereof must be regarded as unauthorised and accordingly must not be relied upon. Neither the delivery of this Prospectus or the relevant Supplement or key investor information document nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information contained in this Prospectus or the relevant Supplement or key investor information document is correct as of any time subsequent to the date of this Prospectus or the relevant Supplement or key investor information document. This Prospectus or the relevant Supplement or key investor information document may from time to time be updated and intending subscribers should enquire of the Investment Manager or the Administrator as to the issue of any later Prospectus or as to the issue of any reports and accounts of the Company.

The contents of this Prospectus are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters. Each prospective investor must rely upon such investor’s own representatives, as to legal, economic, tax and related aspects of the investment described herein and as to its suitability for such investor.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Memorandum and Articles of Association of the Company, copies of which are available as mentioned herein.

The Company is required to and will comply with the CBI UCITS Regulations (as defined herein).

This Prospectus and the relevant Supplement shall be governed by and construed in accordance with Irish law.

Defined terms used in this Prospectus shall have the meanings attributed to them in the section entitled "**Definitions**" below.

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## DEFINITIONS

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<b>Accounting Period</b>	means a calendar year ending 31 December;
<b>Accounting Date</b>	means the date by reference to which the annual accounts of each Sub-Fund shall be prepared and shall be 31 December in each year commencing on 31 December 2011 or such other date as the Directors in accordance with the requirements of the Central Bank may determine and (in the case of the termination of the Company or of a Sub-Fund) the date on which the final payment or cash and/or Investments shall have been made to Shareholders;
<b>Accumulation Shares</b>	means shares of the Company carrying no right to any distribution of income but the income attributable to such shares is retained within the relevant Sub-Fund and reflected in the Net Asset Value of such shares;
<b>Administration Agreement</b>	means the agreement dated 16 March 2012, as novated by a novation agreement dated 16 April 2014, as amended by a supplemental administration agreement dated 2 November 2015 and as further amended by an addendum dated 25 May 2018, between the Manager and the Administrator, as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;
<b>Administrator</b>	means State Street Fund Services (Ireland) Limited or any successor thereto duly appointed as the administrator of the Company and each Sub-Fund in accordance with the requirements of the Central Bank;
<b>AIF</b>	means an alternative investment fund;
<b>Applicant</b>	means any person who completes and submits the Subscription Agreement to the Administrator in accordance with the manner set out in the Prospectus and any Supplement;
<b>Articles</b>	means the Articles of Association of the Company, as amended from time to time;
<b>Base Currency</b>	means in relation to any Sub-Fund such currency as is specified in the Supplement for the relevant Sub-Fund;
<b>Beneficial Ownership Regulations</b>	means the European Union (Anti-Money Laundering: Beneficial Ownership of Corporate Entities Regulations 2016);
<b>Business Day</b>	means in relation to any Sub-Fund such day or days as is or are specified in the Supplement for the relevant Sub-Fund;
<b>CBI UCITS Regulations</b>	means 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, replaced or consolidated from time to time;
<b>Central Bank</b>	means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Company;
<b>Companies Act</b>	means the Irish Companies Act 2014 (as amended, consolidated or supplemented from time to time) including any regulations issued pursuant thereto, insofar as they apply to open-ended investment companies with variable capital;
<b>Company</b>	means Fidelity Institutional Variable Capital Company Fund plc;
<b>Connected Person</b>	means the persons defined as such in the section entitled “ <b>Portfolio</b> ”

## **Transactions and Conflicts of Interest”;**

<b>Dealing Day</b>	means in respect of each Sub-Fund such Business Day or Business Days as is or are specified in the Supplement for the relevant Sub-Fund provided that there shall be at least two dealing days at regular intervals per month;
<b>Dealing Deadline</b>	means in relation to applications for subscription, redemption or switching of Shares in a Sub-Fund, the day and time specified in the Supplement for the relevant Sub-Fund;
<b>Depositary</b>	means State Street Custodial Services (Ireland) Limited or any successor thereto duly appointed depositary of the Company in accordance with the requirements of the Central Bank;
<b>Depositary Agreement</b>	means the depositary agreement dated 13 October 2016 between the Company and the Depositary as may be amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank (and which replaces the custodian agreement dated 16 March 2012 between the Company and the Depositary, as amended by an amendment agreement dated 16 April 2014);
<b>Directors</b>	means the directors of the Company, each a “ <b>Director</b> ”;
<b>Distribution Agreement</b>	means the amended and restated agreement dated 2 December 2019 between the Manager and the General Distributor as may be further amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;
<b>EEA</b>	means the European Economic Area which comprises the Member States together with Iceland, Liechtenstein and Norway;
<b>EEA Member State</b>	means a member state of the EEA;
<b>EMIR</b>	means Regulation (EU) No 648/2012 on OTC Derivatives, central counterparties and trade repositories as amended by Regulation (EU) No. 2019/834 of the European Parliament and of the Council, as may be amended, consolidated or substituted from time to time;
<b>EU</b>	means the European Union;
<b>Euro, EUR or €</b>	means the lawful currency of the Eurozone or any successor currency;
<b>Eurozone</b>	means those countries who use the Euro as their lawful currency;
<b>Exempt Irish Investor</b>	<p>a Shareholder resident (or ordinarily resident) in Ireland for Irish tax purposes and falling within any of the categories listed in section 739D(6) of the Taxes Consolidation Act of Ireland (“<b>TCA</b>”), summarised as follows:</p> <ol style="list-style-type: none"><li>1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).</li><li>2. Companies carrying on life assurance business (within the meaning of section 706 TCA).</li><li>3. Investment undertakings (within the meaning of section 739B TCA).</li><li>4. Investment limited partnerships (within the meaning of section 739J TCA).</li><li>5. Special investment schemes (within the meaning of section 737 TCA).</li><li>6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).</li><li>7. Charities (within the meaning of section 739D(6)(f)(i) TCA).</li><li>8. Qualifying managing companies (within the meaning of section 734(1) TCA).</li><li>9. Specified companies (within the meaning of section 734(1) TCA).</li><li>10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).</li></ol>

11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).
12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
13. The National Asset Management Agency.
14. The National Pensions Reserve Fund Commission or a Commission investment vehicle.
15. Qualifying companies (within the meaning of section 110 TCA).
16. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Shares in the Fund without requiring the Fund to deduct or account for Irish tax;

<b>FIL Group</b>	means FIL Limited, a company incorporated in Bermuda and/or any of its subsidiary or affiliated companies. Fidelity International is the trading name for the financial services business of the FIL Group;
<b>GDPR</b>	means Regulation (EU) 2016/679 of the European Parliament and of the Council;
<b>General Distributor</b>	means FIL Distributors and/or any additional or successor or addition thereto duly appointed as the general distributor for the Company in accordance with the requirements of the Central Bank;
<b>Hedged Share Class</b>	means a Share class whose dealing currency is hedged against the Base Currency of the relevant Sub-Fund;
<b>Initial Issue Price</b>	means the price per Share at which Shares are initially offered in a Sub-Fund during the Initial Offer Period as specified in the Supplement for the relevant Sub-Fund;
<b>Initial Offer Period</b>	means the period during which Shares in a Sub-Fund are initially offered at the Initial Issue Price as specified in the Supplement for the relevant Sub-Fund;
<b>Investment Company Act</b>	means the United States Investment Company Act of 1940, as amended;
<b>Investment Management Agreement</b>	means the agreement dated 16 April 2014 between the Company, the Manager and the Investment Manager as substituted, amended, supplemented, novated or otherwise modified from time to time in accordance with the requirements of the Central Bank;
<b>Investment Manager</b>	means FIL Fund Management Limited, or any successor or addition thereto duly appointed in accordance with the requirements of the Central Bank and/or as specified in the Supplement in respect of each Sub-Fund as the investment manager for that relevant Sub-Fund;
<b>Issue Price</b>	means the Net Asset Value per Share of the relevant Sub-Fund as at the Valuation Point;
<b>Management Agreement</b>	means the management agreement dated 16 April 2014 between the Company and the Manager, as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank;
<b>Manager</b>	means FIL Fund Management (Ireland) Limited or any successor thereto duly appointed with the prior approval of the Central Bank as the manager of the Company;
<b>Member State</b>	means a member state of the EU;
<b>Minimum Additional Investment Amount</b>	means such amount (if any) as the Directors may from time to time prescribe as the minimum additional investment amount required by each Shareholder for Shares of each class in a Sub-Fund as is specified in the Supplement for the

	relevant Sub-Fund;
<b>Minimum Initial Investment Amount</b>	means such amount (if any) as the Directors may from time to time determine as the minimum initial investment amount required by each Applicant for Shares of each class in a Sub-Fund as is specified in the Supplement for the relevant Sub-Fund;
<b>Minimum Net Asset Value</b>	means such amount (if any) as the Directors decide for each Sub-Fund and as set out in the Supplement for the relevant Sub-Fund;
<b>Minimum Shareholding</b>	means such number or value of Shares of any class (if any) as specified in the Supplement for the relevant class of Shares within a Sub-Fund;
<b>Money Market Instruments</b>	shall have the meaning prescribed in the Regulations and which meet the criteria for such instruments as set out in the CBI UCITS Regulations;
<b>Month</b>	means a calendar month;
<b>Net Asset Value or Net Asset Value per Share</b>	means in respect of the assets of a Sub-Fund or the Shares in a Sub-Fund, the amount determined in accordance with the principles set out in the section entitled “ <b>Calculation of Net Asset Value/Valuation of Assets</b> ” below as the Net Asset Value of a Sub-Fund or the Net Asset Value per Share;
<b>Non-Exempt Irish Investor</b>	a Shareholder who is not an Exempt Irish Investor;
<b>Non-Member State</b>	means a state which is not a Member State;
<b>OECD</b>	means the Organisation for Economic Co-operation and Development;
<b>OECD Member State</b>	means a member state of the OECD;
<b>OTC Derivative</b>	Means a financial derivative instrument dealt in over the counter;
<b>Own Account</b>	means effecting a transaction where (i) there is no separate client; and (ii) ownership of the relevant security would be held directly by either the Investment Manager or any of its duly appointed delegates or other entities within the same group of companies as the Investment Manager or its delegates;
<b>Preliminary Charge</b>	means in respect of a Sub-Fund, the charge payable (if any) on the subscription for Shares as is specified in the Supplement for the relevant Sub-Fund;
<b>Redemption Charge</b>	means in respect of a Sub-Fund the charge payable, if any, on a redemption of Shares as is specified in the Supplement for the relevant Sub-Fund;
<b>Redemption Price</b>	means the Net Asset Value per Share of the relevant Sub-Fund as at the Valuation Point;
<b>Redemption Proceeds</b>	means the amount reflecting the Net Asset Value of the Shares to be redeemed on the relevant Dealing Day;
<b>Regulated Market</b>	means any stock exchange or regulated market in the European Union and any other stock exchange or regulated market which is provided for in the Articles, details of which are set out in Appendix I hereto;
<b>Regulations</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended from time to time and any other stock exchange or regulated market which is provided for in the Articles, details of which are set out in Appendix I hereto;
<b>Related Companies</b>	has the meaning assigned thereto in Section 2 of Part 1 of the Companies Act 2014;

<b>Securities Act</b>	means the United States Securities Act of 1933, as amended;
<b>Settlement Date</b>	means in respect of receipt of monies for subscription for Shares or dispatch of monies for the redemption of Shares, the date specified in the Supplement for the relevant Sub-Fund. In the case of redemptions this date will be no more than 10 Business Days after the relevant Dealing Deadline;
<b>SFT</b>	means “securities financing transactions” as defined under the SFTR;
<b>SFTR</b>	means Regulation EU 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of re-use and amending Regulation (EU) No 648/2012 as amended, consolidated or substituted from time to time;
<b>Shares</b>	means participating shares in the Company representing interests in a Sub-Fund and where the context so permits or requires any class of participating shares representing interests in a Sub-Fund;
<b>Shareholders</b>	means holders of Shares, and each a “ <b>Shareholder</b> ”;
<b>Sub-Distributors</b>	means any entity appointed by the General Distributor to distribute the Shares of the Sub-Funds;
<b>Subscription Agreement</b>	means the agreement pursuant to the provisions of which an Applicant agrees to purchase Shares in and become a Shareholder of the Company;
<b>£, Sterling and Pound</b>	means the lawful currency of the United Kingdom;
<b>Supplement</b>	means any supplement to the Prospectus issued on behalf of the Company from time to time;
<b>Sub-Fund</b>	means a separate portfolio of assets which is invested in accordance with the investment objective and strategies as set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such fund shall be applied and charged and “ <b>Sub-Funds</b> ” means all or some of the Sub-Funds as the context requires and any other funds as may be established by the Company from time to time with the prior approval of the Central Bank;
<b>Transferable securities</b>	shall have the meaning prescribed in the Regulations and which meet the criteria for such securities as set out in the CBI UCITS Regulations;
<b>UCITS</b>	means an undertaking for collective investment in transferable securities established pursuant to the UCITS Directive;
<b>UCITS Directive</b>	means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the Co-ordination of laws, regulations and administrative provisions relating to UCITS, as amended, supplemented or replaced from time to time;
<b>UK Facilities Agent</b>	means the agreement dated 16 April 2014 between the Manager and the UK Facilities Agent, as amended, supplemented or otherwise modified from time to time;
<b>UK Facilities Agent</b>	means FIL Pensions Management and/or any additional or successor thereto duly appointed;
<b>Umbrella Cash Account</b>	means a singular cash account designated in a particular currency opened in the name of the Company on behalf of all of the Sub-Funds in which (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued as of the relevant Dealing Day; and (ii) redemption monies due to investors who have redeemed Shares are deposited and held until paid to the relevant investors; and (iii) dividend payments owing to

Shareholders are deposited and held until paid to such Shareholders;

<b>Unhedged Share Class</b>	means a class of Shares where typically, Shares may be applied and paid for and income payments calculated and paid and redemption proceeds paid in a currency other than the Base Currency of the relevant Sub-Fund on the basis of a currency conversion at the prevailing spot currency exchange rate of the relevant Base currency for the currency of the relevant Shares class;
<b>United Kingdom and UK</b>	means the United Kingdom of Great Britain and Northern Ireland;
<b>United States and U.S.</b>	means the United States of America, (including each of the states, the District of Columbia and the Commonwealth of Puerto Rico) its territories, possessions and all other areas subject to its jurisdiction;
<b>US Dollars, USD, US\$ Dollars and \$</b>	means the lawful currency of the United States or any successor currency;
<b>U.S. Person</b>	shall have the meaning prescribed in Regulation S under the Securities Act and thus shall include (i) any natural person resident in the United States; (ii) any partnership or corporation organised or incorporated under the laws of the United States; (iii) any estate of which any executor or administrator is a U.S. Person; (iv) any trust of which any trustee is a U.S. Person; (v) any agency or branch of a foreign entity located in the United States; (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; (vii) any discretionary account dealer or other fiduciary organised or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; and (viii) any partnership or corporation if (A) organised or incorporated under the laws of any foreign jurisdiction; and (B) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts; and
<b>Valuation Point</b>	the point in time by reference to which the Net Asset Value of a Sub-Fund and the Net Asset Value per Share are calculated as is specified in the Supplement for the relevant Sub-Fund.

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## SUB-FUNDS

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The Company has adopted an umbrella structure, with segregated liability between Sub-Funds, to provide both institutional and individual investors with a choice of different Sub-Funds. Each Sub-Fund will be differentiated by its specific investment objective, strategy, currency of denomination or other specific features as described in the relevant Supplement. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with each Sub-Fund's respective investment objective. Because the Company has segregated liability between its Sub-Funds, any liability incurred on behalf of or attributable to any Sub-Fund shall be discharged solely out of the assets of that Sub-Fund.

Shares will be issued in relation to each Sub-Fund. Different classes of Shares may also be issued in relation to each Sub-Fund subject to notifying and clearing in advance with the Central Bank the creation of each class of Shares and the different classes of Shares available for issue in each Sub-Fund will be set out in a Supplement for the relevant Sub-Fund. The different classes of Shares in a Sub-Fund may, inter alia, have the following distinguishing features: different charging structures; may be hedged or unhedged Share classes and may have different Minimum Initial Investment Amounts. Details of such structures and amounts for each Sub-Fund shall be set out in a Supplement for the relevant Sub-Fund. The different classes of Shares within a Sub-Fund together represent interests in a single pool of assets.

### **Investment Objective and Strategies**

The Articles provide that the investment objective and strategies for each Sub-Fund will be formulated by the Directors at the time of the creation of that Sub-Fund. Details of the investment objective and strategies for each Sub-Fund of the Company appear in the Supplement for the relevant Sub-Fund. There can be no assurance that each Sub-Fund will achieve its investment objective.

Any change in the investment objective of a Sub-Fund or a material change in the investment strategies of the Sub-Fund will be subject to the approval of an ordinary resolution of the Shareholders of the Sub-Fund or by prior written consent of all the Shareholders of the Sub-Fund. Subject and without prejudice to the preceding sentence of this paragraph, in the event of a change of investment objective and/or a material change to the investment strategies of a Sub-Fund on the basis of an ordinary resolution passed at a general meeting of the Shareholders of the Sub-Fund, a reasonable notification period must be given to each Shareholder of the Sub-Fund to enable a Shareholder to have its Shares repurchased prior to the implementation of such change.

### **Investment Restrictions**

The investment restrictions for each Sub-Fund will be formulated by the Directors at the time of the creation of the Sub-Fund. The Articles provide that investments may only be made as permitted by the Articles and the Regulations. In any event, each Sub-Fund will comply with the CBI UCITS Regulations.

The following general investment restrictions apply to each Sub-Fund save to the extent that such restrictions are expressly or implicitly disapplied in accordance with the requirements of the Central Bank by investment strategies and restrictions contained in the Supplement for the relevant Sub-Fund and any additional restrictions specified therein.

#### **1. Permitted Investments**

Investments of a Sub-Fund must be confined to:

- 1.1 transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or Non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State and is listed in Appendix I;
- 1.2 recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year;
- 1.3 money market instruments, other than those dealt in on a Regulated Market;

- 1.4 shares or units of UCITS;
- 1.5 shares or units of AIFs;
- 1.6 deposits with credit institutions; and
- 1.7 financial derivative instruments.

## **2. Investment Limits**

- 2.1 A Sub-Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1 above.
- 2.2 Recently Issued Transferable Securities:
  - 1. Subject to paragraph (2) a Sub-Fund shall not invest any more than 10% of assets of a Sub-Fund in securities of a type to which Regulations 68(1)(d) of the Regulations apply.
  - 2. Paragraph (1) does not apply to an investment by a Sub-Fund in US Securities known as “Rule 144 A securities” provided that:
    - (a) the relevant securities are issued with an undertaking to register the securities with the SEC within 1 year of issue; and
    - (b) the securities are not illiquid securities, i.e. they may be realised by the Sub-Fund within seven days at the price, or approximately at the price, which they are valued by the Sub-Fund.
- 2.3 A Sub-Fund may invest no more than 10% of its Net Asset Value in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 Subject to the prior approval of the Central Bank, the limit of 10% (as described in paragraph 2.3 above) 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 bondholders. If a Sub-Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Sub-Fund.
- 2.5 The limit of 10% (as described in paragraph 2.3 above) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a Non-Member State or public international body of which one or more Member States are members.
- 2.6 The transferable securities and money market instruments referred to in paragraphs 2.4. and 2.5 above shall not be taken into account for the purpose of applying the limit of 40% referred to in paragraph 2.3.
- 2.7 Cash booked in accounts and held as ancillary liquidity with any one credit institution shall not exceed 20% of the net assets of the UCITS.
- 2.8 The risk exposure of a Sub-Fund to a counterparty to an OTC Derivative may not exceed 5% of its Net Asset Value.

This limit is raised to 10% in the case of credit institutions authorised in the EEA, credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia, New Zealand or any other entity permitted by the Central Bank.
- 2.9 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 a Sub-Fund’s Net Asset Value:
  - investments in transferable securities or money market instruments;
  - deposits; and/or
  - counterparty risk exposures arising from OTC Derivatives transactions.

- 2.10 The limits referred to in paragraphs 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 a Sub-Fund's Net Asset Value.
- 2.11 Group companies are regarded as a single issuer for the purposes of paragraphs 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above. However, a limit of 20% of a Sub-Fund's Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12 A Sub-Fund may invest up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, Non-Member State or public international body of which one or more Member States are members.

The individual issuers may be drawn from the following list:

OECD governments (provided the relevant issues are investment grade), Government of Brazil (provided these issues are of investment grade), Government of India (provided these 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 Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC.

The Sub-Fund must hold securities from at least six different issues, with securities from any one issue not exceeding 30% of net assets.

### **3. Investment in other collective investment schemes ("CIS")**

- 3.1 A Sub-Fund may not invest more than 20% of its Net Asset Value in any one CIS.
- 3.2 Investment in AIFs may not, in aggregate, exceed 30% of its Net Asset Value.
- 3.3 The CIS in which the Sub-Fund invests are prohibited from investing more than 10% of its Net Asset Value in other open-ended CIS.
- 3.4 When a Sub-Fund invests in the shares or units of other CIS that are managed, directly or by delegation, by the Investment Manager, its delegates or by any other company with which the Investment Manager or any of its delegates is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager or any of its delegates or other company may not charge subscription, switching or redemption fees on account of the investment by the Sub-Fund in the shares or units of such other CIS.
- 3.5 Where by virtue of investment in the units of another investment fund, a responsible person, the Manager, an investment manager or an investment advisor received a commission on behalf of the Sub-Fund (including a rebated commission), the Manager shall ensure that the relevant commission is paid into the property of the Sub-Fund.

### **4. Index Tracking UCITS**

- 4.1 A Sub-Fund may invest up to 20% of its Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Sub-Fund is to replicate an index which satisfies the criteria set out in the CBI UCITS Regulations and is recognised by the Central Bank.
- 4.2 The limit in paragraph 4.1 above may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

### **5. General Provisions**

- 5.1 The Company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights that would enable it to exercise significant influence over the management of an issuing

body.

5.2 A Sub-Fund may acquire no more than:

- (i) 10% of the non-voting shares of any single issuing body;
- (ii) 10% of the debt securities of any single issuing body;
- (iii) 25% of the shares or units of any single CIS; or
- (iv) 10% of the money market instruments of any single issuing body.

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

5.3 Paragraphs 5.1 and 5.2 above shall not be applicable to:

- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by a Non-Member State;
- (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (iv) shares held by a Sub-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 Non-Member State, where under the legislation of that Non-Member State such a holding represents the only way in which the Sub-Fund can invest in the securities of issuing bodies of that Non-Member State. This waiver is applicable only if in its investment strategies the company from the Non-Member State complies with the limits laid down in paragraphs 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2 above and paragraphs 5.4, 5.5 and 5.6 below, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed; and
- (v) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares or units at the request of share or unit holders exclusively on their behalf.

5.4 A Sub-Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments that form part of their assets.

5.5 The Central Bank may allow recently authorised Sub-Funds to derogate from the provisions of paragraphs 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 above for six months following the date of their authorisation, provided they observe the principle of risk spreading.

5.6 If the limits laid down herein are exceeded for reasons beyond the control of a Sub-Fund, or as a result of the exercise of subscription rights, the Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.

5.7 The Company may not carry out uncovered sales of transferable securities; money market instruments; shares or units of CIS; or financial derivative instruments.

5.8 A Sub-Fund may hold ancillary liquid assets.

## **6. Financial Derivative Instruments (“FDIs”)**

6.1 A Sub-Fund’s global exposure (as prescribed in the CBI UCITS Regulations) relating to FDI must not exceed its total net asset value.

6.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations. (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 CBI UCITS Regulations).

6.3 A Sub-Fund may invest in FDIs dealt in over-the-counter (“**OTC**”) provided that the counterparties to the

OTC transactions are institutions subject to prudential supervision and belonging to categories provided by the Central Bank.

6.4 Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

### **Efficient Portfolio Management**

Where stated in the relevant Supplement, a Sub-Fund may use techniques and instruments relating to transferable securities for the purposes of efficient portfolio management subject to the conditions and limits set out from time to time by the Central Bank and each Sub-Fund may employ techniques and instruments intended to provide protection against exchange risks in the context of the management of its assets and liabilities. The specific techniques and instruments to be utilised by each Sub-Fund (if any) are set out in the Supplement for the relevant Sub-Fund. Such techniques may involve the lending of portfolio securities by a Sub-Fund, but such stocklending must be secured by adequate collateral as described in the section entitled “**Collateral Policy**” below and will be subject to the conditions and limits set out in the CBI UCITS Regulations.

Where specified in the relevant Supplement, such techniques may also include SFT, which include repurchase agreements, reverse repurchase agreement and/or securities lending agreements for efficient portfolio management purposes only, in each case, in accordance with the conditions and limits set down in the CBI UCITS Regulations and the SFTR.

#### **Repurchase Agreements**

A repurchase agreement is an agreement pursuant to which one party sells securities to another party subject to a commitment to repurchase the securities at a specified price on a specified future date. Where a Fund enters into a repurchase agreement, it shall seek to ensure that it can recall at all times any securities that are subject to the repurchase agreement or to terminate any repurchase agreement it has entered into.

Where a Fund enters into a repurchase agreement, it will incur a financing cost from engaging in this transaction which will be paid to the relevant counterparty. Cash collateral received by a Fund under a repurchase agreement is typically reinvested in order to generate a return greater than the financing costs incurred by the Fund. In such circumstances, the Fund will be exposed to market risk and to the risk of failure or default of the issuer of the relevant security in which the cash collateral has been invested and therefore any exposure resulting from reinvestment of cash collateral must be taken into account in the global exposure calculations for the relevant Fund. Furthermore, the Fund retains the economic risks and rewards of the securities which it has sold to the counterparty and therefore it is exposed to market risk in the event that it repurchases such securities from the counterparty at the pre-determined price which is higher than the value of the securities.

#### **Reverse Repurchase Agreements**

A reverse repurchase agreement is an agreement whereby one party purchases securities from another party subject to a commitment to re-sell the relevant securities to the other party at a specified price on a specified future date. Where a Fund enters into a reverse repurchase agreement, it shall seek to ensure that it can recall the full amount of cash or can terminate the reverse repurchase agreement on either an accrued basis or mark to market basis at any time. When the cash is callable at any time on a mark to market basis, the mark to market value of the reverse repurchase agreement should be used for calculating the Net Asset Value of the relevant Fund.

There is no global exposure generated by a Fund as a result of entering into reverse repurchase arrangements, nor do any such arrangements result in any incremental market risk unless the additional income which is generated through finance charges imposed by the Fund on the counterparty is reinvested, in which case the Fund will assume market risk in respect of such investments.

#### **Securities Lending Agreements**

A securities lending arrangement is one where one party transfers securities to another party subject to a commitment from that party that they will return equivalent securities on a specified future date or when requested to do so by the party transferring the securities. Securities lending arrangements aim to generate additional income for the relevant Fund with an acceptably low level of risk. Under such agreement, the borrower pays the lender (being the Fund) a fee for the use of the securities during the

period that they are on loan and provides cash collateral as security for the relevant securities lending transaction. Each Fund may lend its portfolio securities via a securities lending programme through an appointed securities lending agent including any affiliate of the Depositary, Manager, Investment Manager or any sub-investment manager to brokers, dealers and other financial institutions wishing to borrow securities to complete transactions and for other purposes in exchange for collateral. Investors should read the risk warning under the section entitled “**Depositary**” - “**Conflicts of Interest**” for further information regarding the risks associated with the use of affiliates of the Depositary to provide security lending agency services to the Company. Any Fund that enters into a securities lending agreement shall seek to ensure that it can recall any security that has been lent out and terminate such agreement at any time.

Finance charges received by a Fund under a securities-lending agreement may be reinvested in order to generate additional income. Similarly cash collateral received by a Fund under a securities lending agreement may also be reinvested in order to generate additional income. In both circumstances, the Fund will be exposed to market risk in respect of any such investments and should be taken into account when calculating global exposure.

Pursuant to the terms of the relevant securities lending arrangement, the appointed lending agent will be entitled to retain a portion of the securities lending revenue to cover all fees and expenses associated with the securities lending activity, including amongst other things, the delivery of loaned securities and the management of collateral, and such fees shall be paid at normal commercial rates.

The use of the techniques described above may expose a Fund to the risks disclosed in the section entitled “**Risk Factors**”-“**Risks associated with Securities Financing Transactions**”.

