

**Davy Funds p.l.c.**

An open-ended umbrella investment company  
with variable capital and segregated liability between sub-funds  
incorporated with limited liability in Ireland  
under the Companies Act 2014  
with registration number 533779

**PROSPECTUS**

**Dated 28 June 2024**

## TABLE OF CONTENTS

1	IMPORTANT INFORMATION .....	3
2	DEFINITIONS .....	9
3	FUNDS.....	17
4	RISK FACTORS .....	34
5	MANAGEMENT OF THE COMPANY .....	53
6	SHARE DEALINGS .....	62
7	VALUATION OF ASSETS .....	74
8	FEEES AND EXPENSES .....	77
9	TAXATION.....	82
10	GENERAL INFORMATION .....	88
	APPENDIX I INVESTMENT RESTRICTIONS APPLICABLE TO THE FUNDS UNDER THE REGULATIONS .....	104
	APPENDIX II PERMITTED MARKETS .....	112
	APPENDIX III GLOBAL NETWORK OF MARKETS AND SUBCUSTODIANS.....	114
	DIRECTORY .....	121

---

## 1 IMPORTANT INFORMATION

---

### 1.1 Reliance on this Prospectus and KID Access

Any information or representation not contained in this Prospectus or given or made by any broker, salesperson or other person should be regarded as unauthorised by the Company and should accordingly not be relied upon.

In deciding whether to invest in the Company, investors should rely on information in this Prospectus, any supplement, the relevant KID and the Company's most recent annual and/or semi-annual reports.

Each Class that is available for subscription will have a KID issued in accordance with the Central Bank Rules. Prospective investors should consider the KID for the relevant Class prior to subscribing for Shares in that Class in order to assist them in making an informed investment decision. While some Classes are described in the Supplement for the relevant Fund as available, these Classes may not currently be offered for subscription and in the event that a KID may not be available. Prospective investors should contact the Investment Manager directly to determine whether the relevant Class is available for subscription.

For certain Classes or Funds, or for certain investor types or markets (such as the U.K.), a KIID (prepared in accordance with the UCITS KIID Regulation) may be available rather than a KID (prepared in accordance with the PRIIPs Regulation) and investors will be required to confirm that a KIID has been provided prior to investment. In that event and unless the context otherwise requires, references to "KID" in this Prospectus or any relevant Supplement should be read as references to "KIID". Investors can obtain the latest version of the KID (or if applicable, the KIID) via the following website address [www.iqeq.com](http://www.iqeq.com).

Each Fund must calculate and disclose in the relevant KID a Summary Risk Indicator ("SRI") in accordance with the methodology prescribed in the PRIIPs Regulation. The SRI will correspond to a number designed to rank the relevant Fund over a scale from 1 to 7, according to its increasing level of volatility/risk-reward profile.

Because the Prospectus, the relevant Supplement and KID may be updated from time to time, investors should make sure they have the most recent versions.

Statements made in this Prospectus and any Supplement are based on the law and practice in force in the Republic of Ireland at the date of this Prospectus or the Supplement as the case may be, which may be subject to change. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares in any Fund of the Company shall under any circumstances constitute a representation that the affairs of the Company or any Fund have not changed since the date hereof. This Prospectus will be updated to take into account any material changes from time to time and any such amendments will be notified in advance to and cleared by the Central Bank.

**Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the Company or the suitability for you of investing in the Company, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.**

This Prospectus and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with Irish law. With respect to any suit, action or proceedings relating to any dispute arising out of or in connection with this Prospectus (including any non-contractual obligations arising out of or in connection with it), each party irrevocably submits to the jurisdiction of the Irish courts.

## Jersey

The Jersey Financial Services Commission has granted its consent under the Control of Borrowing (Jersey) Order 1958, as amended in relation to the circulation of this Prospectus in Jersey. The Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that Law. It is the intention that the distribution of this Prospectus and the offering of Shares will be restricted to discretionary fund managers and/or the wholesale market in Jersey.

## Guernsey

The Guernsey Financial Services Commission has been notified and has raised no objection to the promotion of Shares in the Company in the Bailiwick of Guernsey pursuant to section 29(1)(c)(iv) of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended. It is the intention that the distribution of this Prospectus and the offering of Shares will be restricted to discretionary fund managers, the wholesale market, and/or Licensed Persons in Guernsey.

### 1.2 **Central Bank Authorisation**

**The Company is both authorised and supervised by the Central Bank. The authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of any Fund of the Company. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus.**

### 1.3 **Segregated Liability**

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

### 1.4 **Responsibility**

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

### 1.5 **Prospectus/ Supplements**

This Prospectus describes the Company. The Company issues Supplements to this Prospectus relating to each Fund. A separate Supplement will be issued at the time of establishment of each Fund. Each Supplement forms part of and should be read in the context of and in conjunction with this Prospectus.

This Prospectus may only be issued with one or more Supplements, each containing information in relation to a particular Fund. Details relating to Classes may be dealt with in the relevant Supplement for the particular Fund or in a separate Class Supplement for each Class. Shareholders and potential investors should refer to the most recent Supplement and/or Class Supplement for details of the existing Classes which will also be included in the relevant Company's semi-annual and annual reports.

### 1.6 **Restrictions on Distribution and Sale of Shares**

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation

may not lawfully so receive it. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

The Company may reject any application in whole or in part without giving any reason for such rejection in which event, subject to applicable law, the subscription monies or any balance thereof will be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's risk. For further details, please refer to the section of this Prospectus entitled "Share Dealings; Ownership Restrictions."

Shares are offered only on the basis of the information contained in this Prospectus and, as appropriate, the latest audited annual accounts and any subsequent semi-annual report.

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

#### *United States of America*

None of the Shares have been, nor will be, registered under the United States Securities Act of 1933 as amended (the "1933 Act") and the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. Accordingly the Shares may not be offered or sold, directly or indirectly, in the United States or to any U.S. Person except pursuant to an exemption from, or in a transaction not subject to the requirements of the 1933 Act, as amended, and the United States Investment Company Act of 1940, as amended. The Shares have not been approved by the United States Securities and Exchange Commission, any state securities commission or other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

Notwithstanding the foregoing prohibition on offers and sales in the United States or to or for the benefit of U.S. Persons, the Company may make a private placement of its Shares to a limited number or category of U.S. Persons.

### **1.7 Translations**

This Prospectus and any Supplement may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as the English language document. To the extent that there is any inconsistency between the English language document and the document in another language, the 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. All disputes as to the terms thereof, regardless of the language version, shall be governed by, and construed in accordance with the law of Ireland.

### **1.8 Risk Factors**

Investors should read and consider the section of this Prospectus entitled "Risk Factors" before investing in the Company.

### **1.9 Suitability of Investment**

**As the price of Shares in each Fund may fall as well as rise, the Company shall not be a suitable investment for an investor who cannot sustain a loss on his investment. A typical investor will be seeking to achieve a return on his investment in the medium to long term. As target investor profile may also be dependent on specific elements**

**relating to a particular Fund, further details in relation to the profile of a typical investor may be set out in the Supplement for the relevant Fund.**

The decision to invest in any Fund, and if so how much, should be based on a realistic analysis of the investor's own financial circumstances and tolerance for investment risk.

As with any investment, future performance may differ from past performance, and Shareholders could lose money. There is no guarantee that any Fund will meet its objectives or achieve any particular level of future performance. These are investments, not bank deposits.

No Fund in this Prospectus is intended as a complete investment plan, nor are all Funds appropriate for all investors. Before investing in a Fund, each prospective investor should read the Prospectus and should understand the risks, costs and terms of investment in that Fund. In particular, investors should read and consider the section of this Prospectus entitled "Risk Factors" before investing in the Company.

#### **1.10 Potential for Capital Reduction**

**Where provided for in the relevant Supplement, (i) dividends may be declared out of the capital of the relevant Fund; and/or (ii) fees and expenses may be paid out of the capital of the relevant Fund, in each case in order to preserve cash flow to Shareholders. In any such cases, there is a greater risk that capital may be eroded and distribution will be achieved/fees will be paid in a manner that foregoes the potential for future capital growth of your investment. This cycle may continue until all capital is depleted.**

**Distributions out of capital may have different tax consequences to distributions of income and it is recommended that you seek appropriate advice in this regard. The likelihood that due to capital erosion, the value of future returns would also be diminished.**

#### **1.11 Repurchase Charge and Anti-Dilution Levy**

The Directors may levy a Repurchase Charge of up to 3% of the Net Asset Value per Share. Details of any such charge with respect to one or more Funds will be set out in the relevant Supplement.

Upon the recommendation of the relevant Investment Manager, an Anti-Dilution Levy may be imposed by the Directors in the case of net subscriptions and/or net repurchases on a transaction basis as a percentage adjustment (to be communicated to the Administrator) on the value of the relevant subscription/repurchase (as applicable) calculated for the purposes of determining a subscription price or Repurchase Price to reflect the impact of other dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of the relevant Fund where they consider such a provision to be in the best interests of the Fund.

The difference at any one time between the subscription price (to which may be added a Preliminary Charge) and the Repurchase Price (from which may be deducted a Repurchase Charge) and the possible imposition of an Anti-Dilution Levy means that an investment should be viewed as medium to long-term.

#### **1.12 Pricing Errors**

It is possible that errors may be made in the calculation of the Net Asset Value. In determining whether compensation will be payable to a Fund and/or individual Shareholders as a result of such errors, the Company will have regard to the guidelines in this regard issued by the Irish Funds Industry Association. These guidelines apply a materiality threshold to the level of the pricing error for the purposes of determining whether compensation should be considered, and the guidelines also set out guidance on circumstances where a pricing error does not merit compensation. In this context, the materiality threshold currently applied

by the Company is 0.5% of Net Asset Value, which reflects, in the opinion of the Directors, general market practice at the date of this Prospectus. As such, and subject on each occasion to the approval of the Depositary, compensation will generally not be payable for errors where the effect on the relevant Fund's Net Asset Value is below the materiality threshold. There may however be circumstances when the Directors or Depositary consider it appropriate for compensation to be paid notwithstanding that the impact of the error was below the materiality threshold. Conversely, in the case of errors above the materiality threshold, where there is fault on the part of the Company or its service providers, compensation will generally be payable, with any decision not to pay compensation in such circumstances requiring the approval of the Directors and also the Depositary. The Central Bank has not set any requirements in this regard and the Central Bank's approval of this Prospectus should not be interpreted as an endorsement of what is a market practice, rather than a legislative or regulatory requirement.

### **1.13 MiFID II Product Governance Rules – UCITS as non-complex financial instruments**

Article 25 of MiFID II sets out requirements in relation to the assessment of suitability and appropriateness of financial instruments for clients. Article 25(4) contains rules relating to the selling of financial instruments by a MiFID-authorized firm to clients in an execution only manner. Provided the financial instruments are comprised from the list contained in Article 25(4)(a) (referred to broadly as non-complex financial instruments for these purposes), a MiFID-authorized firm selling the instruments will not be required to also conduct what is referred to as an "appropriateness test" on its clients. An appropriateness test would involve requesting information on the client's knowledge and experience on the type of investment offered and, on this basis, assessing whether the investment is appropriate for the client. If the financial instruments fall outside the list contained in Article 25(4)(a) (i.e. are categorised as complex financial instruments), the MiFID-authorized firm selling the instruments will be required to also conduct an appropriateness test on its clients.

UCITS (other than structured UCITS) are specifically referenced in the list in Article 25(4)(a). Accordingly, each Fund is deemed to be a non-complex financial instrument for these purposes.

### **1.14 Money Market Fund Regulation**

In accordance with the definition contained in Article 1 of the Money Market Fund Regulation a "Money Market Fund" is an authorised UCITS or fund authorised under Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers that (i) invests in short-term assets; and (ii) has distinct or cumulative objectives offering returns in line with money market rates or preserving the value of the investment.

It should be noted that some Funds of the Company but not all may be Money Market Funds and may therefore be authorised in accordance with the Money Market Fund Regulation ("Authorised Money Market Funds"). In any such cases, the Fund will be clearly designated as such in the relevant Supplement.

Investors should note that in the case of Funds that fall outside the scope of the Money Market Fund Regulation, the type of assets it may invest in is not as restricted as that of an Authorised Money Market Fund and it may therefore not be suitable for investors seeking the liquidity and return profile of an Authorised Money Market Fund. While such Funds may seek to invest in liquid securities with the aim of achieving stability of capital and income, the amount invested in Shares may fluctuate up and/or down and an investment in such Funds involves certain investment risks (some of which may not be associated with Authorised Money Market Funds), including the possible loss of principal.

### 1.15 **Headings and Numbering**

The headings and numbering of sections of this Prospectus are for convenience of reference only and shall not affect the meaning or interpretation of this Prospectus in any way.

---

## 2 DEFINITIONS

---

**Accounting Period** means a period ending on 30 September of each year or such other date as the Directors may from time to time decide;

**Administration Agreement** means the agreement made between the Company and the Administrator as may be amended or supplemented from time to time in accordance with the Central Bank Rules pursuant to which the latter was appointed as administrator of the Company;

**Administrator** means Northern Trust International Fund Administration Services (Ireland) Limited or any successor thereto duly appointed in accordance with the Central Bank Rules as the administrator to the Company;

**AIF** means an alternative investment fund as defined in regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013) and/or any other collective investment undertaking meeting the criteria outlined in Regulation 68(e) of the Regulations including, where relevant, UK UCITS authorised by the Financial Conduct Authority in the United Kingdom in accordance with the Financial Services and Markets Act 2000, as amended, supplemented, consolidated or otherwise modified from time to time;

**Anti-Dilution Levy** means an adjustment made on a transaction basis in the case of net subscriptions and/or net repurchases as a percentage adjustment (to be communicated to the Administrator) on the value of the relevant subscription/ repurchase calculated for the purposes of determining a subscription price or Repurchase Price to reflect the impact of other dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of the relevant Fund;

**Application Form** means any application form to be completed by subscribers for Shares as prescribed by the Company from time to time;

**Authorised Money Market Fund** means a Fund authorised as a money market fund pursuant to the Money Market Fund Regulation;

**Base Currency** means, in relation to any Fund, such currency as is specified as such in the Supplement for the relevant Fund;

**Benchmark Regulation** means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds;

**Business Day** means, in relation to any Fund, each day as is specified as such in the Supplement for the relevant Fund;

**Central Bank** means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Company;

**Central Bank Regulations** 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, consolidated, substituted in any form or otherwise modified from time to time;

**Central Bank Rules** means the Central Bank Regulations and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the Company pursuant to the Regulations;

**CIS** means UCITS or other alternative investment fund within the meaning of Regulation 68(1)(e) of the Regulations and which is prohibited from investing more than 10% of its assets in other such collective investment schemes;

**Class(-es) or Share Class(-es)** means the class or classes of Shares relating to a Fund where specific features with respect to preliminary, exchange, repurchase or contingent deferred sales

charge, minimum subscription amount, hedged/unhedged, dividend policy, voting rights, service provider fees or other specific features may be applicable. The details applicable to each Class will be pre-determined and described in the relevant Supplement;

**Clear Day** means in relation to the period of a notice, that period excluding the day when the notice is given or deemed to be given and the day for which it is given or on which it is to take effect;

**Collections Account** means the account in the name of the Company through which subscription monies and redemption proceeds and dividend income (if any) for each Fund are channelled, the details of which are specified in the Application Form;

**Companies Act** means the Companies Act 2014 of Ireland and every amendment or re-enactment of the same, including any regulations issued pursuant thereto, insofar as they apply to open-ended investment companies with variable capital;

**Company** means Davy Funds p.l.c.;

**Constitution** means the constitution of the Company from time to time, comprising the Memorandum and Articles of Association;

**Country Supplement** means a supplement to this Prospectus, issued from time to time, specifying certain information pertaining to the offer of Shares of the Company or a Fund or Class in a particular jurisdiction or jurisdictions;

**CRS** means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard;

**Data Protection Legislation** means the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679);

**Dealing Day** means, in respect of each Fund, each Business Day on which subscriptions for, repurchases of and exchanges of relevant Shares can be made by the Company as specified in the Supplement for the relevant Fund and/or such other Dealing Days as the Directors shall determine and notify to Shareholders in advance, provided that there shall be at least two Dealing Days in each Month occurring at regular intervals;

**Dealing Deadline** means, in relation to any application for subscription, repurchase or exchange of Shares of a Fund, the day and time specified in the Supplement for the relevant Fund by which such application must be received by the Administrator on behalf of the Company in order for the subscription, repurchase or exchange of Shares of the Fund to be made by the Company on the relevant Dealing Day;

**Depositary** means Northern Trust Fiduciary Services (Ireland) Limited or any successor thereto duly appointed with the prior approval of the Central Bank as the depositary of the Company in accordance with the Central Bank Rules;

**Depositary Agreement** means the amended and restated depositary agreement made between the Company and the Depositary as may be amended or supplemented from time to time in accordance with the Central Bank Rules, pursuant to which the latter was appointed depositary of the Company;

**Deposits** mean deposits with a Credit Institution that are eligible for investment in accordance with Article 12 of the Money Market Fund Regulation;

**Directors** means the directors of the Company or any duly authorised committee thereof, each a Director;

**Distribution Agreement** means the agreement made between the Company and the Distributor(s) as may be amended or supplemented from time to time in accordance with the Central Bank Rules pursuant to which the latter was appointed distributor of the Company;

**Distributor(s)** means, unless specifically stated otherwise in the Supplement for the relevant Fund, IQ EQ Fund Management (Ireland) Limited and J&E Davy Unlimited Company or any successor thereto duly appointed in accordance with the Central Bank Rules as a distributor to the Company;

**Eligible Counterparty** means a counterparty to OTC derivatives with which a Fund may trade and belonging to one of the categories approved by the Central Bank which at the date of this Prospectus comprise the following:

- (i) a Relevant Institution;
- (ii) an investment firm, authorised in accordance with the Markets in Financial Instruments Directive in an EEA Member State; or
- (iii) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve.

**EEA Member States** means the member states of the European Economic Area, the current members at the date of this Prospectus being the EU Member States, Iceland, Liechtenstein and Norway;

**EMIR** means Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories;

**ESG** means environmental, social and/or governance;

**EU Member States** means the member states of the European Union;

**Euro or €** means the lawful currency of the participating EU Member States which have adopted the single currency in accordance with the EC Treaty of Rome dated 25th March 1957 as amended;

**Exchange Charge** means the charge, if any, payable on the exchange of Shares as is specified in the Supplement for the relevant Fund;

**Exempt Irish Shareholder** means

- (a) a qualifying management company within the meaning of section 739B(1) TCA;
- (b) an investment undertaking within the meaning of section 739B(1) TCA;
- (c) an investment limited partnership within the meaning of section 739J TCA;
- (d) a pension scheme which is an exempt approved scheme within the meaning of section 774 TCA, or a retirement annuity contract or a trust scheme to which section 784 or 785 TCA applies;
- (e) a company carrying on life business within the meaning of section 706 TCA;
- (f) a special investment scheme within the meaning of section 737 TCA;
- (g) a unit trust to which section 731(5)(a) TCA applies;
- (h) a specified company within the meaning of Section 734(1) TCA;
- (i) a charity being a person referred to in section 739D(6)(f)(i) TCA;
- (j) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 784A(2) TCA or section 848E TCA and the Shares held are assets of an approved retirement fund, an approved minimum retirement fund or a special savings incentive account;

- (k) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 787I TCA and the Shares held are assets of a personal retirement savings account as defined in section 787A TCA;
- (l) the National Asset Management Agency;
- (m) the Courts Service;
- (n) a credit union within the meaning of section 2 of the Credit Union Act 1997;
- (o) an Irish resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the Company is a money market fund;
- (p) a company which is or will be within the charge to corporation tax in accordance with section 110(2) TCA in respect of payments made to it by the Company;
- (q) the Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers' Insolvency Compensation Fund;
- (r) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under Part 27, Chapter 1A TCA;
- (s) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 787AC TCA and the Shares held are assets of a PEEP, within the meaning of Part 30, Chapter 2D TCA;
- (t) the National Treasury Management Agency of Ireland, or a fund investment vehicle within the meaning of Section 739D(6)(kb) TCA;

and where necessary the Company is in possession of a Relevant Declaration in respect of that Shareholder;

**Extraordinary Expenses** means the extraordinary expenses defined as such in the section headed "Fees and Expenses";

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

**FDI** means a financial derivative instrument (including an OTC derivative);

**Fund** means a sub-fund of the Company the proceeds of issue of which are pooled separately in a separated portfolio of assets and invested in accordance with the investment objective and policies applicable to such sub-fund and which is established by the Company from time to time with the prior approval of the Central Bank;

**Initial Issue Price** means the price (excluding any Preliminary Charge) per Share at which Shares are initially offered in a Fund during the Initial Offer Period as specified in the Supplement for the relevant Fund;

**Initial Offer Period** means the period during which Shares in a Fund are initially offered at the Initial Issue Price as specified in the Supplement for the relevant Fund;

**Investment Account** means (i) a separate temporary investment account or (ii) a separate disinvestment account as described in further detail under "Restrictions on Subscriptions";

**Investment Grade** means rating awarded to high quality corporate and government securities that are judged likely to meet their payment obligations by Standard & Poor's (i.e. rated at least BBB-) or Moody's (i.e. rated at Baa3); or if unrated determined by the Investment Manager to be of comparable quality;

**Investment Management Agreement or Investment Management Agreements** means the agreement made between the Company and each of the Investment Managers as may be amended or supplemented from time to time in accordance with the Central Bank Rules pursuant to which the latter was appointed investment manager of the Company;

**Investment Management Fee** means the investment management fee detailed as such in the section headed "Fees and Expenses";

**Investment Manager(s)** means, IQ EQ Fund Management (Ireland) Limited and J&E Davy Unlimited Company or such other company as may be appointed to manage the investment and reinvestment of the assets of certain Funds in accordance with the Central Bank Rules, details of which are set out in the relevant Supplement;

**Investor Money Regulations** means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers, as may be amended from time to time;

**Irish Resident** means any person resident in Ireland or ordinarily resident in Ireland (as described in the Taxation section of this Prospectus) other than an Exempt Irish Shareholder;

**KID** means the key information document required under the PRIIPs Regulation and as may be issued in relation to a Fund or Class;

**KIID** means the key investor information document required under the UCITS Regulations and as may be issued in relation to a Fund or Class;

**Manager** means IQ EQ Fund Management (Ireland) Limited or such other person as may be designated, in accordance with the Central Bank Rules, as the Company's fund management company;

**Management Agreement** means the agreement between the Company and the Manager pursuant to which the Manager was appointed to provide fund management services to the Company, as may be amended;

**MiFID II Delegated Directive** means Commission Delegated Directive (EU) of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits;

**Minimum Additional Investment Amount** means such minimum cash amount or minimum number of Shares as the case may be (if any) as the Directors may from time to time require to be invested in any Fund by each Shareholder (after investing the Minimum Initial Investment Amount) and as such is specified in the Supplement for the relevant Fund;

**Minimum Fund Size** means such amount (if any) as the Directors may consider for each Fund and as set out in the Supplement for the relevant Fund;

**Minimum Initial Investment Amount** means such minimum initial cash amount or minimum number of Shares as the case may be (if any) as the Directors may from time to time require to be invested by each Shareholder as its initial investment for Shares of each Class in a Fund either during the Initial Offer Period or on any subsequent Dealing Day and as such is specified in the Supplement for the relevant Fund;

**Minimum Repurchase Amount** means such minimum number or minimum value of Shares of any Class as the case may be (if any) which may be repurchased at any time by the Company and as such is specified in the Supplement for the relevant Fund;

**Minimum Share Class Size** means such amount (if any) as the Directors may consider for each Share Class and as set out in the Supplement for the relevant Fund;

**Minimum Shareholding** means such minimum number or minimum value of Shares of any Class as the case may be (if any) which must be held at any time by a Shareholder which shall be greater at all times than the Minimum Repurchase Amount and as such is specified in the Supplement for the relevant Class of Shares within a Fund;

**Money Market Fund Regulation** means Regulation (EU) 2017/1131 of the European Parliament and of the Council as amended or supplemented from time to time, including any delegated act adopted thereunder and any implementing rules or conditions that may from time to time be imposed thereunder by the Central Bank or the European Securities and Markets Authority;

**Money Market Instruments** means instruments normally dealt in on the money markets which are liquid, and have a value which can be accurately determined at any time;

**Month** means a calendar month;

**Net Asset Value or net assets** means, in respect of the assets and liabilities of a Fund, a Class or the Shares representing interests in a Fund, the amount determined in accordance with the principles set out in the "Calculation of Net Asset Value" section below as the Net Asset Value of the Fund, the Net Asset Value per Class or the Net Asset Value per Share (as appropriate);

**OECD** means the Organisation for Economic Co-operation and Development;

**OECD Member States** means countries members of the OECD;

**Ordinarily Resident in Ireland** means an individual who has been resident in Ireland for three consecutive tax years (who thus 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 that individual is not resident in Ireland;

**OTC** means over-the-counter and refers to derivatives negotiated between two counterparties;

**Paying Agent** means one or more paying agents including but not limited to representatives, distributors, correspondent banks, or centralising agents appointed to provide services in respect of the Company in certain jurisdictions;

**Preliminary Charge** means the charge, if any, payable to the Distributor on subscription for Shares as described under "Share Dealings – Subscription for Shares" and specified in the relevant Supplement;

**Prospectus** means this prospectus issued on behalf of the Company as amended, supplemented or consolidated from time to time;

**Regulations** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, (S.I. No. 352 of 2011), as may be amended, consolidated or substituted from time to time and in the content of Authorised Money Market Funds only and where applicable, the Money Market Fund Regulation;

**Relevant Declaration** means the declaration relevant to the Shareholder as set out in Schedule 2B TCA;

**Relevant Institutions** means credit institutions authorised in an EEA Member State, a credit institution authorised within a signatory state, other than an EEA Member State, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States and the United Kingdom) or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;

**Repurchase Charge** means the charge, if any, to be paid out of the Repurchase Price which Shares may be subject to, as described under "Important Information" and specified in the relevant Supplement;

**Repurchase Price** means the price at which Shares are repurchased, as described under "Share Dealings - Repurchase of Shares" and as may be specified in the relevant Supplement;

**Repurchase Proceeds** means the Repurchase Price less any Repurchase Charge and any charges, costs, expenses or taxes, as described under "Share Dealings – Repurchase of Shares";

**Revenue Commissioners** means the Irish Revenue Commissioners;

**Securities Financing Transactions** means in the case of Funds other than Authorised Money Market Funds repurchase agreements, reverse repurchase agreements, contracts for difference, securities lending agreements and any other transactions within the scope of SFTR that a Fund is permitted to engage in and in the case of Authorised Money Market Funds means repurchase agreements, reverse repurchase agreements and any other transactions within the scope of SFTR that an Authorised Money Market Fund is permitted to engage in accordance with the Money Market Fund Regulation;

**Settlement Date** means, in respect of receipt of monies for subscription for Shares or dispatch of monies for the repurchase of Shares, the date specified in the Supplement for the relevant Fund. In the case of repurchases this date will be no more than ten Business Days after the relevant Dealing Deadline, or if later, the receipt of completed repurchase documentation;

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

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

**Shares** means the participating shares in the Company representing interests in a Fund and where the context so permits or requires any Class of participating shares representing interests in a Fund;

**Shareholders** means persons registered as the holders of Shares in the register of shareholders for the time being kept by or on behalf of the Company, and each a Shareholder;

**State** means the Republic of Ireland;

**Sub-Distributor** means any sub-distributor appointed by the Distributor in accordance with the Central Bank Rules as a sub-distributor to the Company;

**Supplement** means any supplement to the Prospectus issued on behalf of the Company specifying certain information in relation to a Fund and/or one or more Classes from time to time;

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

**Taxonomy Regulation** means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, as may be amended;

**TCA** means the Irish Taxes Consolidation Act, 1997, as amended;

**Total Return Swap** means a derivative (and a transaction within the scope of SFTR) whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty;

**Transferable Securities** shall have the meaning ascribed to that term in the Regulations, which at the date hereof means:

- (a) shares in companies and other securities equivalent to shares in companies which fulfil the applicable criteria specified in Part 1 of Schedule 2 of the Regulations;
- (b) bonds and other forms of securitised debt which fulfil the applicable criteria specified in Part 1 of Schedule 2 of the Regulations;
- (c) other negotiable securities which carry the right to acquire any securities within (i) or (ii) above by subscription or exchange which fulfil the criteria specified in Part 1 of Schedule 2 of the Regulations; and
- (d) securities specified for this purpose in Part 2 of Schedule 2 of the Regulations.