Any counterparty to a stocklending agreement, repurchase agreement or reverse repurchase agreements shall be subject to an appropriate internal credit assessment carried out by the Investment Manager on behalf of the Company which shall include amongst other considerations, external or implied credit ratings of the counterparty, capital adequacy, regulatory supervision applied to the relevant counterparty, country of origin of the counterparty, legal status of the counterparty, industry sector risk and concentration risk. Where such counterparty (a) is subject to a credit rating by an agency registered and supervised by ESMA, that rating shall be taken into account by the Investment Manager in the credit assessment process; and (b) where the relevant counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Investment Manager on behalf of the Company without delay.

Please see the section entitled “**Risk Factors**” below for details of the risks involved in entering into repurchase agreements and stocklending agreements.

Techniques and instruments utilised for the purposes of efficient portfolio management may only be used in accordance with the investment strategy of the relevant Sub-Fund and in accordance with the requirements of the Central Bank. Any such technique or instrument should be reasonably believed by the Investment Manager to be economically appropriate to the efficient portfolio management of the relevant Sub-Fund, i.e., the use of such a technique or instrument may only be undertaken for the purpose of one or more of the following:

- (a) a reduction in risk;
- (b) a reduction in cost; or
- (c) an increase in capital or income returns to a Sub-Fund with a level of risk which is consistent with the risk profile of the Sub-Fund.

The Manager, on behalf of the Company, currently employs a risk management process relating to the use of financial derivative instruments on behalf of the relevant Sub-Fund which details how the Manager accurately measures, monitors and manages the various risks associated with financial derivative instruments. A Sub-Fund will not employ any instruments that are not included in the existing risk management process which has been cleared by the Central Bank. Prior to investing in financial derivative instruments which are not included in the cleared risk management process, a revised risk management process report will be cleared by the Central Bank.

The Company will on request provide supplementary 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 investments in respect of the relevant Sub-Funds.

Details of the types of FDI which may be used by a Sub-Fund shall be set out in the Supplement for the relevant Sub-Fund.

### **Total Return Swaps**

Where specified in the relevant Supplement, a Sub-Fund may enter into total return swaps for investment purposes in order to generate income or profits in accordance with the investment objective and policies of the relevant Sub-Fund, in order to reduce expenses or in order to hedge against risks faced by the Sub-Fund.

A total return swap is an OTC derivative contract in which one counterparty transfers the total economic performance, including income from interest and fees, gains and losses from price movements, and credit losses, of a reference obligation to another counterparty generally in return for a fixed or floating cash payment. The reference obligation of a total return swap may be any securities or other investments in which the relevant Sub-Fund is permitted to invest or gain exposure to in accordance with its investment objective and policies. Where applicable, information on the underlying strategy or index and the composition of the investment portfolio or index shall be disclosed in the relevant Supplement. The terms of a total return swap may provide for acceleration of its termination date upon the occurrence of one or more referenced events with respect to a reference obligation. Where a Sub-Fund enters into a total return swap on a net basis, the two payment streams are netted out, with the relevant Sub-Fund receiving or paying, as the case may be, only the net amount of the two payments.

Any counterparty to a total return swap shall be subject to an appropriate internal credit assessment carried out by the Investment Manager on behalf of the Company which shall include amongst other considerations, country of origin of the counterparty, legal status of the counterparty, external or implied credit ratings of the counterparty, capital adequacy, regulatory supervision applied to the relevant counterparty, industry sector risk and concentration risk. Where such counterparty (a) is subject to a credit rating by an agency registered and supervised by ESMA, that rating shall be taken into account by the Investment Manager in the credit assessment process; and (b) where the relevant counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Investment Manager on behalf of the Company without delay.

Save where otherwise disclosed in the relevant Supplement, the counterparty to any total return swap entered into by the Sub-Fund shall not assume any discretion over the composition or management of the investment portfolio of the Sub-Fund or of the underlying of the total return swap and the approval of the counterparty is not required in relation to any investment portfolio transaction of the Sub-Fund.

The use of total return swaps may expose a Sub-Fund to the risks disclosed under the heading "Risk Factors"- "Risks associated with Total Return Swaps".

### **Costs Associated with Use of Total Return Swaps and Repurchase Agreements, Reverse Repurchase Agreements and Securities Lending Agreements for Efficient Portfolio Management**

All revenues generated from the use of total return swaps for investment and/or efficient portfolio purposes or repurchase, reverse repurchase and securities lending arrangements entered into by the Company on behalf of a Sub-Fund, will, after deduction of any expenses and fees, be returned to the relevant Sub-Fund. These direct and indirect operational costs will not contain any hidden revenue.

Where the Company on behalf of a Sub-Fund engages in the use of total return swaps, repurchase agreements, reverse repurchase agreements and securities lending agreements, the Company will disclose information on the direct and indirect operational costs and fees incurred by the relevant Sub-Fund, as well as the identity of the entity or entities, to which such costs and fees are paid, indicating whether or not these are related parties to the Company or the Depositary in the annual report of the Company.

### **Collateral Policy**

#### **1. Permitted types of collateral**

##### **1.1 Non-cash collateral**

Non-cash collateral must at all times meet with the following requirements:

- (i) Liquidity: Non-cash collateral should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations;
- (ii) Valuation: Collateral that is received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. The non-cash collateral received by the Fund will be at mark to market given the required liquid nature of the collateral;;
- (iii) Issuer credit quality: Collateral received should be of high quality. The Company shall ensure;
  - (a) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Investment Manager acting on behalf of the Company in the credit assessment process; and
  - (b) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (a) this shall result in a new credit assessment being conducted of the issuer by the Investment Manager acting on behalf of the Company without delay.
- (iv) Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;
- (v) Diversification (asset concentration):
  - (a) Subject to sub-paragraph (b) below, collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value. When Sub-Funds are exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer;
  - (b) a Sub-Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, non-Member State, or public international body of which one or more Member States belong (and which issuers are set out in Section 2.12 of the section of the Prospectus entitled “**Investment Restrictions**” above) provided the Sub-Fund will receive securities from at least six different issues with securities from any single issue not accounting for more than 30% of the Sub-Fund’s net asset value.
- (vi) Immediately available: Collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the relevant counterparty; and
- (vii) Non-cash collateral received cannot be sold, pledged or reinvested by the Company.

## 1.2 Cash collateral

1.2.1 Reinvestment of cash collateral must at all times, meet with the following requirements:

- (i) Cash received as collateral may only be invested in the following:
  - (a) deposits with an EU credit institution, a bank authorised in the remaining Member States of the European Economic Area (EEA) (Norway, Iceland, Liechtenstein), a bank authorised by a signatory state, other than an EU Member State or a Member State of EEA, to the Basle Capital Convergence Agreement of July 1988 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia, New Zealand or any other entity permitted by the Central Bank (a “**Relevant Institution**”);
  - (b) high quality government bonds;
  - (c) reverse repurchase agreements provided the transactions are with a Relevant Institution and the Company is able to recall at any time the full amount of cash on an accrued basis;

- (d) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049);
- (ii) meet the diversification requirements in section 1.1.1(v) above, where applicable;
- (iii) Invested cash collateral may not be placed on deposit with the counterparty or with any entity that is related or connected to the counterparty.

There are no restrictions on the maturity of the collateral received by a Fund.

## **2. Holding of Collateral**

Collateral received on a title transfer basis will be held by the Depositary. For other types of collateral arrangements, the collateral may be held by a third party Depositary which is subject to prudential supervision and which is unrelated and unconnected to the provider of the collateral.

## **3. Stress Testing of Collateral**

Where a Sub-Fund receives collateral for at least 30% of its assets, stress tests will be carried out regularly under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral.

## **4. Level of Collateral Required**

The level of collateral required for all efficient portfolio management techniques and OTC Derivatives will, subject to the minimum transfer amount and threshold provisions, be at least 100% of the exposure to the relevant counterparty.

## **5. Haircut policy**

While the Investment Manager and any of its duly appointed delegates will only accept non-cash collateral which does not exhibit high price volatility, the non-cash collateral received on behalf of the Sub-Funds will typically be subject to a valuation percentage of between 95% and 100% of its value. The valuation percentage will depend on factors such as liquidity, price volatility, issuer credit quality and remaining maturity and will take into account the results of stress tests performed by the Investment Manager and any of its duly appointed delegates and, where applicable, will take into account the requirements of EMIR.

## **Borrowing and Lending Powers**

The Company may borrow up to 10% of a Sub-Fund's Net Asset Value at any time provided such borrowing is only for temporary purposes.

The Company may not sell any investments of a Sub-Fund when such investments are not in the ownership of the Depositary on behalf of the Sub-Fund.

A Sub-Fund may engage in leverage through the use of financial derivative instruments to the extent permitted by the CBI UCITS Regulations. The extent to which a Sub-Fund may be leveraged, if any, will be set out in the relevant Supplement.

## **Operation of Cash Accounts in the Name of the Company**

The Company has established cash accounts designated in different currencies opened in the name of the Company on behalf of all Sub-Funds into which are combined (i) subscription monies received from investors who have subscribed for Shares until such time as the applicable Shares are issued as of the relevant Dealing Day; (ii) redemption monies due to investors who have redeemed Shares until such time as paid to the relevant investors; and (iii) dividend payments owing to Shareholders until such time as paid to such Shareholders. Such cash accounts are defined herein as Umbrella Cash Accounts.

All subscriptions, redemptions or dividends payable to or from any Sub-Fund will be channelled and managed through such Umbrella Cash Accounts and no such accounts shall be operated at the level of each individual Fund. However the Company will ensure that the amounts within an Umbrella Cash Account whether positive

or negative can be attributed to the relevant Sub-Fund in order to comply with the requirement that the assets and liabilities of each Sub-Fund are kept separate from all other Sub-Funds and that separate books and records are maintained for each Sub-Fund in which all transactions relevant to a Sub-Fund are recorded.

Further information relating to such accounts is set out in the sections below entitled (i) **“Subscription for Shares” – “Operation of Subscription Cash Accounts in the name of the Company”**; (ii) **“Redemption of Shares” – “Operation of Redemption Cash Accounts in the name of the Company”**; and (iii) **“Sub-Funds” – “Dividend Policy”** respectively. In addition, your attention is drawn to the section of the Prospectus entitled **“Risk Factors” – “Operation of Umbrella Cash Accounts”**.

### **Dividend Policy**

The Directors decide the dividend policy and arrangements relating to each Sub-Fund and details are set out where applicable in the relevant Supplement. Under the Articles, the Directors are entitled to declare dividends out of the relevant Sub-Fund being: (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends) less expenses and/or (ii) realised and unrealised gains on the disposal/valuation of investments less realised and unrealised losses of the relevant Sub-Fund.

The Directors, in consultation with the Administrator may satisfy any dividend due to Shareholders in whole or in part by distributing to them in specie any of the assets of the relevant Sub-Fund, and in particular any investments to which the relevant Sub-Fund is entitled. A Shareholder may require the Company instead of transferring any assets in specie to him, to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of same. The Company will be obliged and entitled to deduct an amount in respect of Irish taxation from any dividend payable to a Shareholder in any Sub-Fund who is or is deemed to be a Taxable Irish Person and pay such sum to the Irish tax authorities.

Dividends not claimed within six years from their due date will lapse and revert to the relevant Sub-Fund.

Dividends on distributing shares payable to Shareholders will be paid by electronic transfer to the bank account designated by the Shareholder in the original Subscription Agreement in which case the dividend will be paid at the expense of the payee and will be paid within four months of the date the Directors declared the dividend.

The dividend policy for each Sub-Fund and the type of Shares available therein are set out in the Supplement for the relevant Sub-Fund. Any change in the dividend policy for a Sub-Fund will be notified to all Shareholders in that Sub-Fund in advance and full details of such a change will be provided in an updated Supplement for that Sub-Fund.

Pending payment to the relevant Shareholder, distribution payments will be held in an account in the name of the Company and will be treated as an asset of the relevant Sub-Fund until paid to that Shareholder and will not benefit from the application of any investor money protection rules (i.e. the distribution monies in such circumstance will not be held on trust for the relevant Shareholder). In such circumstance, the Shareholder will be an unsecured creditor of the relevant Sub-Fund with respect to the distribution amount held by the Company until paid to the Shareholder and the Shareholder entitled to such distribution amount will be an unsecured creditor of the Sub-Fund. In the event of an insolvency of the Sub-Fund or the Company, there is no guarantee that the Sub-Fund or the Company will have sufficient funds to pay unsecured creditors in full. Your attention is drawn to the section of the Prospectus entitled **“Anti-Money Laundering Provisions”**.

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## RISK FACTORS

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### **General Risk**

The Sub-Funds will be investing in assets selected by the Investment Manager in accordance with the respective investment objectives and strategies. The value of investments and the income from them, and therefore the value of and income from Shares relating to each Sub-Fund, will therefore be closely linked to the performance of such investments. Investments made by the Investment Manager will be speculative and an investment in a Sub-Fund, therefore, involves a degree of risk. There is no guarantee that the investment objective of a Sub-Fund, or its risk monitoring, will be achieved and results may vary substantially over time. A Sub-Fund's investment strategy may carry considerable risks.

The value of investments and the income from them, and therefore the value of and income from Shares relating to each Sub-Fund, can go down as well as up and a Shareholder may not get back the amount he invests. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase.

### **Market Risk**

Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. During a general downturn in the securities markets, multiple asset classes may decline in value simultaneously. Equity securities generally have greater price volatility than fixed-income securities.

### **Tax Risk**

The tax information provided in the section entitled "**Taxation**" is based on the advice received by the Directors in respect of tax law and practice as at the date of this Prospectus and is subject to change from time to time. Any change in the taxation legislation in Ireland or in any jurisdiction where a Sub-Fund is registered, listed, marketed or invested could affect the tax status of the Company and any Sub-Fund, affect the value of the relevant Sub-Fund's investments in the affected jurisdiction, affect the relevant Sub-Fund's ability to achieve its investment objective and/or alter the after-tax returns to investors. Where a Sub-Fund invests in derivative contracts, these considerations may also extend to the jurisdiction of the governing law of the derivative contract and/or the relevant counterparty and/or to the markets to which the derivative contract provides exposure. The availability and value of any tax reliefs available to investors depend on the individual circumstances of each investor. The information in the section entitled "**Taxation**" is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their tax advisors with respect to their particular tax situations and the tax effects of an investment in a Sub-Fund. Where a Sub-Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, the Company, the relevant Sub-Fund, the Manager, the Investment Manager, the Depositary and the Administrator shall not be liable to account to any investor for any payment made or suffered by the Company or the relevant Sub-Fund in good faith to a fiscal authority for taxes or other charges of the Company or the relevant Sub-Fund notwithstanding that it is later found that such payments need not or ought not have been made or suffered.

The Company may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned and capital gains arising on its investments. The Company may not be able to benefit from a reduction in the rate of such foreign tax by virtue of the double taxation treaties between Ireland and other countries. The Company may not, therefore, be able to reclaim any foreign withholding tax borne by it in particular countries. If this position changes and the Company obtains a repayment of foreign tax, the Net Asset Value of the Sub-Fund from which the relevant foreign tax was originally deducted will not be restated and the benefit will be reflected in the Net Asset Value of the Sub-Fund at the time of repayment.

### **Political Risks**

The value of a Sub-Fund's assets may be affected by uncertainties such as political developments, changes in

government policies, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the Sub-Fund may invest.

### **Potential Implications of Brexit**

The decision made in the United Kingdom referendum to leave the EU has led to volatility in the financial markets of the United Kingdom and more broadly across Europe and may also lead to weakening in consumer, corporate and financial confidence in such markets. The extent and process by which the United Kingdom will exit the EU, and the longer term economic, legal, political and social framework to be put in place between the United Kingdom and the EU are unclear at this stage and are likely to lead to ongoing political and economic uncertainty and periods of exacerbated volatility in both the United Kingdom and in wider European markets for some time. In particular, the decision made in the referendum may lead to a call for similar referendums in other European jurisdictions which may cause increased economic volatility in the European and global markets. This mid- to long-term uncertainty may have an adverse effect on the economy generally and on the ability of the Fund and its investments to execute their respective strategies and to receive attractive returns.

In particular, currency volatility may mean that the returns of the Fund and its investments are adversely affected by market movements. Potential decline in the value of Sterling and/or the Euro against other currencies, along with the potential downgrading of the United Kingdom's sovereign credit rating, may also have an impact on the performance of portfolio companies or investments located in the United Kingdom or Europe.

### **Currency Risks**

A Sub-Fund's investments may be acquired in a wide range of currencies and changes in exchange rates between currencies may cause the value of an investment in a Sub-Fund to fluctuate due to the fact that the currency positions held by a Sub-Fund may not correspond with the securities positions held.

A Sub-Fund may utilise financial instruments such as forward contracts, swap agreements, options and future contracts to seek to hedge against fluctuations in the relative values of the Sub-Fund's portfolio as a result of changes in currency exchange rates. However, it may not be possible for the Sub-Fund to hedge against any exchange rate fluctuation that is so generally anticipated, the Sub-Fund is not able to enter into a hedging transaction at a price sufficient to protect the Sub-Fund from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

Where a class currency exposes Shareholders in that class to additional currency risk, such exposure may also be hedged. In such events, the exchange rate used for the purposes of hedging is likely to be the rate prevailing at the time the necessary currency hedging contracts are put in place and accordingly Shareholders in such classes will bear the risk of not benefiting from any potential rise in the exchange rate of the class currency against the Base Currency and/or other currencies in which the assets of a Sub-Fund are denominated between the time the hedging contracts are put in place and the time when such contracts settle.

A Sub-Fund may issue classes of Shares denominated in a currency other than the Base Currency of that Sub-Fund and accordingly the value of a Shareholder's investment in such a class may be affected favourably or unfavourably by fluctuations in the rates of the two different currencies. For example, a Shareholder may not benefit if the class currency falls against the Base Currency and/or the currencies in which the assets of a Sub-Fund are denominated. A currency conversion will take place on subscription, redemption, switching and distribution at prevailing exchange rates.

### **Legal and Regulatory Risks**

Legal and regulatory (including taxation) changes could adversely affect the Company. Regulation (including taxation) of investment vehicles such as the Company is still evolving and therefore subject to change. In addition, many governmental agencies, self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future legal or regulatory (including taxation) change on the Company is impossible to predict but could be substantial and have adverse consequences on the rights and returns of Shareholders.

### **Reliance on the Directors and Investment Manager**

The Shareholders will have no right to participate in the management of a Sub-Fund or in the control of its business. Accordingly, no person should purchase any Shares unless he is willing to entrust all aspects of management of the Sub-Fund to the Director and all aspects of selection and management of the Sub-Fund's

investments to the Investment Manager. The Sub-Fund's success will depend completely on the efforts of the Investment Manager, the Administrator and the Depositary.

### **Difficult to Value**

Assets in which a Sub-Fund invests may be valued on a less frequent basis than the Sub-Fund. Accordingly there is a risk that (i) the valuations of a Sub-Fund may not reflect the true value of assets held by a Sub-Fund at a specific time which could result in losses or inaccurate pricing for a Sub-Fund and/or (ii) the valuations may not be available at the relevant Valuation Point so that some of the assets of the Sub-Fund may be valued at their probable realisation value as set out in this Prospectus.

### **Risks Associated with Securities Financing Transactions**

#### *General*

Entering into repurchase agreements, reverse repurchase agreements and stocklending agreements create several risks for the Company and its investors. The relevant Fund is exposed to the risk that a counterparty to an SFT may default on its obligation to return assets equivalent to the ones provided to it by the relevant Fund. It is also subject to liquidity risk if it is unable to liquidate collateral provided to it to cover a counterparty default. Such transactions may also carry legal risk in that the use of standard contracts to effect SFT may expose a Fund to legal risks such as the contract may not accurately reflect the intention of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation. Such transactions may involve operational risks in that the use of SFT and management of collateral are subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Risks may also arise with respect to any counterparty's right of re-use of any collateral as outlined below under "Risks Associated with Collateral Management".

#### *Securities Lending*

Where disclosed in the relevant Supplement, a Fund may engage in securities lending activities. As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to a certain level to ensure that the exposure to a given counterparty does not breach any risk-spreading rules imposed under the Regulations. However, there is a risk that the value of the collateral may fall below the value of the securities transferred. In addition, as a Fund may invest cash collateral received under a securities lending arrangement in accordance with the requirements set down in the CBI UCITS Regulations, any such Fund will be exposed to the risk associated with such investments, such as failure or default of the issuer or the relevant security.

#### *Repurchase Agreements*

Under a repurchase agreement, a Fund retains the economic risks and rewards of the securities which it has sold to the counterparty and therefore is exposed to market risk in the event that it must repurchase such securities from the counterparty at the pre-determined price which is higher than the value of the securities. If it chooses to reinvest the cash collateral received under the repurchase agreement, it is also subject to market risk arising in respect of such investment.

#### *Reverse Repurchase Agreements*

Where disclosed in the relevant Supplement, a Fund may enter into a reverse repurchase agreement. If the seller of securities to a Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, that Fund will seek to dispose of such securities, which action could involve costs or delays. If the seller becomes insolvent and subject to liquidation or reorganisation under applicable bankruptcy or other laws, a Fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario, that the Fund may not be able to substantiate its interest in the underlying securities. Finally, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, a Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller.

### **Risks Associated with Total Return Swaps**

Where specified in the relevant Supplement, a Sub-Fund may enter into total return swap agreements i.e. a

derivative whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty. If there is a default by the counterparty to a swap contract, a Sub-Fund will be limited to contractual remedies pursuant to the agreement related to the transaction. There is no assurance that swap contract counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the Manager on behalf of the Sub-Fund will succeed in pursuing contractual remedies. A Sub-Fund thus assumes the risk that it may be delayed in or prevented from exercising its rights with respect to the investments in its portfolio and obtaining payments owed to it pursuant to the relevant contract and therefore may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Furthermore, in addition to being subject to the credit risk of the counterparty to the total return swap, the Sub-Fund is also subject to the credit risk of the issuer of the reference obligation. Costs incurred in relation to entering into a total return swap and differences in currency values may result in the value of the index/reference value of the underlying of the total return swap differing from the value of the total return swap.

### **Risks Associated with Collateral Management**

#### *Custody Risk*

Where a Fund enters into an OTC derivative contract or an SFT, it may be required to pass collateral to the relevant counterparty or broker. Collateral that a Fund posts to a counterparty or a broker by way of a title transfer arrangement that is not segregated with a third-party custodian may not have the benefit of customer-protected "segregation" of such assets. Therefore in the event of the insolvency of a counterparty or a broker, the Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return if the collateral becomes available to the creditors of the relevant counterparty or broker.

#### *Credit Risk*

Where a Fund delivers collateral to a counterparty under the terms of its trading agreement with such party, the counterparty may be over-collateralised and a Fund will be exposed to the creditworthiness of that counterparty to the extent of the over-collateralisation. In addition, a Fund may from time to time have uncollateralised exposure to its counterparties in relation to its rights to receive securities and cash under contracts governing its arrangements with the relevant counterparties. In the event of the insolvency of a counterparty, a Fund will rank as an unsecured creditor in relation to amounts equivalent to both any uncollateralised exposure to such trading counterparties and any such over collateralisation, and in such circumstances it is likely that a Fund may not be able to recover any debt in full, or at all. A Fund is also subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

#### *Counterparty Risk*

Where collateral is posted to a counterparty or broker by way of a title transfer collateral arrangement or where the Company on behalf of a Fund grants a right of re-use under a security collateral arrangement which is subsequently exercised by the counterparty, the Company on behalf of a Fund will only have an unsecured contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty, the Fund shall rank as an unsecured creditor and may not receive equivalent assets or recover the full value of the assets. Investors should assume that the insolvency of any counterparty would result in a loss to the relevant Fund, which could be material. In addition, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the Company or its delegates will not have any visibility or control.

#### *Liquidity Risk*

In addition, notwithstanding that a Fund may only accept non-cash collateral which is highly liquid, a Fund is subject to the risk that it will be unable to liquidate collateral provided to it to cover a counterparty default. Where cash collateral received by a Fund is re-invested in accordance with the conditions imposed by the Central Bank, a Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested. The risk relating to the re-investment of cash collateral may be mitigated by investing cash collateral in highly liquid and diversified money market funds or reverse repurchase transactions.

#### *Legal Risk*

Because the passing of collateral is effected through the use of standard contracts, a Fund may be exposed to legal risks such as the contract may not accurately reflect the intentions of the parties or the contract may not be

enforceable against the counterparty in its jurisdiction of incorporation.

### **Custodial Risk**

The Sub-Funds' assets will be held in one or more accounts maintained for such Sub-Fund by the Depository or at other local sub-custodian banks which may be located in other jurisdictions, including jurisdictions where custodian and/or settlement systems are not fully developed. The insolvency of the Depository, or of any local broker, sub-custodian bank or clearing corporation used by the Depository, may result in the loss of all or a substantial portion of the Sub-Fund's assets or in a significant delay in the Sub-Fund having access to those assets.

### **Risks associated with Financial Derivative Instruments**

While the prudent use of financial derivative instruments ("FDI") can be beneficial, FDIs also involve risks different from, and in certain cases greater than, the risks presented by more traditional investments.

#### *General*

A Sub-Fund may from time to time utilize various financial instruments both for investment purposes and for risk management purposes in order to: (i) protect against possible changes in the market value of the Sub-Fund's investment portfolio resulting from fluctuations in the currency exchange rates, securities markets and/or changes in interest rates, (ii) protect the Sub-Fund's unrealized gains in the value of the Sub-Fund's investment portfolio, (iii) facilitate the sale of any such investments, (iv) enhance or preserve returns, spreads or gains on any investment in the Sub-Fund's portfolio, (v) hedge the interest rate or currency exchange rate on any of the Sub-Fund's liabilities or assets, (vi) protect against any increase in the price of any securities the Sub-Fund anticipates purchasing at a later date or (vii) for any other reason that the Investment Manager deems appropriate.

In certain transactions, the Sub-Fund may not be "hedged" against market fluctuations, or, in liquidation situations, may not accurately value the assets of the company being liquidated. This can result in losses, even if the proposed transaction is consummated. The Investment Manager may not hedge a position in the Sub-Fund's portfolio because a hedge may not be available; it may be too costly in light of the likelihood of the possible risk actually occurring or the risk simply could not be reasonably anticipated.

#### *Market Risk*

This is a general risk that applies to all investments, including FDIs, meaning that the value of a particular FDI may go down as well as up in response to changes in market factors. A Sub-Fund may also use FDIs to short exposure to some investments. Should the value of such investments increase rather than fall, the use of FDIs for shorting purposes will have a negative effect on the Sub-Fund's value and in extreme market conditions may, theoretically, give rise to unlimited losses for the Sub-Fund. Should such extreme market conditions occur, investors could, in certain circumstances, therefore face minimal or no returns, or may even suffer a loss on their investment in that particular Sub-Fund.

#### *Liquidity Risk*

There is no assurance that a liquid market will exist for any particular derivative trade, including futures and swaps, at any time. Liquidity risk exists when a particular instrument is difficult to purchase or sell. If a FDI transaction is particularly large or if the relevant market is illiquid, it may not be possible to initiate a transaction or liquidate a position at an advantageous price (however, the Sub-Fund will only enter into OTC FDIs if it is allowed to liquidate such transactions at any time at fair value).

#### *Counterparty Risk*

The Sub-Funds may enter into transactions in OTC markets, which will expose the Sub-Funds to the credit of their counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, a Sub-Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Sub-Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that these arrangements may be terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the

time the agreement was originated.

Furthermore, if the creditworthiness of a derivative counterparty declines, the risk that the counterparty may not perform could increase, potentially resulting in a loss to the portfolio. To limit counterparty risk, the Investment Manager will only enter into trades on behalf of clients with counterparties that meet certain standards of creditworthiness. The credit quality of counterparties is evaluated by a counterparty risk team. Futures are traded on exchanges, which minimizes counterparty risk for these instruments.

#### *Legal risk*

There is a possibility that the agreements governing the FDI transactions may be terminated due, for instance, to supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. There is also a risk if such arrangements are not legally enforceable or if the derivative transactions are not documented correctly.

#### *Correlation Risks*

Other risks in using FDIs include the inability of FDIs to correlate perfectly with underlying securities, rates and indices. Many FDIs, in particular OTC FDIs, are complex and the valuation can only be provided by a limited number of market professionals who often are acting as counterparties to the transaction to be valued.