**UCITS** means an undertaking for collective investment in transferable securities which is authorised under the Regulations or authorised by a competent authority in another member state of the European Union in accordance with Directive 2009/65/EC of the European Parliament and of the Council, as amended, supplemented, consolidated or otherwise modified from time to time;

**UCITS V** means Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration and sanctions as amended from time to time and including any supplementing European Commission delegated regulations in force from time to time;

**United States** and **U.S.** means the United States of America (including the States, the District of Columbia and the Commonwealth of Puerto Rico), its territories, possessions and all other areas subject to its jurisdiction;

**U.S. Dollars, Dollars** and **\$** means the lawful currency of the United States;

**U.S. Person** means a U.S. Person as defined in Regulation S under the United States Securities Act of 1933 and CFTC Rule 4.7;

**Valuation Point** means the time on or with respect to the relevant Dealing Day by reference to which the Net Asset Value of a Fund and the Net Asset Value per Share are calculated as is specified in the Supplement for the relevant Fund.

---

## 3 FUNDS

---

### 3.1 Structure

The Company is an open-ended investment company with variable capital and segregated liability between Funds incorporated in Ireland on 7 October 2013 under the Companies Act with registration number 533779.

The Company has been authorised by the Central Bank as a UCITS pursuant to the Regulations.

The Company is structured as an umbrella fund consisting of different Funds, each comprising one or more Classes.

The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplement. At the date of this Prospectus, the Company has established the Fund(s) as set out in the Fund Schedule Supplement.

Additional Funds (in respect of which a Supplement or Supplements will be issued) may be established by the Directors from time to time with the prior approval of the Central Bank.

The Company may from time to time, with the prior approval of the Central Bank, obtain authorisation of one or more Funds as an Authorised Money Market Fund which shall be designed as a short-term and standard variable net asset value money market fund ("VNAV MMF"), a public debt constant net asset value money market fund ("Public Debt CNAV MMF") or a low volatility net asset value money market fund ("LVNAV MMF"), as specified in the Supplement for the relevant Fund.

Shares may be issued in Classes within each Fund. Classes of Shares in each Fund may differ as to certain matters including currency of denomination, currency hedging strategies if any applied to a particular Class, dividend policy, fees and expenses charged or the Minimum Initial Investment Amount, Minimum Additional Investment Amount, Minimum Shareholding and Minimum Repurchase Amount. The Classes of Shares available for subscription shall be set out in the relevant Supplement. A separate pool of assets shall not be maintained in respect of each Class. Additional Classes in respect of which a Supplement or Supplements will be issued may be established by the Directors and notified to and cleared in advance with the Central Bank or otherwise must be created in accordance with the Central Bank Rules.

### 3.2 Investment Objective and Policies

The assets of each Fund will be invested separately in accordance with the investment objectives and policies of the Fund. The specific investment objective and policies of each Fund will be set out in the relevant Supplement and will be formulated by the Directors at the time of creation of the relevant Fund.

The investment objective of a Fund may not be altered, and material changes to the investment policy of a Fund may not be made, without prior approval of Shareholders on the basis of (i) a majority of votes cast at a meeting of the Shareholders of the particular Fund duly convened and held or (ii) with the prior written approval of all Shareholders of the relevant Fund. In the event of a change of the investment objective and/or a material change in the investment policy of a Fund, Shareholders in the relevant Fund will be given reasonable notice of such change to enable them to repurchase their Shares prior to implementation of such a change.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Fund other than an Authorised Money Market Fund's (except where provided in the Supplement for the Fund) assets may be invested in Money Market

Instruments, including but not limited to, certificates of deposit, floating rate notes and fixed rate commercial paper listed or traded on permitted markets and in cash deposits.

Investors should be aware that the performance of certain Funds may be measured against a specified index or benchmark. In this regard, Shareholders are directed towards the relevant Supplement which will refer to any relevant performance measurement criteria. The Company may at any time change that reference index or benchmark where, for reasons outside its control, that index or benchmark has been replaced, or another index or benchmark may reasonably be considered by the Company to have become a more appropriate standard for the relevant exposure. Shareholders would be advised of any change in a reference index or benchmark in the annual or half-yearly report of the Fund issued subsequent to such change.

Where a Fund tracks an index, any material change to the methodology of the particular index that could result in a material variation in terms of eligibility of index constituents or diversification levels, will require the prior approval of Shareholders in the manner outlined above.

### **3.3 Investment Restrictions**

The investment and borrowing restrictions applying to the Company and each Fund are set out in Appendix I. Each Fund other than an Authorised Money Market Fund may also hold ancillary liquid assets.

The Directors may impose further restrictions in respect of any Fund as shall be outlined in the relevant Supplement.

The limits on investments detailed in Appendix I are deemed to apply at the time of purchase of the investments. If those limits are subsequently exceeded for reasons beyond the control of the relevant Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective the remedying of that situation taking due account of the interests of its Shareholders.

The permitted investments and investment restrictions applying to each Fund, in accordance with the Regulations and the Central Bank Regulations, are reflected in this Prospectus and the relevant Supplement.

With the exception of permitted investment in unlisted investment and OTC FDI, investments by a Fund will be restricted to securities and FDI listed or traded on permitted markets as set out in Appendix II.

It is intended that the Company shall have the power (subject to the prior approval of the Central Bank) to avail itself of any change in the investment and borrowing restrictions specified in the Regulations which would permit investment by a Fund in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the Regulations. Any changes to the investment or borrowing restrictions will be disclosed in an updated Prospectus and/or Supplement.

### **3.4 Borrowing Powers**

The Company may in accordance with the Regulations for the account of a Fund borrow on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of such Fund. In accordance with the provisions of the Regulations, the Company may charge the assets of a Fund as security for borrowings of that Fund.

The Company may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 103(1) provided that the offsetting deposit (a) is denominated in the Base Currency and (b) equals or exceeds the value of the foreign currency loan outstanding.

### **3.5 Internal Credit Quality Assessment**

Prior to an Authorised Money Market Fund investing in money market instruments, securitisations and/or asset backed commercial paper ("ABCP") the Company will, in

accordance with the requirement of the Money Market Fund Regulation, establish, implement and apply consistently a prudent internal credit quality assessment procedure for determining the credit quality of money market instruments, securitisations and ABCPs in which an Authorised Money Market Fund may invest, taking into account the issuer of the instrument and the characteristics of the instrument itself. The Company ensures that the information used in applying the internal credit quality assessment procedure is of sufficient quality, up-to-date and from reliable sources. The internal assessment procedure shall be based on prudent, systematic and continuous assessment methodologies. The methodologies used shall be subject to validation by the Company based on historical experience and empirical evidence, including back testing. The Company shall ensure that the internal credit quality assessment procedure complies with all of the following general principles:

- (i) an effective process has been established to obtain and update relevant information on the issuer and the instrument's characteristics;
- (ii) adequate measures are adopted and implemented to ensure that the internal credit quality assessment is based on a thorough analysis of the information that is available and pertinent, and includes all relevant driving factors that influence the creditworthiness of the issuer and the credit quality of the instrument;
- (iii) the internal credit quality assessment procedure is monitored on an ongoing basis and all credit quality assessments shall be reviewed at least annually;
- (iv) while there is to be no mechanistic over-reliance on external ratings, the Company shall undertake a new credit quality assessment for money market instruments, securitisations and ABCPs when there is a material change that could have an impact on the existing assessment of the instrument;
- (v) the credit quality assessment methodologies shall be reviewed at least annually by the Company to determine whether they remain appropriate for the current portfolio and external conditions. Where the Company becomes aware of errors in the credit quality assessment methodology or in its application, it shall immediately correct those errors; and
- (vi) when methodologies, models or key assumptions used in the internal credit quality assessment procedure are changed, the Company shall review all affected internal credit quality assessments as soon as possible.

### 3.6 Cross-Investment

Investors should note that, subject to the Central Bank Rules, each of the Funds may invest in the other Funds of the Company where such investment is appropriate to the investment objectives and policies of the relevant Fund. Any commission received by the relevant Investment Manager in respect of such investment will be paid into the assets of the relevant Fund. In addition, no Preliminary Charge, Repurchase Charge or Exchange Charge may be charged on the cross-investing Fund's investment.

In order to avoid double-charging of management and/or performance fees, any Fund that is invested in another Fund may not be charged an Investment Management Fee and/or performance fee in respect of that part of its assets invested in other Funds unless such investment in another Fund is made into a Class of Shares that does not attract any Investment Management Fee and/or performance fee. Investment may not be made by a Fund in a Fund which itself cross-invests in another Fund within the Company.

If a Fund invests a substantial proportion of its net assets in other CIS or both the maximum level of the Investment Management Fees that may be charged to the Fund by the other CIS or both, as the case may be, will be set out in the relevant Supplement. Details of such fees will also be contained in the Company's annual report. Such fees and expenses, in the aggregate, may exceed the fees and expenses that would typically be incurred by an investor making a direct investment in an underlying fund. In addition, performance based compensation arrangements may create an incentive for the relevant Investment Manager of

such underlying funds to make investments that are more risky or more speculative than would be the case if such arrangements were not in effect.

### 3.7 Use of FDIs

Each Fund other than an Authorised Money Market Fund may use FDIs for investment purposes and efficient portfolio management purposes. Each Authorised Money Market Fund may use FDI to hedge foreign exchange and interest rate risk in accordance with the Money Market Fund Regulations. Details of the use of FDIs for the relevant Fund are set out in the relevant Supplement.

### 3.8 Efficient Portfolio Management

#### (a) General

The Company on behalf of a Fund other than an Authorised Money Market Fund may employ techniques and instruments relating to Transferable Securities, Money Market Instruments and/or other financial derivatives instruments in which it invests for efficient portfolio management purposes, a list of which (if any) shall be set out in the relevant Supplement.

Use of such techniques and instruments should be in line with the best interests of Shareholders and will generally be made for one or more of the following reasons:

- (i) the reduction of risk;
- (ii) the reduction of cost; or
- (iii) the generation of additional capital or income for the relevant Fund with an appropriate level of risk, taking into account the risk profile of the Fund and the risk diversification rules set out in the Central Bank Regulations.

In addition, the use of such techniques and instruments must be realised in a cost-effective way and must not result in a change to the investment objective of the Fund or add substantial supplementary risks not covered in this Prospectus. Please refer to the sections of this Prospectus entitled "Risk Factors; EPM Risk" and "Risk Factors; Currency; Risk Currency Hedging" for more details. The risks arising from the use of such techniques and instruments shall be adequately captured in the Manager's risk management process.

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

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

#### (b) Eligible Counterparties

A Fund may invest in OTC derivatives in accordance with the Central Bank Rules and provided that the counterparties to the OTC derivatives are Eligible Counterparties.

#### (c) Securities Financing Transactions

A Fund may use Securities Financing Transactions in accordance with normal market practice and subject to the requirements of the SFTR and the Central Bank Rules where provided for in the relevant Supplement. Such Securities Financing Transactions may be entered into for any purpose that is consistent with the investment objective of the relevant Fund, including to generate income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks.

Any type of assets that may be held by each Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions. Where provided for in the relevant Supplement, the Fund may also use Total Return Swaps. Subject to each Fund's investment objective and policies, there is no limit on the proportion of assets that may be subject to Securities Financing Transactions and Total Return Swaps and therefore the maximum and expected proportion of a Fund's assets that can be subject to Securities Financing Transactions or Total Return Swaps can be as much as 100%, i.e. all of the assets of the relevant Fund. In any case the most recent semi-annual and annual accounts of the Company will express the amount of the Fund's assets subject to Securities Financing Transactions and Total Return Swaps.

Securities lending means transactions by which one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities. Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.

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

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

Any Authorised Money Market Fund that enters into a reverse repurchase agreement should ensure that it is able to terminate the agreement at any time upon giving prior notice of no more than two working days.

A Fund other than an Authorised Money Market Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

Any Authorised Money Market Fund that enters into a repurchase agreement should ensure that (i) it is used on a temporary basis, for no more than seven working days, only for liquidity management purposes and not for investment purposes other than as referred to Article 14 (c) of the Money Market Fund Regulation; (ii) the counterparty receiving assets transferred by an Authorised Money Market Fund as collateral under the repurchase agreement is prohibited from selling, investing, pledging or otherwise transferring those assets without the Authorised Money Market Fund's prior consent; and (iii) the Authorised Money Market Fund has the right to terminate the agreement at any time upon giving prior notice of no more than two working days.

All the revenues arising from Securities Financing Transactions and any other efficient portfolio management techniques shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to

repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Company from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Company, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Company or the Fund in respect of which the relevant party has been engaged. Details of Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the Company from time to time shall be included in the Company's semi-annual and annual reports.

While the Company will conduct appropriate due diligence in the selection of counterparties, including consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), it is noted that the Central Bank Rules and the Money Market Fund Regulation (where applicable to a Fund) do not prescribe any pre trade eligibility criteria for counterparties to a Fund's Securities Financing Transactions.

From time to time, a Fund may engage repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Depository or other service providers of the Company subject to the conditions and limits set out in the Central Bank Rules and the Money Market Fund Regulation (where applicable to a Fund). Such engagement may on occasion cause a conflict of interest with the role of the Depository or other service provider in respect of the Company. Please refer to the section of the Prospectus entitled "Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the Company's semi-annual and annual reports.

At the date of this Prospectus, it is not anticipated that the Funds will engage in any securities lending or use repurchase agreements/reverse repurchase agreements (i.e. Securities Financing Transactions) or Total Return Swaps and the Supplement of the relevant Fund will be updated in accordance with the Central Bank Rules and the disclosure requirements of the SFTR Regulations in advance of any change in this regard.

Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the Regulations respectively.

Please refer to the section of the Prospectus entitled "Risk Factors – Derivatives Risk and Securities Financing Transactions Risk" – for more details. The risks arising from the use of Securities Financing Transactions shall be adequately captured in the Manager's risk management process.