#### *Settlement Risk*

Where a Sub-Fund enters into swap arrangements and other FDIs, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract and may not settle a transaction. Delays in settlement may also result from disputes over the terms of the contract since the OTC markets may lack the established rules and procedures for swift settlement of disputes among market participants found in exchange-based markets.

#### *Risks associated with Futures and Options*

The Sub-Funds may from time to time use both exchange-traded and OTC futures and options as part of its investment policy or for hedging purposes. These instruments are highly volatile, involve certain special risks and expose applicants to a high risk of loss. The low initial margin deposits normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in un-quantifiable further loss exceeding any margin deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in OTC Derivatives may involve additional risk as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess or value a position or to assess the exposure to risk.

#### *Contractual Risks*

For derivatives transactions there is a risk if such arrangements are not legally enforceable or if the transaction is not documented correctly. Contracts with counterparties are reviewed by the legal team in order to minimize legal risk.

#### *Pricing Transparency*

Both futures and swaps are priced daily. Futures are priced by pricing sources such as Bloomberg while swap prices are sourced from Pricing Direct, S&P and the dealers. It is not always possible to find a reliable price for certain illiquid or esoteric FDI. Prices of FDI can diverge from the prices of the underlying instruments.

#### *Management Risk*

FDI products are highly specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a FDI requires an understanding not only of the underlying instrument but also of the FDI itself, without the benefit of observing the performance of the FDI under all possible market conditions. In particular, the use and complexity of FDIs require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a FDI adds to the

Sub-Fund's portfolio and the ability to forecast price, interest rate or currency exchange rate movements correctly.

#### *Operational Risk*

Margin requirements exist for all exchange traded futures. Margin collateral will be exchanged weekly with the ability to substitute more often. As with any singular investment, the Sub-Fund would be exposed to the consequences of an operational or systems failure at the counterparty, the futures clearing agent or at the futures exchange.

#### *Leverage Risk*

Since many FDIs have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the FDI itself. Certain FDIs have the potential for unlimited loss, regardless of the size of the initial investment.

#### **Risks associated with Warrants**

A Sub-Fund may invest in warrants. A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities, and is exercisable against the original issuer of the securities. Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable in the price of the warrant. The prices of warrants can therefore be volatile. Some other instruments are also called warrants but are actually options (for example, a right to acquire securities which is exercisable against someone other than the original issuer of the securities, often called a "covered warrant").

#### **Convertible Securities**

A Sub-Fund may invest in fixed-income obligations convertible into equity securities of global issuers. The convertible securities in which a Sub-Fund may invest, include convertible debt and convertible preferred stock, and may be converted at either a stated price or at a stated rate into underlying shares of common stock. Because of this feature, convertible securities enable an investor to benefit from increases in the market price of the underlying common stock. Convertible securities provide higher yields than the underlying equity securities, but generally offer lower yields than non-convertible securities of similar quality. The value of convertible securities fluctuates in relation to changes in interest rates like bonds, and in addition, fluctuates in relation to the underlying common stock.

#### **Emerging Market Risk**

To the extent that a Sub-Fund invests in emerging markets, the following risks shall also apply:

- (a) The trading and settlement practices of some of the stock exchanges or markets on which a Sub-Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by a Sub-Fund. In addition, a Sub-Fund will be exposed to credit risk on parties with whom it trades and will bear the risk of settlement default. The Depositary may be instructed by the Investment Manager to settle transactions on a delivery free of payment basis where the Investment Manager believes and the Depositary agrees that this form of settlement is common market practice. Shareholders should be aware, however, that this may result in a loss to a Sub-Fund if a transaction fails to settle and the Depositary will not be liable to a Sub-Fund or to the Shareholders for such a loss.
- (b) Currency fluctuations can be severe in developing countries that have both floating or "fixed" exchange rate regimes. The latter can undergo sharp one-time devaluations.
- (c) Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed countries and there may be less publicly available information on the issuers than is published by or about issuers in such developed countries. Consequently, some of the publicly available information may be incomplete and/or inaccurate. In some countries, the legal infrastructure and accounting and reporting standards do not provide the same degree of shareholder protection or information to investors as would generally apply in many developed countries. In particular, greater reliance may be placed by the auditors on representations from the management of a company and

there may be less independent verification of information than would apply in many developed countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

- (d) The performance of a Sub-Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. A Sub-Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.
- (e) Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances a Sub-Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Such circumstances may include uncertainty relating to, or the retroactive application of legislation, the imposition of exchange controls or improper registration of title. In some emerging market countries evidence of title to shares is maintained in “book-entry” form by an independent registrar who may not be subject to effective government supervision, which increases the risk of the registration of a Sub-Fund's holdings of shares in such markets being lost through fraud, negligence or mere oversight on the part of such independent registrars. The costs borne by a Sub-Fund in investing and holding investments in such markets will generally be higher than in organised securities markets. As at the date of this Prospectus, MSCI Barra classified the following 23 countries as emerging markets - Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Malaysia, Mexico, , Peru, Philippines, Poland, Qatar, Russia, South Africa, South Korea, Taiwan, Thailand, Turkey and United Arab Emirates.
- (f) Prices of securities traded in emerging markets tend to be less liquid and more volatile.

### **Asset-Backed Securities**

Payment of interest and re-payment of principal may be largely dependent upon the cash flows generated by the assets backing the securities and, in certain cases, supported by letters of credit, surety bonds, or other credit enhancements. Asset-backed security values may also be affected by other factors including changes in interest rates, the availability of information concerning the pool and its structure, the creditworthiness of the servicing agent for the pool, the originator of the loans or receivables, or the entities providing the credit enhancement. In addition, these securities may be subject to prepayment risk.

### **Borrowing**

If a Sub-Fund borrows money, its share price may be subject to greater fluctuation until the borrowing is paid off. If the Sub-Fund makes additional investments while borrowings are outstanding, this may be considered a form of leverage.

### **Exposure to Foreign Markets**

Foreign securities, foreign currencies, and securities issued by U.S. entities with substantial foreign operations may involve significant risks in addition to the risks inherent in U.S. investments.

Foreign investments involve risks relating to local political, economic, regulatory, or social instability, military action or unrest, or adverse diplomatic developments, and may be affected by actions of foreign governments adverse to the interests of investors. Such actions may include expropriation or nationalization of assets, confiscatory taxation, restrictions on U.S. investment or on the ability to repatriate assets or convert currency into U.S. dollars, or other government intervention. Additionally, governmental issuers of foreign debt securities may be unwilling to pay interest and repay principal when due and may require that the conditions for payment be renegotiated. There is no assurance that the Investment Manager will be able to anticipate these potential events or counter their effects. In addition, the value of securities denominated in foreign currencies and of dividends and interest paid with respect to such securities will fluctuate based on the relative strength of the U.S. dollar.

It is anticipated that in most cases the best available market for foreign securities will be on an exchange or in over-the-counter (“OTC”) markets located outside of the United States. Foreign stock markets, while growing in volume and sophistication, are generally not as developed as those in the United States, and securities of some foreign issuers may be less liquid and more volatile than securities of comparable U.S. issuers. Foreign security

trading, settlement and custodial practices (including those involving securities settlement where Sub-Fund assets may be released prior to receipt of payment) are often less developed than those in U.S. markets, and may result in increased risk or substantial delays in the event of a failed trade or the insolvency of, or breach of duty by, a foreign broker-dealer, securities depository, or foreign sub-custodian. In addition, the costs associated with foreign investments, including withholding taxes, brokerage commissions, and custodial costs, are generally higher than with U.S. investments.

Foreign markets may offer less protection to investors than U.S. markets. Foreign issuers are generally not bound by uniform accounting, auditing, and financial reporting requirements and standards of practice comparable to those applicable to U.S. issuers. Adequate public information on foreign issuers may not be available, and it may be difficult to secure dividends and information regarding corporate actions on a timely basis. In general, there is less overall governmental supervision and regulation of securities exchanges, brokers, and listed companies than in the United States. OTC markets tend to be less regulated than stock exchange markets and, in certain countries, may be totally unregulated. Regulatory enforcement may be influenced by economic or political concerns, and investors may have difficulty enforcing their legal rights in foreign countries.

Some foreign securities impose restrictions on transfer within the United States or to U.S. persons. Although securities subject to such transfer restrictions may be marketable abroad, they may be less liquid than foreign securities of the same class that are not subject to such restrictions.

Furthermore, the risks of foreign investing may be magnified for investments in emerging markets, for the reasons set out above, please see Emerging Market Risk factors above.

### **Investment Grade Debt Securities**

Some investment-grade debt securities may possess speculative characteristics and may be more sensitive to economic changes and to changes in the financial conditions of issuers.

### **Lower-Quality Debt Securities**

Lower-quality debt securities include all types of debt instruments that have poor protection with respect to the payment of interest and repayment of principal, or may be in default. These securities are often considered to be speculative and involve greater risk of loss or price changes due to changes in the issuer's capacity to pay. The market prices of lower-quality debt securities may fluctuate more than those of higher-quality debt securities and may decline significantly in periods of general economic difficulty, which may follow periods of rising interest rates.

The market for lower-quality debt securities may be thinner and less active than that for higher-quality debt securities, which can adversely affect the prices at which the former are sold. Adverse publicity and changing investor perceptions may affect the liquidity of lower-quality debt securities and the ability of outside pricing services to value lower-quality debt securities.

### **Preferred Securities**

In the event an issuer is liquidated or declares bankruptcy, the claims of owners of bonds take precedence over the claims of those who own preferred securities and common stock

### **Stocklending**

Subject to disclosure in the relevant Supplement a Sub-Fund may enter into stocklending agreements. If the borrower defaults on its obligation to return the securities loaned because of insolvency or other reasons, a Sub-Fund could experience delays and costs in recovering the securities loaned or in gaining access to the collateral. These delays and costs could be greater for foreign securities. If a Sub-Fund is not able to recover the securities loaned, a Sub-Fund may sell the collateral and purchase a replacement investment in the market. The value of the collateral could decrease below the value of the replacement investment by the time the replacement investment is purchased.

Cash received as collateral through loan transactions may be invested in other eligible securities, including shares of a money market fund in accordance with the requirements of the Central Bank. Investing this cash subjects that investment, as well as the securities loaned, to market appreciation or depreciation.

## **Securities of Other Investment Companies**

Investing in other investment companies involves substantially the same risks as investing directly in the underlying instruments but may involve additional expenses at the investment company-level, such as portfolio management fees and operating expenses.

## **GDPR**

The GDPR became directly effective in all Member States on 25 May 2018. Under the GDPR, data controllers are subject to additional obligations including, amongst others, accountability and transparency requirements whereby the data controller is responsible for, and must be able to demonstrate compliance with the rules set down in the GDPR relating to data processing and must provide data subjects with more detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include enhanced data consent requirements and the obligation to report any personal data breach to the relevant supervisory authority without undue delay. Under the GDPR, data subjects are afforded additional rights, including the right to rectify inaccurate personal information, the right to have personal data held by a data controller erased in certain circumstances and the right to restrict or object to processing in a number of circumstances.

The implementation of GDPR may result in increased operational and compliance costs being borne directly or indirectly by the Company. Further, there is a risk that the measures could be deemed not to have been implemented correctly by the Company or its service providers. If there are breaches of these measures by the Company or any of its service providers, the Company or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the Company suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

## **Securitisation Risk**

Where disclosed in its investment policy, a Sub-Fund may invest in securitisations. Under Regulation (EU) 2017/2402 (the “**Securitisation Regulation**”), the Manager must comply with certain due diligence and ongoing monitoring requirements relating to investment in securitisations. The Securitisation Regulation requires parties involved in an EU securitisation to make certain information on the securitisation available to investors which should allow the Manager to conduct the necessary due diligence and ongoing monitoring required under the Securitisation Regulation. However, in the case of a non-EU securitisation, such information may not be readily available. This may result in the Manager not being able to gain exposure to such securitisation, thus restricting the investment universe for the Manager. This in turn may have a negative impact on the performance of the Sub-Fund.

## **Sources of Liquidity or Credit Support**

In evaluating the credit of a foreign bank or other foreign entities, factors considered may include whether adequate public information about the entity is available and whether the entity may be subject to unfavourable political or economic developments, currency controls, or other government restrictions that might affect its ability to honor its commitment. Changes in the credit quality of the issuer and/or entity providing the enhancement could affect the value of the security or a Sub-Fund’s share price.

## **Transfer Agent Bank Accounts**

Any risks associated with these accounts are investment risks of the Sub-Fund. The Sub-Fund faces the risk of loss of these balances if the relevant bank becomes insolvent.

## **Operation of Umbrella Cash Accounts**

The Company has established cash accounts designated in different currencies opened in the name of the Company into which are combined (i) subscription monies received from investors who have subscribed for Shares until such time as the applicable Shares are issued as of the relevant Dealing Day; (ii) redemption monies due to investors who have redeemed Shares until such time as paid to the relevant investors; and (iii) dividend payments owing Shareholders until such time as paid to such Shareholders. Such cash accounts are defined herein as Umbrella Cash Accounts.

Certain risks associated with the operation of Umbrella Cash Accounts are set out in the sections of this Prospectus entitled (i) “**Subscription for Shares**” – “**Operation of Subscription Cash Accounts in the name**

**of the Company”; (ii) “Redemption of Shares” - “Operation of Redemption Cash Accounts in the name of the Company”; and (iii) “Sub-Funds” - “Dividend Policy” respectively.**

In addition, investors should note that in the event of the insolvency of another Sub-Fund of the Company, recovery of any amounts to which a relevant Sub-Fund is entitled, but which may have transferred to such other insolvent Sub-Fund as a result of the operation of the Umbrella Cash Account(s) will be subject to the terms of the operational procedures for the Umbrella Cash Accounts. There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent Sub-Fund may have insufficient funds to repay the amounts due to the relevant Sub-Fund.

In circumstances where subscription monies are received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or expected to be, received and are held in an Umbrella Cash Account, any such investor shall rank as a general creditor of the Sub-Fund until such time as Shares are issued as of the relevant Dealing Day. Therefore in the event that such monies are lost prior to the issue of Shares as of the relevant Dealing Day to the relevant investor, the Company on behalf of the Sub-Fund may be obliged to make good any losses which the Sub-Fund incurs in connection with the loss of such monies to the investor (in its capacity as a creditor of the Sub-Fund), in which case such loss will need to be discharged out of the assets of the relevant Sub-Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Sub-Fund.

Similarly in circumstances where redemption monies are payable to an investor subsequent to a Dealing Day of a Sub-Fund as of which Shares of that investor were redeemed or dividend monies are payable to an investor and such redemption monies/dividend monies are held in an Umbrella Cash Account, any such investor / Shareholder shall rank as an unsecured creditor of the relevant Sub-Fund until such time as such redemption monies/dividend monies are paid to the investor/Shareholder. Therefore in the event that such monies are lost prior to payment to the relevant investor/Shareholder, the Company on behalf of the relevant Sub-Fund may be obliged to make good any losses which it incurs in connection with the loss of such monies to the investor (in its capacity as a general creditor of the Sub-Fund), in which case such loss will need to be discharged out of the assets of the relevant Sub-Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Sub-Fund.

Additional risk factors (if any) in respect of each Sub-Fund are set out in the Supplement for the relevant Sub-Fund.

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## MANAGEMENT OF THE COMPANY

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### **Directors of the Company**

The Directors of the Company are described below:

#### **Catherine Fitzsimons (Irish resident)**

With Fidelity International since 2015, Catherine Fitzsimons acts as Head of Legal for Fidelity's European products, with responsibility for the legal support and advice in relation to all aspects of Fidelity's European fund ranges. She also advises on the products, operations and business of Fidelity International in Ireland, as well as in relation to certain of Fidelity's key global initiatives. Prior to joining Fidelity, Catherine practiced financial services law with both international and domestic law firms, with specific focus on asset management and investment funds, advising a wide range of domestic and international clients on all aspects of their business, including their asset management activities and the structuring, establishment, marketing and sale of investment vehicles and products in Ireland and other jurisdictions. A member of the Law Society of Ireland, Catherine has also acted as a lecturer and internal examiner for the Law Society of Ireland. Catherine holds a Bachelor in Civil Law from University College Dublin, as well as a Post Graduate Diploma in International Financial Services Law and a Diploma in Applied Finance Law.

#### **David Greco (Irish resident)**

David Greco has over twenty-five year's global experience working in the Financial Services Industry and has been with Fidelity International for the last twelve years. David is Head of Asset Management Operations for Fidelity International based in Dublin, Ireland. In this role he leads an organization that supports operational processing for over \$350 billion in assets under management. He is responsible for managing several operational teams including Trade Management, Asset Valuation, Fund Accounting, Corporate Actions, Investment Performance and Publishing. The organization focus is on providing high quality administration services to both the business and our clients. Previously, David was Head of Investment Services & Fund Accounting for Asia Pacific and the Head of Japan Operations & Services based in Hong Kong from 2011 to July 2016. In this capacity, he had responsibility for a number of functional areas, covering six countries, including an offshore servicing team located in Dalian, China. From 2007 to 2011, he worked for FIL Investments (Japan) Limited based in Tokyo, Japan as Head of Investment Administration – Asia Pacific, where he was responsible for a range of activities including Fund Accounting, Investment Operations and Project Management. Prior to this he worked for three years in the UK as a Director in Investment Administration. Before joining Fidelity International he spent eight years with Deutsche Asset Management in the USA as Vice President of Investment Accounting, and for the period between 1986 and 1995 David worked for Fidelity Investments in Boston, in a number of roles within Fund Accounting, Fund Operations and Audit. David holds an MBA from the Questrom School of Business at Boston University and a Bachelor of Science degree in Business Administration from North eastern University in Boston.

#### **Nick King (UK resident)**

Nick King is Head of Exchange Traded Funds at Fidelity International, with responsibility for developing the firm's ETF capabilities and product development. Prior to joining Fidelity International in 2015, Mr King worked for BlackRock (since 2006) undertaking senior roles in ETF Product Development and Portfolio Management. In his time at BlackRock, Mr King was responsible for the design and launch of ETF products covering multiple asset classes. He was also Portfolio Manager for a number of flagship iShares ETFs. Earlier in his career, Mr King worked as a Portfolio Manager within the Structured Beta & Indexing team UBS Global Asset Management (2003-2006). Mr King holds a BSc in Management Science & IT from the University of Exeter and an MSc in Mathematical Trading & Finance from Cass Business School. He is a CFA Charterholder.

#### **Denise Kinsella (Irish resident)**

Denise Kinsella is an independent non-executive director with over 25 years' experience in international financial services. She is a former partner of Dillon Eustace Solicitors (1999 to 2005) and prior to that held a number of senior executive roles at Bank of Ireland including Director of Client Services at Bank of Ireland Securities Services (since acquired by Northern Trust). Denise is a past Chairman of Irish Funds (the Irish funds industry association) and its legal and regulatory sub-committee and represented the funds industry on a number of funds industry bodies including An Taoiseach's International Financial Services Committee and FEFSI (now EFAMA). She served on the Central Bank of Ireland's Committee on Collective Investment Governance, was consulting editor to "Collective Investment Schemes in Luxembourg, Law and Practice"

published by Oxford University Press and has lectured on financial services law at the Law Society of Ireland. She holds a law degree from Trinity College Dublin, was admitted as a solicitor by the Law Society of Ireland and holds a diploma in company direction from the Institute of Directors (UK).

The Directors' address is the registered office of the Company.

### **The Manager and Secretary**

Pursuant to the Management Agreement, the Manager will be responsible for the investment management and general administration of the Company with power to delegate such functions subject to the overall supervision and control of the Directors.

The Manager was established under the laws of Ireland on 11 October 2000 as a private limited company. It has an authorised share capital of 10,000,000 ordinary shares of 1 Euro each and an issued paid up share capital of 701,000 ordinary shares of 1 Euro each. It was established as a financial services company to provide administration and other services to collective investment schemes and is authorised by the Central Bank to act as a management company pursuant to the Regulations. It is a wholly owned subsidiary of FIL Limited. The Manager is regulated in Ireland by the Central Bank and subject to approval by the Central Bank, may act as manager for other collective investment schemes.

The Manager has organised and structured its operation to ensure compliance with Directive 2010/43/EC (commonly referred to as the "**Management Company Directive**") as transposed into Irish law by the Regulations.

The directors of the Manager are Catherine Fitzsimons, David Greco, Nick King and Denise Kinsella (and their details are set out above, in the section entitled "**Directors of the Company**"), and Bronwyn Wright, whose details are set out below.

#### **Bronwyn Wright (Irish resident)**

Bronwyn Wright is a former Managing Director for a global financial institution having worked in Capital Markets and Banking, where she was Head of Securities and Fund Services for Ireland with responsibility for the management, growth and strategic direction of the securities and fund services business which included funds, custody, security finance and global agency and trust. Due to her role in managing, leading and growing the European fiduciary business, Ms. Wright has extensive knowledge of regulatory requirements and best market practice in the UK, Luxembourg, Jersey and Ireland. She has sat and chaired the boards of the applicable legal vehicles for the fiduciary businesses in each jurisdiction. Due to her engagement in due diligence exercises she also understands the Nordics, Germany and Asia. She has also been engaged in pre-acquisition due diligence in Asia and led a post-acquisition integration across EMEA. Ms. Wright holds a degree in Economics and Politics as well as a Masters degree in Economics from University College Dublin. Ms. Wright is past chairperson of the Irish Funds Industry Association committee for Trustee Services. Ms. Wright has contributed to the Irish Funds educational development in various capacities, including co-author of a Diploma in Mutual Funds, virtual web-based lectures in financial services and part of an executive committee for a PhD finance programme. She has written numerous industry articles and chairs and participates in industry seminars in Europe and the US. Ms. Wright currently sits on the boards of a number of Irish regulated funds.

The secretary of the Company is FIL Fund Management (Ireland) Limited.

### **Investment Manager**

The Manager with the consent of the Company has appointed FIL Fund Management Limited as Investment Manager. The Investment Manager is authorised to act on behalf of the Company and the Sub-Funds and to select agents, brokers and dealers through whom to execute transactions and provides the Company and the Directors with reports they may require.

The Investment Manager, may place orders for the purchase or sale of securities in which the Company on behalf of the Sub-Funds may invest with affiliates of the Investment Manager provided that, among other conditions, they can reasonably be expected to execute the transaction on terms as favourable as could be expected to be obtained from other brokers qualified to execute the transaction and at commission rates comparable to those which would have been charged by such other brokers. The Investment Manager may also provide investment management and advisory services to other FIL Group mutual funds. The Investment

Manager may receive investment advice from, and act upon the advice of any company within the FIL Group and may execute, transact and otherwise carry out its functions, duties and obligations with or through any FIL Group Company. The Investment Manager shall remain responsible for the proper performance by such company of those responsibilities.

The Investment Manager or any of its duly appointed delegates may use the services of third-party analysts, traders, consultants and other professionals to research market trends, perform comparative analysis, and perform other functions to identify and trade securities.

The Investment Manager may use the services of third-party analysts, traders, consultants and other professionals to research market trends, perform comparative analysis, and perform other functions to identify and trade securities.

The Investment Manager may, subject to the prior approval of the Company and in accordance with the requirements of the Central Bank, appoint one or more sub-investment managers from time to time to perform and/or exercise all or any of its functions, powers, discretions, duties and obligations under the Investment Management Agreement.

### **Depository**

State Street Custodial Services (Ireland) Limited acts as depository of the Company's assets pursuant to the Depository Agreement.

#### *Biography of Depository*

State Street Custodial Services (Ireland) Limited is a limited liability company incorporated in Ireland on 22 May 1991 and is, like the Administrator, ultimately owned by the State Street Corporation. Its authorised share capital is Stg£5,000,000 and its issued and paid up capital is Stg£200,000. As at December 2016 the Depository held funds under custody in excess of US\$698.2 billion. The Depository's principal business is the provision of custodial and trustee services for collective investment schemes and other portfolios.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, U.S.A., and trades on the New York Stock Exchange under the symbol "STT".

#### *Depository's functions*

The Depository has been entrusted with the following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with the Regulations and the Articles of Association of the Company.
- ensuring that the Net Asset Value per Share is calculated in accordance with the Regulations and the Articles of Association of the Company.
- carrying out the instructions of the Company and the Manager unless they conflict with the Regulations and the Articles of Association of the Company.
- ensuring that in transactions involving the assets of the Company any consideration is remitted within the usual time limits.
- ensuring that the income of the Company is applied in accordance with applicable law and the Articles of Association of the Company.
- monitoring of the Company's cash and cash flows.
- safe-keeping of the Company's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

### *Depositary Liability*

In carrying out its duties the Depositary shall act honestly, fairly professionally, independently and solely in the interests of the Company and its Shareholders.

The Depositary shall be liable to the Company and its Shareholders for the loss of a financial instrument held in custody by the Depositary or any third party appointed by the Depositary in accordance with the Regulations. In the event of a loss of a financial instrument held in custody, determined in accordance with the Regulations, and in particular Article 18 of the relevant Commission Delegated Regulation, the Depositary shall return financial instruments of identical type or the corresponding amount to the Company without undue delay.

The Depositary shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the Regulations.

The Shareholders may invoke the liability of the Depositary directly or indirectly through the Company provided that this does not lead to a duplication of redress or to unequal treatment of the Shareholders.

The Depositary will be liable to the Company for all other losses suffered by the Company as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Regulations.

### *Delegation*

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Appendix II to the Prospectus.

### *Conflicts of Interest*

The Depositary is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Depositary or its affiliates engage in activities under the depositary agreement or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Company;
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Company either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Depositary or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Company, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Company;
- (iv) may provide the same or similar services to other clients including competitors of the Company;
- (v) may be granted creditors' rights by the Company which it may exercise.

The Company may use an affiliate of the Depositary to execute foreign exchange, spot or swap transactions for the account of the Company. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Company. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Company. The affiliate shall enter into such transactions on the terms and conditions agreed with the Company.

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

Where cash belonging to the Company is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Company may also be a client or counterparty of the Depositary or its affiliates.

#### *Up-to-date Information*

Up-to-date information on the Depositary, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Depositary, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to investors on request.

#### **Administrator**

State Street Fund Services (Ireland) Limited has been appointed by the Manager to act as administrator, registrar and transfer agent under the terms of the Administration Agreement.

The Administrator is a limited liability company incorporated in Ireland on 23 March 1992 and is ultimately a wholly-owned subsidiary of the State Street Corporation. The authorised share capital of State Street Fund Services (Ireland) Limited is Stg£5,000,000 with an issued and paid up capital of Stg£350,000.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, U.S.A., and trades on the New York Stock Exchange under the symbol "STT".

The administration duties and functions of the Administrator will include, inter alia, the calculation of the Net Asset Value, the provision of facilities for the confirmation and registration of Shares, the keeping of all relevant records and accounts of the Company and assisting with compliance by the Company with the reporting requirements of the Central Bank.

#### **Distributor**

The Manager has appointed FIL Distributors as a general distributor of Shares pursuant to the Distribution Agreement. FIL Distributors is incorporated in Bermuda. The General Distributor may appoint Sub-Distributors to distribute the Shares.

### **Portfolio Transactions and Conflicts of Interest**

The Manager, the Depositary, the Investment Manager, the General Distributor or any other associated company or group company of any of these parties may each from time to time act as administrator, depositary, investment manager, investment adviser, distributor or sub-distributor respectively in relation to, or be otherwise involved in, other funds which have similar investment objectives to those of the Company. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Company. Each will, at all times, have regard in such event to its obligations to the Company.

Any of the foregoing may invest in and deal in Shares relating to any Sub-Fund or any property of the kind included in the property of any Sub-Fund for their respective individual accounts or for the account of someone else. In the event of a conflict arising, the relevant party shall ensure that the conflict will be resolved fairly.

#### *Dealings with Connected Persons*

There is no prohibition on transactions between the Company and the Depositary or the Manager or the delegates or sub-delegates of the Depositary or the Manager (excluding any non-group sub-delegates appointed by the Depositary) or any associated or group company of the Depositary or the Manager or any delegate or sub-delegate of such entities ("**Connected Persons**")<sup>1</sup> and none of them shall have any obligation to account to the Company for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are in best interests of Shareholders and dealings are conducted at arm's length.

Any transaction between the Company and any Connected Persons must comply with one of the following conditions: (i) a certified valuation of any such transaction by a person approved by the Depositary (or in the case of a transaction involving the Depositary, a person approved by the Manager) as independent and competent is obtained; or (ii) the transaction is executed on best terms on an organised investment exchange under the rules of such exchange; or (iii) the transaction is executed on terms which the Depositary, or the Manager in the case of a transaction involving the Depositary, is satisfied is in the best interests of the Shareholders and conducted at arm's length.

The Depositary (or the Manager in the case of transactions involving the Depositary) will document how it has complied with the provisions of (i), (ii) or (iii) above. Where transactions are conducted in accordance with (iii) above, the Depositary (or the Manager in the case of transactions involving the Depositary) will document its rationale for being satisfied that the transaction conformed to the principles outlined above.

The periodic reports of the Company will confirm (i) whether the Directors are satisfied that there are arrangements (evidenced by written procedures) in place to ensure that the obligations set out above are applied to all transactions with Connected Persons and (ii) whether the Directors are satisfied that the transactions with Connected Persons entered into during the period complied with the obligations outlined above.

The Investment Manager and any of its duly appointed delegates may place portfolio transactions for a Sub-Fund with affiliated broker-dealers, including Fidelity Capital Markets Services ("**FCMS**"), a division of National Financial Services LLC ("**NFS**"), if it reasonably believes that the quality of the transaction is comparable to what it would be with other qualified broker-dealers. FCMS may, as broker, cross transactions on an agency basis between the Sub-Fund and other funds and accounts, including other accounts managed by the Investment Manager and non-clients. When effecting such agency cross-transactions, FCMS will act as broker for, receive commissions from, and have a potentially conflicting division of loyalties and responsibilities regarding both parties to such transactions. Such transactions will be executed in accordance with applicable law.

The Investment Manager any of its duly appointed delegates may also, in the course of its business, have potential conflicts of interest with the Company in circumstances other than those referred to above. The Investment Manager and any of its duly appointed delegates will, however, have regard in such event to its

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<sup>1</sup> *For the avoidance of doubt, the Investment Manager shall be treated as a Connected Person;*

obligations under the Investment Management Agreement and, in particular, to its obligations to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise and will endeavour to ensure that such conflicts are resolved fairly as between the Company, the relevant Sub-Funds and other clients. The Investment Manager and, where applicable, each of its delegates (appointed in accordance with the requirements of the Central Bank) will ensure that investment opportunities are allocated on a fair and equitable basis between the Company and its other clients. The Investment Manager and, where applicable, each of its delegates may, in accordance with the Regulations, aggregate orders for the Company with those of its other clients and with orders for its Own Account, provided such aggregation is effected in accordance with its trade allocation policy which may take into account various factors, including volume and price of orders, client asset size and the size of individual client holdings, in determining allocations and the treatment of partial executions.

As the fees of the Investment Manager are based on the Net Asset Value of a Sub-Fund, if the Net Asset Value of the Sub-Fund increases so too do the fees payable to the Investment Manager and accordingly there is a conflict of interest for the Investment Manager in cases where the Investment Manager is responsible for determining the valuation price of a Sub-Fund's investments.

Directors of the Company affiliated with the Investment Manager or any of the entities comprising the FIL Group are not permitted to purchase Shares in the Company. As more particularly outlined in the section entitled "**Directors' Interests**", all of the Directors are directors on the board of the Manager.

The Manager may also, in the course of its business, have potential conflicts of interest with the Company in circumstances other than those referred to above. The Manager will, however, have regard in such event to its obligations under the Management Agreement and, in particular, to its obligations to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise and will ensure that such conflicts are resolved fairly as between the Company, the relevant Sub-Funds and other clients.

Information relating to conflicts of interest which may arise in respect of the Depositary is set out above under the section entitled "**Depositary**" - "**Conflicts of Interest**".

### **Soft Commissions**

The Investment Manager and any of its delegates may, to the extent permitted by applicable law, effect transactions through the agency of another person with whom the Investment Manager has an arrangement under which that party will from time to time provide or procure for the Investment Manager goods, services or other benefits such as research and advisory services, that assist it in fulfilling its investment management responsibilities. In formulating and implementing its policies with regards to the use of soft commissions for expenses unrelated to the Company, it is the Investment Manager's intent to stay within the parameters of Section 28(e) of the U.S. Securities Exchange Act of 1934, as amended, and related SEC guidance. Brokerage and research services may either be obtained from or paid for by brokerage firms and may include but are not limited to, written information and analyses concerning specific securities, companies or sectors, news, quotation, statistics and pricing services, as well as discussions with research personnel and consultants, analytical software and certain other services utilised in the investment management process. Research services obtained by the use of commissions arising from the Company's portfolio transactions may be used by the Investment Manager for the benefit of other investment funds or separately managed accounts.

Under such arrangements, no direct payment is made for such services or benefits, but instead the Investment Manager undertakes to effect business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments. In such case, the Investment Manager shall ensure that such benefits provided under the arrangements shall assist in the provision of investment services to the Investment Manager's clients, including the Company and the arrangement is consistent with the broker's duty to provide best execution to the relevant Sub-Fund and any such arrangements shall be in accordance with the requirements of the Central Bank.

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

The Manager is subject to remuneration policies, procedures and practices (together, the "**Remuneration Policy**") which comply with the UCITS V Directive. The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the Sub-Funds. The Remuneration Policy is in line with the business strategy, objectives, values

and interests of the Manager and the Sub-Funds, and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Manager or the Sub-Funds, and ensures that no individual will be involved in determining or approving their own remuneration. Details of the Remuneration Policy (including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits) are available via <https://www.fil.com>. A paper copy can be obtained, free of charge, upon request

### **Commission Recapture**

Commission recapture is a form of institutional discount brokerage that rebates a portion of trading commissions directly to the relevant Sub-Fund which helps reduce expenses to save money for the Sub-Fund. The Investment Manager or any of its duly appointed delegates may allocate brokerage transactions to brokers (who are not affiliates of the Investment Manager or any of its duly appointed delegates) who have entered into arrangements with Investment Manager or any of its duly appointed delegates under which the broker, using a predetermined methodology, rebates a portion of the compensation paid by a Sub-Fund to offset that Sub-Fund's expenses. Not all brokers with whom the Sub-Fund trades have been asked to participate in brokerage commission recapture. There is no guarantee of recapture under this program and all rebates made by brokers under this program are solely for the benefit of the relevant Sub-Fund. Rebated commissions must be used for the benefit of the Sub-Fund that generated the commissions. The Investment Manager or any of its duly appointed delegates may charge a reasonable administration fee to the relevant Sub-Fund.

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## SHARE DEALINGS

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### SUBSCRIPTION FOR SHARES

#### Purchases of Shares

Issues of Shares will normally be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. The Dealing Deadline relating to each Sub-Fund is set out in the Supplement for the relevant Sub-Fund. The Directors may nominate additional Dealing Days upon advance notice to Shareholders.

Applications for the initial issue of Shares should be submitted in writing or sent by facsimile (with the original and supporting documentation in relation to money laundering prevention checks to follow promptly by post) to the Administrator on or prior to the Dealing Deadline. Applications received after the Dealing Deadline for the relevant Dealing Day shall be deemed to have been received by the next Dealing Deadline. The Administrator may in consultation with the Investment Manager, on an exceptional basis accept applications received after the Dealing Deadline provided they are received prior to the Valuation Point for the relevant Dealing Day. Applications will be irrevocable unless the Administrator in consultation with the Investment Manager otherwise agrees.

Subsequent subscription requests may be sent by facsimile or other electronic methods (such as email or file transfer protocol upload (FTP upload)) as previously agreed with the Administrator. An original need not follow by post in respect of such applications for the additional issue of Shares. Any changes to a Shareholder's payment details or payment instructions will only be made on receipt of an original instruction. No redemption payment may be made to a Shareholder until the original Subscription Agreement has been received (including supporting documentation in relation to money laundering prevention checks) and anti-money laundering procedures have been completed.

The Minimum Initial Investment Amount for Shares of each Sub-Fund that may be subscribed for by each Applicant on initial application and the Minimum Shareholding for Shares of each Sub-Fund is set out in the Supplement for the relevant Sub-Fund.

Fractions of up to two decimal places of a Share may be issued. Subscription moneys representing smaller fractions of Shares will not be returned to the Applicant but will be retained as part of the assets of the relevant Sub-Fund.

Under the Articles, the Directors have absolute discretion to accept or reject in whole or in part any applications for Shares without assigning any reason therefore. The Subscription Agreement contains certain conditions regarding the application procedure for Shares in the Company and certain indemnities in favour of the Directors, the Investment Manager, the Administrator, the Depositary, the General Distributor and the other Shareholders for any loss suffered by them as a result of certain Applicants acquiring or holding Shares.

If an application is rejected, the Administrator at the cost and risk of the Applicant will, subject to any applicable laws, return application monies or the balance thereof, without interest, by electronic transfer to the account from which it was paid within six Business Days of the rejection.

#### Issue Price

The Initial Issue Price for Shares in the relevant Sub-Fund shall be the amount set out in the Supplement for the relevant Sub-Fund.

Unless otherwise stated in the Supplement of the relevant Sub-Fund, the Issue Price at which Shares of any class of any Sub-Fund will be issued on a Dealing Day when Shares are in issue after the Initial Offer Period is the Issue Price.

The Directors may make an adjustment by way of an addition to the subscription amount when there are net subscriptions of a charge which the Investment Manager considers represents an appropriate figure to cover dealing costs and to preserve the value of the underlying assets of the relevant Sub-Fund following the rules set out in the Supplement of the relevant Sub-Fund. Any such charge shall be retained for the benefit of the

relevant Sub-Fund and the Directors reserve the right to waive such charge at any time.

### **Payment for Shares**

Payment in respect of the issue of Shares must be made by the relevant Settlement Date by wire transfer in cleared funds in the currency of the relevant Shares. The Administrator may, at its discretion, accept payment in other currencies, but such payments will be converted into the currency of the relevant Share class at the then prevailing exchange rate available to the Administrator and only the net proceeds (after deducting the conversion expenses) will be applied towards payment of the subscription moneys. This may result in a delay in processing the application.

If payment in full has not been received by the Settlement Date, or in the event of non-clearance of funds, all or part of any allotment of Shares made in respect of such application may, at the discretion of the Directors, be cancelled, or, alternatively, the Administrator may treat the application as an application for such number of Shares as may be purchased with such payment on the Dealing Day next following receipt of payment in full or of cleared funds. In such cases the Directors may charge the Applicant for any resulting loss incurred by the relevant Sub-Fund. The Directors reserve the right to charge interest at a reasonable commercial rate on subscriptions which are settled late.

### **Operation of Subscription Cash Accounts in the name of the Company**

Subscription monies received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or is expected to be, received will be held in a cash account in the name of the Company and will be treated as an asset of the relevant Sub-Fund upon receipt and will not benefit from the application of any investor money protection rules (i.e. the subscription monies in such circumstance will not be held on trust as investor monies for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Sub-Fund with respect to the amount subscribed and held by the Company until such Shares are issued as of the relevant Dealing Day. In the event of an insolvency of the Sub-Fund or the Company, there is no guarantee that the Sub-Fund or the Company will have sufficient funds to pay unsecured creditors in full.

Your attention is drawn to the section of the Prospectus entitled “**Risk Factors**” – “**Operation of Umbrella Cash Accounts**”.

### **In Specie Issues**

The Directors may in their absolute discretion and as outlined in the relevant Supplement accept payment for Shares of a Sub-Fund in specie, provided that (a) the Depositary is satisfied that no material prejudice would result to any existing Shareholder in any Sub-Fund, allot Shares in any Sub-Fund against the vesting in the Depositary on behalf of the Company of investments which would form part of the assets of the relevant Sub-Fund provided and (b) such investments would qualify as an investment of the relevant Sub-Fund in accordance with its investment objective, strategies and restrictions. The number of Shares to be issued in this way shall be the number which would have been issued for cash against the payment of a sum equal to the value of the investments calculated at the relevant Valuation Point for the relevant Dealing Day. The value of the investments to be vested shall be calculated by applying the valuation methods described under the section entitled “**Calculation of Net Asset Value / Valuation of Assets**” below.

### **Anti-Money Laundering Provisions**

As part of the Company's responsibility for the prevention of money laundering and terrorist financing, the Administrator will require a detailed verification of the applicant's identity, the source of subscription monies and, where applicable, the beneficial owner of that applicant or any underlying investor on whose behalf Shares in the Company are being acquired. The Company and the Administrator are also obliged to verify the identity of any person acting on behalf of an applicant for Shares in the Company in the manner outlined above and must verify that such person is authorised to act on behalf of the applicant for Shares.

The types of supporting documentation relating to money laundering prevention checks and tax status that may be requested by the Administrator in order to comply with money laundering prevention checks will vary depending on whether the applicant is an individual investor or a corporate investor. Details of the requirements are set out in the Application Form and are also available on request from the Administrator.

The Company and the Administrator are also obliged to verify the identity of any person acting on behalf of an investor and must verify that such person is authorised to act on behalf of the investor.

The Company and the Administrator each reserves the right to request such information as is necessary to verify the identity of an investor, where applicable the beneficial owner of an investor and in a nominee arrangement, the beneficial owner of the Shares in the relevant Fund. In particular, they each reserve the right to carry out additional procedures in relation to an investor who is classed as a PEP. They also reserve the right to obtain any additional information from investors so that they can monitor the ongoing business relationship with such investors.

Verification of the investor's identity is required to take place before the establishment of the business relationship. Applicants should refer to the Application Form for a more detailed list of requirements for anti-money laundering/counter-terrorist financing purposes.

The Directors may decline to accept any application for Shares where they cannot adequately verify the identity of the applicant or beneficial owner. In such circumstances, amounts paid to the VCC in respect of subscription applications which are rejected will be returned to the applicant, subject to applicable law, at his/her own risk and expense without interest.

Any failure to supply the Administrator with any documentation requested by it for anti-money laundering and terrorist financing procedures may result in a delay in the settlement of redemption proceeds or dividend payments. In circumstances where a redemption request is received, the Administrator will process any redemption request received by a Shareholder, however the proceeds of that redemption shall be held in an Umbrella Cash Account and remain an asset of the Sub-Fund. Similarly, the proceeds of any dividend payment will be held in an Umbrella Cash Account and therefore will remain an asset of the relevant Fund. The redeeming Shareholder/Shareholder entitled to the relevant dividend payment will rank as a general creditor of the relevant Sub-Fund until such time as the Administrator is satisfied that its anti-money laundering and terrorist financing procedures have been fully complied with, following which redemption proceeds/dividend payments will be released.

In the event of an insolvency of the Sub-Fund or the Company, there is no guarantee that the Sub-Fund or the Company will have sufficient funds to pay unsecured creditors in full. Shareholders/redeeming investors will rank equally with all other unsecured creditors of the relevant Sub-Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore, in such circumstances, the Shareholder/investor may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that Shareholder/investor.

Therefore, a Shareholder is advised to ensure that all relevant documentation requested by the Administrator in order to comply with anti-money laundering and terrorist financing procedures is submitted to the Administrator promptly on subscribing for Shares in the Company.

Further information relating to the operation of Umbrella Cash Accounts is set out above in the section entitled **"Risk Factors" - "Operation of Umbrella Cash Accounts"**.

Each applicant for Shares acknowledges that the Company and its delegates shall be held harmless against any loss arising as a result of a failure to process or a delay in processing his application for Shares or paying redemption proceeds or dividend proceeds if such information and documentation as has been requested by the Company or its delegates has not been provided by the applicant.

In addition, each applicant for Shares will be required to make such representations as may be required by the Directors in connection with anti-money laundering programmes, including, without limitation, representations that such applicant is not a prohibited country, territory, individual or entity listed on the United States Department of Treasury's Office of Foreign Assets Control ("**OFAC**") website and that it is not directly or indirectly affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programmes. Each applicant will also be required to represent that subscription monies are not directly or indirectly derived from activities that may contravene United States federal or state, or international, laws and regulations, including anti-money laundering laws and regulations.

### **Beneficial Ownership Regulations**

The Company may request such information (including by means of statutory notices) as may be required for the establishment and maintenance of the Company's beneficial ownership register in accordance with the Beneficial Ownership Regulations. It should be noted that a beneficial owner, as defined in the Beneficial Ownership Regulations (a "**Beneficial Owner**") has, in certain circumstances, obligations to notify the Company in writing of relevant information as to his/her status as a Beneficial Owner and any changes thereto (including where a Beneficial Owner has ceased to be a Beneficial Owner).

Applicants for Shares should note that it is an offence under the Beneficial Ownership Regulations for a Beneficial Owner to: (i) fail to comply with the terms of a beneficial ownership notice received from or on behalf of the Company; or (ii) provide materially false information in response to such a notice; or (iii) fail to comply with his/her obligations to provide relevant information to the Company as to his/her status as a Beneficial Owner or changes thereto in certain circumstances or in purporting to comply, provide materially false information.

#### **Form of Shares and Confirmation of Ownership**

Shares will be in non-certificated and registered form. Contract notes providing details of the trade will normally be issued within 10 Business Days of the relevant Dealing Day. Confirmation of ownership evidencing entry in the register will normally be issued within 30 Business Days of the relevant Dealing Day upon receipt of all original documentation required by the Administrator. Share certificates will not be issued.

## **Data Protection**

Prospective investors should note that by completing the Subscription Agreement they are providing information to the Company which may constitute personal data within the meaning of the GDPR. This data will be used by or on behalf of the Company for the purposes of client identification and the subscription process, management and administration of a Shareholder's holding in the Company and to comply with any applicable legal, taxation or regulatory requirements. Such data may be disclosed and/or transferred to third parties including regulatory bodies, tax authorities, delegates, advisers and service providers of the Company and their or the Company's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside the EEA which may not have the same data protection laws as in Ireland) for the purposes specified.

Shareholders have a right to obtain a copy of their personal data kept by the Company, the right to rectify any inaccuracies in personal data held by the Company and in a number of circumstances a right to be forgotten and a right to restrict or object to processing. In certain limited circumstances a right to data portability may apply.

The Company and its appointed service providers will retain all documentation provided by a Shareholder in relation to its investment in the Company for such period of time as may be required by Irish legal and regulatory requirements, but for at least six years after the period of investment has ended or the date on which a Shareholder has had its last transaction with the Company.

## **Limitations on Purchases**

Shares may not be issued or sold by the Company during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described under the section entitled "**Suspension of Calculation of Net Asset Value**" below. Applicants for Shares will be notified of such postponement and, unless withdrawn, their applications will be processed as at the next Dealing Day following the ending of such suspension.

Shares may not be directly or indirectly offered or sold in the United States or purchased or held by or for U.S. Persons unless the Directors determines (i) the transaction is permitted under an exemption available under the Securities Act and (ii) the relevant Sub-Fund and Company continues to be entitled to an exemption from registration as an investment company under the Investment Company Act if such person holds Shares.

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## REDEMPTION OF SHARES

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### **Redemption of Shares**

All requests for the redemption of Shares should be made to the Administrator in writing, by facsimile or other electronic methods (such as email or FTP upload) as will be previously agreed with the Administrator and must quote the relevant account number, the relevant Sub-Fund(s) and class of Share, and be signed by or on behalf of the Shareholder by a person with the ability to bind the Shareholder before payment of Redemption Proceeds can be made. Redemption requests by facsimile or other electronic methods (such as email or FTP upload) will be treated as definite orders. Requests received on or prior to the relevant Dealing Deadline will, subject as mentioned in this section and in the relevant Supplement, normally be dealt with on the relevant Dealing Day. Redemption requests received after the Dealing Deadline shall, unless the Administrator, in consultation with the Investment Manager shall otherwise agree on an exceptional basis and provided they are received before the relevant Valuation Point, be treated as having been received by the following Dealing Deadline.

If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Depositary and notification to all of the Shareholders in the relevant Sub-Fund, agree to designate additional Dealing Days and Valuation Points for the redemption of Shares relating to any Sub-Fund.

The Directors may decline to effect a redemption request which would have the effect of reducing the value of any holding of Shares relating to any Sub-Fund below the Minimum Shareholding for that class of Shares of that Sub-Fund. Any redemption request having such an effect may be treated by the Directors as a request to redeem the Shareholder's entire holding of that class of Shares.

The Administrator will not accept redemption requests, which are incomplete, until all the necessary information is obtained.

### **Redemption Price**

The price at which Shares will be redeemed on a Dealing Day is the Net Asset Value per Share of the relevant class on the relevant Dealing Day. The method of establishing the Net Asset Value of any Sub-Fund and the Net Asset Value per Share of any class of Shares in a Sub-Fund is set out in the Articles as described herein under the section entitled "**Calculation of Net Asset Value / Valuation of Assets**" below.

The Directors may make an adjustment by way of a deduction from the Redemption Proceeds when there are net redemptions of a charge which the Investment Manager considers represents an appropriate figure to cover dealing costs and to preserve the value of the underlying assets of the relevant Sub-Fund following the rules set out in the Supplement of the relevant Sub-Fund. Any such charge shall be retained for the benefit of the relevant Sub-Fund and the Director reserves the right to waive such charge at any time.

A Redemption Charge of up to 3% of the Redemption Proceeds may be charged by the Directors for payment to the Investment Manager or its nominee. Details of such charge, if any, will be set out in the relevant Supplement.

### **Payment of Redemption Proceeds**

Shareholders must notify the Administrator with a copy to the Investment Manager of any withdrawals by the Dealing Deadline unless otherwise specified in the relevant Supplement. The Administrator, in consultation with Investment Manager may on an exceptional basis accept withdrawals on less notice. The Redemption Proceeds (minus any charge provided for above) will be paid at the Shareholder's risk and expense by electronic transfer to an account in the name of the Shareholder in the currency of the relevant Share class (or in such other currency as the Directors shall determine) by the Settlement Date. In respect of redemption orders received by facsimile or other electronic methods (such as email or FTP upload), payment of such Redemption Proceeds will be made to the registered Shareholder.

### **Operation of Redemption Cash Accounts in the Name of the Company**

Redemption monies payable to an investor subsequent to a Dealing Day of a Sub-Fund as of which Shares of that investor were redeemed (and consequently the investor is no longer a Shareholder of the Sub-Fund as of

the relevant Dealing Day) will be held in an Umbrella Cash Account in the name of the Company and will be treated as an asset of the Sub-Fund until paid to that investor and will not benefit from the application of any investor money protection rules (i.e. the redemption monies in such circumstance will not be held on trust for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Sub-Fund with respect to the redemption amount held by the Company until paid to the investor. In the event of an insolvency of the Sub-Fund or the Company, there is no guarantee that the Sub-Fund or the Company will have sufficient funds to pay unsecured creditors in full.

Your attention is drawn to the section of the Prospectus entitled “**Risk Factors**” – “**Operation of Umbrella Cash Accounts**”.

**No redemption payment may be made to a Shareholder until the original Subscription Agreement has been received from the Shareholder and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed. Your attention is drawn to the section of the Prospectus entitled “Anti-Money Laundering Provisions” above.**

### **Limitations on Redemption**

The Company may not redeem Shares of any Sub-Fund during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described under the section entitled “**Suspension of Calculation of Net Asset Value**” below. Shareholders requesting redemption of Shares will be notified of such postponement and, unless withdrawn, their applications will be processed as at the next Dealing Day following the ending of such suspension.

The Directors may at their discretion limit the number of Shares of any Sub-Fund redeemed on any Dealing Day to Shares representing 10% of the total Net Asset Value of that Sub-Fund on that Dealing Day. In this event, the limitation will apply *pro rata* so that all Shareholders wishing to have Shares of that Sub-Fund redeemed on that Dealing Day realise the same proportion of such Shares. Shares not redeemed, but which would otherwise have been redeemed, will be carried forward for redemption on the next Dealing Day. If requests for redemptions are so carried forward, the Administrator will inform the Shareholders affected.

### **In Specie Redemptions**

The Company may at the request of the Shareholder satisfy a redemption request by a distribution of investments of the relevant Sub-Fund in specie provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Sub-Fund. In addition, the Articles contain special provisions where a redemption request received from a Shareholder would result in Shares representing more than 5% of the Net Asset Value of any Sub-Fund being redeemed by the Company on any Dealing Day. In such a case, the Company may satisfy the redemption request by a distribution of investments of the relevant Sub-Fund in specie provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Sub-Fund. Where the Shareholder requesting such redemption receives notice of the Company's intention to elect to satisfy the redemption request by such a distribution of assets that Shareholder may require the Company, instead of transferring those assets, to arrange for their sale and the payment of the proceeds of sale to that Shareholder less any costs incurred in connection with such sale. Allocation of investments is subject to approval by the Depositary.

### **Mandatory Redemptions**

The Directors may at their sole discretion redeem any holding which is less than the Minimum Shareholding. In such circumstances, the Directors will give 30 days' prior written notice to Shareholders whose Shares are being redeemed to allow them to purchase sufficient additional Shares of the Sub-Fund to avoid such redemption.

The Directors may compulsorily redeem all of the Shares of any Sub-Fund if the Net Asset Value of the relevant Sub-Fund is less than the Minimum Net Asset Value specified in the Supplement for the relevant Sub-Fund.

The Directors reserve the right to impose restrictions on the holding or transfer of Shares directly or indirectly by (and consequently to redeem Shares held by):

- (i) a person or entity who, in the opinion of the Directors is a U.S. Person (unless the Directors determine (i) the transaction is permitted under an exemption available under the Securities Act and

- (ii) that the relevant Sub-Fund and the Company continue to be entitled to an exemption from registration as an investment company under the Investment Company Act if such person holds Shares);
- (ii) a person or entity who breached or falsified representations on the Subscription Agreement;
  - (iii) a person or entity who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such entity is not qualified to hold Shares;
  - (iv) a person or entity who has not provided the required tax documentation or supporting documentation for money laundering prevention checks;
  - (v) a person or entity if the holding of the Shares by that entity is unlawful or is less than the Minimum Shareholding or Minimum Initial Investment Amount set for that class of Shares by the Directors;
  - (vi) a person or entity in circumstances which (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant), in the opinion of the Directors, might result in the relevant Sub-Fund incurring any liability to taxation or suffering any pecuniary liability to taxation or suffering other pecuniary, legal, regulatory or material administrative disadvantage which the relevant Sub-Fund might not otherwise have incurred or suffered (including where the relevant Sub-Fund suspects market timing) or might result in the relevant Sub-Fund being required to comply with registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply or is otherwise prohibited by the Articles of Association;
  - (vii) a person under the age of 18 years or of unsound mind; and
  - (viii) any transfer in regard to which any payment of taxation remains outstanding.

Without prejudice to the foregoing, Shares may be compulsorily redeemed or transferred if it comes to the notice of the Directors, that they are held directly or beneficially in breach of any law or requirement of any country or governmental authority or that any person is not qualified to hold such Shares by virtue of such law or requirement or that such Shares are held by any person whose holding of Shares may (i) prejudice the tax status or residence of the Company or (ii) result in regulatory, pecuniary, legal, taxation or material administrative disadvantages for the Company or the Shareholders as a whole.

To effect a mandatory redemption, the Directors shall be entitled to (i) give notice (in such form as the Directors deem appropriate) to such person requiring him to request in writing the redemption of such Shares in accordance with the Articles of Association and/or (ii) as appropriate, compulsorily redeem and/or cancel such number of Shares held by such person and may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by such person including any interest or penalties payable thereon.

### **Exchange of Shares**

Unless otherwise determined by the Directors, Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any class in any Sub-Fund (the "**Original Class**") for Shares in another class in a Sub-Fund which are being offered at that time (the "**New Class**") (such class being in the same Sub-Fund or in a separate Sub-Fund) provided that all the criteria for applying for Shares in the New Class have been met (including being entitled to the same tax treatment/benefits under taxation treaties as the other Shareholders in the New Class) and by giving notice to the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day. The Directors may in their sole and absolute discretion accept requests for exchange received after the relevant Dealing Deadline in exceptional circumstances provided they are received prior to the relevant Valuation Point. The Directors may at their discretion nominate an additional Dealing Day to facilitate applications for exchange of Shares which will be notified in advance to all Shareholders. The Investment Manager shall pay all costs associated with additional Dealing Days. The general provisions and procedures relating to the issue and redemption of Shares will apply equally to exchanges, save in relation to charges payable, details of which are set out below and in the relevant Supplement.