- (d) The Manager will employ a risk management process which will enable it to accurately measure, monitor and manage the risks attached to FDIs and Securities Financing Transactions where appropriate and details of this process have been provided to the Central Bank. The Manager will not utilise FDIs which have not been included in the risk management process until such time as a revised risk management process has been submitted by the Central Bank. The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed in respect of the Company including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments of a Fund.

### 3.9 Collateral Policy

In the context of efficient portfolio management techniques, Securities Financing Transactions and/or the use of FDI for hedging or investment purposes, collateral may be received from a counterparty for the benefit of a Fund or posted to a counterparty by or on behalf of a Fund.

Any receipt or posting of collateral by a Fund will be conducted in accordance with the Central Bank Rules and the terms of the Company's collateral policy outlined below.

(a) Collateral – received by the Fund

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

Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the Manager's risk management process. A Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the components set out in Regulation 24 paragraph (8) of the Central Bank Regulations.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Fund may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of the Fund in accordance with normal market practice (including the transfer of daily variation margins) and the requirements outlined in the Central Bank's Rules.

All assets received by a Fund in the context of Securities Financing Transactions shall be considered as collateral and must comply with the terms of the Company's collateral policy.

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

(b) Collateral

Collateral received from a counterparty for the benefit of a Fund may be in the form of cash or non-cash assets and must, at all times, meet with the specific criteria outlined in the Central Bank Regulations, as summarised below, in relation to (i) liquidity; (ii) valuation; (iii) issuer credit quality; (iv) correlation; (v) diversification (asset concentration); and (vi) immediate availability:

- (i) Liquidity: Collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations.
- (ii) Valuation: Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts (as referred to below) are in place.
- (iii) Issuer credit quality: Collateral received should be of high quality.
- (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): Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure

to a given issuer of 20% of the Fund's Net Asset Value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.

- (vi) Immediate availability: Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.

There are no restrictions on maturity provided the collateral is sufficiently liquid.

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

Non-cash collateral received by an Authorised Money Market Fund pursuant to a reverse repurchase agreement may, in accordance with the Money Market Fund Regulation, include eligible liquid transferable securities and/or money market instruments.

The rationale for the valuation methodology as described above is to ensure compliance with the requirements in the Central Bank Regulations.

The relevant Investment Manager, on behalf of the relevant Fund, shall apply suitably conservative haircuts to assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests in accordance with the requirements of EMIR. EMIR does not require the application of a haircut for cash variation margin. Accordingly any haircut applied to cover currency risk will be as agreed with the relevant counterparty. The relevant Investment Manager has determined that generally if issuer or issue credit quality of the collateral is not of the necessary quality or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut must be applied in accordance with more specific guidelines as will be maintained in writing by the relevant Investment Manager on an on-going basis. To the extent that a Fund avails of the increased issuer exposure facility in section 5(ii) of Schedule 3 of the Central Bank Regulations, such increased issuer exposure may be to any of the issuers listed in section 2.12 of Appendix I to the Prospectus.

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

(c) Cash collateral

- (A) Cash received as collateral by a Fund other than an Authorised Money Market Fund may only be invested in the following:

- (i) deposits with Relevant Institutions;
- (ii) high-quality government bonds;
- (iii) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on an accrued basis;
- (iv) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

- (B) Cash received as collateral by an Authorised Money Market Fund pursuant to a repurchase agreement may only be invested in the following:

- (i) deposits with a credit institution as defined in point (1) of Article 4(1) of Regulation (EU) No 575/2013; or
- (ii) eligible liquid transferable securities and/or money market instruments in accordance with the Money Market Fund Regulation.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. Cash collateral may not be placed on deposit with the relevant counterparty or a related entity. Exposure

created through the reinvestment of collateral must be taken into account in determining risk exposures to a counterparty. Re-investment of cash collateral in accordance with the provisions above can still present additional risk for the Fund. Please refer to the section of this Prospectus entitled "Risk Factors; Reinvestment of Cash Collateral Risk" for more details.

(d) Collateral – posted by the Fund

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

### 3.10 Currency Hedged Classes

A Fund may (but is not obliged to) offer currency hedged Classes whereby the Fund shall enter into certain currency-related transactions in order to seek to hedge out currency risk. The presence of any currency hedged Classes, as well as details of any particular features, shall be clearly disclosed in the Supplement for the relevant Fund.

Unless otherwise disclosed in the relevant Supplement, this will involve a Class designated in a currency other than the Base Currency being hedged (i) against exchange rate fluctuation risks between the designated currency of the Class and the Base Currency of the relevant fund; or (ii) exchange rate fluctuation risks between the designated currency of the Class and the other denominated currencies of the Fund's assets.

To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move in line with the performance of the underlying assets.

Any financial instruments used to implement such currency hedging strategies with respect to one or more Classes shall be assets/liabilities of the Fund but will be attributable to the relevant Class(es) and the profit and loss (realised and unrealised) on, and the costs of, the currency hedging transactions (including any administrative costs arising from additional risk management) will accrue solely to the relevant Class. However, investors should note that there is no segregation of liability between Share Classes. Although the costs profits and losses of the currency hedging transactions will accrue solely to the relevant Class, Shareholders are nonetheless exposed to the risk that hedging transactions undertaken in one Class may impact negatively on the Net Asset Value of another Class. Please refer to Appendix III to this Prospectus section entitled "Risk Factors; Currency Risk; Currency Hedging at Share Class Level Risk" for more details.

Any additional risk introduced to the Fund through the use of currency hedging for a given Share Class should be mitigated and monitored appropriately. Accordingly, in accordance with the Central Bank Rules, the following operational provisions will apply to any currency hedging transactions:

- Counterparty exposure should be managed in accordance with the limits in the Regulations and the Central Bank Rules.
- Over-hedged positions should not exceed 105 per cent. of the net assets of the relevant Class of Shares.
- Under-hedged positions should not fall short of 95 per cent of the portion of the net assets of the relevant Class which is to be hedged against currency risk.
- The 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.

- Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the Fund, to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels disclosed above.
- Such review (referred to above) will incorporate a procedure to rebalance the hedging arrangements on a regular basis to ensure that any such position stays within the permitted position levels disclosed above and is not carried forward from month to month.
- The 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.

Notwithstanding the above, there can be no guarantee that the hedging techniques will be successful and, while not intended, this activity could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. Further, these hedging techniques are designed to reduce a Shareholder's exposure to currency risk. The use of such class hedging techniques may therefore substantially limit holders of Shares in the relevant Classes from benefiting if the currency of that Class falls against that of the Base Currency of the relevant Fund and/or the currency in which the assets of the relevant Fund are denominated. Please refer to the section of this Prospectus entitled "Risk Factors; Currency Risk; Currency Hedging" for more details.

### 3.11 Dividend Policy

The dividend policy and information on the declaration and payment of dividends for each Fund will be specified in the relevant Supplement. The Constitution empowers the Directors to declare dividends in respect of any Shares in the Company out of the net income of the Company (i.e. income less expenses) (whether in the form of dividends, interest or otherwise) and/or net realised and unrealised gains (i.e. realised and unrealised gains net of all realised and unrealised losses); subject to certain adjustment and, in accordance with the Central Bank Rules, partially or fully out of the capital of the relevant Fund. If dividends are to be paid out of capital then the rationale for distributions out of the capital and the required additional risk warnings and disclosures will be set out in the Supplement for the relevant Fund.

Distributions out of capital may have different tax implications to distributions of income and recommend that investors seek advice in this regard. The likelihood is that the value of future returns would also be diminished.

Any dividends payable to Shareholders will be paid by electronic transfer to the relevant Shareholder's bank account of record on the initial Application Form in the currency of denomination of the relevant Class of Shares, at the expense of the payee. Any dividends paid which are not claimed or collected within six years of payment shall revert to and form part of the assets of the relevant Fund.

Any dividends payable to Shareholders will normally be paid in the denominated currency of the relevant Class. If however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction will be arranged by the Administrator (at its discretion) at prevailing exchange rates on behalf of and for the account, risk and expense of the Shareholder.

Any dividend income being paid out by a Fund and held in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the income is released to the investor and that during this time the investor will rank as a general unsecured creditor of the Company.

### 3.12 Publication of Net Asset Value per Share and Publication of Holdings

The Net Asset Value per Share for each Class shall be made available on the internet at [www.davy.ie](http://www.davy.ie) for certain sub-funds managed by J&E Davy Unlimited Company and on

[www.iqeq.com](http://www.iqeq.com) for certain sub-funds managed by IQ EQ Fund Management (Ireland) Limited or such other website as the relevant Investment Manager may notify to Shareholders in advance from time to time and updated following each calculation of the Net Asset Value. In addition, the Net Asset Value per Share for each Class may be obtained from the office of the Administrator during normal business hours in Ireland.

In addition to the information disclosed in the periodic reports of the Company, the Company may, from time to time, make available to investors portfolio holdings and portfolio-related information in respect of one or more of the Funds. Any such information will be available to all investors in the relevant Fund on request. Any such information will only be provided on a historical basis and after the relevant Dealing Day to which the information relates.

### **3.13 Use of a Collections Account**

The Company operates a single, omnibus Collections Account for all of the Funds, in accordance with the Central Bank's guidance relating to umbrella fund cash accounts. Accordingly, monies in the Collections Account are deemed assets of the respective Funds and shall not have the protection of the Investor Money Regulations. It should be noted however that the Depositary will monitor the Collections Account in performing its cash monitoring obligations and ensuring effective and proper monitoring of the Company's cash flows in accordance with its obligations as prescribed under UCITS V. There nonetheless remains a risk for investors to the extent that monies are held by the Company in the Collections Account for the account of a Fund at a point where such Fund (or another Fund of the Company) becomes insolvent. In respect of any claim by an investor in relation to monies held in the Collections Account, the investor shall rank as an unsecured creditor of the Company.

The Company in conjunction with Depositary shall establish a policy to govern the operation of the Collections Account, in accordance with the Central Bank's guidance in this area. This policy shall be reviewed by the Company and the Depositary at least annually.

### **3.14 References to Benchmarks**

Certain Funds may refer to indices within the Supplement of the relevant Fund. These indices may be referenced for various purposes including, but not limited to (i) operating as a reference benchmark which the Fund seeks to outperform; and (ii) relative VaR measurement. The particular purpose of the relevant index shall be clearly disclosed in the relevant Supplement. Where an index is used for the purposes of (i) above this will constitute use of an index within the meaning of Article 3 (1)(7)(e) of the Benchmark Regulation. Other references to indices, including for example for the purposes of relative VaR measurement as outlined at (ii) above, may not constitute use of an index within the meaning of Article 3 (1)(7)(e) of the Benchmark Regulation. Shareholders should note that the Company and/or its distributors may from time to time refer to other indices in marketing literature or other communications purely for financial or risk comparison purposes. However, unless such indices are referred to as such in the Supplement of the Fund they are not formal benchmarks against which the Fund is managed. Where relevant the Company shall put in place written plans, in accordance with Article 28(2) of the Benchmark Regulation, detailing the actions it will take in the event that any index it uses for any Fund in accordance with Article 3 (1)(7)(e) of the Benchmark Regulation materially changes or ceases to be provided. These written plans shall detail the steps the Company will take to nominate a suitable alternative index.

### **3.15 Foreign Exchange Arrangements**

Where provided for in the Supplement, a Fund may enter into forward foreign exchange contracts in the context of its investment activity and/or for efficient portfolio management purposes and this may give rise to variation margin requirements under EMIR. However, it should be noted that the EMIR variation margin rules will not apply to foreign exchange contracts characterised as spot trades in accordance with Commission Delegated Regulation (EU) 2017/565. This includes foreign exchange contracts with up to T+5 settlement terms where the main purpose of the contract is in connection with the sale or purchase of

investments by the Fund and this corresponds with the standard settlement period for such investments.

### 3.16 SFDR-related Disclosures

#### (a) Sustainability Risk

##### *Integration of Sustainability Risk*

In compliance with its obligations under the SFDR, the Manager has established an iterative and systematic process for the integration of Sustainability Risk within its organisational, risk management and operational structures which provides for the identification, monitoring and ongoing management of Sustainability Risks which may impact the Funds. As the Manager has appointed the Investment Managers as the entities responsible for all investment decisions relating to the Funds, in practice, the Manager will rely upon the investment decision-making processes of the Investment Managers to ensure that Sustainability Risks posed to the Funds are integrated effectively. The policy of the Manager is to rely upon the processes which are adopted by the Investment Managers in relation to the integration of Sustainability Risk in respect of the Funds, as summarised below.

The Investment Managers integrate Sustainability Risks into their investment decisions, meaning the Investment Managers assess the Sustainability Risks associated with asset selection by following processes pursuant to which they first endeavour to identify such risks (if any) and, where relevant, monitor and manage any such risks identified in a manner considered appropriate to the particular investment strategy of the Fund and consistent with the best interests of Shareholders. While the integration of Sustainability Risks forms part of the overall investment decision-making process, the manner in which this integration will be achieved will vary between Funds, depending on the degree to which Sustainability Risks are considered relevant to the particular strategy or asset class.

##### *Sustainability Risk Identification*

The risk integration process involves considering the ESG characteristics of an asset to support the identification of Sustainability Risk as part of the investment due diligence and ongoing risk management processes. Assets can be classified for example, but not solely by: (i) asset class e.g. to capture specific ESG-factor sensitivities of different economic activities; (ii) by sector, e.g. to enhance understanding of Funds' exposures vulnerable to transition risks, for instance, in the form of regulatory changes or technological progress affecting those specific sectors; (iii) by issuer/counterparty e.g. to identify entity-specific exposure to ESG factors; (iv) by geography e.g. to identify the asset proportions potentially vulnerable to the impact of physical risks such as higher sea-levels, droughts or other climate-related regional issues; and (v) by maturity or position in the life cycle of the asset. This classification system allows for the enhancement of the list of relevant ESG factors through the use of specific indicators that support the evaluation of ESG risks by the Investment Managers.

Sustainability Risk to assets can be measured by applying one or more risk indicators to help capture ESG risks including the application of market taxonomies, standards and labels along with other information and forward-looking/long-term investment benchmarks.

##### *Sustainability Risk Monitoring & Management*

Once assets have been classified according to their ESG characteristics, a risk-based, exposure assessment is applied in respect of the potential impact of ESG risks, taking due account of the materiality of the ESG risk as driven by the ESG characteristics of its exposure. In order to support an adequate assessment of ESG risks, formal feedback loops operate between the classification and assessment processes to detect any potential errors or inconsistencies in the classification cycle and/or room for improvement (e.g. more granularity) in terms of the data collection and documentation processes as well as on the methodology applied.