When requesting the exchange of Shares as an initial investment in a Sub-Fund, Shareholders should ensure that the value of the Shares exchanged is equal to, or exceeds, the Minimum Initial Investment Amount for the relevant New Class specified in the Supplement for the relevant Sub-Fund. In the case of an exchange of a

partial holding only, the value of the remaining holding must also be at least equal to the Minimum Shareholding for the Original Class.

The Directors may deduct a charge on an exchange of Shares which the Investment Manager considers represents an appropriate figure to cover dealing costs, stamp duties, market impact and to preserve the value of the underlying assets of the Sub-Fund when there are net subscriptions and redemptions. Any such charge will be retained for the benefit of the relevant Sub-Fund and the Directors reserve the right to waive such charge at any time.

The Directors may impose an exchange charge of up to 3% of the repurchase amount of the Shares being exchanged.

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

$$S = \frac{[(RP - EC)]}{SP}$$

where:

<b>S</b>	=	the number of Shares of the New Class to be issued;
<b>RP</b>	=	the Redemption Proceeds;
<b>EC</b>	=	the Exchange Charge;
<b>SP</b>	=	the Issue Price per Share of the New Class as at the Valuation Point for the applicable Dealing Day.

### **Limitations on Exchanges**

Shares may not be exchanged for Shares of a different class during any period when the calculation of the Net Asset Value of the relevant Sub-Fund or Sub-Funds is suspended in the manner described under the section entitled “**Suspension of Calculation of Net Asset Value**” below. Applicants for the exchange of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

### **Transfer of Shares**

Shares in each Sub-Fund will be transferable by instrument in writing in common form or in any other written form approved by the Directors and signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor. Transferees will be required to complete a Subscription Agreement and provide any other documentation reasonably required by the Administrator. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to or interest in the Shares registered in the names of such joint Shareholders.

Shares may not be transferred to any person as described in the section entitled “**Mandatory Redemptions**” above.

If the transferor is, or is deemed to be, or is acting on behalf of a Taxable Irish Person, the Company is entitled to redeem and cancel a sufficient portion of the transferor's Shares as will enable the Company to pay the tax payable in respect of the transfer to the Irish Revenue Commissioners.

### **Dealing Restrictions**

#### **Market Timing**

The Company, at its discretion, reserves the right to refuse to accept any application for initial or subsequent subscription or to compulsorily redeem Shares held by any Shareholder, without giving any reason where the Company suspects market timing. Without limiting the foregoing, and as further described below, the Company may not be used as a vehicle for frequent trading in response to short term market fluctuations (so called “market timing”). Accordingly, the Company may reject any subscriptions (or compulsorily redeem Shares) from

any investor that it determines is engaged in market timing or other activity which it believes is harmful to the Company or any Sub-Fund. If a subscription is rejected, subscription proceeds will be returned without interest to the Applicant, as soon as practicable.

### Excessive Trading Policies

The Company emphasises that all investors and Shareholders are bound to place their subscription, redemption or switching order(s) no later than the relevant Dealing Deadline for transactions in the Sub-Fund's Shares.

Excessive trading into and out of a Sub-Fund can disrupt portfolio investment strategies and increase the Sub-Fund's operating expenses. The Sub-Funds are not designed to accommodate excessive trading practices. The Directors reserve the right to restrict, reject or cancel purchase, redemption and switching orders as described above, which represent, in their sole judgment, excessive trading.

Shareholders seeking to engage in excessive trading practices may deploy a variety of strategies to avoid detection, and there is no guarantee that the Company or its agents will be able to recognise such Shareholders or curtail their trading practices. The ability of the Company and its agents to detect and curtail excessive trading practices may also be limited by operational systems and technological limitations.

To the extent that the Company or its agents are unable to curtail excessive trading practices in a Sub-Fund, these practices may interfere with the efficient management of the Sub-Fund's portfolio and may result in the Sub-Fund engaging in certain activities to a greater extent than it otherwise would, such as maintaining higher cash balances, using a line of credit and engaging in portfolio transactions. Increased portfolio transactions and the use of a line of credit would correspondingly increase a Sub-Fund's operating costs and decrease the Sub-Fund's investment performance, and maintenance of a higher level of cash balances would likewise result in lower Sub-Fund investment performance during periods of rising markets.

### **CALCULATION OF NET ASSET VALUE / VALUATION OF ASSETS**

The Net Asset Value of each Sub-Fund shall be calculated by the Administrator as at the Valuation Point for each Dealing Day by valuing the assets of the Sub-Fund and deducting therefrom the liabilities of the Sub-Fund. The Net Asset Value of a Sub-Fund divided by the number of Shares of the relevant Sub-Fund in issue as at the relevant Valuation Point is equal to the Net Asset Value of a Share of the relevant Sub-Fund. Where there is more than one class in issue in a Sub-Fund, the Net Asset Value per Share of the relevant class is calculated by determining that proportion of the Net Asset Value of the relevant Sub-Fund which is attributable to the relevant class at the Valuation Point, and adding thereto or deducting therefrom such sum (if any) as the Administrator may consider represents the appropriate provision for purchase or sales charges and by dividing this sum by the total number of Shares of the relevant class in issue at the relevant Valuation Point (which is set out in the Supplement for the relevant Sub-Fund). The price at which Shares of any class will be issued or redeemed on a Dealing Day, after the initial issue, is based on the Net Asset Value per Share or Net Asset Value per Share of the relevant class (where there is more than one class in issue in a Sub-Fund). The Net Asset Value and the Net Asset Value per Share will in each case be rounded to two decimal places or such other number of decimal places as the Directors may determine.

The Articles provides for the method of valuation of the assets and liabilities of each Sub-Fund and of the Net Asset Value of each Sub-Fund. The Company has delegated the calculation of the Net Asset Value to the Administrator. The assets and liabilities of a Sub-Fund will be valued as follows:

In general, the Articles provides that the value of any investments quoted, listed or dealt in on a market shall be calculated by reference to the last traded price as at the relevant Valuation Point provided that the value of any investment listed on a Regulated Market but acquired or traded at a premium or at a discount outside the relevant market may with the approval of the Depositary be valued taking into account the level of premium or discount as at the date of valuation of the investment and the Depositary must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.

Where such investment is quoted, listed or dealt in on more than one Regulated Market, the Directors shall, in their absolute discretion, select the Regulated Market which in its opinion constitutes the main Regulated Market for such investment for the foregoing purposes.

The value of any investment which is not quoted, listed or dealt in on a Regulated Market or of any investment which is normally quoted, listed or dealt in on a Regulated Market but in respect of which no price is currently available or the current price of which does not in the opinion of the Directors reflect the fair market value

thereof in the context of currency, marketability dealing costs and/or such other considerations as are deemed relevant, shall be the probable realisation value estimated with care and in good faith by (i) the Director or (ii) by a competent person appointed by the Directors, in each case approved, for such purpose, by the Depositary or (iii) any other means provided that the value is approved by the Depositary. In determining the probable realisation value of any such investment, the Directors may accept a certified valuation from a competent independent person, or in the absence of any independent person (notwithstanding that the Investment Manager has an interest in the valuation), the Investment Manager, who in each case shall be approved by the Depositary to value the relevant securities. Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics. The matrix methodology will be compiled by the Directors or a competent person, firm or corporation appointed by the Directors and in each case approved for the purpose by the Depositary or any other means provided that the value is approved by the Depositary.

The Articles further provide that cash in hand or on deposit, prepaid expenses, cash dividends, interest declared or accrued and not yet received and tax reclaims filed and not yet received as at the relevant Valuation Point shall normally be valued at their face value (unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate in such case to reflect the true value thereof); certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable investments shall each be valued at each Valuation Point at the last traded price on the Regulated Market on which these assets are traded or admitted for trading (being the Regulated Market which is the sole Regulated Market or in the opinion of the Directors the principal Regulated Market on which the assets in question are quoted or dealt in).

Subject to EMIR which requires over-the-counter derivative contracts which are not cleared with a clearing counterparty to be valued on the basis of a mark to market value of the derivative contract (or if market conditions prevent marking to market, a reliable and prudent marking to model), the value of any over the counter derivative contracts shall be the quotation from the counterparty to such contracts at the Valuation Point and shall be valued daily. The valuation will be approved or verified weekly by a party independent of the counterparty who has been approved, for such purpose, by the Depositary. Alternatively, the value of any over-the-counter derivative contract which is cleared with a clearing counterparty may be the quotation from an independent pricing vendor or that calculated by the Company itself and shall be valued daily. Where an alternative valuation is used by the Company, the Company will follow international best practice and adhere to specific principles on such valuation by bodies such as IOSCO and AIMA. Any such alternative valuation must be provided by a competent person appointed by the Manager and approved for the purpose by the Depositary, or a valuation by any other means provided that such value is approved by the Depositary. Any such alternative valuation must be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise, they must be promptly investigated and explained.

The value of any exchange traded futures contracts, share price index futures contracts and options shall be the settlement price as determined by the Regulated Market in question as at the Valuation Point provided that where such settlement price is not available for any reason as at a Valuation Point, such value shall be the probable realisation thereof estimated with care and in good faith by (i) the Directors or (ii) a competent person appointed by the Directors, provided that the Directors or such other competent person have been approved for such purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary.

Subject to EMIR which requires over the counter derivative contracts which are not cleared with a clearing counterparty to be valued on the basis of a mark to market value of the derivative contract (or if market conditions prevent marking to market, a reliable and prudent marking to model), forward foreign exchange contracts shall be valued by reference to the prevailing market maker quotations, namely, the price as at the Valuation Point at which a new forward exchange contract of the same size and maturity could be undertaken, or if unavailable, at the settlement price provided by the counterparty. The settlement price shall be valued at least daily by the counterparty and shall be verified at least weekly by a party who is independent from the counterparty and approved for such purpose by the Depositary.

Units or shares in open-ended collective investment schemes shall be valued at the latest available net asset value per share, share or class thereof as published by the collective investment scheme as at the Valuation Point for the relevant Dealing Day.

Notwithstanding the generality of the foregoing, the Directors may with the approval of the Depositary adjust the value of any such security if having regard to currency, anticipated rate of dividend, applicable rate of interest, maturity, liquidity, marketability and/or such other considerations as the Manager or the Investment Manager

may deem relevant, the Manager or the Investment Manager considers that such adjustment is required to reflect the fair value thereof as at any Valuation Point.

Any value expressed otherwise than in the Base Currency of a Sub-Fund (whether of any investment or cash) and any non-Base Currency borrowing shall be converted into the Base Currency at the rate which the Administrator shall determine to be appropriate in the circumstances.

Any particular valuation provisions applicable to a Sub-Fund are set out in the Supplement for the relevant Sub-Fund.

### **SUSPENSION OF CALCULATION OF NET ASSET VALUE**

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Sub-Fund and the issue, redemption and exchange of Shares and the payment of Redemption Proceeds:

- (i) during any period when any of the Regulated Markets on which a meaningful portion of the investments of the relevant Sub-Fund, from time to time, are quoted, listed or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- (ii) during any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a meaningful portion of the investments of the relevant Sub-Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Sub-Fund or if, in the opinion of the Directors, the Net Asset Value of the Sub-Fund cannot be fairly calculated; or
- (iii) during any breakdown in the means of communication normally employed in determining the price of a meaningful portion of the investments of the relevant Sub-Fund, or when, for any other reason the current prices on any Regulated Market of any of the investments of the relevant Sub-Fund cannot be promptly and accurately ascertained; or
- (iv) during any period during which any transfer of funds involved in the realisation or acquisition of investments of the relevant Sub-Fund or when payments due on the redemption of Shares from Shareholders cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or
- (v) during any period when the Directors are unable to repatriate funds required for the purpose of making payments due on the redemption of Shares in the relevant Sub-Fund; or
- (vi) upon mutual agreement between the Company and the Depositary, any period following the circulation to Shareholders of a notice of a general meeting at which a resolution for the purpose of terminating the Company or any Sub-Fund is to be proposed; or
- (vii) when any other reason makes it impracticable to determine the value of a meaningful portion of the assets of the Company or any Sub-Fund; or
- (viii) during any period when the Directors consider it to be in the best interests of the Shareholders of the relevant Sub-Fund.

Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as practicable.

Shareholders who have requested issue or redemption of Shares of any class or the exchange of Shares of one class to another will be notified of any such suspension in such manner as may be directed by the Directors and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first relevant Dealing Day after the suspension is lifted. Any such suspension will be notified on the same Business Day to the Central Bank and will be communicated without delay to the competent authorities in any country in which the Shares are registered for sale.

### **PRICE ADJUSTMENT POLICY (SWING PRICING)**

Where provided for in the Supplement for the relevant Sub-Fund, the Directors may make an adjustment to a Sub-Fund's Net Asset Value as part of the regular valuation process to counter the impact of large transactions

into or out of the Sub-Fund creating a “dilution” of the Sub-Fund’s assets (because the price at which an investor buys or sells Shares in the Sub-Fund may not entirely reflect the dealing and other costs arising) and to enhance the protection of existing Shareholders.

### **NOTIFICATION OF PRICES**

The Net Asset Value per Share of each class of Shares in each Sub-Fund will be available from the Administrator on each Valuation Point and will be published on [www.bloomberg.com](http://www.bloomberg.com) or such other websites or newspapers as the Directors may decide from time to time and as notified to the Shareholders in advance. Such prices will be the prices applicable to the previous Dealing Day’s trades and are therefore only indicative after the relevant Dealing Day.

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## FEES AND EXPENSES

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The Company may pay out of the assets of each Sub-Fund the fees and expenses payable to the Investment Manager, Administrator, the Depositary, the General Distributor, the fees and expenses of sub-custodians (which will be at normal commercial rates), the fees and expenses of any investment advisers or any other delegates of the Manager, the fees (if any) and expenses of the Directors, any fees in respect of circulating details of the Net Asset Value, stamp duties, all taxes and VAT, company secretarial fees, any costs incurred in respect of meetings of Shareholders, marketing and distribution costs, investment transaction charges, costs incurred in respect of the distribution of income to Shareholders, pricing and bookkeeping costs the fees and expenses of any paying agent, facilities agent or representative appointed in compliance with the requirements of another jurisdiction (which will be at normal commercial rates), any amount payable under indemnity provisions contained in the Articles or any agreement with any appointee of the Company, all sums payable in respect of directors' and officers' liability insurance cover, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, tax and legal advisers, the fees connected with listing the Shares on a stock exchange and the fees connected with registering the Company for sale in other jurisdictions. The costs of printing and distributing this Prospectus, key investor information documents, reports, accounts and any explanatory memoranda, any necessary translation fees, the costs of publishing prices and any costs incurred as a result of periodic updates of the Prospectus, 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) may also be paid out of the assets of the Company. Further details of such fee arrangements shall be disclosed in the Supplement for the relevant Sub-Fund.

Such fees, duties and charges will be charged to the Sub-Fund in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Sub-Fund, the expense will be allocated by the Directors with the approval of the Depositary, in such manner and on such basis as the Directors in their discretion deem fair and equitable. 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.

When a Sub-Fund invests in the shares of other UCITS or CIS or both and those other UCITS or CIS are managed directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager or other company shall not charge subscription, conversion or redemption fees on account of the investment of the Sub-Fund in the shares of such other UCITS or CIS or both, as the case may be.

Unless and until determined from time to time by the Company in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Any increase in Directors' fees will be notified to Shareholders. Those Directors who are not employees of companies that comprise the FIL Group will be entitled to remuneration for their services as directors provided however that the aggregate emoluments of such Directors shall not exceed \$60,000 (excluding VAT) or such other amount as may be approved by a resolution of the Directors or the Shareholders in general meeting. In addition, all of the Directors will be entitled to be reimbursed out of the assets of each Sub-Fund for their reasonable out of pocket expenses incurred in discharging their duties as directors, including all travelling, hotel and other out of pocket expenses properly incurred by them in connection with their attendance at meetings of Directors or committees established by the Directors or separate meetings of the holders of any class of Shares of the Company or otherwise in connection with the discharge of their duties.

The cost of establishing the Company and associated costs have been fully discharged. The costs of establishing additional Sub-Funds shall be borne by the FIL Group or the relevant Sub-Fund and where appropriate details thereof will be set out in the relevant Supplement.

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## TAXATION

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### IRELAND

*The following is a summary of certain Irish tax consequences of the purchase, ownership and disposal of Shares. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Shares (other than dealers in securities).*

*The summary is based on Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Shares should consult their own advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares.*

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

The Company intends to conduct its affairs so that it is Irish tax resident. On the basis that the Company is Irish tax resident, the Company qualifies as an 'investment undertaking' for Irish tax purposes and, consequently, is exempt from Irish corporation tax on its income and gains.

The Company will be obliged to account for Irish income tax to the Irish Revenue Commissioners if Shares are held by Non-Exempt Irish Investors (and in certain other circumstances), as described below. Explanations of the terms 'resident' and 'ordinarily resident' are set out at the end of this summary.

#### **Taxation of non-Irish Shareholders**

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Company will not deduct any Irish tax in respect of the Shareholder's Shares once the declaration set out in the Subscription Agreement has been received by the Company confirming the Shareholder's non-resident status. The declaration may be provided by an Intermediary who holds Shares on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary's knowledge, the investors are not resident (or ordinarily resident) in Ireland. An explanation of the term 'Intermediary' is set out at the end of this summary.

If this declaration is not received by the Company, the Company will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a Non-Exempt Irish Investor (see below). The Company will also deduct Irish tax if the Company has information that reasonably suggests that a Shareholder's declaration is incorrect. A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company and holds the Shares through an Irish branch and in certain other limited circumstances. The Company must be informed if a Shareholder becomes Irish tax resident.

Generally, Shareholders who are not Irish tax resident will have no other Irish tax liability with respect to their Shares. However, if a Shareholder is a company that holds its Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax in respect of profits and gains arising in respect of the Shares (on a self-assessment basis).

#### **Taxation of Exempt Irish Investors**

Where a Shareholder is an Exempt Irish Investor, the Company will not deduct Irish tax in respect of the Shareholder's Shares once the declaration set out in the Subscription Agreement has been received by the Company confirming the Shareholder's exempt status.

Irish resident Shareholders who claim exempt status will be obliged to account for any Irish tax due in respect of Shares on a self-assessment basis.

If this declaration is not received by the Company in respect of a Shareholder, the Company will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a Non-Exempt Irish Investor. A Shareholder

will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company within the charge to Irish corporation tax and in certain other limited circumstances.

### **Taxation of other Irish Shareholders**

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and is not an Exempt Irish Investor, the Company will deduct Irish tax on distributions, redemptions and transfers and, additionally, on 'eighth anniversary' events, as described below.

#### *Distributions by the Company*

If the Company pays a distribution to a Non-Exempt Irish Investor, the Company will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

1. 25% of the distribution, where the distributions are paid to a Shareholder who is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the distribution, in all other cases.

The Company will pay this deducted tax to the Irish Revenue Commissioners.

Generally, a Shareholder will have no further Irish tax liability in respect of the distribution. However, if the Shareholder is a company for which the distribution is a trading receipt, the gross distribution (including the Irish tax deducted) will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

#### *Redemptions and Transfers of Shares*

If the Company redeems Shares held by a Non-Exempt Irish Investor, the Company will deduct Irish tax from the redemption payment made to the Shareholder. Similarly, if such an Irish resident Shareholder transfers (by sale or otherwise) an entitlement to Shares, the Company will account for Irish tax in respect of that transfer. The amount of Irish tax deducted or accounted for will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being redeemed or transferred and will be equal to:

1. 25% of such gain, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the gain, in all other cases.

The Company will pay this deducted tax to the Irish Revenue Commissioners. In the case of a transfer of Shares, to fund this Irish tax liability the Company may appropriate or cancel other Shares held by the Shareholder. This may result in further Irish tax becoming due.

Generally, a Shareholder will have no further Irish tax liability in respect of the redemption or transfer. However, if the Shareholder is a company for which the redemption or transfer payment is a trading receipt, the gross payment (including the Irish tax deducted) less the cost of acquiring the Shares will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

If Shares are not denominated in euro, a Shareholder may be liable (on a self-assessment basis) to Irish capital gains taxation on any currency gain arising on the redemption or transfer of the Shares.

#### *Eighth Anniversary Events*

If a Non-Exempt Irish Investor does not dispose of Shares within eight years of acquiring them, the Shareholder will be deemed for Irish tax purposes to have disposed of the Shares on the eighth anniversary of their acquisition (and any subsequent eighth anniversary). On such deemed disposal, the Company will account for Irish tax in respect of the increase in value (if any) of those Shares over that eight year period. The amount of Irish tax accounted for will be equal to:

1. 25% of such increase in value, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the increase in value, in all other cases.

The Company will pay this tax to the Irish Revenue Commissioners. To fund the Irish tax liability, the Company may appropriate or cancel Shares held by the Shareholder.

However, if less than 10% of the Shares (by value) in the relevant Sub-Fund are held by Non-Exempt Irish Investors, the Company may elect not to account for Irish tax on this deemed disposal. To claim this election, the Company must:

1. confirm to the Irish Revenue Commissioners, on an annual basis, that this 10% requirement is satisfied and provide the Irish Revenue Commissioners with details of any Non-Exempt Irish Investors (including the value of their Shares and their Irish tax reference numbers); and
2. notify any Non-Exempt Irish Investors that the Fund is electing to claim this exemption.

If the exemption is claimed by the Company, any Non-Exempt Irish Investors must pay to the Irish Revenue Commissioners on a self-assessment basis the Irish tax which would otherwise have been payable by the Company on the eighth anniversary (and any subsequent eighth anniversary).

Any Irish tax paid in respect of the increase in value of Shares over the eight year period may be set off on a proportionate basis against any future Irish tax which would otherwise be payable in respect of those Shares and any excess may be recovered on an ultimate disposal of the Shares.

#### *Share Exchanges*

Where a Shareholder exchanges Shares on arm's length terms for other Shares in the Company or for Shares in another Sub-Fund and no payment is received by the Shareholder, the Company will not deduct Irish tax in respect of the exchange.

#### **Irish Stamp Duty**

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Shares. If a Shareholder receives a distribution in specie of assets from the Company, a charge to Irish stamp duty could potentially arise.

#### **Irish Gift and Inheritance Tax**

Irish capital acquisitions tax (at a rate of 33%) can apply to gifts or inheritances of Irish situate assets or where either the person from whom the gift or inheritance is taken is Irish domiciled, resident or ordinarily resident or the person taking the gift or inheritance is Irish resident or ordinarily resident. The Shares could be treated as Irish situate assets because they have been issued by an Irish company. However, any gift or inheritance of Shares will be exempt from Irish gift or inheritance tax once:

- (a) the Shares are comprised in the gift or inheritance both at the date of the gift or inheritance and at the 'valuation date' (as defined for Irish capital acquisitions tax purposes);
- (b) the person from whom the gift or inheritance is taken is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
- (c) the person taking the gift or inheritance is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.

#### **FATCA**

The Hiring Incentives to Restore Employment Act includes provisions generally known as Foreign Account Tax Compliance ("**FATCA**"). The objective of FATCA provisions is to require non-US financial institutions to identify and appropriately report on US taxpayers holding assets outside the US as a safeguard against US tax evasion. Ireland has an intergovernmental agreement with the United States of America (the "**IGA**") in relation to FATCA,

of a type commonly known as a 'model 1' agreement. Ireland has also enacted regulations to introduce the provisions of the IGA into Irish law. The Company intends to carry on its business in such a way as to ensure that it is treated as complying with FATCA, pursuant to the terms of the IGA. Unless an exemption applies, the Company shall be required to register with the US Internal Revenue Service as a 'reporting financial institution' for FATCA purposes and report information to the Irish Revenue Commissioners relating to Shareholders who, for FATCA purposes, are specified US persons, non-participating financial institutions or passive non-financial foreign entities that are controlled by specified US persons. Exemptions from the obligation to register for FATCA purposes and from the obligation to report information for FATCA purposes are available only in limited circumstances. Any information reported by the Company to the Irish Revenue Commissioners will be communicated to the US Internal Revenue Service pursuant to the IGA. It is possible that the Irish Revenue Commissioners may also communicate this information to other tax authorities pursuant to the terms of any applicable double tax treaty, intergovernmental agreement or exchange of information regime.

The Company should generally not be subject to FATCA withholding tax in respect of its US source income for so long as it complies with its FATCA obligations. FATCA withholding tax would only be envisaged to arise on US source payments to the Company if the Company did not comply with its FATCA registration and reporting obligations and the US Internal Revenue Service specifically identified the Company as being a 'non-participating financial institution' for FATCA purposes.

### **OECD Common Reporting Standard**

The automatic exchange of information regime known as the "**Common Reporting Standard**" developed by the Organisation for Economic Co-operation and Development applies in Ireland. Under this regime, the Company is required to report information to the Irish Revenue Commissioners relating to all Shareholders, including the identity, residence and tax identification number of Shareholders and details as to the amount of income and sale or redemption proceeds received by Shareholders in respect of the Shares. This information may then be shared by the Irish Revenue Commissioners with tax authorities in other Member States and other jurisdictions which implement the OECD Common Reporting Standard.

The OECD Common Reporting Standard regime was adopted by the EU in Directive 2014/107/EU and Ireland has adopted the OECD Common Reporting Standard with effect from 1 January 2016.

The OECD Common Reporting Standard replaced the previous European information reporting regime in respect of savings income under Directive 2003/48/EC (commonly known as the EU Savings Directive regime), which was repealed in Ireland with effect from 1 January 2016.

### **Meaning of Terms**

#### *Meaning of 'Residence' for Companies*

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which was incorporated in Ireland on or after 1 January 2015 is tax resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

A company which does not have its central management and control in Ireland but which was incorporated before 1 January 2015 in Ireland is resident in Ireland except where:

1. the company (or a related company) carries on a trade in Ireland and either the company is ultimately controlled by persons resident in Member States or in countries with which Ireland has a double tax treaty, or the company (or a related company) are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or
2. the company is regarded as not resident in Ireland under a double tax treaty between Ireland and another country.

Finally, a company that was incorporated in Ireland before 1 January 2015 will also be regarded as resident in Ireland if the company is: (i) managed and controlled in a territory with which a double taxation agreement with Ireland is in force (a "**relevant territory**"), and such management and control would have been sufficient, if exercised in Ireland, to make the company Irish tax resident; (ii) the company would have been tax resident in

that relevant territory under its laws had it been incorporated there; and (iii) the company would not otherwise be regarded by virtue of the law of any territory as resident in that territory for the purposes of tax.

#### *Meaning of 'Residence' for Individuals*

An individual will be regarded as being tax resident in Ireland for a calendar year if the individual:

1. spends 183 days or more in Ireland in that calendar year; or
2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that calendar year together with the number of days spent in Ireland in the preceding year. Presence in Ireland by an individual of not more than 30 days in a calendar year will not be reckoned for the purposes of applying this 'two year' test.

An individual is treated as present in Ireland for a day if that individual is personally present in Ireland at any time during that day.

#### *Meaning of 'Ordinary Residence' for Individuals*

The term 'ordinary residence' (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. 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 the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2019 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2022.

#### *Meaning of 'Intermediary'*

An 'intermediary' means a person who:

1. carries on a business which consists of, or includes, the receipt of payments from a regulated investment undertaking resident in Ireland on behalf of other persons; or
2. holds units in such an investment undertaking on behalf of other persons.

### **Summary**

The foregoing is not a complete summary of all of the tax consequences of investment in the Company. Each prospective investor is advised to consult with its own tax advisor with respect to the US federal, state and local and non-US tax consequences of, and the reporting requirements attributable to, the purchase, ownership and disposition of Shares.

## **UNITED KINGDOM**

### **United Kingdom Taxation**

The following is a summary of various aspects of the United Kingdom ("UK") taxation regime which may apply to UK resident or ordinarily resident persons acquiring Shares in the classes of the Sub-Fund, and where such persons are individuals, only to those domiciled in the UK. It is intended as a general summary only, based on current law and practice in force as of the date of this Supplement. Such law and practice may be subject to change, and the below summary is not exhaustive. Further, it will apply only to those UK Shareholders holding Shares as an investment rather than those which hold Shares as part of a financial trade; and does not cover UK Shareholders which are tax exempt or subject to special taxation regimes.

This summary should not be taken to constitute legal or tax advice, and any prospective Shareholder should consult their own professional advisers as to the UK tax treatment of returns from the holding of Shares in the Sub-Fund.

## **The Company**

The affairs of the Company are intended to be conducted in such a manner that it should not become resident in the UK for taxation purposes. Therefore, on the condition that the Company does not carry on a trade in the UK through a permanent establishment located there for corporation tax purposes or through a branch or agency situated in the UK or within the charge to income tax, then the Company will not be subject to UK corporation tax on income or chargeable gains arising to it, other than withholding tax on certain UK source income.

Income and gains received by the Sub-Fund may be subject to withholding or similar taxes imposed by the country in which such returns arise.

Since the Company is not incorporated in the UK and the register of Shareholders will be kept outside the UK, no liability to UK stamp duty reserve tax should arise by reason of the transfer, subscription for, or redemption of Shares. Liability to UK stamp duty will not arise provided that any instrument in writing, transferring Shares in the Company, or shares acquired by the Company, is executed and retained at all times outside the UK. However, the Sub-Fund may be liable to transfer taxes in the UK on acquisitions and disposals of investments. In the UK, stamp duty or Stamp Duty Reserve Tax at a rate of 0.5% will be payable by the Sub-Fund on the acquisition of shares in companies that are either incorporated in the UK or that maintain a share register there.

## **Shareholders**

Subject to their personal tax position, dividends received by UK resident Shareholders will be subject to UK income tax or corporation tax annually, whether or not reinvested. In addition, UK Shareholders holding Shares at the end of each 'reporting period' (as defined for UK tax purposes) will potentially be subject to UK income tax or corporation tax on their share of a class's 'reported income', to the extent that this amount exceeds dividends received. The terms 'reported income', 'reporting period' and their implications are discussed in more detail below. Both dividends and reported income will be treated as dividends received from a foreign corporation, subject to any re-characterisation as interest, as described below.

Individual Shareholders resident or ordinarily resident in the UK under certain circumstances may benefit from a non-refundable tax credit in respect of dividends or reported income received from corporate offshore funds invested largely in equities. However, where the offshore fund invests more than 60% of its assets in interest-bearing (or economically similar) assets, distributions or reported income will be treated and taxed as interest in the hands of the individual, with no tax credit.

Dividend distributions from an offshore fund made to companies resident in the UK are likely to fall within one of a number of exemptions from UK corporation tax. In addition, distributions to non-UK companies carrying on a trade in the UK through a permanent establishment in the UK should also fall within the exemption from UK corporation tax on dividends to the extent that the shares held by that company are used by, or held for, that permanent establishment. Reported income will be treated in the same way as a dividend distribution for these purposes.

Shareholdings in the Company are likely to constitute interests in offshore funds, as defined for the purposes of the Taxation (Income and other Provisions) Act 2010, with each class of the Sub-Fund treated as a separate 'offshore fund' for these purposes.

The Offshore Funds (Tax) Regulations 2009 provide that if an investor resident or ordinarily resident in the UK for taxation purposes holds an interest in an offshore fund and that offshore fund is a 'non-reporting fund', any gain accruing to that investor upon the sale or other disposal of that interest will be charged to UK tax as income and not as a capital gain. Alternatively, where an investor resident or ordinarily resident in the UK holds an interest in an offshore fund that has been a 'reporting fund' for all periods of account for which they hold their interest, any gain accruing upon sale or other disposal of the interest will be subject to tax as a capital gain rather than income; with relief for any accumulated or reinvested profits which have already been subject to UK income tax or corporation tax on income (even where such profits are exempt from UK corporation tax).

It should be noted that a "disposal" for UK tax purposes would generally include a switching of interest between Sub-Funds within the Company and might in some circumstances also include a switching of interests between classes in the same Sub-Fund of the Company.

The Directors currently intend that the Company will not seek to apply for approval of any of the Classes of Shares to be a "reporting fund". Accordingly, Shareholders who are resident or ordinarily resident in the UK for taxation purposes may be liable to UK income taxation in respect of gains arising from the sale, redemption or other disposal of their Shares. Such gains may remain taxable notwithstanding any general or specific UK capital gains tax exemption or allowance available to an investor and may result in certain investors incurring a proportionately greater UK taxation charge. Any losses arising on the disposal of Shares by Shareholders who are ordinarily resident in the UK will be eligible for capital gains loss relief. The Directors have reserved the right to seek reporting fund status in respect of any Classes of Shares, although this is not currently their intention.

The attention of individual Shareholders ordinarily resident in the UK is drawn to the provisions of Chapter 2 of Part 13 of the Income Taxes Act 2007. These provisions are aimed at preventing the avoidance of UK income tax by individuals through transactions resulting in the transfer of assets or income to persons (including companies) resident or domiciled outside the UK, and may render them liable to income tax in respect of undistributed income of the Company on an annual basis. The legislation is not directed towards the taxation of capital gains.

Corporate Shareholders resident in the UK should note the provisions of Chapter 4 of Part 17 of the Income and Corporation Taxes Act 1988. These provisions may subject UK resident companies to corporation tax on profits of non-resident companies, controlled by persons resident in the UK, in which they have an interest. These provisions affect UK resident companies who have an interest of at least 25% in the profits of a non-UK resident company, where that non-UK resident company is controlled by residents of the UK and is resident in a low tax jurisdiction. This legislation is not presently directed towards the taxation of capital gains.

The attention of UK resident corporate Shareholders is drawn to Chapter 3 of Part 6 of the Corporation Tax Act 2009, whereby interests of UK companies in offshore funds may be deemed to constitute a loan relationship; with the consequence that all profits and losses on such relevant interests are chargeable to UK corporation tax in accordance with a fair value basis of accounting. These provisions apply where the market value of relevant underlying interest-bearing securities and other qualifying investments of the offshore fund (broadly investments which yield a return directly or indirectly in the form of interest) are at any time more than 60% of the value of all the investments of the offshore fund.

The attention of investors resident or ordinarily resident in the UK (and who, if individuals, are also domiciled in the UK for those purposes) is drawn to the provisions of Section 13 of Taxation of Chargeable Gains Act 1992. Under these provisions, where a chargeable gain accrues to a company that is not resident in the UK, but which would be a close company if it were resident in the UK, a person may be treated as though a proportional part of that chargeable gain, calculated by reference to their interest in the company, has accrued to them. No liability under Section 13 can be incurred by such a person, however, where such a proportion does not exceed one-tenth of the gain.

Any individual shareholder domiciled or deemed to be domiciled in the UK for UK tax purposes may be liable to UK inheritance tax on their Shares in the event of death or on making certain categories of lifetime transfer.

**Potential investors who are in any doubt as to their tax position should consult their own independent tax advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares. In addition, investors should be aware that tax regulations and their application or interpretation by the relevant tax authorities' change from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time.**

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## GENERAL INFORMATION

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### **Reports and Accounts**

The Company's year-end is 31 December in each year. The annual report and audited accounts of the Company will be sent to Shareholders within four months after the conclusion of each accounting year and at least 21 days before the general meeting of the Company at which they are to be submitted for approval. In any event, the annual report and audited accounts of the Company will be sent to Shareholders or prospective investors on request. The Company will also prepare semi-annual report and unaudited accounts which will be made available to Shareholders within two months after the six-month period ending on 30 June in each year.

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

The Company does not have any subsidiaries at the date of this Prospectus.

### **Incorporation and Share Capital**

The Company was incorporated and registered in Ireland under the Companies Act as an open-ended umbrella investment company with variable capital and with segregated liability between Sub-Funds on 10 August 2010 with registered number 487561.

At the date hereof the authorised share capital of the Company is 300,002 subscriber shares of €1 each and 1,000,000,000,000 shares of no par value initially designated as unclassified shares.

### **Memorandum and Articles of Association**

Clause 2 of the Memorandum of Association provides that the sole object of the Company is the collective investment in transferable securities and/or other liquid financial instruments of capital raised from the public operating on the principle of risk-spreading in accordance with the Regulations.

The Articles contain provisions to the following effect:

- (i) **Directors' Authority to Allot Shares.** The Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities, including fractions thereof, up to an amount equal to the authorised but as yet unissued share capital of the Company.
- (ii) **Variation of rights.** The rights attached to any class may, be varied or abrogated with the consent in writing of the holders of three-fourths in number of the issued Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy and the quorum at an adjourned meeting shall be one person holding Shares of the class in question or his proxy.
- (iii) **Voting Rights.** Subject to any rights or restrictions for the time being attached to any class or classes of Shares, on a show of hands every holder who is present in person or by proxy shall have one vote and the holder(s) of subscriber shares present in person or by proxy shall have one vote in respect of all the subscriber shares in issue. On a poll every holder present in person or by proxy shall have one vote for every Share of which he is the holder and every holder of a subscriber share present in person or by proxy shall have one vote in respect of his holding of subscriber shares. Holders who hold a fraction of a Share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such fraction of a Share.
- (iv) **Restriction of Voting Rights.** The voting rights of a Shareholder may be restricted where he fails to comply, to the satisfaction of the Directors, with any notice or notices given to him requesting the disclosure of his interests in Shares in the Company (for example whether the

interest in the Share consists of the entire beneficial interest in the Shares or details of any arrangements in respect of the Shares in the Company).

- (v) **Alteration of Share Capital.** The Company may from time to time by ordinary resolution increase the share capital by such amount and/or number as the resolution may prescribe.

The Company may also by ordinary resolution:

- (a) consolidate and divide all or any of its share capital into Shares of larger amount;
- (b) subdivide its Shares, or any of them, into Shares of smaller amount or value;
- (c) cancel any Shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the Shares so cancelled; or
- (d) redenominate the currency of any class of Shares.

- (vi) **Directors' Interests.** Provided that the nature and extent of his interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the Company nor shall any such contract or any contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he became so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made, at the first meeting of the Directors held after he becomes so interested.

A Director shall not vote at a meeting of the Directors or of any committee established by the Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material (other than an interest arising by virtue of his interest in Shares or debentures or other securities or otherwise in or through the Company or another company) 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.

- (vii) **Borrowing Powers.** The Directors may exercise all of the powers of the Company to borrow or raise money and to mortgage, or charge its undertaking, property and assets (both present and future) and uncalled capital or any part thereof and to issue Shares, whether outright or as collateral security for any debt, liability or obligation of the Company provided that all such borrowings shall be within the limits and conditions laid down by the Central Bank.
- (viii) **Delegation to Committee.** The Directors may delegate any of their powers to any committee consisting of Directors. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Articles of Association regulating the proceedings of Directors so far as they are capable of applying.
- (ix) **Retirement of Directors.** The Directors shall not be required to retire by rotation or by virtue of their attaining a certain age.
- (x) **Directors' Remuneration.** Unless and until otherwise determined from time to time by the Company in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Any Director who is appointed as an executive director (including for this purpose the office of chairman or deputy chairman) or who serves on

any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of fees, commission or otherwise as the Directors may determine. The Directors may be paid all travelling, hotel and other out-of-pocket expenses properly incurred by them in connection with their attendance at meetings of the Directors or committees established by the Directors or general meetings or separate meetings of the holders of any class of Shares of the Company or otherwise in connection with the discharge of their duties.

- (xi) **Transfer of Shares.** Subject to the restrictions set out below, the Shares of any holder may be transferred by instrument in writing in any usual or common form or any other form, which the Directors may approve.

The Directors in their absolute discretion and without assigning any reason therefor may decline to register any transfer of a Share to a U.S. Person (other than pursuant to an exemption available under the laws of the United States), any person who, by holding Shares, would appear to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares or might result in the relevant Sub-Fund incurring any liability to taxation or suffering pecuniary legal or material administrative disadvantages which the Company might not otherwise have incurred, suffered or breached or which might result in the Company having to comply with registration or filing requirements in any jurisdiction which it would not otherwise be required to comply with, any transfer to an individual under the age of 18, any transfer to or by a minor or a person of unsound mind, any transfer unless the transferee of such Shares would following such transfer be the holder of Shares with a value at the then current subscription price equal to or greater than the Minimum Initial Investment Amount, any transfer in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Shareholding, any transfer in regard to which any payment of taxation remains outstanding, any transfer to a person who breached or falsified representations on the Subscription Agreement and any transfer to a person who has not provided the required tax documentation or supporting documentation for money laundering prevention checks.

The Directors may decline to recognise any instrument of transfer unless it is accompanied by the certificate for the Shares to which it relates (if issued), is in respect of one class of Share only, is in favour of not more than four transferees and is lodged at the registered office or at such other place as the Directors may appoint.

- (xii) **Right of Redemption.** Shareholders have the right to request the Company to redeem their Shares in accordance with the provisions of the Articles of Association.

- (xiii) **Dividends.** The Articles of Association permit the Directors to declare such dividends on any class of Shares as appear to the Directors to be justified by the profits of the relevant Sub-Fund. The Directors may satisfy any dividend due to holders of Shares in whole or in part by distributing to them in specie any of the assets of the relevant Sub-Fund and, in particular, any investments to which the relevant Sub-Fund is entitled. A holder may require the Directors instead of transferring any assets in specie to him, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same. Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Sub-Fund.

- (xiv) **Sub-Funds.** The Directors are required to establish a separate portfolio of assets for each Sub-Fund created by the Company from time to time, to which the following shall apply:

- (a) for each Sub-Fund the Company shall keep separate books and records in which all transactions relating to the relevant Sub-Fund shall be recorded and, in particular, the proceeds from the allotment and issue of Shares of each class in the Sub-Fund, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund subject to the provisions of the Articles;
- (b) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Sub-Fund, shall be applied in the books and records of the Company to the same Sub-Fund as the asset from which it was derived and any

increase or diminution in the value of such an asset shall be applied to the relevant Sub-Fund;

- (c) in the event that there are any assets of the Company which the Directors do not consider are attributable to a particular Sub-Fund or Sub-Funds, the Directors shall, with the approval of the Depositary, allocate such assets to and among any one or more of the Sub-Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors shall have the power to and may at any time and from time to time, with the approval of the Depositary, vary the basis in relation to assets previously allocated;
  - (d) each Sub-Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the Company in respect of or attributable to that Sub-Fund and any such liabilities, expenses, costs, charges, or reserves of the Company not attributable to any particular Sub-Fund or Sub-Funds shall be allocated and charged by the Directors, with the approval of the Depositary, in such manner and on such basis as the Directors, in their sole and absolute discretion deem fair and equitable, and the Directors shall have the power to and may at any time and from time to time, with the approval of the Depositary, vary such basis including, where circumstances so permit, the re-allocation of such liabilities, expenses, costs, charges and reserves;
  - (e) in the event that any Asset attributable to a Sub-Fund is taken in execution of a liability not attributable to that Sub-Fund, the provisions of Section 1406 of the Companies Act 2014 shall apply.
- (xv) **Sub-Fund Exchanges.** Subject to the provisions of the Articles of Association, a Shareholder holding Shares in any class in a Sub-Fund on any Dealing Day shall have the right from time to time to exchange all or any of such Shares for Shares of another class (such class being either an existing class or a class agreed by the Directors to be brought into existence with effect from that Dealing Day).
- (xvi) **Winding up.** The Articles contain provisions to the following effect:
- (a) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Act, apply the assets of each Sub-Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Sub-Fund;
  - (b) The assets available for distribution amongst the holders shall be applied as follows: first the proportion of the assets in a Sub-Fund attributable to each class of Share shall be distributed to the holders of Shares in the relevant class in the proportion that the number of Shares held by each holder bears to the total number of Shares relating to each such class of Shares in issue as at the date of commencement to wind up; secondly, in the payment to the holder(s) of the subscriber shares of sums up to the notional amount paid thereon out of the assets of the Company not attributable to any class of Share. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the Company attributable to other classes of Shares; and thirdly, any balance then remaining and not attributable to any of the classes of Shares shall be apportioned pro-rata as between the classes of Shares based on the Net Asset Value attributable to each class of Shares as at the date of commencement to wind up and the amount so apportioned to a class shall be distributed to holders pro-rata to the number of Shares in that class of Shares held by them;
  - (c) A Sub-Fund may be wound up pursuant to section 1406 of the Companies Act and in such event the provisions reflected in this paragraph 15 shall apply mutatis mutandis in respect of that Sub-Fund;
  - (d) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant holders and any other sanction required by the

Companies Act, divide among the holders of Shares of any class or classes in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the holders of Shares of different classes of Shares. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of holders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no holder shall be compelled to accept any assets in respect of which there is a liability. A holder may require the liquidator instead of transferring any asset in specie to him/her, to arrange for a sale of the assets and for payment to the holder of the net proceeds of same.

**(xvii) Share Qualification.** The Articles do not contain a share qualification for Directors.

**(xviii) Termination of Sub-Funds**

Any Sub-Fund may be terminated by the Directors, in their sole and absolute discretion, by notice in writing to the Depositary in any of the following events:

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

### **Litigation and Arbitration**

Since incorporation the Company has not been involved in any litigation or arbitration nor are the Directors aware of any pending or threatened litigation or arbitration.

### **Directors' Interests**

At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company and save as provided 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;

Ms. Fitzsimons, Mr. Greco, Ms. Kinsella and Mr. King each serve as employees or officers of other FIL Group entities. All of the Directors are on the board of the Manager.

### **Material Contracts**

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Company and are or may be material:

- (a) the Management Agreement dated 16 April 2014 between the Company and the Manager, as amended on 25 May 2018 and as may be further amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank. This agreement provides that the appointment of the Manager as manager will continue in force unless and until terminated by either party giving to

the other 90 days' notice in writing although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other. Under this agreement, the Manager shall not be liable to the Company or any Shareholders or otherwise for any error of judgement or loss suffered by the Company or any such Shareholder in connection with the Management Agreement unless such loss arises from the negligence, fraud, bad faith, wilful default or wilful misfeasance in the performance or non-performance by the Investment Manager or persons designated by it of its obligations or duties under the agreement or breach of contract on the part of the Manager or any of its agents or delegates or their agents;

- (b) the Investment Management Agreement dated 16 April 2014 between the Company, the Manager and the Investment Manager. This agreement provides that the appointment of the Investment Manager as investment manager will continue in force unless and until terminated by either party giving to the other 90 days' notice in writing although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other. Under this agreement, the Investment Manager shall not be liable to the Company or any Shareholders or otherwise for any error of judgement or loss suffered by the Company or any such Shareholder in connection with the Investment Management Agreement unless such loss arises from the negligence, fraud, bad faith, wilful default or wilful misfeasance in the performance or non-performance by the Investment Manager or persons designated by it of its obligations or duties under the agreement or breach of contract on the part of the Investment Manager or any of its agents or delegates or their agents;
- (c) the Depositary Agreement dated 13 October 2016 between the Company and the Depositary, as amended on 25 May 2018 and as may be further amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank (which replaced the custodian agreement dated 16 March 2012, as amended, between the Company and the Depositary). This agreement provides that the appointment of the Depositary shall continue until terminated by either party on not less than 90 days' prior written notice or earlier upon certain breaches or the insolvency of either party. The Depositary Agreement contains provisions governing the responsibility and limitations on the responsibility of the Depositary and provides for its indemnification in certain circumstances other than in circumstances where such circumstances arise as a result of the Depositary's negligent or intentional failure to properly fulfil its duties under the Depositary Agreement or the loss of financial instruments held in custody in cases as outlined in the Depositary Agreement;
- (d) the Administration Agreement dated 16 March 2012 as novated by a novation agreement dated 16 April 2014, as amended by a supplemental administration agreement dated 2 November 2015, between the Manager and the Administrator, as amended on 25 May 2018 and as may be further amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank. The Administration Agreement provides that the appointment of the Administrator shall continue until terminated by either party on not less than 90 days' notice or earlier upon certain breaches or the insolvency of either party. In the absence of fraud, negligence, recklessness, bad faith or wilful default, the Administrator will not be liable for any loss arising as a result of the performance or non-performance by the Administrator of its obligations and duties under the Administration Agreement. The Company has agreed to indemnify the Administrator against losses suffered by the Administrator in the performance or non-performance of its duties and obligations under the Administration Agreement, except for losses arising out of the fraud, recklessness, negligence, bad faith or wilful default of the Administrator in the performance or non-performance of its duties under the Administration Agreement;
- (e) the Distribution Agreement dated 2 December 2019 between the Manager and the General Distributor as may be further amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank (between the Manager and the General Distributor). This agreement provides that the appointment of the General Distributor will continue in force unless and until terminated by either party giving to the other 90 days' notice in writing although in certain circumstances the agreement may be terminated at any time by notice in writing by either party to the other. Under the Distribution Agreement, the General Distributor shall not be liable to the Manager or any Shareholders or otherwise for any actions, proceedings, claims, costs, demands, charges, losses, damages or expenses suffered or borne by the Company or the Sub-Funds in connection with the Distribution Agreement unless such loss arises from the bad faith, negligence, fraud, wilful default or reckless disregard to comply with its obligations or by persons designated by it of its obligations or duties under the agreement on the part of the General Distributor or any of its directors, officers, employees, delegates, servants or their agents; and
- (f) the UK Facilities Agent Agreement dated 16 April 2014 between the Manager and the UK Facilities

Agent; this agreement provides that the appointment of the UK Facilities Agent will continue in force unless and until terminated by either party giving to the other 90 days' notice in writing although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other. Under this agreement, the UK Facilities Agent shall not be liable to the Manager, the Company or any Shareholders or otherwise for any actions, proceedings, claims, costs, demands, charges, losses, damages or expenses suffered by the Company or any such Shareholder in connection with the UK Facilities Agent Agreement unless such loss or disadvantage arises from the negligence, fraud, wilful default or failure in a material respect to comply with its obligations or by persons designated by it of its obligations or duties under the agreement on the part of the UK Facilities Agent or any of its agents or delegates or their agents.

Please refer to each Supplement for details of any other relevant material contracts (if any) in respect of a Sub-Fund.

### **Miscellaneous**

Save as may result from the entry by the Company into the agreements listed under "**Material Contracts**" above or any other fees, commissions or expenses discharged, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Company.

Save as disclosed under the section entitled "**Portfolio Transactions and Conflicts of Interest**" above, no commissions, discounts, brokerages or other special terms have been paid or granted or are payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or loan capital of the Company.

### **Documents Available for Inspection**

Copies of the following documents may be obtained free of charge from the Administrator and may be inspected free of charge during usual business hours during a Business Day at the registered office of the Company:

- (i) the Memorandum and Articles of Association of the Company;
- (ii) the Prospectus (as amended and supplemented) and the Supplements;
- (iii) key investor information documents;
- (iv) the most recent annual and semi-annual reports relating to the Company;
- (v) details of notices sent to Shareholders;
- (vi) the material contracts referred to above;
- (vii) the Regulations;
- (viii) the CBI UCITS Regulations; and
- (ix) a list of past and current directorships and partnerships held by each Director over the past five years.

Copies of the Memorandum and Articles of Association of the Company (and, after publication thereof, the periodic reports and accounts) may be obtained on request at the registered office of the Company.

Information regarding the Company's complaints procedures and its best execution policies are also available from the Administrator free of charge.

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## APPENDIX I

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### *The Regulated Markets*

With the exception of permitted investments in unlisted investments and over-the-counter derivative instruments, the investments of any Sub-Fund will be restricted to the following exchanges and markets:

- (i) any stock exchange which is:  
located in any Member State of the EU, except for Malta; or  
located in any of the following countries:  
Australia  
Canada  
Iceland  
Japan  
Hong Kong  
New Zealand  
Norway  
Switzerland  
United Kingdom  
United States of America.
- (ii) any of the following stock exchanges or markets:
- |                        |   |                                    |
|------------------------|---|------------------------------------|
| Argentina              | - | Bolsa de Comercio de Buenos Aires  |
| Argentina              | - | Bolsa de Comercio de Cordoba       |
| Argentina              | - | Bolsa de Comercio de Rosario       |
| Bahrain                | - | Bahrain Stock Exchange             |
| Bangladesh             | - | Dhaka Stock Exchange               |
| Bangladesh             | - | Chittagong Stock Exchange          |
| Bermuda                | - | Bermuda Stock Exchange             |
| Botswana               | - | Botswana Stock Exchange            |
| Brazil                 | - | Bolsa de Valores do Rio de Janeiro |
| Brazil                 | - | Bolsa de Valores de Sao Paulo      |
| Chile                  | - | Bolsa de Comercio de Santiago      |
| Chile                  | - | Bolsa Electronica de Chile         |
| Chile                  | - | Bolsa de Valparaiso                |
| Peoples' Rep. of China | - | Shanghai Securities Exchange       |
|                        | - | Shenzhen Stock Exchange            |
| Colombia               | - | Bolsa de Bogota                    |
| Colombia               | - | Bolsa de Medellin                  |
| Colombia               | - | Bolsa de Occidente                 |
| Croatia                | - | Zagreb Stock Exchange              |
| Egypt                  | - | Alexandria Stock Exchange          |
| Egypt                  | - | Cairo Stock Exchange               |
| Ghana                  | - | Ghana Stock Exchange               |
| India                  | - | Bangalore Stock Exchange           |
| India                  | - | Delhi Stock Exchange               |
| India                  | - | Mumbai Stock Exchange              |
| India                  | - | National Stock Exchange of India   |
| Indonesia              | - | Jakarta Stock Exchange             |
| Indonesia              | - | Surabaya Stock Exchange            |
| Israel                 | - | Tel-Aviv Stock Exchange            |
| Ivory Coast            | - | Bourse des Valeurs d'Abidjan       |
| Jordan                 | - | Amman Financial Market             |
| Kazakhstan (Rep. Of)   | - | Central Asian Stock Exchange       |
| Kazakhstan (Rep. Of)   | - | Kazakhstan Stock Exchange          |
| Kenya                  | - | Nairobi Stock Exchange             |
| Kuwait                 | - | Kuwait Stock Exchange              |
| Malaysia               | - | Kuala Lumpur Stock Exchange        |

Mauritius	-	Stock Exchange of Mauritius
Mexico	-	Bolsa Mexicana de Valores
Mexico	-	Mercado Mexicano de Derivados
Morocco	-	Societe de la Bourse des Valeurs de Casablanca
New Zealand	-	New Zealand Stock Exchange
Nigeria	-	Nigerian Stock Exchange
Pakistan	-	Islamabad Stock Exchange
Pakistan	-	Karachi Stock Exchange
Pakistan	-	Lahore Stock Exchange
Panama	-	Bolsa de Valores de Panama
Peru	-	Bolsa de Valores de Lima
Philippines	-	Philippine Stock Exchange
Qatar	-	Qatar Exchange
Russia	-	Moscow Stock Exchange
Russia	-	Russian Trading System
Russia	-	Moscow Interbank Currency Exchange
Saudi Arabia	-	Saudi Stock Exchange/Tadawul
Singapore	-	Singapore Stock Exchange
South Africa	-	Johannesburg Stock Exchange
South Africa	-	South African Futures Exchange
South Africa	-	Bond Exchange of South Africa
South Korea	-	Korea Stock Exchange/KOSDAQ Market
Sri Lanka	-	Colombo Stock Exchange
Taiwan		
(Republic of China)	-	Taiwan Stock Exchange Corporation
Taiwan		
(Republic of China)	-	Gre Tai Securities Market
Taiwan		
(Republic of China)	-	Taiwan Futures Exchange
Thailand	-	Stock Exchange of Thailand
Thailand	-	Market for Alternative Investments
Thailand	-	Bond Electronic Exchange
Thailand	-	Thailand Futures Exchange
Tunisia	-	Bourse des Valeurs Mobilieres de Tunis
Turkey	-	Istanbul Stock Exchange
Turkey	-	Turkish Derivatives Exchange
UAE	-	Abu Dhabi Securities Exchange
UAE	-	Dubai Financial market
UAE	-	NASDAQ Dubai
Ukraine	-	Ukrainian Stock Exchange
Uruguay	-	Bolsa de Valores de Montevideo
Uruguay	-	Bolsa Electronica de Valores del Uruguay SA
Vietnam	-	Hanoi Stock Exchange
Vietnam	-	Ho Chi Minh Stock Exchange
Zimbabwe	-	Zimbabwe Stock Exchange
Zimbabwe	-	Zimbabwe Derivatives Exchange
Zambia	-	Lusaka Stock Exchange

(iii) any of the following markets:

MICEX (equity securities that are traded on level 1 or level 2 only);

RTS1 (equity securities that are traded on level 1 or level 2 only);

RTS2 (equity securities that are traded on level 1 or level 2 only);

the market organised by the International Capital Market Association;

the market conducted by the "listed money market institutions", as described in the Financial Services Authority publication "The Investment Business Interim Prudential Sourcebook" which replaces the "Grey Paper", as amended from time to time;

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

The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

NASDAQ in the United States;

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

The over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc. (also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

The French market for Titres de Créances Négotiables (over-the-counter market in negotiable debt instruments);

NASDAQ Europe (is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges);

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

The market (i) conducted by banks and other institutions regulated by the FSA and subject to the Inter-Professional Conduct provisions of the FSA's Market Conduct Sourcebook; and (ii) in non-investment products which is subject to the guidance contained in the "Non-Investment Products Code" drawn up by the participants in the London market, including the FSA and the Bank of England (formerly known as the Grey Paper);

NYSE Euronext;

SESDAQ (the second tier of the Singapore Stock Exchange).