The ESG risk assessment methodology may use ESG ratings provided by specialised rating agencies (e.g. Sustainalytics or MSCI), ESG evaluations provided by credit rating agencies, internal evaluation models or publicly available ESG scoring models to evaluate the

performance of an investment in terms of ESG. This then may be used to complement the initial and ongoing due diligence to ensure investments are in compliance with the objectives, investment strategy and risk limits of the Funds in accordance with the Investment Managers' risk management framework.

The identification of Sustainability Risks may lead to risk mitigation actions including the implementation of exclusionary policies, proactive divestment and stewardship/investor activism. The risk integration process, however, faces a range of challenges including those set out below. As a result, the assessment of Sustainability Risk may prove inconclusive. The Investment Managers' discretion to make investment decisions is, as such, not constrained by potential Sustainability Risks associated with the relevant investments. Additionally, the Investment Managers' evaluation of relevant data may be subjective and could change over time in light of emerging Sustainability Risks or changing market conditions. Moreover, the approach taken to the integration of Sustainability Risks into investment decision-making processes may evolve over time in line with the continually evolving nature of Sustainability Risks and the availability of relevant data.

#### *Sustainability Risk Integration Challenges*

The Sustainability Risk integration process faces a range of challenges including:

- uncertainty: transition risks are inherently challenging to assess as the timing and effect of policies and interventions are driven by regulators and national and EU policymakers, as are physical risks e.g. the financial impact of emissions reduction is an ever evolving question;
- lack of data: the lack of reliable, comparable, available data is a key challenge to assessing ESG risks;
- historical data: while historical data is used to assess ESG risks, its ability to estimate future risks is more limited; and
- time-horizons: ESG risks are generally considered long-term risks likely to materialise beyond the standard time horizons used in tools to assess financial risks impacting the Funds.

#### *Sustainability Risk Effect*

Sustainability Risk is an evolving, multi-faceted and multi-point risk category that can drive a multitude of prudential risks relevant to a diverse range of asset classes but perhaps most significantly in the case of corporate and sovereign debt, equities and real estate. Given the systemic and pervasive effects of climate change and other ESG factors, Sustainability Risk is likely to have an impact on the returns of the Funds.

#### *ESG Factors & Sustainability Risks*

Environmental risks are driven by the negative impact of environmental factors on investments. Environmental risks are the financial risks arising from a Fund's exposure to assets that may potentially contribute to or be affected by climate change and other forms of environmental degradation such as air pollution, water pollution, scarcity of fresh water, land contamination, biodiversity loss and deforestation.

Social factors are related to the rights, well-being and interests of people and communities, which may have an impact on the activities of investee entities and Fund counterparties. Social factors may give rise to financial risks. For example, various policy actions have been taken in response to social movements demanding equal pay, equal representation and workplace diversity. Such social changes can constitute a risk for entities unable or unwilling to adapt, for example due to a poor corporate culture. Such companies may be the target of complaints, lawsuits and/or market pressure and/or may suffer reputational damage. In addition, significant levels of research have identified a strong positive correlation between female representation within the leadership of organisations and their financial performance. As a result, in turn, an over-representation of one gender within the decision-making body may put a company at a relatively higher risk.

Governance factors cover governance practices of investee entities and Fund counterparties, including the extent to which ESG factors are reflected in such entities' or issuers' policies and

procedures. Governance factors can lead to governance risks, that can also impact Shareholder interests in several ways including a poor code of conduct or failure to take action on anti-money laundering which can hamper both its financial and non-financial resources, thus affecting its potential to perform and generate returns.

#### *Sustainability Risks & Financial Risks – the transmission channels*

As a fundamental first step, the risk integration process, whilst acknowledging that different sectors have different risk exposures, provides for the identification of material ESG factors which may give rise to Sustainability Risks. The relevant ESG factors are those identified under the SFDR and related European legislation and include: climate-related and other environmental factors such as greenhouse gas (GHG) emissions and energy use and efficiency; social factors such as diversity and issues related to the management of human capital; and governance factors such as anti-corruption and anti-bribery.

In accordance with recognised best practice, the risk integration process provides for the assessment of the negative impact of identified ESG factors or Sustainability Risk, not as a principal risk but instead, as a cross-cutting risk type that manifests through established standalone risk types of market, counterparty, operational, liquidity, etc. Therefore, as ESG factors are relevant for all risk types, the risk integration process incorporates an assessment of the interconnections between ESG risks and financial risks as an important step in developing a clear map of ESG factors to risk. Such interconnections are assessed by establishing how a Fund's exposures to ESG factors may be transmitted to financial risks (i.e. the relevant transmission channels). The main transmission channels through which ESG factors can impact on investments are: (i) the physical risk channel, through which physical events such as extreme weather events and gradually deteriorating conditions in climate give rise to financial risks; (ii) the transition risk channel through which exposure to entities negatively affected by the transition to a sustainable economy give rise to financial risks; and (iii) the liability risk channel, where financial risks stem from exposure to entities potentially held accountable for the negative impact of their activities on ESG factors. ESG risks may manifest, through transition, physical and liability channels, as one or more material financial risks including counterparty or credit, liquidity, market and/or operational risk.

#### *Fund-specific disclosures*

In respect of the **IQ EQ ESG Multi-Asset Fund**, in selecting sovereign debt investments, the Investment Manager assesses the ESG profile of the relevant country, using country level ESG-related data which is sourced from providers such as the United Nations, the International Monetary Fund and the World Bank. Utilising data of this nature, the Investment Manager has developed a proprietary model which allows it to rank circa 200 countries in terms of their overall ESG risk-profile, as well as across several other key metrics. This model also allows the Investment Manager to track whether key ESG risks associated with any of the relevant countries are improving or disimproving over time. A more in-depth analysis of the issuer country's ESG risk profile is carried out during the credit analysis phase of the Investment Manager's research process.

In selecting corporate debt investments for the Fund, the Investment Manager assesses the ESG profile of the relevant issuers using independent issuer-specific research, data inputs from CDP, company reports, Bloomberg and sell-side research. The Investment Manager varies the emphasis of its assessment of different ESG factors depending on the sector in which the issuer operates, placing due weight on the types of ESG risks specific to the investment. As part of its research process, the Investment Manager also considers the ESG risks inherent in the countries and regions in which the issuers of corporate debt investments operate (which may constitute a material consideration in the context of certain issuers), using the proprietary model described in the paragraph above.

By taking account of ESG factors when assessing sovereign debt investments, the Investment Manager's understanding of the long-term debt sustainability of a country may be enhanced in a manner not afforded by traditional metrics applied to the assessment of such investments. With respect to corporate debt investments, the Investment Manager's assessment of ESG factors impacting those investments can highlight ESG-related risks or opportunities which are not typically identified by traditional fundamental research.

In selecting equity investments for the Fund, the Investment Manager assesses a company's ESG profile by considering ESG data and ratings provided to it by an outsourced provider. The type of ESG data that is provided to the Investment Manager in this manner includes, but is not limited to, information in relation to a company's (i) environmental policies including its carbon emissions, its climate change policy, raw material sourcing and water policy (ii) its social policies including product safety, privacy and data security and labour management practices focused on company health and safety protocols, employee development and training, and human rights policy, and (iii) its corporate governance, including board diversity, executive compensation, anticompetitive practices and ownership and control. The ESG ratings that are provided to the Investment Manager are on a text-based scale ranging from AAA to CCC, whereby a company receiving an AAA rating has the highest rating and a company receiving a CCC rating has the lowest rating. The ESG ratings aim to measure a company's resilience to long-term, financially relevant ESG risks and companies are rated according to their exposure to ESG risks and how well they manage those risks relative to peers.

The Investment Manager then analyses and seeks to verify the ESG data and ratings that they have received in respect of such companies (the "ESG Information") by using data that they have compiled through their own proprietary in-house research function (the "In-House Research Function"). By way of example, the In-House Research Function will (i) specifically engage with such companies to seek clarification on, and/or further information in relation to, the ESG Information, and (ii) analyse the extent to which such companies publicly report upon their approach to the incorporation of ESG in the management of their business e.g. via their websites or annual reports etc.

In respect of the **IQ EQ Global Bond Fund**, in selecting sovereign debt investments for the Fund, the Investment Manager assesses the ESG profile of the relevant country, using country level ESG-related data which is sourced from providers such as the United Nations, the International Monetary Fund and the World Bank. Utilising data of this nature, the Investment Manager has developed a proprietary model which allows it to rank circa 200 countries in terms of their overall ESG risk profile, as well as across several other key metrics. This model also allows the Investment Manager to track whether key ESG risks associated with any of the relevant countries are improving or disimproving over time. A more in-depth analysis of the issuer country's ESG risk profile is carried out during the credit analysis phase of the Investment Manager's research process.

In selecting corporate debt investments for the Fund, the Investment Manager assesses the ESG profile of the relevant issuers using independent issuer-specific research, data inputs from CDP, company reports, Bloomberg and sell-side research. The Investment Manager varies the emphasis of its assessment of different ESG factors depending on the sector in which the issuer operates, placing due weight on the types of ESG risks specific to the investment. As part of its research process, the Investment Manager also considers the ESG risks inherent in the countries and regions in which the issuers of corporate debt investments operate (which may constitute a material consideration in the context of certain issuers), using the proprietary model described in the paragraph above.

By taking account of ESG factors when assessing sovereign debt investments, the Investment Manager's understanding of the long-term debt sustainability of a country may be enhanced in a manner not afforded by traditional metrics applied to the assessment of such investments. With respect to corporate debt investments, the Investment Manager's assessment of ESG factors impacting those investments can highlight ESG-related risks or opportunities which are not typically identified by traditional fundamental research.

In respect of the **IQ EQ Strategic: Global Quality Equity Fund**, following the consideration of quality factors, consideration will be given to the ESG profile of a potential investment. In selecting investments for the Fund, the Investment Manager assesses a company's ESG profile by considering ESG data and ratings provided to it by an outsourced provider. The type of ESG data that is provided to the Investment Manager in this manner includes, but is not limited to, information in relation to a company's (i) environmental policies including its carbon emissions, its climate change policy, raw material sourcing and water policy (ii) its social policies including product safety, privacy and data security and labour management

practices focused on company health and safety protocols, employee development and training, and human rights policy, and (iii) its corporate governance, including board diversity, executive compensation, anticompetitive practices and ownership and control. The ESG ratings that are provided to the Investment Manager are on a text based scale ranging from AAA to CCC, whereby a company receiving an AAA rating has the highest rating and a company receiving a CCC rating has the lowest rating. The ESG ratings aim to measure a company's resilience to long-term, financially relevant ESG risks and companies are rated according to their exposure to ESG risks and how well they manage those risks relative to peers.

The Investment Manager then analyses and seeks to verify the ESG data and ratings that they have received in respect of such companies (the "**ESG Information**") by using data that they have compiled through their own proprietary in-house research function (the "In-House Research Function"). By way of example, the In-House Research Function will (i) specifically engage with such companies to seek clarification on, and/or further information in relation to, the ESG Information, and (ii) analyse the extent to which such companies publicly report upon their approach to the incorporation of ESG in the management of their business e.g. via their websites or annual reports etc.

Once the ESG Information has been considered and validated through the In-House Research Function, the Investment Manager can determine the overall ESG profile of the investment and the measure of a company's "quality" will be adjusted, up or down depending on the overall ESG profile of a given company. Companies with a high ESG profile will receive a positive boost to their overall quality, reflecting the fact that these companies are focused on managing their long term business risks. Conversely, companies with a low ESG profile will have their quality reduced reflecting increased risks. The Investment Manager will then use this adjusted quality score to select stocks and adjust weights within the portfolio.

In respect of **IQ EQ Discovery Equity Fund, IQ EQ Global Focus Fund, IQ EQ Global Equity Income Fund and IQ EQ Defensive Equity Income Fund**, in selecting investments for the Fund, the Investment Manager assesses a company's ESG profile by considering ESG data and ratings provided to it by outsourced providers. The type of ESG data that is provided to the Investment Manager in this manner includes, but is not limited to, information in relation to a company's (i) environmental policies including its carbon emissions, its climate change policy, raw material sourcing and water policy (ii) its social policies including product safety, privacy and data security and labour management practices focused on company health and safety protocols, employee development and training, and human rights policy, and (iii) its corporate governance, including board diversity, executive compensation, anticompetitive practices and ownership and control. The ESG ratings that are provided to the Investment Manager are on a text-based scale ranging from AAA to CCC, whereby a company receiving an AAA rating has the highest rating and a company receiving a CCC rating has the lowest rating. The ESG ratings aim to measure a company's resilience to long-term, financially relevant ESG risks and companies are rated according to their exposure to ESG risks and how well they manage those risks relative to peers.

The Investment Manager then analyses and seeks to verify the ESG data and ratings that they have received in respect of such companies (the "**ESG Information**") by using data that they have compiled through their own proprietary in-house research function (the "In-House Research Function"). By way of example, the In-House Research Function will (i) specifically engage with such companies to seek clarification on, and/or further information in relation to, the ESG Information, and (ii) analyse the extent to which such companies publicly report upon their approach to the incorporation of ESG in the management of their business e.g. via their websites or annual reports etc.

**(b) Funds Promoting Environmental and/or Social Characteristics (Article 8 Funds under the SFDR)**

For each Fund which promotes environmental and/or social characteristics in accordance with Article 8 of the SFDR as confirmed in the relevant Supplement, information in relation to the sustainability-related features of the relevant Fund's investments is set out in an Appendix to

the relevant Supplement, which Appendix details the environmental and/or social characteristics of the relevant Fund.

**(c) Adverse Impacts of Investment Decisions on Sustainability Factors**

While details of the processes in place relating to the integration of Sustainability Risks pertaining to the Funds are set out above, taking due account of the nature and scale of its activities and the wide and varied range of financial products it makes available, the Manager has elected for the time being not to consider (in the manner specifically contemplated by Article 4(1)(a) of the SFDR) the adverse impacts of investment decisions of the Funds on sustainability factors at the level of the Manager. The Manager considers this a pragmatic and economical approach to compliance with its obligations under SFDR.