- (iv) In relation to any derivatives used, any market or exchange on which such derivatives may be acquired or sold which is referred to in (i), (ii) or (iii) above or any derivatives exchanges which are in a Member State, in the United Kingdom, in a Member State in the European Economic Area (except Liechtenstein), European Union (except Malta), Norway, Iceland and any of the following derivatives exchanges on which permitted derivatives may be listed or traded:

in Australia, on the

- Sydney Futures Exchange;

in the United States of America, on the

- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex US;
- New York Futures Exchange;
- New York Board of Trade;
- New York Mercantile Exchange;

in China, on the Shanghai Futures Exchange;

in Hong Kong, on the Hong Kong Futures Exchange;

in Japan, on the

- Osaka Securities Exchange;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;

in Malaysia, on the

- Malaysia Derivatives Exchange;

in New Zealand, on the New Zealand Futures and Options Exchange;

in Singapore, on the

- Singapore International Monetary Exchange;
- Singapore Commodity Exchange;

in South Africa, on the

- South African Futures Exchange;

in South Korea, on the

- Korean Stock Exchange.

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

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## APPENDIX II

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### *List of sub-delegates of the Depositary*

The Depositary has delegated those safekeeping duties set out in Article 22(5)(a) of the UCITS Directive to State Street Bank and Trust Company with registered office at Copley Place, 100, Huntington Avenue, Boston, Massachusetts 02116, USA, whom it has appointed as its global sub-custodian.

At the date of this prospectus State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network as listed below.

Market	Subcustodian
<b>Albania</b>	<b>Raiffeisen Bank sh.a.</b> Blv. "Bajram Curri" ETC – Kati 14 Tirana, Albania LEI: 529900XTU9H3KES1B287
<b>Argentina</b>	<b>Citibank, N.A.</b> Bartolome Mitre 530 <b>1036</b> Buenos Aires, Argentina LEI: 579100KKDGKCFKFFKF005
<b>Australia</b>	<b>The Hongkong and Shanghai Banking Corporation Limited</b> HSBC Securities Services Level 3, 10 Smith St., Parramatta, NSW <b>2150</b> , Australia LEI: 2HI3YI5320L3RW6NJ957
<b>Austria</b>	<b>Deutsche Bank AG</b> (operating through its Frankfurt branch with support from its Vienna branch) Fleischmarkt 1 <b>A-1010</b> Vienna, Austria LEI: 7LTWFZYICNSX8D621K86
	<b>UniCredit Bank Austria AG</b> Global Securities Services Austria Rothschildplatz 1 <b>A-1020</b> Vienna, Austria LEI: D1HEB8VEU6D9M8ZUXG17
<b>Bahrain</b>	<b>HSBC Bank Middle East Limited</b> (as delegate of The Hongkong and Shanghai Banking Corporation Limited) 1 <sup>st</sup> Floor, Bldg. #2505 Road # 2832, Al Seef <b>428</b> Kingdom of Bahrain LEI: 549300F99IL9YJDWH369
<b>Bangladesh</b>	<b>Standard Chartered Bank</b> Silver Tower, Level 7 52 South Gulshan Commercial Area Gulshan 1, Dhaka <b>1212</b> , Bangladesh LEI: RILFO74KP1CM8P6PCT96
<b>Belgium</b>	<b>Deutsche Bank AG, Netherlands</b> (operating through its Amsterdam branch with support from its Brussels

	branch) De Entree 195 <b>1101 HE</b> Amsterdam, Netherlands LEI: 7LTWFZYICNSX8D621K86
<b>Benin</b>	via <b>Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast</b> 23, Bld de la République 17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire LEI: 54930016MQBB2NO5NB47
<b>Bermuda</b>	<b>HSBC Bank Bermuda Limited</b> 6 Front Street Hamilton, <b>HM06</b> , Bermuda LEI: 0W1U67PTV5WY3WYWKD79
<b>Federation of Bosnia and Herzegovina</b>	<b>UniCredit Bank d.d.</b> Zelenih beretki 24 <b>71 000</b> Sarajevo Federation of Bosnia and Herzegovina LEI: 549300RGT0JMDJZKVG34
<b>Botswana</b>	<b>Standard Chartered Bank Botswana Limited</b> 4th Floor, Standard Chartered House Queens Road The Mall Gaborone, Botswana LEI: 5493007VY27WWF8FF542
<b>Brazil</b>	<b>Citibank, N.A.</b> AV Paulista 1111 São Paulo, <b>SP 01311-920</b> Brazil LEI: 579100KKDGGKCFKFF005
<b>Bulgaria</b>	<b>Citibank Europe plc, Bulgaria Branch</b> Serdika Offices, 10th floor 48 Sitnyakovo Blvd. <b>1505</b> Sofia, Bulgaria LEI: N1FBEDJ5J41VKZLO2475
	<b>UniCredit Bulbank AD</b> 7 Sveta Nedelya Square <b>1000</b> Sofia, Bulgaria LEI: 549300Z7V2WOFIMUEK50
<b>Burkina Faso</b>	via <b>Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast</b> 23, Bld de la République 17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire LEI: 54930016MQBB2NO5NB47
<b>Canada</b>	<b>State Street Trust Company Canada</b> 30 Adelaide Street East, Suite 800 Toronto, ON Canada <b>M5C 3G6</b> LEI: 549300L71XG2CTQ2V827
<b>Chile</b>	<b>Itaú CorpBanca S.A.</b> Presidente Riesco Street # 5537 Floor 18 Las Condes, Santiago de Chile LEI: 549300DDPTTIZ06NIV06

<b>People's Republic of China</b>	<p><b>HSBC Bank (China) Company Limited</b>  (as delegate of The Hongkong and Shanghai Banking Corporation Limited)  33<sup>rd</sup> Floor, HSBC Building, Shanghai IFC  8 Century Avenue  Pudong, Shanghai, China (<b>200120</b>)  LEI: 2CZOJRADNIXBLT55G526</p>
	<p><b>China Construction Bank Corporation</b>  No.1 Naoshikou Street  Chang An Xing Rong Plaza  Beijing <b>100032-33</b>, China  LEI: 5493001KQW6DM7KEDR62</p>
<b>China Connect</b>	<p><b>Citibank N.A.</b>  39/F., Champion Tower  3 Garden Road  Central, Hong Kong  LEI: 8KA1PQPA9THGG1BNCT31</p>
	<p><b>The Hongkong and Shanghai Banking Corporation Limited</b>  Level 30,  HSBC Main Building  1 Queen's Road  Central, Hong Kong  LEI: 2HI3YI5320L3RW6NJ957</p>
	<p><b>Standard Chartered Bank (Hong Kong) Limited</b>  15<sup>th</sup> Floor Standard Chartered Tower  388 Kwun Tong Road  Kwun Tong, Hong Kong  LEI: X5AV1MBDXGRP5UGMX13</p>
<b>Colombia</b>	<p><b>Cititrust Colombia S.A. Sociedad Fiduciaria</b>  Carrera 9A, No. 99-02  Bogotá DC, Colombia  LEI: SSER700CV66FF0PRYK94</p>
<b>Costa Rica</b>	<p><b>Banco BCT S.A.</b>  160 Calle Central  Edificio BCT  San José, Costa Rica  LEI: 25490061PVFNGN0YMO97</p>
<b>Croatia</b>	<p><b>Privredna Banka Zagreb d.d.</b>  Custody Department  Radnička cesta 50  <b>10000</b> Zagreb, Croatia  LEI: 549300ZHFZ4CSK7VS460</p>
	<p><b>Zagrebacka Banka d.d.</b>  Savska 60  <b>10000</b> Zagreb, Croatia  LEI: PRNXTNXHBI0TSY1V8P17</p>

<p><b>Cyprus</b></p>	<p><b>BNP Paribas Securities Services, S.C.A., Greece</b>          (operating through its Athens branch)          2 Lampsakou Str.  <b>115 28</b> Athens, Greece          LEI: 549300WCGB70D06XZS54</p>
<p><b>Czech Republic</b></p>	<p><b>Československá obchodní banka, a.s.</b>          Radlická 333/150  <b>150 57</b> Prague 5, Czech Republic          LEI: Q5BP2UEQ48R75BOTCB92</p>
	<p><b>UniCredit Bank Czech Republic and Slovakia, a.s.</b>          BB Centrum – FILADELFIE          Želetavská 1525/1  <b>140 92</b> Praha 4 - Michle, Czech Republic          LEI: KR6LSKV3BTSJRD41IF75</p>
<p><b>Denmark</b></p>	<p><b>Nordea Bank Abp, Finland</b>          (operating through its branch, Nordea Danmark, Filial af Nordea Bank Abp, Finland)          Strandgade 3  <b>0900</b> Copenhagen C, Denmark          LEI: 529900ODI3047E2LIV03</p>
	<p><b>Skandinaviska Enskilda Banken AB (publ), Sweden</b>          (operating through its Copenhagen branch)          Bernstorffsgade 50  <b>1577</b> Copenhagen, Denmark          LEI: F3JS33DEI6XQ4ZBPTN86</p>
<p><b>Egypt</b></p>	<p><b>HSBC Bank Egypt S.A.E.</b>          (as delegate of The Hongkong and Shanghai Banking Corporation Limited)          6<sup>th</sup> Floor          306 Corniche El Nil          Maadi          Cairo, Egypt          LEI: 2138001Q77JDLESS4Y50</p>
<p><b>Estonia</b></p>	<p><b>AS SEB Pank</b>          Tornimäe 2  <b>15010</b> Tallinn, Estonia          LEI: 549300ND1MQ8SNNYMJ22</p>
<p><b>Eswatini</b>          (previously known as Swaziland)</p>	<p><b>Standard Bank Swaziland Limited</b>          Standard House, Swazi Plaza          Mbabane, Eswatini <b>H101</b>          LEI: 2549000IV408A4RRND84</p>
<p><b>Finland</b></p>	<p><b>Nordea Bank Abp</b>          Satamaradankatu 5  <b>00500</b> Helsinki, Finland          LEI: 529900ODI3047E2LIV03</p>
	<p><b>Skandinaviska Enskilda Banken AB (publ), Sweden</b>          (operating through its Helsinki branch)          Securities Services          Box 630  <b>SF-00101</b> Helsinki, Finland          LEI: F3JS33DEI6XQ4ZBPTN86</p>

<b>France</b>	<p><b>Deutsche Bank AG, Netherlands</b>          (operating through its Amsterdam branch with support from its Paris branch)          De Entree 195  <b>1101 HE</b> Amsterdam, Netherlands          LEI: 7LTWFZYICNSX8D621K86</p>
<b>Republic of Georgia</b>	<p><b>JSC Bank of Georgia</b>          29a Gagarini Str.          Tbilisi <b>0160</b>, Georgia          LEI: 549300RPLD8RXL49Z691</p>
<b>Germany</b>	<p><b>State Street Bank International GmbH</b>          Brienner Strasse 59  <b>80333</b> Munich, Germany          LEI: ZMHGNT7ZPKZ3UFZ8EO46</p>
	<p><b>Deutsche Bank AG</b>          Alfred-Herrhausen-Allee 16-24  <b>D-65760</b> Eschborn, Germany          LEI: 7LTWFZYICNSX8D621K86</p>
<b>Ghana</b>	<p><b>Standard Chartered Bank Ghana Limited</b>          P. O. Box 768          1st Floor          High Street Building          Accra, Ghana          LEI: 549300WFGKTC3MGDCX95</p>
<b>Greece</b>	<p><b>BNP Paribas Securities Services, S.C.A.</b>          2 Lampsakou Str.  <b>115 28</b> Athens, Greece          LEI: 549300WCGB70D06XZS54</p>
<b>Guinea-Bissau</b>	<p>via <b>Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast</b>          23, Bld de la République          17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire          LEI: 54930016MQBB2NO5NB47</p>
<b>Hong Kong</b>	<p><b>Standard Chartered Bank (Hong Kong) Limited</b>          15<sup>th</sup> Floor Standard Chartered Tower          388 Kwun Tong Road          Kwun Tong, Hong Kong          LEI: X5AV1MBDXGRP5UGMX13</p>
<b>Hungary</b>	<p><b>Citibank Europe plc Magyarországi Fióktelepe</b>          7 Szabadság tér, Bank Center          Budapest, <b>H-1051</b> Hungary          LEI: N1FBEDJ5J41VKZLO2475</p>
	<p><b>UniCredit Bank Hungary Zrt.</b>          6th Floor          Szabadság tér 5-6  <b>H-1054</b> Budapest, Hungary          LEI: Y28RT6GGYJ696PMW8T44</p>
<b>Iceland</b>	<p><b>Landsbankinn hf.</b>          Austurstræti 11  <b>155</b> Reykjavik, Iceland          LEI: 549300TLZPT6JELDWM92</p>

<b>India</b>	<b>Deutsche Bank AG</b> Block B1, 4th Floor, Nirlon Knowledge Park Off Western Express Highway Goregaon (E) Mumbai <b>400 063</b> , India LEI: 7LTWFZYICNSX8D621K86
	<b>The Hongkong and Shanghai Banking Corporation Limited</b> 11F, Building 3, NESCO - IT Park, NESCO Complex, Western Express Highway Goregaon (East), Mumbai <b>400 063</b> , India LEI: 2HI3YI5320L3RW6NJ957
<b>Indonesia</b>	<b>Deutsche Bank AG</b> Deutsche Bank Building, 4 <sup>th</sup> floor Jl. Imam Bonjol, No. 80 Jakarta <b>10310</b> , Indonesia LEI: 7LTWFZYICNSX8D621K86
<b>Ireland</b>	<b>State Street Bank and Trust Company, United Kingdom branch</b> Quartermile 3 10 Nightingale Way Edinburgh <b>EH3 9EG</b> , Scotland LEI: 213800YAZLPV26WFM449
<b>Israel</b>	<b>Bank Hapoalim B.M.</b> 50 Rothschild Boulevard Tel Aviv, Israel <b>61000</b> LEI: B6ARUI4946ST4S7WOU88
<b>Italy</b>	<b>Deutsche Bank S.p.A.</b> Investor Services Via Turati 27 – 3rd Floor <b>20121</b> Milan, Italy LEI: 529900SS7ZWCX82U3W60
<b>Ivory Coast</b>	<b>Standard Chartered Bank Côte d'Ivoire S.A.</b> 23, Bld de la République 17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire LEI: 54930016MQBB2NO5NB47
<b>Japan</b>	<b>Mizuho Bank, Limited</b> Shinagawa Intercity Tower A 2-15-14, Konan, Minato-ku Tokyo <b>108-6009</b> , Japan LEI: RB0PEZSDGCO3JS6CEU02
	<b>The Hongkong and Shanghai Banking Corporation Limited</b> HSBC Building 11-1 Nihonbashi 3-chome, Chuo-ku Tokyo <b>1030027</b> , Japan LEI: 2HI3YI5320L3RW6NJ957
<b>Jordan</b>	<b>Standard Chartered Bank</b> Shmeissani Branch Al-Thaqafa Street, Building # 2 P.O. Box 926190 Amman <b>11110</b> , Jordan LEI: RILFO74KP1CM8P6PCT96

<b>Kazakhstan</b>	<b>JSC Citibank Kazakhstan</b> Park Palace, Building A, 41 Kazibek Bi street, Almaty <b>A25T0A1</b> , Kazakhstan LEI: 95XXGORQK31JZP82OG22
<b>Kenya</b>	<b>Standard Chartered Bank Kenya Limited</b> <b>Custody Services</b> <b>Standard Chartered @ Chiromo, Level 5</b> <b>48 Westlands Road</b> <b>P.O. Box 40984 – 00100 GPO</b> <b>Nairobi, Kenya</b> LEI: 549300RBHWW5EJIRG629
<b>Republic of Korea</b>	<b>Deutsche Bank AG</b> 18th Fl., Young-Poong Building 41 Cheonggyecheon-ro Jongro-ku, Seoul <b>03188</b> , Korea LEI: 7LTWFZYICNSX8D621K86
	<b>The Hongkong and Shanghai Banking Corporation Limited</b> 5F HSBC Building #37 Chilpae-ro Jung-gu, Seoul <b>04511</b> , Korea LEI: 2HI3YI5320L3RW6NJ957
<b>Kuwait</b>	<b>HSBC Bank Middle East Limited</b> (as delegate of The Hongkong and Shanghai Banking Corporation Limited) Kuwait City, Sharq Area Abdulaziz Al Sager Street Al Hamra Tower, 37F P. O. Box 1683, Safat <b>13017</b> , Kuwait LEI: 549300F99IL9YJDWH369
<b>Latvia</b>	<b>AS SEB banka</b> Unicentrs, Valdlauči <b>LV-1076</b> Kekavas pag., Rigas raj., Latvia LEI: 549300YW95G1VBBGGV07
<b>Lithuania</b>	<b>AB SEB bankas</b> Gedimino av. 12 <b>LT 2600</b> Vilnius, Lithuania LEI: 549300SBPFE9JX7N8J82
<b>Malawi</b>	<b>Standard Bank PLC</b> Kaomba Centre Cnr. Victoria Avenue & Sir Glyn Jones Road Blantyre, Malawi LEI: 2549004FJV2K9P9UCU04
<b>Malaysia</b>	<b>Deutsche Bank (Malaysia) Berhad</b> Domestic Custody Services Level 20, Menara IMC 8 Jalan Sultan Ismail <b>50250</b> Kuala Lumpur, Malaysia LEI: 7LTWFZYICNSX8D621K86

	<p><b>Standard Chartered Bank Malaysia Berhad</b>  Menara Standard Chartered  30 Jalan Sultan Ismail  <b>50250</b> Kuala Lumpur, Malaysia  LEI: 549300JTJBG2QBI8KD48</p>
<b>Mali</b>	<p><b>via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast</b>  23, Bld de la République  17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire  LEI: 54930016MQBB2NO5NB47</p>
<b>Mauritius</b>	<p><b>The Hongkong and Shanghai Banking Corporation Limited</b>  6F HSBC Centre  18 CyberCity  Ebene, Mauritius  LEI: 2HI3YI5320L3RW6NJ957</p>
<b>Mexico</b>	<p><b>Banco Nacional de México, S.A.</b>  3er piso, Torre Norte  Act. Roberto Medellín No. 800  Col. Santa Fe  Mexico, DF <b>01219</b>  LEI: 2SFFM4FUIE05S37WFU55</p>
<b>Morocco</b>	<p><b>Citibank Maghreb S.A.</b>  Zénith Millénium Immeuble1  Sidi Maârouf – B.P. 40  Casablanca <b>20190</b>, Morocco  LEI: 5493003FVWLMBFTIS11</p>
<b>Namibia</b>	<p><b>Standard Bank Namibia Limited</b>  Standard Bank Center  Cnr. Werner List St. and Post St. Mall  2nd Floor  Windhoek, Namibia  LEI: 254900K6TJFDYKSQWV49</p>
<b>Netherlands</b>	<p><b>Deutsche Bank AG</b>  De Entree 195  <b>1101 HE</b> Amsterdam, Netherlands  LEI: 7LTWFZYICNSX8D621K86</p>
<b>New Zealand</b>	<p><b>The Hongkong and Shanghai Banking Corporation Limited</b>  HSBC House  Level 7, 1 Queen St.  Auckland <b>1010</b>, New Zealand  LEI: 2HI3YI5320L3RW6NJ957</p>
<b>Niger</b>	<p><b>via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast</b>  23, Bld de la République  17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire  LEI: 54930016MQBB2NO5NB47</p>
<b>Nigeria</b>	<p><b>Stanbic IBTC Bank Plc.</b>  Plot 1712  Idejo St  Victoria Island,  Lagos <b>101007</b>, Nigeria  LEI: 549300NIVXF92ZIOVW61</p>

<b>Norway</b>	<p><b>Nordea Bank Abp, Finland</b> (operating through its branch, Nordea Bank Abp, filial i Norge) Essendropsgate 7 <b>0368</b> Oslo, Norway LEI: 529900ODI3047E2LIV03</p>
	<p><b>Skandinaviska Enskilda Banken AB (publ), Sweden</b> (operating through its Oslo branch) P.O. Box 1843 Vika Filipstad Brygge 1 <b>N-0123</b> Oslo, Norway LEI: F3JS33DEI6XQ4ZBPTN86</p>
<b>Oman</b>	<p><b>HSBC Bank Oman S.A.O.G.</b> (as delegate of The Hongkong and Shanghai Banking Corporation Limited) 2<sup>nd</sup> Floor Al Khuwair PO Box 1727 <b>PC 111</b> Seeb, Oman LEI: 213800YRPSOSH9OA2V29</p>
<b>Pakistan</b>	<p><b>Deutsche Bank AG</b> Unicentre – Unitowers I.I. Chundrigar Road P.O. Box 4925 Karachi - <b>74000</b>, Pakistan LEI: 7LTWFZYICNSX8D621K86</p>
<b>Panama</b>	<p><b>Citibank, N.A.</b> Boulevard Punta Pacifica Torre de las Americas Apartado Panama City, Panama <b>0834-00555</b> LEI: U8K0SDHEW2A30M4SPI26</p>
<b>Peru</b>	<p><b>Citibank del Perú, S.A.</b> Canaval y Moreyra 480 3<sup>rd</sup> Floor, San Isidro, Lima <b>27</b>, Peru LEI: MYTK5NHHP1G8TVFGT193</p>
<b>Philippines</b>	<p><b>Deutsche Bank AG</b> Global Transaction Banking Tower One, Ayala Triangle <b>1226</b> Makati City, Philippines LEI: 7LTWFZYICNSX8D621K86</p>
<b>Poland</b>	<p><b>Bank Handlowy w Warszawie S.A.</b> ul. Senatorska 16 <b>00-293</b> Warsaw, Poland LEI: XLEZHWWOI4HFQDGL4793</p>

<b>Portugal</b>	<p><b>Deutsche Bank AG, Netherlands</b> (operating through its Amsterdam branch with support from its Lisbon branch)  De Entree 195  <b>1101 HE</b> Amsterdam, Netherlands  LEI: 7LTWFZYICNSX8D621K86</p>
<b>Qatar</b>	<p><b>HSBC Bank Middle East Limited</b>  (as delegate of The Hongkong and Shanghai Banking Corporation Limited)  2 FI Ali Bin Ali Tower  Building no.: 150  Airport Road  Doha, Qatar  LEI: 549300F99IL9YJDWH369</p>
<b>Romania</b>	<p><b>Citibank Europe plc, Dublin – Romania Branch</b>  8, Iancu de Hunedoara Boulevard  <b>712042</b>, Bucharest Sector 1, Romania  LEI: N1FBEDJ5J41VKZLO2475</p>
<b>Russia</b>	<p><b>AO Citibank</b>  8-10 Gashka Street, Building 1  <b>125047</b> Moscow, Russia  LEI: CHSQDSVI1UI96Y2SW097</p>
<b>Saudi Arabia</b>	<p><b>HSBC Saudi Arabia</b>  (as delegate of The Hongkong and Shanghai Banking Corporation Limited)  HSBC Head Office  7267 Olaya - Al Murooj  Riyadh <b>12283-2255</b> Kingdom of Saudi Arabia  LEI: none</p> <p><b>Saudi British Bank</b>  (as delegate of The Hongkong and Shanghai Banking Corporation Limited)  Prince Abdulaziz Bin Mossaad Bin Jalawi Street  (Dabaab)  Riyadh <b>11413</b> Kingdom of Saudi Arabia  LEI: none</p>
<b>Senegal</b>	<p>via <b>Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast</b>  23, Bld de la République  17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire  LEI: 54930016MQBB2NO5NB47</p>
<b>Serbia</b>	<p><b>UniCredit Bank Serbia JSC</b>  Jurija Gagarina 12  <b>11070</b> Belgrade, Serbia  LEI: 52990001O0THU00TYK59</p>
<b>Singapore</b>	<p><b>Citibank N.A.</b>  3 Changi Business Park Crescent  #07-00, Singapore <b>486026</b>  LEI: E57ODZWZ7FF32TWEFA76</p>

<b>Slovak Republic</b>	<b>UniCredit Bank Czech Republic and Slovakia, a.s.</b> Šancová 1/A <b>813 33</b> Bratislava, Slovak Republic LEI: KR6LSKV3BTSJRD41IF75
<b>Slovenia</b>	<b>UniCredit Banka Slovenija d.d.</b> Šmartinska 140 <b>SI-1000</b> Ljubljana, Slovenia LEI: 549300O2UN9JLME31F08
<b>South Africa</b>	<b>FirstRand Bank Limited</b> Mezzanine Floor 3 First Place Bank City Corner Simmonds & Jeppe Sts. Johannesburg <b>2001</b> Republic of South Africa LEI: ZAYQDKTCATIXF9OQY690
	<b>Standard Bank of South Africa Limited</b> Standard Bank Centre 6 Simmonds Street Johannesburg <b>2000</b> Republic of South Africa LEI: QFC8ZCW3Q5PRXU1XTM60
<b>Spain</b>	<b>Deutsche Bank S.A.E.</b> Calle de Rosario Pino 14-16, Planta 1 <b>28020</b> Madrid, Spain LEI: 529900SICIK5OVMVY186
<b>Sri Lanka</b>	<b>The Hongkong and Shanghai Banking Corporation Limited</b> 24, Sir Baron Jayatilake Mawatha Colombo <b>01</b> , Sri Lanka LEI: 2HI3YI5320L3RW6NJ957
<b>Republic of Srpska</b>	<b>UniCredit Bank d.d.</b> Zelenih beretki 24 <b>71 000</b> Sarajevo Federation of Bosnia and Herzegovina LEI: 549300RGT0JMDJZKVG34
<b>Sweden</b>	<b>Nordea Bank Abp, Finland</b> (operating through its branch, Nordea Bank Abp, filial i Sverige) Smålandsgatan 17 <b>105 71</b> Stockholm, Sweden LEI: 529900ODI3047E2LIV03
	<b>Skandinaviska Enskilda Banken AB (publ)</b> Sergels Torg 2 <b>SE-106 40</b> Stockholm, Sweden LEI: F3JS33DEI6XQ4ZBPTN86
<b>Switzerland</b>	<b>Credit Suisse (Switzerland) Limited</b> Uetlibergstrasse 231 <b>8070</b> Zurich, Switzerland LEI: 549300CWR0W0BCS9Q144

	<p><b>UBS Switzerland AG</b>  Max-Högger-Strasse 80-82  <b>CH-8048</b> Zurich-Alstetten, Switzerland  LEI: 549300WOIFUSNYH0FL22</p>
Taiwan - R.O.C.	<p><b>Deutsche Bank AG</b>  296 Ren-Ai Road  Taipei <b>106</b> Taiwan, Republic of China  LEI: 7LTWFZYICNSX8D621K86</p>
	<p><b>Standard Chartered Bank (Taiwan) Limited</b>  168 Tun Hwa North Road  Taipei <b>105</b>, Taiwan, Republic of China  LEI: 549300QJEO1B92LSHZ06</p>
Tanzania	<p><b>Standard Chartered Bank (Tanzania) Limited</b>  1 Floor, International House  Corner Shaaban Robert St and Garden Ave  PO Box 9011  Dar es Salaam, Tanzania  LEI: 549300RLNUU3GJS6MK84</p>
Thailand	<p><b>Standard Chartered Bank (Thai) Public Company Limited</b>  Sathorn Nakorn Tower  14<sup>th</sup> Floor, Zone B  90 North Sathorn Road  Silom, Bangkok <b>10500</b>, Thailand  LEI: 549300O1LQYCQ7G1IM57</p>
Togo	<p>via <b>Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast</b>  23, Bld de la République  17 BP 1141 Abidjan <b>17</b> Côte d'Ivoire  LEI: 54930016MQBB2NO5NB47</p>
Tunisia	<p><b>Union Internationale de Banques</b>  65 Avenue Bourguiba  <b>1000</b> Tunis, Tunisia  LEI: 549300WKCW12LEPUMV07</p>
Turkey	<p><b>Citibank, A.Ş.</b>  Tekfen Tower  Eski Buyukdere Caddesi 209  Kat 3  Levent <b>34394</b> Istanbul, Turkey  LEI: CWZ8NZDH5SKY12Q4US31</p>
	<p><b>Deutsche Bank A.Ş.</b>  Eski Buyukdere Caddesi  Tekfen Tower No. 209  Kat: 17 4  Levent <b>34394</b> Istanbul, Turkey  LEI: 789000N5SE3LWWDK7OI11</p>
Uganda	<p><b>Standard Chartered Bank Uganda Limited</b>  5 Speke Road  P.O. Box 7111  Kampala, Uganda  LEI: 549300W7CNYGJ68XGD27</p>

<b>Ukraine</b>	<b>JSC Citibank</b> 16-g Dilova St. Kyiv <b>03150</b> , Ukraine LEI: 549300E0ROT17ACBZH02
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<b>United Arab Emirates Dubai International Financial Center</b>	<b>HSBC Bank Middle East Limited</b> (as delegate of The Hongkong and Shanghai Banking Corporation Limited) HSBC Securities Services HSBC Tower Downtown Dubai, Level 16 P O Box 66 Dubai, United Arab Emirates LEI: 549300F99IL9YJDWH369
<b>United Arab Emirates Abu Dhabi</b>	<b>HSBC Bank Middle East Limited</b> (as delegate of The Hongkong and Shanghai Banking Corporation Limited) HSBC Securities Services HSBC Tower Downtown Dubai, Level 16 P O Box 66 Dubai, United Arab Emirates LEI: 549300F99IL9YJDWH369
<b>United Kingdom</b>	<b>State Street Bank and Trust Company, United Kingdom branch</b> Quartermile 3 10 Nightingale Way Edinburgh <b>EH3 9EG</b> , Scotland LEI: 213800YAZLPV26WFM449
<b>United States</b>	<b>State Street Bank and Trust Company</b> One Lincoln Street Boston, MA <b>02111</b> United States 571474TGEMMWANRLN572
<b>Uruguay</b>	<b>Banco Itaú Uruguay S.A.</b> Zabala 1463 <b>11000</b> Montevideo, Uruguay LEI: 549300HU8OQS1VTVXN55
<b>Vietnam</b>	<b>HSBC Bank (Vietnam) Limited</b> (as delegate of The Hongkong and Shanghai Banking Corporation Limited) Centre Point 106 Nguyen Van Troi Street Phu Nhuan District Ho Chi Minh City, Vietnam LEI: 213800H95OG9OHRT4Y78
<b>Zambia</b>	<b>Standard Chartered Bank Zambia Plc.</b> Standard Chartered House

	Cairo Road P.O. Box 32238 <b>10101</b> , Lusaka, Zambia LEI: 549300247QDZHDI30A83
<b>Zimbabwe</b>	<b>Stanbic Bank Zimbabwe Limited</b> (as delegate of Standard Bank of South Africa Limited) 3rd Floor Stanbic Centre 59 Samora Machel Avenue Harare, Zimbabwe LEI: 5493001KJTIIGC8Y1R12

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## **DIRECTORY**

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### **FIDELITY INSTITUTIONAL VARIABLE CAPITAL COMPANY FUND PLC**

GEORGE'S QUAY HOUSE  
43 TOWNSEND STREET  
DUBLIN 2  
D02 VK65  
IRELAND

### **DIRECTORS OF THE COMPANY**

CATHERINE FITZSIMONS  
DAVID GRECO  
NICK KING  
DENISE KINSELLA

### **MANAGER AND SECRETARY**

FIL FUND MANAGEMENT (IRELAND) LIMITED  
GEORGES QUAY HOUSE  
43 TOWNSEND STREET  
DUBLIN 2  
D02 VK65  
IRELAND

### **SECRETARY OF THE MANAGER**

FIL ADMINISTRATION LIMITED  
OAKHILL HOUSE  
130 TONBRIDGE ROAD  
HILDENBOROUGH  
TONBRIDGE, KENT  
TN11 9DZ  
UNITED KINGDOM

### **INVESTMENT MANAGER**

FIL FUND MANAGEMENT LIMITED  
PEMBROKE HALL  
2 CROW LANE  
PEMBROKE HM19  
BERMUDA

### **DEPOSITARY**

STATE STREET CUSTODIAL SERVICES (IRELAND) LIMITED  
78 SIR JOHN ROGERSON'S QUAY  
DUBLIN 2  
IRELAND

### **ADMINISTRATOR**

STATE STREET FUND SERVICES (IRELAND) LIMITED  
78 SIR JOHN ROGERSON'S QUAY  
DUBLIN 2  
IRELAND

**GENERAL DISTRIBUTOR**

FIL DISTRIBUTORS  
PEMBROKE HALL  
42 CROW LANE  
PEMBROKE HM19  
BERMUDA

**AUDITORS & TAX ADVISERS**

PRICEWATERHOUSECOOPERS  
ONE SPENCER DOCK  
NORTH WALL QUAY  
DUBLIN 1  
IRELAND

**UK FACILITIES AGENT**

FIL PENSIONS MANAGEMENT  
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TONBRIDGE  
KENT, TN11 9DZ  
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**IRISH LEGAL ADVISERS**

DILLON EUSTACE  
33 SIR JOHN ROGERSON'S QUAY  
DUBLIN 2  
IRELAND

**FIDELITY INSTITUTIONAL U.S. HIGH YIELD FUND – SERIES 1**

**a sub-fund of**

**FIDELITY INSTITUTIONAL VARIABLE CAPITAL COMPANY FUND PLC**

**Supplement to the Prospectus dated 2 December 2019**

This Supplement contains specific information in relation to the **Fidelity Institutional U.S. High Yield Fund – Series 1** (the “**Fund**”), a sub-fund of **Fidelity Institutional Variable Capital Company Fund plc** (the “**Company**”) an umbrella type open-ended investment company with segregated liability between sub-funds and with variable capital governed by the laws of Ireland and authorised by the Central Bank of Ireland (the “**Central Bank**”).

**This Supplement forms part of, and should be read in conjunction with, the Prospectus of the Company dated 2 December 2019.**

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

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

**Dated: 2 December 2019**

## DIRECTORY

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## 1. SUB-INVESTMENT MANAGER

FIAM LLC (formerly known as Pyramis Global Advisors, LLC), a Delaware limited liability company, has been appointed by the Investment Manager to act as the Sub-Investment Manager with full discretion to invest and manage the assets of the Fund.

The Sub-Investment Manager is a wholly owned subsidiary of FIAM Holdings Corp (formerly known as Pyramis Global Advisors Holdings Corp (“**PGAHC**”)) (“**FIAM HC**”). FIAM HC is an intermediate holding company of a group of companies, including investment management subsidiaries (collectively, “**FIAM**”) which provide services primarily to institutional investors. FIAM HC is a Delaware corporation and a wholly owned subsidiary of Fidelity Management & Research LLC (“**FMR**”). FMR is the top-tier holding company of a group of affiliated financial services companies more commonly known to the public as “**Fidelity Investments**”. Fidelity Investments is one of the world’s largest providers of investment management, retirement planning, brokerage, and human resources and benefits outsourcing services for individuals and institutions.

FIAM was established in 2005 to focus on investment management and services for institutional clients including pension plans, endowments, foundations, other institutions, as well as non-U.S. investors. FIAM’s investment team was initially formed through the migration of investment professionals from FMRCo, the mutual fund advisory division of Fidelity Investments.

FIAM offers active and risk-controlled domestic equity, international equity, fixed-income, high yield, real estate, and alternative strategies including equity market neutral and 130/30 disciplines. FIAM’s research resources include its own team based in the United States, the United Kingdom and Hong Kong, and includes access to the research of Fidelity Investments, which has research teams across the globe. Research for the U.S. equity team is conducted primarily out of FIAM’s Smithfield, Rhode Island headquarters, as well as in Boston, London, and Hong Kong. The sector portfolio managers and fundamental analysts may collaborate with the U.S. equity research analysts within the broader Fidelity Investments organization.

The Sub-Investment Manager is registered as an investment adviser with the U.S. Securities and Exchange Commission (“**SEC**”) under the Investment Advisers Act of 1940, as amended.

## 2. INVESTMENT OBJECTIVE AND STRATEGIES

### 2.1. INVESTMENT OBJECTIVE:

The investment objective of the Fund is to seek a high level of current income and capital appreciation by investing primarily in high-yielding, lower quality securities of issuers that have their principal business activities in the United States.

### 2.2. INVESTMENT STRATEGIES:

The Fund seeks to achieve its investment objective through an active investment strategy that normally invests in income-producing debt securities, preferred stocks and convertible securities (including convertible bonds and warrants) and other debt obligations, with an emphasis on lower-quality debt securities. Many lower-quality debt securities (including fixed and floating rate, corporate and government debt obligations) are subject to legal or contractual restrictions limiting the Fund’s ability to resell the securities to the general public. The Fund may also invest in and hold non-income producing securities, including defaulted securities and equity received through reorganization, corporate actions, or conversions. The companies in which the Fund may invest include those whose financial condition is troubled or uncertain and that may be involved in bankruptcy proceedings, reorganizations, or financial restructurings. The Sub-Investment Manager allocates the Fund’s assets among different market sectors (primarily corporate bonds and other related corporate debt securities) and maturities based on fundamentals and relative value. No more than 25% of the Net Asset Value of the Fund will be invested in any one market sector. Securities issued by non-U.S. companies are considered to be a permitted investment if they are denominated in U.S. dollars.

The Sub-Investment Manager focuses its attention on areas of the market where it believes its resources have the greatest competitive advantage and can add the most value. Therefore, the Sub-Investment Manager emphasizes sector valuation and individual security selection in constructing

portfolios, and focuses on the less efficient, middle-tier section of the high-yield market while selectively investing in lower rated issuers. The Fund is designed to be well diversified across sectors, structure, and issuers. In addition, risk measurement tools are used to measure, monitor and manage the Fund's risk exposure.

The Fund may invest in debt obligations including preferred securities of U.S. corporations, and governmental issuers and in private placements including securities defined under Rule 144A, subject to the requirements of the Central Bank. The Fund may also invest no more than 10% of its Net Asset Value in private transactions which are non-Rule 144A securities.

The Fund may invest in fixed and/or floating debt obligations issued or guaranteed by the U.S. government, U.S. government agencies or U.S. government sponsored corporations or agencies, as rated at the time of purchase by a rating agency which is a Nationally Recognized Statistical Rating Organization (NRSRO). However, no more than 15% of the Net Asset Value of the Fund will be invested in U.S. Treasury issues and no more than 10% of the Net Asset Value of the Fund will be invested in U.S. government agency issues.

The Fund may invest in bank loan obligations which include senior secured and unsecured notes, term loans, loan participations, loan assignments and collateralised securities ("**Bank Loans**"), which may be either securitised or unsecuritised, are freely transferable and deemed sufficiently liquid by the Sub-Investment Manager subject to the general 10% limit on transferable securities and money market instruments not listed, traded or dealt on a Regulated Market.

Subject to the investment restrictions set out under the heading "**Investment Restrictions**" in the Prospectus, and other than U.S. Treasuries, U.S. government-sponsored enterprises and U.S. government agency securities: 1) no more than 6% of the Net Asset Value of the Fund will be invested in the securities of any one issuer, and 2) no more than 10% of the Net Asset Value of the Fund will be invested in securities with a final maturity date in excess of 20 years.

At least 70% of the Net Asset Value of the Fund will be invested in debt securities rated B- or higher, or equivalent, at the time of purchase. No more than 30% of the Net Asset Value of the Fund will be invested in non-rated or lower-rated (CCC or lower or equivalent) debt securities, at the time of purchase. No more than 10% of the Net Asset Value of the Fund will be invested in debt securities rated D or equivalent. Each of the aforementioned debt securities ratings shall be provided by a rating agency which is a Nationally Recognized Statistical Rating Organization ("**NRSRO**").

The Fund may invest in both UCITS and non-UCITS collective investment schemes, including exchange traded funds, subject to the Investment Restrictions set out in the Prospectus in order to maintain a fully invested position while at the same time accommodating liquidity requirements. Any exposure gained by the Fund through the investments in such collective investment schemes will be consistent with the investment strategies of the Fund.

Forwards are the only financial derivative instruments that may be used by the Fund for efficient portfolio management and as a component of the investment process. The use of such instruments is more particularly described under the heading "**Efficient Portfolio Management**" below and in the Prospectus and will at all times be in accordance with the conditions and limits laid down by the Central Bank from time to time. The use of financial derivative instruments for investment purposes will result in the creation of leverage. To the extent that the Fund is leveraged, such leverage is not expected to exceed 20% of its Net Asset Value (calculated as the sum of the notionals of the financial derivative instruments used). The convertible securities and warrants which the Fund may hold may embed a derivative, such as an option. The Fund will not synthetically short positions through the use of derivatives for investment purposes.

The transferable securities and other assets in which the Fund may invest generally must be quoted, or dealt in, on a Regulated Market, as set out in Schedule 1 of the Prospectus.

The Fund may also hold and invest in ancillary liquid assets such as bank deposits, fixed or floating rate instruments including but not limited to commercial paper, floating rate notes, certificates of deposit, freely transferable promissory notes and debentures. It is anticipated that investments in deposits will typically be less than 20% of the total Net Asset Value.

Any change in the investment objective of the Fund or a material change in the investment strategies of the Fund will be subject to the approval of a special resolution passed by all the Shareholders of the Fund or by prior written consent of all the Shareholders of the Fund.

### 3. INVESTMENT RESTRICTIONS

The general investment restrictions are set out under the heading “**Investment Restrictions**” in the Prospectus.

### 4. BORROWING

In accordance with the general provisions set out in the Prospectus under the section entitled “**Borrowing and Lending Powers**”, the Fund may borrow up to 10% of its total Net Asset Value on a temporary basis for liquidity purposes and not for speculative purposes.

### 5. EFFICIENT PORTFOLIO MANAGEMENT AND FINANCIAL DERIVATIVE INSTRUMENTS

Subject to the Regulations, the restrictions set out in the Prospectus and the conditions laid down by the Central Bank from time to time, the Fund may utilize financial derivative instruments for hedging and/or efficient portfolio management purposes.

The Company currently employs a risk management process relating to the use of financial derivative instruments on behalf of the Fund which details how it accurately measures, monitors and manages the various risks associated with financial derivative instruments. The Company will on request provide supplementary 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 investments in respect of the Fund.

The following is a description of the types of financial derivative instruments which may be used for efficient portfolio management purposes by the Fund:

**Forwards:** A forward contract is a non-standardized, negotiated, over-the-counter contract between two parties to buy or sell an asset at a specified future time at a price agreed upon today. Most typically, the underlying assets are currencies, although forwards can be structured on other assets, baskets, indexes or reference securities. Forward contracts may be cash or physically settled between the parties and these contracts cannot be transferred.

The Fund's use of forward foreign exchange contracts may include altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, shifting exposure to currency fluctuations from one currency to another and hedging classes denominated in a currency (other than the Base Currency) to the Base Currency. Other forward contracts, including equity, basket and index, could potentially be used to alter the currency, hedging against financial risks, or increase exposure to an asset.

In the case of each Hedged Share Class, the Sub-Investment Manager will seek to hedge the dealing currency against the Base Currency. It is expected that the extent to which such currency exposure will be hedged will, subject to the requirements and conditions of the Central Bank, range from 95% to 105% of the Net Asset Value of the relevant Hedged Share Class. While there is no intention to operate outside this range, over-hedged or under-hedged positions may arise due to factors outside the control of the Fund. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the stated level (i.e. 105% of the Net Asset Value of the relevant Hedged Share Class) and that under-hedged positions do not fall short of the stated level (i.e. 95% of the Net Asset Value of the relevant Hedged Share Class). Hedged positions will be reviewed daily to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels outlined above and are not carried forward from month to month. This review will also incorporate a procedure to ensure that positions materially in excess of 100% will not be carried forward from month to month.

The currency hedging strategy that is employed for the Hedged Share Classes may substantially limit the holders of those share classes from benefiting if the currency of the relevant Hedged Share Class falls against the Base Currency and /or other currencies in which the assets of the relevant Portfolio may be denominated. Furthermore, transactions will be clearly attributable to a specific class; therefore currency exposures of different currency classes may not be combined or offset and currency

exposures of assets of the Fund may not be allocated to separate share classes. The costs and gains/losses of the hedging transactions will accrue solely to the relevant Hedged Share Class.

The Sub-Investment Manager uses a risk management technique known as value-at-risk to measure the Fund's global exposure and to seek to ensure that the use of financial derivative instruments by the Fund is within regulatory limits. While the Sub-Investment Manager will use both relative and absolute value-at-risk measure, for the purposes of compliance with the Central Bank's requirements the relative value-at-risk measures will apply in respect of the Fund. The relative value-at-risk on the portfolio of the Fund shall not exceed twice the value-at-risk of the Bank of America Merrill Lynch US High Yield Constrained Index. The absolute value-at-risk on the portfolio of the Fund is calculated to ensure that it never exceeds 20% of the Net Asset Value of the Fund. Both calculations will be carried out daily using one-tailed 99% confidence level for a 20 business day period with an historical observation period of 250 business days. Accordingly, where value-at-risk is used to measure global exposure, risk parameters used shall be based upon historical observation data over a period of at least 250 business days and such parameters shall be updated at least quarterly.

This section should be read in conjunction with the section of the Prospectus entitled "**Efficient Portfolio Management**".

## **6. PROFILE OF A TYPICAL INVESTOR**

The Fund is suitable for institutional investors seeking high income and capital appreciation and who are prepared to accept the risks associated with this type of investment. Because of the higher risk associated with high yield securities, investors should have a longer term investment horizon.

## **7. RISK FACTORS**

The general risk factors set out in the section of the Prospectus entitled "**Risk Factors**" apply to the Fund. In addition, the following risk factors apply to the Fund. These risk factors may not be a complete list of all risk factors associated with an investment in the Fund:

### **Stock Market Volatility**

The value of equity securities fluctuates in response to issuer, political, market and economic developments. Fluctuations can be dramatic over the short as well as long term and different parts of the market and different types of equity securities can react differently to these developments. For example, large cap stocks can react differently from small cap stocks, and "growth" stocks can react differently from "value" stocks. Issuer, political, or economic developments can affect a single issuer, issuers within an industry or economic sector or geographic region, or the market as a whole. Changes in the financial condition of a single issuer can impact the market as a whole. Terrorism and related geo-political risks have led, and may in the future lead, to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally.

### **Changes**

Debt securities have varying levels of sensitivity to changes in interest rates. In general, the price of a debt security can fall when interest rates rise and can rise when interest rates fall. Securities with longer maturities and mortgage securities can be more sensitive to interest rate changes. In other words, the longer the maturity of a security, the greater the impact a change in interest rates could have on the security's price. In addition, short-term and long-term interest rates do not necessarily move in the same amount or the same direction. Short-term securities tend to react to changes in short-term interest rates, and long-term securities tend to react to changes in long-term interest rates.

### **Issuer-Specific Changes**

Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's credit quality or value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers.

### **Lower-Quality Debt Securities**

Lower-quality debt securities (those of less than investment-grade quality) and certain types of other securities tend to be particularly sensitive to issuer-specific changes (as described above). Lower-quality debt securities and certain types of other securities involve greater risk of default or price changes due to changes in the credit quality of the issuer. The value of lower-quality debt securities and certain types of other securities often fluctuates in response to company, political or economic developments and can decline significantly over short as well as long periods of time or during periods of general or regional economic difficulty. Lower-quality debt securities can be thinly traded or have restrictions on resale, making them difficult to sell at an acceptable price. The default rate for lower-quality debt securities is likely to be higher during economic recessions or periods of high interest rates.

### **Unidentified Portfolio**

Because not all of the specific investments of the Fund have been identified, the Shareholders must rely on the ability of the Sub-Investment Manager to make appropriate investments for the Fund and to manage and dispose of such investments. While the Fund intends to make only carefully selected investments that meet the investment criteria of the Fund (as set out in the investment policy section of the Fund), the Sub-Investment Manager has complete discretion with respect to the selection of such investments.

### **Convertible Securities**

The Fund may invest in fixed-income obligations convertible into equity securities of global issuers. The convertible securities in which the Fund may invest, include warrants, convertible debt and convertible preferred stock, and may be converted at either a stated price or at a stated rate into underlying shares of common stock. Because of this feature, convertible securities enable an investor to benefit from increases in the market price of the underlying common stock. Convertible securities provide higher yields than the underlying equity securities, but generally offer lower yields than non-convertible securities of similar quality. The value of convertible securities fluctuates in relation to changes in interest rates like bonds, and in addition, fluctuates in relation to the underlying common stock.

### **Loan Investments**

In addition to the risks associated with high yield and lower-quality debt securities, there are some specific risks associated with loan investments. The specific collateral used to secure a loan may decline in value or become illiquid, which would adversely affect the loan's value. Also, such loans may not be actively traded, which may impair the ability of the Fund to realise full value in the event of the need to liquidate such assets. In purchasing loan participations, the Fund will acquire contractual rights only against the seller, not the borrower. Payments due to the Fund will only be made to the extent received by the seller from the borrower. Accordingly, the Fund will assume the credit risk of both seller and borrower, as well as of any intermediate participant. In purchasing loan assignments the Fund may not succeed to all of the rights and obligations of the seller, such as voting rights relating to enforcement of breaches of covenants or compliance with the terms of the loan agreement and the seller may not as part of the assignment make any representations or warranties in relation to the underlying loans. Furthermore, if a loan is foreclosed, the Fund could become part owner of any collateral and would bear the costs and liabilities associated with owning and disposing of the collateral.

## **8. DIVIDEND POLICY**

All Share Classes are Accumulation Shares and therefore carry no right to any dividend. The net income attributable to the Shares shall be retained within the Fund and the value of the Shares will rise accordingly.

This section should be read in conjunction with the provisions set out in the Prospectus under the headings "**Dividend Policy**" and "**Taxation**".

## 9. KEY INFORMATION FOR SUBSCRIBING AND REDEEMING

### Share Classes

Shares	Hedging	Currency
Class A	Unhedged	US Dollar
Class B	Unhedged	Euro
Class BH	Hedged	Euro
Class C	Unhedged	Pounds
Class CH	Hedged	Pounds
Class D	Unhedged	Yen
Class DH	Hedged	Yen

Class A Shares are denominated in US Dollars and, accordingly, receives subscriptions and pays redemptions in US Dollars. Class B Shares are denominated in Euros and accordingly, receive subscriptions and pay redemptions in Euros. Class C Shares will be denominated in Pounds and, accordingly, will receive subscriptions and pay redemptions in Pounds. Class D Shares will be denominated in Yen and accordingly, will receive subscriptions and pay redemptions in Yen.

### Base Currency

US Dollar

### Initial Issue Price

The Initial Issue Price per Share for Shares issued by the Fund will be €100 for Class B and Class BH, £100 for Class C and Class CH and ¥10,000 for Class D and Class DH.

### Initial Offer Period

Class B Shares, Class BH Shares, Class C Shares, Class CH Shares, Class D Shares and Class DH Shares will continue to be available until 5.00 p.m. (Irish time) on 3 June 2020 (or such shorter or longer period as the Directors may determine and notify to the Central Bank). After the Initial Offer Period for such classes, the Class BH Shares, Class C Shares, Class CH Shares, Class D Shares and Class DH Shares will be continuously open for subscriptions at each Dealing Day.

### Business Day

Any day other than a Saturday or Sunday on which commercial banks are open for business in Dublin and the stock exchanges are open for business in New York or such other days as may be determined by the Directors and notified in advance to Shareholders.

### Dealing Day

Each Business Day or such Business Days(s) as the Directors may determine and notify in advance to Shareholders.

### Dealing Deadline

In relation to applications for subscription for Shares and redemptions of Shares, 3pm (Irish time) on the relevant Dealing Day, although in either case the Directors may agree to waive the notice period at their discretion, only in exceptional circumstances, provided such applications are received before the Valuation Point for the relevant Dealing Day.

### Valuation Point

The point in time by reference to which the Net Asset Value of the Fund is calculated which, unless otherwise specified by the Directors (and notified in advance to Shareholders) with the approval of the Depositary, shall be 4pm Eastern Standard Time on the relevant Dealing Day.

### **Minimum Shareholding**

\$100,000 or the currency equivalent thereof or such greater or lesser amount as may be determined by the Directors.

### **Minimum Initial Investment Amount**

\$1,000,000 or its equivalent in the relevant currency or such lesser amounts as the Directors may, in consultation with the Investment Manager, in their absolute discretion, decide.

### **Minimum Additional Investment Amount**

\$1,000,000 or its equivalent in the relevant currency or such lesser amounts as the Directors may, in consultation with the Investment Manager, in their absolute discretion, decide.

### **Settlement Date**

In respect of receipt of monies for subscription for Shares, the Settlement Date shall be the 3rd Business Day following the relevant Dealing Day and in respect of dispatch of monies for the redemption of Shares, the Settlement Date shall normally be the third Business Day following the relevant Dealing Day and in any event payment will not exceed ten Business Days from the Dealing Deadline.

Your attention is drawn to the section of the Prospectus entitled “**Subscription for Shares**” - “**Operation of Subscription Cash Accounts in the name of the Company**”.

### **Minimum Net Asset Value**

\$100,000,000 or its equivalent in the relevant currency or such lesser amounts as the Directors may, in consultation with the Investment Manager, in their absolute discretion, decide.

### **Price Adjustment Policy (Swing Pricing)**

Large transactions into or out of the Fund can create “dilution” of the Fund’s assets because the price at which an investor buys or sells Shares in the Fund may not entirely reflect the dealing and other costs that arise when the Investment Manager has to trade in underlying investments to accommodate large cash inflows or outflows. In order to counter this and enhance the protection of existing Shareholders, there may be an adjustment to the Fund’s Net Asset Value as part of the regular valuation process to counter the impact of dealing and other costs on occasions when these are deemed to be significant. On any Dealing Day, the Net Asset Value of the Fund may be adjusted upwards or downwards as applicable to reflect the costs that may be deemed to be incurred in liquidating or purchasing investments to satisfy net daily transactions of the Fund. The Directors reserve the right to make such an adjustment taking into account factors such as the estimated dilution costs (such as underlying dealing spreads, commissions and other trading expenses) and the size of the Fund. In deciding whether to make such an adjustment, the Directors will have regard to the interests of existing, continuing and potential Shareholders in the Fund. The adjustment will be upwards when the net aggregate transactions result in an increase of the number of Shares and will be downwards when the net aggregate transactions result in a decrease of the number of Shares. The adjusted Net Asset Value will be applicable to all transactions on that day. Because the determination of whether to adjust the Net Asset Value is based on the net transaction activity of the Dealing Day, Shareholders transacting in the opposite direction of the Fund’s net transaction activity may benefit at the expense of the other Shareholders in the Fund. In addition, the Fund’s Net Asset Value and short-term performance may experience greater volatility as a result of this adjustment methodology.

## **10. HOW TO SUBSCRIBE FOR SHARES**

Requests for the subscription for Shares should be made in accordance with the provisions set out in the section entitled “**Subscriptions for Shares**” in the Prospectus.

## 11. HOW TO REDEEM SHARES

Requests for the redemption of Shares should be made in accordance with the provisions set out in the section entitled "**Redemption of Shares**" in the Prospectus.

## 12. CHARGES AND EXPENSES

The maximum amount of fees, charges and expenses which shall be charged by the Directors to the Fund shall be 3.0% per annum of the Net Asset Value of the Fund. Fees, charges and expenses are calculated and accrued daily and payable monthly in arrears.

The Directors may pay out of the assets of the Fund all fees, charges and expenses payable to the Depositary, the Administrator, the General Distributor and other service providers to the Fund (excluding the fees payable to the Investment Manager), subject to a limit of 0.25% of the Net Asset Value of the Fund. The investment management fees payable to the Investment Manager by the Manager shall be 0.60% per annum and are calculated on the daily Net Asset Value.

The Directors may, subject to the maximum limit of 3% per annum set out above, introduce a different charging structure for the Fund or a class of Shares. In this case the Directors shall give Shareholders advance notice in writing.

Further details relating to the charges and expenses of the Fund are available in the section of the Prospectus entitled "**Fees and Expenses**".

## 13. MISCELLANEOUS

At the date of this Supplement, there are no other Funds of the Company in existence.



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