However, where identified in the relevant Supplement, in the case of certain Funds the Manager may consider the principal adverse impacts of the relevant Fund's investments on sustainability factors, as further described in the relevant Supplement. Further detail on principal adverse impacts on sustainability factors will be available where relevant in the financial statements.

---

## 4 RISK FACTORS

---

### 4.1 General

There are risks associated with investment in the Company and in the Shares of each Fund.

The risks described in this Prospectus should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks from time to time.

Different risks may apply to different Funds and/or Classes. Details of specific risks attaching to a particular Fund or Class which are additional to those described in this section will be disclosed in the relevant Supplement.

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the Company or a Fund or the suitability for you of investing in the Company or a Fund, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

As the price of Shares in each Fund may fall as well as rise, the Company shall not be a suitable investment for an investor who cannot sustain a loss on his investment. A typical investor will be seeking to achieve a return on his investment in the medium to long term. As target investor profile may also be dependent on specific elements relating to a particular Fund, further details in relation to the profile of a typical investor may be set out in the Supplement for the relevant Fund.

Past performance of the Company or any Fund should not be relied upon as an indicator of future performance.

### 4.2 Investment Risks

(a) General Investment Risk

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

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

(b) Risk of Loss

In the case of all Funds, an investment in a Fund is neither insured nor guaranteed by any bank, government, government agency or instrumentality, guarantee scheme or any bank guarantee fund which may protect the holders of a bank deposit. Shares of the Company are not bank deposits or obligations of, or guaranteed or endorsed or otherwise supported by the Company, the relevant Investment Manager, the Distributor or any of their affiliates.

(c) Credit Risk

There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties leading to the loss of some or all

of the sums invested in such securities or instruments or payments due on such securities or instruments (as well as any appreciation of sums invested in such securities).

Bonds or other debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities. However, there is no guarantee of the accuracy of credit ratings. A Fund investing in bonds or other debt securities will be subject to the credit risk of the issuers of the bonds or debt securities in which it invests. In the event that any issuer of bonds or other debt securities in which the assets of a Fund are invested defaults, becomes insolvent or experiences financial or economic difficulties, this may adversely affect the value of the relevant securities (which may be zero) and any amounts paid on such securities (which may be zero), which may in turn adversely affect the Net Asset Value of the Fund. In times of financial instability, there may be increased uncertainty surrounding the creditworthiness of issuers of debt or other securities, including financial derivatives instruments and market conditions may lead to increased instances of default amongst issuers. This may in turn affect the Net Asset Value per Share. The value of a Fund may be affected if any of the financial institutions with which the cash of the Fund is invested or deposited suffers insolvency or other financial difficulties.

There is no certainty in the credit worthiness of issuers of debt securities. Unstable market conditions may mean there are increased instances of default amongst issuers.

(d) Changes in Interest Rates Risk

The value of Shares may be affected by substantial adverse movements in interest rates.

(e) Currency Risk

*Currency Exchange Rates:* Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, a Fund's Net Asset Value to fluctuate as well. To the extent that a substantial portion of a Fund's total assets is denominated in the currencies of particular countries, the Fund will be more susceptible to the risk of adverse economic and political developments within those countries.

*Currency Hedging:* A Fund may enter into currency exchange transactions and/or use derivatives (at a Fund level or, in certain circumstances as described in this Prospectus, at a Class level) to seek to protect against fluctuation as a result of changes in currency exchange rates or interest rates. Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency or interest rate, they also limit any potential gain that might be realised should the value of the hedged currency or interest rate increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value as a result of such fluctuations.

(f) Currency Hedging at Share Class Level Risk

Hedging activity at Share Class level may expose the Fund to cross-contamination risk as it may not be possible to ensure (contractually or otherwise) that a

counterparty's recourse in any such arrangements is limited to the assets of the relevant Share Class. Although the costs, gains and losses of the currency hedging transactions will accrue solely to the relevant Share Class, investors are nonetheless exposed to the risk that currency hedging transactions undertaken in one Share Class may impact negatively on another Share Class, particularly where (pursuant to EMIR) such currency hedging transactions require the Fund to post collateral (i.e. initial or variation margin). Any such collateral is posted by a Fund and at the Fund's risk (rather than by the Share Class and at the risk of the Share Class only because the Share Class does not represent a segregated portion of the Fund's assets) thus exposing investors in other Share Classes to a proportion of this risk.

(g) Derivatives Risk and Securities Financing Transactions Risk

*General:* The use of derivatives and Securities Financing Transactions may result in greater returns but may entail greater risk for your investment. Derivatives may be used as a means of gaining indirect exposure to a specific asset, rate or index and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. Use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index.

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

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, national and international political and economic events, changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of derivatives also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates; (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged; (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities; and (4) the possible absence of a liquid market for any particular instrument at any particular time.

Securities Financing Transactions create several risks for the Company and its investors, including counterparty risk if the counterparty to a Securities Financing Transaction defaults on its obligation to return assets equivalent to the ones provided to it by the relevant Fund and liquidity risk if the Fund is unable to liquidate collateral provided to it to cover a counterparty default.

*Securities Lending Risk:* 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. A securities lending transaction will involve the receipt of collateral. However there is a risk that the value of the collateral may fall and the Fund suffer loss as a result.

*Repurchase Agreements:* A Fund may enter into repurchase arrangements. Accordingly, the Fund will bear a risk of loss in the event that the other party to the transaction defaults on its obligation and the Fund is delayed or prevented from

exercising its rights to dispose of the underlying securities. The Fund will, in particular, be subject to the risk of a possible decline in the value of the underlying securities during the period in which the Fund seeks to assert its right to them, the risk of incurring expenses associated with asserting those rights and the risk of losing all or a part of the income from the agreement.

*Absence of Regulation; Counterparty Risk:* In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on recognised exchanges. OTC derivatives lack transparency as they are privately negotiated contracts and any information concerning them is usually only available to the contracting parties. While measures are being introduced under EMIR that aim to mitigate risks involved in investing in OTC derivatives and improve transparency, these types of investments continue to present challenges in clearly understanding the nature and level of risks involved. In addition, many of the protections afforded to participants on some recognised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions.

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

*Credit Risk and Counterparty Risk:* Funds will be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in derivative instruments. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

*Correlation Risk:* The prices of derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements.

*Collateral Risk:* Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions or Securities Financing Transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. Where collateral is posted to a counterparty or broker by way of title transfer, the collateral may be re-used by such counterparty or broker for their own purpose, thus, exposing the Fund to additional risk. Risks related to a counterparty's right of re-use of any collateral include that, upon the exercise of such right of re-use, such assets will no longer belong to the relevant Fund and the Fund will only have a 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 recover its assets from the counterparty. More broadly, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the Fund or its delegates will not have any visibility or control.

*Forward Trading:* Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised. Rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated. There is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Fund.

Use of forward currency contracts as a method of protecting the value of the Fund assets against a decline in a value of a currency, establishes a rate of exchange which can be achieved at some future point in time, but does not eliminate fluctuations in the underlying prices of securities. Use of forward currency contracts may also reduce any potential gain which may have otherwise occurred had the currency value increased more above the settlement price of the contract. Successful use of forward contracts depends on the relevant Investment Manager's skill in analysing predicting relevant currency values. Forward contracts alter the Fund's exposure to currency exchange varied activity and could result in losses to the Fund in the event that the currencies do not perform in the manner that the relevant Investment Manager anticipated. The Fund may also incur significant cost from converting assets from one currency to another.

*Foreign Exchange Transactions:* Where a Fund utilises derivatives which alter the currency exposure characteristics of securities held by the Fund the performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

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

There can be no guarantee that there will be a correlation between price movements in the futures and options instruments used and the securities of the Fund that are being hedged through the use of the instrument. Moreover, there are significant differences between the securities and futures markets that could result in imperfect correlation between the markets, causing the use of a particular technique not to achieve its intended objective. The degree of imperfection of correlation depends upon circumstances such as variations in speculative market demand, and differences between financial instruments being hedged and instruments underlying the standard contracts available for trading in such respects as interest rate levels, maturities and creditworthiness of issuers. A decision as to whether, when and how to hedge involves exercise of skill and judgement and even a well-conceived hedge may be unsuccessful to some degree because of market behaviour or unexpected interest trends.

Futures exchanges may limit the amount of fluctuation permitted in certain futures contract prices during a single trading day. The daily limit establishes the maximum

amount that the price of a futures contract may vary either up or down from the previous day's settlement price at the end of the current trading session. Once the daily limit has been reached in a futures contract subject to such a limit, no more trades may be made on that day at a price beyond that limit. The daily limit governs only price movements during a particular trading day and therefore does not limit potential losses because the limit may work to prevent a liquidation of unfavourable positions.

In addition, the ability to establish and close out position in options on futures contracts will be subject to the development and maintenance of a liquid market in the options. There can be no assurance that a liquid market on an exchange would exist for any particular option or for any particular time.

*Legal Risk:* The use of OTC derivatives and Securities Financing Transactions, such as forward contracts, credit derivatives, swap agreements and contracts for difference, will expose the Funds to the risk that the legal documentation of the relevant OTC contract may not accurately reflect the intention of the parties.

*OTC Markets Risk:* Where any Fund acquires securities on OTC markets, there is no guarantee that the Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

*Premium Risk:* Where a Fund acquires or values securities in the over-the-counter market there is no guarantee that the Fund will be able to realise such securities at a premium due to the nature of the OTC market.

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

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

*Contracts for Differences:* Futures and options contracts can also be referred to, as well as include, contracts for differences. These can be options and futures on any index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or option. Transactions in contracts for differences may also have a contingent liability and an investor should be aware of the implications of this as set out below.

*Contingent Liability Transactions:* Contingent liability transactions which are margined require the Fund to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If the Fund trades in futures, contracts for differences or sells options, the Fund may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Fund, the Fund may be called upon to pay substantial additional margin at short notice to maintain the position. If the Fund fails to do so within the time

required, its position may be liquidated at a loss and the Fund will be liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose you to substantially greater risks.

(h) Emerging Markets Risk

Where a Fund invests in securities in emerging markets, additional risks may be encountered. These include:

*Accounting Standards:* in emerging markets there is an absence of uniform accounting, auditing and financial reporting standards and practices.

*Business Risks:* in some emerging markets, for example Russia, crime and corruption, including extortion and fraud, pose a risk to businesses. Property and employees of underlying investments may become targets of theft, violence and/or extortion.

*Country Risk:* the value of the Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

*Currency Risk:* the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

*Disclosure:* less complete and reliable fiscal and other information may be available to investors.

*Legal:* the legal infrastructure and accounting, custodial, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Risks associated with many emerging market legal systems (for example the Russian legal system) include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, presidential decrees and governmental and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms; and (vii) the unpredictability of enforcement of foreign judgements and foreign arbitration awards. There is no guarantee that further judicial reform aimed at balancing the rights of private and governmental authorities in courts and reducing grounds for re-litigation of decided cases will be implemented and succeed in building a reliable and independent judicial system.

*Market Characteristics/ Liquidity and Settlement Risks:* in general, emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and many emerging markets are not highly regulated. When seeking to sell emerging market securities, little or no market may exist for the securities. The combination of price volatility and the less liquid nature of securities markets in emerging markets may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund. Settlement of transactions may be subject to delay and administrative uncertainties.

*Political Risk:* the risk of government intervention is particularly high in the emerging markets because of both the political climate in many of these countries and the less developed character of their markets and economies. Government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the value of securities in a Fund's portfolio.

*Tax:* The taxation system in some emerging market countries is subject to varying interpretations, frequent changes and inconsistent enforcement at the federal, regional and local levels. Tax laws and practices in some emerging market countries are at an initial stage of development and are not as clearly established as in more developed countries.

*Frontier Markets Risk:* Investing in the securities of issuers operating in frontier emerging markets carries a high degree of risk and special considerations not typically associated with investing in more traditional developed markets. In addition, the risks associated with investing in the securities of issuers operating in emerging market countries are magnified when investing in frontier emerging market countries. These types of investments could be affected by factors not usually associated with investments in more traditional developed markets, including risks associated with expropriation and/or nationalisation, political or social instability, pervasiveness of corruption and crime, armed conflict, the impact on the economy of civil war, religious or ethnic unrest and the withdrawal or non-renewal of any licence enabling a Fund to trade in securities of a particular country, confiscatory taxation, restrictions on transfers of assets, lack of uniform accounting, auditing and financial reporting standards, less publicly available financial and other information, diplomatic development which could affect investment in those countries and potential difficulties in enforcing contractual obligations. These risks and special considerations make investments in securities in frontier emerging market countries highly speculative in nature and, accordingly, an investment in a Fund's shares must be viewed as highly speculative in nature and may not be suitable for an investor who is not able to afford the loss of their entire investment. To the extent that a Fund invests a significant percentage of its assets in a single frontier emerging market country, a Fund will be subject to heightened risk associated with investing in frontier emerging market countries and additional risks associated with that particular country.

(i) Equity Risks

A Fund may invest directly or indirectly in equity securities. The price of equity securities fluctuates based on changes in a company's financial condition and overall market and economic conditions. Prices of equities fluctuate daily dependent on market conditions. Markets can be influenced by a series of factors such as political and economic news, corporate earnings reports, demographic trends, catastrophic events and wider market expectations. The value of equities can fall as well as rise. Potentially a Fund investing in equities could incur significant losses.

Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. As a result, the market value of the equity securities that it invests in may go down and the relevant Fund may suffer losses. Factors affecting the equity securities are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, and the business and social conditions in local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the relevant Fund to losses.

(j) EPM Risk

The Company on behalf of a Fund may employ techniques and instruments relating to Transferable Securities, Money Market Instruments and/or other financial instruments in which it invests for efficient portfolio management purposes. Many of the risks attendant in utilising derivatives, as disclosed in the section entitled "Derivatives Risk" above, will be equally relevant when employing such efficient portfolio management techniques. In addition to the sub-section entitled "*General*", particular attention is drawn to the sub-sections entitled "*Credit Risk and Counterparty*

*Risk*" and *"Collateral Risk"*. Investors should also be aware that from time to time, a Fund may engage with repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Depositary or other service providers of the Company. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the Company. Please refer to section 5.10 "Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the Company's semi-annual and annual reports.

(k) Exchange Control and Repatriation Risk

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

(l) Investing in Fixed Income Securities Risk

The prices of fixed income securities fluctuate in response to perceptions of the issuer's creditworthiness and also tend to vary inversely with market interest rates. The value of such securities is likely to decline in times of rising interest rates. Conversely, when rates fall, the value of these investments is likely to rise. Typically, the longer the time to maturity the greater are such variations. A Fund investing in fixed income securities will be subject to credit risk (i.e. the risk that an issuer of securities will be unable or unwilling to pay principal and interest when due, or that the value of a security will suffer because investors believe the issuer is less able or willing to pay). This is broadly gauged by the credit ratings of the securities in which a Fund invests. However, ratings are only the opinions of the agencies issuing them and are not absolute guarantees as to quality.

Not all government securities are backed by the full faith and credit of the relevant national government. Some are backed only by the credit of the issuing agency or instrumentality. Accordingly, there is at least a chance of default on these government securities in which the Funds may invest, which may subject a Fund to additional credit risk.

To the extent a Fund invests in medium or low-rated securities and unrated securities of comparable quality, the Fund may realise a higher current yield than the yield offered by higher-rated securities, but investment in such securities involves greater volatility of price and risk of loss of income and principal, including the probability of default by or bankruptcy of the issuers of such securities. Low-rated and comparable unrated securities (collectively referred to as "low-rated" securities) likely have quality and protective characteristics that, in the judgment of a rating organisation, are outweighed by large uncertainties or major risk exposures to adverse conditions, and are predominantly speculative with respect to an issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation.

When economic conditions appear to be deteriorating, these medium or low-rated securities may decline in value due to heightened concern over credit quality, regardless of the prevailing interest rates. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities are not generally meant for short-term investing.

Adverse economic developments can disrupt the market for low-rated securities, and severely affect the ability of issuers, especially highly leveraged issuers, to service their debt obligations or to repay their obligations upon maturity, which may lead to a

higher incidence of default on such securities. Low-rated securities are especially affected by adverse changes in the industries in which the issuers are engaged and by changes in the financial condition of the issuers.

Debt securities rated below BBB- (or its equivalent) and comparable unrated securities are considered below Investment Grade and are commonly known as "junk bonds". They are considered to be of poor standing and mainly speculative, and those in the lowest rating category may be in default and are generally regarded by the rating agency as having extremely poor prospects of attaining any real investment standing. The lower ratings of these debt securities reflect a greater possibility that the issuer may be unable or unwilling to make timely payments of interest and principal and thus default. If this happens, or is perceived as likely to happen, the values of those debt securities will usually be more volatile. A default or expected default could also make it difficult for the Fund to sell the debt securities at prices approximating the values the Fund had previously placed on them. Because junk bonds are traded mainly by institutions, they usually have a limited market, which may at times make it difficult for the Fund to establish their fair value.

Investments in sovereign debt securities involve certain risks. The governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due in accordance with the terms of such securities due to a range of factors that may include: the extent of its foreign reserves; the availability of sufficient foreign exchange on the date a payment is due; the relative size of the debt service burden to the economy as a whole; or the government debtor's policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. If an issuer of sovereign debt defaults on payments of principal and/or interest, a Fund may have limited legal recourse against the issuer and/or guarantor. In certain cases, remedies must be pursued in the courts of the defaulting party itself, and the Fund's ability to obtain recourse may be limited. Historically, certain issuers of the government debt securities in which a Fund may invest have experienced substantial difficulties in meeting their external or local market debt obligations, resulting in defaults on certain obligations and the restructuring of certain indebtedness. Such restructuring arrangements have included obtaining additional credit to finance outstanding obligations and the reduction and rescheduling of payments of interest and principal through the negotiation of new or amended credit agreements.

(m) Leverage Risk

A Fund may engage in leverage for investment purposes or as part of a hedging strategy, as will be outlined in the relevant Supplement, if applicable. The use of leverage creates special risks and may significantly increase the Fund's investment risk. Leverage will create an opportunity for greater yield and total return but, at the same time, will increase the Fund's exposure to capital risk and interest costs. Any investment income and gains earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the Net Asset Value of the Shares to increase more rapidly than would otherwise be the case. Conversely, where the associated interest costs are greater than such income and gains, the Net Asset Value of the Shares may decrease more rapidly than would otherwise be the case.

(n) Liquidity Risk

Not all securities or instruments invested in by the Funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

Some of the markets in which a Fund invests may be less liquid and more volatile than the world's leading stock markets and this may result in the fluctuation in the price of the securities. As a result, the Fund may suffer losses and the Net Asset Value of the Fund may be adversely affected.

Due to market conditions the Funds may from time to time trade in transferable securities dealt on a permitted market that may become illiquid after they have been acquired or it may be difficult for a Fund to liquidate at an amount close to their fair value to meet its liquidity requirements or to respond to specific events such as a temporary disruption of a particular market. Certain securities may therefore be difficult or impossible to sell at the time that the seller would like or at the price that the seller believes the security is currently worth.

(o) Authorised Money Market Funds Risk

Investors should note that subscription for Shares in an Authorised Money Market Fund is not the same as making a deposit with a bank or other deposit taking body. The value of the Shares in the relevant Authorised Money Market Fund is not insured or guaranteed, and the Fund does not rely on external support for guaranteeing the liquidity of the Fund or stabilising the Net Asset Value per Share. Investment in an Authorised Money Market Fund involves certain investment risks, including the possible fluctuation and/or loss of principal.

(p) Non-Authorised Money Market Funds Risk

Funds that fall outside the scope of the Money Market Fund Regulation may invest in assets that are not as restricted as that of an Authorised Money Market Fund and it may therefore not be suitable for investors seeking the liquidity and return profile of an Authorised Money Market Fund. While such Funds may seek to invest in liquid securities with the aim of achieving stability of capital and income, the amount invested in Shares may fluctuate up or down and an investment in such Funds involves certain investment risks (some of which may not be associated with Authorised Money Market Funds), including the possible loss of principal.

(q) Market Capitalisation Risk

Certain Funds may invest in the securities of small-to-medium-sized (by market capitalisation) companies, or FDI related to such securities. Such securities may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports. Additional risk factors associated with companies whose market capitalisation is small or mid-cap may include but are not limited to the following: limited or unproven operating history; weak or leveraged balance sheets, limited borrowing capacity; low or negative profit margins; high concentration of sales from limited number of customers; competition from more established companies; and key-man management risk.

(r) No Secondary Market Risk

It is not anticipated that there will be an active secondary market for the Shares, and it is not expected that such a market will develop. Subject to certain conditions outlined herein, including when repurchases or the registration of transfers of Shares are suspended, Shareholders will, however, be able to realise their investment in a Fund by redeeming their Shares or by a transfer to an investor who an eligible transferee.

(s) Financial Markets Risk

In light of market turmoil and any overall weakening of the financial services industry, the Company, the relevant Investment Manager and other financial institutions' financial condition may be adversely affected and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the Company's business and operations.

(t) Markets Crises Risk

A crisis of confidence in the markets may cause bond yield spreads (the cost of borrowing in the debt capital markets) and credit default spreads (the cost of purchasing credit protection) to increase. As a result, certain countries may need to accept "bailouts" from banks and lines of credit from supra-governmental agencies such as the International Monetary Fund (the "IMF") and the European Financial Service Facility (the "EFSF"). The European Central Bank (the "ECB") may also intervene to purchase Eurozone debt in an attempt to stabilise markets and reduce borrowing costs.

It is also possible that countries may leave the Eurozone and return to a national currency, and as a result may leave the EU and/or that the Euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status. The effect of such potential events on the Funds which are denominated in Euro or which invest in instruments predominantly tied to Europe is impossible to predict.

(u) Reinvestment of Cash Collateral Risk

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

(v) Repurchase Risk

Large repurchases of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets which may be materially adverse to the Fund.

(w) Sovereign Debt Risk

Investments in sovereign debt securities involve certain risks. The governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due in accordance with the terms of such securities due to a range of factors that may include: the extent of its foreign reserves; the availability of sufficient foreign exchange on the date a payment is due; the relative size of the debt service burden to the economy as a whole; or the government debtor's policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. If an issuer of sovereign debt defaults on payments of principal and/or interest, a Fund may have limited legal recourse against the issuer and/or guarantor. In certain cases, remedies must be pursued in the courts of the defaulting party itself, and the Fund's ability to obtain recourse may be limited. Historically, certain issuers of the government debt securities in which a Fund may invest have experienced substantial difficulties in meeting their external or local market debt obligations, resulting in defaults on certain obligations and the restructuring of certain indebtedness. Such restructuring arrangements have included obtaining additional credit to finance outstanding obligations and the reduction and

rescheduling of payments of interest and principal through the negotiation of new or amended credit agreements.

(x) OTC Counterparty Rating Downgrade Risk

The Company will enter into OTC transactions only with those counterparties that it believes to be sufficiently creditworthy. If an OTC counterparty (which is not a Relevant Institution) engaged by the Company, in respect of a Fund, is subject to a credit rating downgrade, this could potentially have significant implications for the relevant Fund both from a commercial perspective and a regulatory perspective. Pursuant to the Central Bank Rules, a rating downgrade for such OTC counterparty to A-2 or below (or a comparable rating) shall require the relevant Fund without delay to conduct a new credit assessment of the OTC counterparty.

Regardless of the measures the Company, in respect of a Fund, may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the relevant Fund will not sustain losses on the transactions as a result.

(y) Investment in CIS Risk

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

CIS may have different settlement cycles than that of the Funds. Thus, there may be mismatch between the two settlement cycles causing the Funds to use borrowing on a temporary basis to meet such obligations. This may result in charges being incurred by the relevant Fund. Any such borrowing will comply with the Regulations. Further, each CIS may not be valued at the same time or on the same day as the relevant Fund and accordingly the net asset value of such CIS used in the calculation of the Net Asset Value of the relevant Fund will be the latest available net asset value of such CIS (further details on the calculation of the Net Asset Value are set out under the heading "Valuation of Assets").

At various times, the markets for securities purchased or sold by the underlying funds may be "thin" or illiquid, making purchases or sales at desired prices or in desired quantities difficult or impossible. This may indirectly impact upon the Net Asset Value of the relevant Fund.

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

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

(z) Depositary Risk

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

If a Fund invests in assets that are not financial instruments that can be held in custody ("Non-Custody Assets"), the Depositary is only required to verify the Fund's ownership of such assets and to maintain a record of those assets which the Depositary is satisfied that the Fund holds ownership of. In the event of any loss of such assets, the Depositary will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary Agreement.

As it is likely that the Funds may each invest in both Custody Assets and Non-Custody Assets, it should be noted that the safekeeping functions of the Depositary in relation to the respective categories of assets and the corresponding standard of liability of the Depositary applicable to such functions differs significantly.

The Funds enjoy a strong level of protection in terms of Depositary liability for the safekeeping of Custody Assets. However, the level of protection for Non-Custody Assets is significantly lower. Accordingly, the greater the proportion of a Fund invested in categories of Non-Custody Assets, the greater the risk that any loss of such assets that may occur may not be recoverable. While it will be determined on a case-by-case whether a specific investment by the Fund is a Custody Asset or a Non-Custody Asset, generally it should be noted that derivatives traded by a Fund over-the-counter and investment in CIS, other than those treated as Financial Instruments, will be Non-Custody Assets. There may also be other asset types that a Fund invests in from time to time that would be treated similarly. Given the framework of Depositary liability under UCITS V, these Non-Custody Assets, from a safekeeping perspective, expose the Fund to a greater degree of risk than Custody Assets, such as publicly traded equities and bonds.

(aa) Pandemic Risk

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

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

#### 4.3 Accounting, Legal, Operational, Valuation and Tax Risks

(a) Accounting, Auditing and Financial Reporting Standards

The accounting, auditing and financial reporting standards of many of the countries in which a Fund may invest may be less extensive than those applicable in the European Union.

(b) Operational Risks (including Cyber Security and Identity Theft)

An investment in a Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorised persons and errors caused by service providers such as the Manager, the relevant Investment Manager or the Administrator. While the Funds seek to minimise such events through controls and oversight, there may still be failures that could cause losses to a Fund.

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

(c) Custody Risks

Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risk. In particular, some of the markets in which a Fund may invest do not provide for settlement on a delivery versus payment basis and the risk in relation to such settlements has to be borne by the Fund.

(d) Dependence on Key Personnel

The investment performance of the Funds will be dependent on the services of certain key employees of the relevant Investment Manager and its appointees. While contingency measures may be put in place, in the event of the death, incapacity or departure of any of these individuals, the performance of the Funds may be adversely affected.

(e) Financial Markets and Regulatory Change

The laws and regulations affecting businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the Company's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Company. The Company and the relevant Investment Manager may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant events in international financial

markets, governmental intervention and certain regulatory measures may be adopted in certain jurisdictions. For example, as a result of the global financial crisis arising from 2008, certain measures were introduced including (1) The European Union (Short Selling) Regulations 2012 (SI No. 340/2012) implementing the Regulation (EU) No. 236/2012 of the European Parliament and of the Council of 14 March 2012, on short selling and certain aspects of credit default swaps (the "SSR") and (2) the US piece of legislation, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act."). The SSR aims to address certain systemic risk concerns with naked or uncovered short selling by providing for, amongst other things, enhanced transparency relating to significant net short positions in specific financial instruments. Please refer to the section entitled "Short Selling Risk" in this Prospectus for further information. The Dodd-Frank Act contains a range of measures designed to address systemic risk in the financial services sector and increased US regulation of investment funds and managers of investment funds. Similar other significant changes in global financial regulation may present the Company with significant challenges and could result in losses to the Company.

(f) Investment Manager Valuation Risk

The Administrator may consult the relevant Investment Manager with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the relevant Investment Manager in determining the valuation price of each Fund's investments and the relevant Investment Manager's other duties and responsibilities in relation to the Funds (particularly as the relevant Investment Manager's fees may increase as the value of assets increases), the relevant Investment Manager has in place pricing procedures which follows industry standard procedures for valuing unlisted investments.

(g) Paying Agent Risk

Shareholders who choose or are obliged under local regulations to pay or receive subscription or repurchase monies or dividends via an intermediate entity rather than directly to the Company or the relevant Fund (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Company or the relevant Fund and (b) repurchase monies payable by such intermediate entity to the relevant Shareholder.

(h) Collections Account

The Company operates a Collection Account for all of the Funds. Monies in the Collection Account are deemed assets of the respective Funds and shall not have the protection of the Investor Money Regulations. There is a risk for investors to the extent that monies are held by the Company in the Collection Account for the account of a Fund at a point where such Fund (or another Fund of the Company) becomes insolvent. In respect of any claim by an investor in relation to monies held in the Collection Account, the investor shall rank as an unsecured creditor of the Company.

(i) Segregated Liability

The Company is an umbrella company with segregated liability between Funds. As a result, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability of that Fund. In addition, any contract entered into by the Company will by operation of law include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any of the Funds other than the Fund in respect of which the contract was entered into. These provisions are binding both on creditors and in any insolvency but do not prevent the application of any enactment or rule of law which would require the application of the assets of one Fund to discharge some, or all liabilities of another Fund on the

grounds of fraud or misrepresentation. In addition, whilst these provisions are binding in an Irish court which would be the primary venue for an action to enforce a debt against the Company, these provisions have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of one Fund in satisfaction of an obligation owed in relation to another Fund in a jurisdiction which would not recognise the principle of segregation of liability between Funds.

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

(j) Valuation Risk

A Fund may invest some of its assets in unquoted securities or instruments. Such investments or instruments will be valued at their probable realisation value estimated with care and good faith by the Directors or a competent person, firm or corporation (including the relevant Investment Manager) selected by the Manager and approved for the purpose by the Depositary. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or "close-out" prices of such securities.

(k) Tax Risks

Where a Fund invests in assets that are not subject to withholding tax at the time of acquisition, there can be no assurance that tax may not be withheld in the future as a result of any change in applicable laws, treaties, rules or regulations or the interpretation thereof. The Fund may not be able to recover such withheld tax and so any change may have an adverse effect on the Net Asset Value of the Shares.

The attention of potential investors is drawn to the taxation risks associated with investing in the Company. Please refer to the section of this Prospectus entitled "Taxation".

(l) FATCA

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

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

All prospective investors / shareholders should consult with their own tax advisors regarding the possible FATCA implications of an investment in the Company.

(m) CRS

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

The CRS, which has applied in Ireland since 1 January 2016, is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

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

All prospective investors / shareholders should consult with their own tax advisors regarding the possible CRS implications of an investment in the Company.

(n) Short Selling Risk

Although the Regulations prohibit the short selling of physical securities, UCITS are permitted to create synthetic short positions through the use of FDIs. A short sale means any sale of a security which the seller does not own at the time of entering into the agreement to sell including such a sale where at the time of entering into the agreement to sell the seller has borrowed or agreed to borrow the security for delivery at settlement. The seller sells the borrowed or agreed to be borrowed securities in anticipation of a decline in price of the relevant security. The benefit to the seller where the value of the security declines is the difference between the price at which the security is sold and the cost of repurchasing the borrowed security in order to return it to the person from whom it was borrowed. A synthetic short position allows a fund to achieve a similar economic outcome without short selling the physical securities.

Synthetic short selling may be achieved through the use of a variety of FDIs including contracts for differences, futures and options. Please refer to the section 'Derivative Risk' for further details in relation to the risks attached to trading each of these FDIs.

*Short Selling Regulations*

Pursuant to the European Union Short Selling Regulations 2012 (SI No. 340/2012) implementing the Regulation (EU) No. 236/2012 of the European Parliament and of the Council of 14 March 2012, on short selling of certain aspects of credit default swaps (the "SSR"), information on net short positions, in shares admitted to trading on a trading venue in the EU (except where the principal trading venue of that instrument is outside the EU) or sovereign debt issued by a Member State or the EU, is required to be notified to the relevant competent authority as prescribed in the SSR and the delegated regulations adopted by the European Commission to supplement the SSR. In brief, under the SSR, a short position may be generated either by the short selling of physical shares or sovereign debt or by entering into a transaction relating to a financial instrument, other than shares or sovereign debt, where the effect is to confer a financial advantage on the person entering in to the transaction in the event of a decrease in the price or value of the relevant share or sovereign debt instrument. The term 'financial instrument' is defined by reference to Section C of Annex I to Directive 2004/39/EC ("MiFID") and includes transferable securities, money market instruments, units in collective investment schemes and a broad range

of derivatives referencing various underlying investments. Accordingly, the SSR notification requirements cover net short positions created by the use of FDIs such as options, futures, index-related instruments, contracts for differences and spread bets relating to shares or sovereign debt.

The SSR and the delegated regulations set out the deadlines by which notifications of net short positions must be made to the relevant competent authority and the thresholds at which a notification requirement is triggered. The thresholds, in the case of shares, are set by reference to the value of the short position relative to the issued share capital of the issuer and, in the case of sovereign debt, by reference to the total amount of outstanding issued sovereign debt. Depending on the value of the short position, notifications may constitute private notifications to the relevant competent authority or public disclosure where information on net short positions notified will be available to the public.

In order to comply with the SSR, where a Fund is engaging in synthetic shorting of shares or sovereign debt, the Company must be aware of the notification and disclosure obligations under the SSR. Failure to adhere to the notification and disclosure requirements under the SSR could result in losses to the Company.

Compliance with the SSR and the delegated regulations may represent a significant increase in the administrative burden on the Company in respect of Funds impacted by the SSR with inevitable adverse cost implications.

#### **4.4 Risk Factors Not Exhaustive**

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

---

## 5 MANAGEMENT OF THE COMPANY

---

### 5.1 General

The Directors control the affairs of the Company and are responsible for the formulation of investment objectives and policies of each Fund. The Directors have delegated certain of their duties to the Manager, the Administrator, the relevant Investment Manager and the Distributor and have appointed the Depositary.

### 5.2 Directors

The Directors, all of whom are non-executive directors of the Company, are:

#### **Mr. Robert Kelleher (Irish Resident)**

Robert (Robbie) Kelleher has more than forty years of experience in economics and investment markets. He worked as an economist for the ESRI, the Central Bank of Ireland, Irish Life Assurance and Davy. He was a Board member of the Davy group and he was a founding partner of economic consultants Davy Kelleher McCarthy (DKM). He served as Head of Institutional Research at Davy for more than twenty years and was Chief Investment Officer at Davy Wealth Management for more than ten years. He retired from Davy in March 2017 and has served as Board Director for a number of companies since then.

#### **Mr. John (Bob) Craddock (Irish Resident)**

John (Bob) Craddock is an Independent Non-Executive Director and Chairman of a number of Irish authorised investment funds. Bob has over 35 years' working experience in the investment business 25 in the investment management business and with 10 overseeing middle office services, fund administration which includes overseeing UK, Cayman and Irish funds. For the past 10 years Bob has operated as an independent director and chairman of investment funds.

Bob was COO and a member of the management team for Bank of Ireland Asset Management business from 1983 to 1993. Bob also worked in Stock Broking in both London and Dublin.

#### **Mr. Ian Healy (Irish Resident)**

Director Head of Real Estate

Ian joined Davy Group in 2005 and has extensive experience of real estate investment funds both in Ireland and overseas. In his time with Davy, Ian has been involved in all aspects of real estate operations from forward funding and development projects to the acquisition and sale of large retail centres and in this time he has built extensive relationships with a wide variety of service providers and industry peers. He also continues to serve as a Director for a number of regulated funds. Ian graduated from University College Cork with a Bachelor Degree in Economics and is a Certified Investment Fund Director.

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

Pursuant to the Constitution, each of the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, debts, claims, demands, suits, proceedings, judgements, decrees, charges, losses, damages, expenses, liabilities or obligations of any kind which he or his heirs, administrators or executors shall or may incur or sustain by reason of any contract entered into or any act done, concurred in, or omitted to be done by virtue of his being or having been a Director, provided that, as permitted by the Companies Act such indemnity shall not extend to any of the foregoing sustained or incurred as a result of any negligence, default, breach of duty or breach of trust by him in relation to the Company and the amount for which such indemnity is

provided shall immediately attach as a lien on the property of the Company and have priority as between the Shareholders over all other claims.

### 5.3 **Manager**

The Company has appointed IQ EQ Fund Management (Ireland) Limited as its Manager pursuant to the Management Agreement. The Manager was incorporated on 3 August 1989. The Manager is a private company limited by shares. The Manager has been authorised by the Central Bank to carry on the regulated activity of managing investment funds. The Manager holds professional indemnity insurance against liability arising from professional negligence which is appropriate to the risks covered.

The Directors are:

#### **Mr. Tom Berrigan (Irish Resident)**

Tom is the Managing Director of IQ EQ Ireland having joined Davy Group in 1999. Tom has over 30 years' experience in the financial services sector and has extensive knowledge of the investment funds sector. Tom is a Certified Investment Fund Director and a member of the Institute of Bankers. His current activities include consulting on the regulatory, structuring and management aspects of European regulated and unregulated investment funds.

#### **Ms. Brenda Buckley (Irish Resident)**

Brenda Buckley has worked with investment funds for over 30 years. Since 2011 she has worked as a professional director and acted as an independent non-executive and certified investment fund director or chairman for various investment funds, a fund administration company, an Irish management company and a MiFID investment firm. Brenda has extensive executive experience in providing administration, custody, banking and financing to alternative and traditional investment funds, with specialisation in directing fund servicing operations, credit and risk management. She worked with Fortis/ABN AMRO Prime Fund Solutions for 16 years where she was the country manager for Ireland and chief risk officer of the global group. Prior to this Brenda worked with International Fund Managers and Davy. Brenda is authorised by the Central Bank of Ireland as a PCF-2B non-executive director and PCF-3 for the office of chairman of the board. Brenda is a former vice chair and council member of the Irish Fund Directors' Association and she is also a member of the Institute of Directors in Ireland and the Institute of Banking.

#### **Mr. Edward Ward (Irish Resident)**

Edward is a highly experienced risk and governance professional with over 40 years' experience in international and domestic banking. He retired from AIB in 2019 where he held various senior executive positions since 2007, including Divisional Chief Credit Officer. Prior to joining AIB, he held senior executive positions in corporate banking and risk management with Citigroup over a period of 22 years, mainly overseas, having started his banking career with The Investment Bank of Ireland.

He holds a Bachelor of Commerce degree and a Master of Business Studies degree from University College Dublin and has completed the Chartered Secretary qualification. He is a Qualified Financial Advisor, a Fellow of the Institute of Banking and a Chartered Director of the Institute of Directors.

Edward is a Non-executive Director of Scotiabank (Ireland) DAC and The Central Remedial Clinic (CRC).

#### **Mr Paul O'Shea (Irish Resident)**

Paul O'Shea (Executive Director (PCF-1) and Chief Operations Officer (PCF-42)) (Irish Resident) has over 30 years' experience in the financial services industry having worked in capital markets, asset management and investment funds. He joined the wealth management division of Davy Group as Head of Private Client Operations in 2006 and is now Chief Operating Officer of IQ EQ Fund Management (Ireland) Limited (formerly Davy Global Fund Management). Paul was previously Head of Global Support at Bank of Ireland Asset Management Limited (now part of State Street Global Advisors), prior to which he worked in the Treasury division of Bank of Ireland Group. He has extensive expertise in asset

management and investment fund operations, particularly in the implementation of new technology platforms and the development of client support solutions. Paul is a Fellow of the Association of Chartered Certified Accountants and is a Certified Investment Fund Director. He holds a Bachelor of Commerce degree from University College Galway and a Master's degree in Business Studies (Finance) degree from University College Dublin. He was also awarded a Professional Diploma in Compliance from the Institute of Banking, a recognised college of University College Dublin.

**Ms. Marie O'Connor (Irish Resident)**

Marie is an experienced Chair and Non-Executive Director and was an audit partner for 30 years at PwC Ireland. She has extensive knowledge of the investment management industry which she developed over the many years when she lead PwC's Irish asset management and financial services practices, and also as a member of PwC's Global Investment Management Leadership Executive. Marie has worked extensively with US companies expanding into Europe and has business experience in the US, UK, Canada and throughout Europe. Marie has recently completed a five year term as Chair of the Governing Authority of University College Dublin and is an advisory board member of the 30% Club in Ireland, which she co-founded and led for its first three years. Marie has previously been a board member of various organisations including BNY Mellon Markets Europe, Dublin Airport Authority, IDA Ireland and Irish Life. She is a Barrister at Law, a Certified Accountant (FCCA), a member of the Institute of Directors and has completed the Harvard Business Executive Education programme, Women on Corporate Boards.

**Mr. Paul Giblin (Irish Resident)**

Paul Giblin has worked in the financial services industry since 1995 having started his career working in both London and Zurich in the global equity trading division of Merrill Lynch. Paul reached the position of Director in the equity derivatives division before deciding to return to Ireland in 2003, joining Davy Private Clients as Head of Alternative Investments. In 2010, he became Head of Global Investment Selection before being appointed as Chief Executive Officer of Davy Asset Management in 2014. Paul is now Managing Director of IQ EQ Fund Management (Ireland) Limited (formerly Davy Global Fund Management) where he is responsible for driving the growth of IQ-EQ's newly acquired funds business in Ireland. He is a graduate of University College Dublin where he received a Bachelor of Commerce (BComm) and a Masters degree (MBS) in Financial Services. A CFA Charter holder since 2005, Paul completed the CFA ESG Certificate in 2021. He is a Certified Investment Fund Director and a member of the CFA Institute and the Institute of Bankers.

The Central Bank Regulations refer to the responsible person, being the party responsible for compliance with the relevant requirements of the Central Bank Regulations on behalf of a particular Irish authorised UCITS. The Manager assumes this role.

Potential conflicts of interest may arise because the Manager itself or an employee of the Manager, or a person linked by control (including a delegate) to the Manager:

- (a) is likely to make a financial gain (or avoid a loss) at the expense of a Fund or a client or group of clients or an investor in such a Fund that is contrary to the interest of that investor or that Fund;
- (b) appoints a delegate who has control over the Manager and/or such delegate itself has control over an investor in a Fund;
- (c) carries out the same activities for a Fund as it does for another Fund, client or clients which are not Funds;
- (d) has an interest in the outcome of (i) a service/activity provided to a Fund or its investors or a client or (ii) a transaction carried out on behalf of a Fund or a client or an investor, which is distinct from that Fund's interest in that outcome;

- (e) is in receipt of inducements in the form of monies, goods or services from a person other than a Fund or its investors, other than the standard commission or fee for that service; or
- (f) has a financial or other incentive to favour the interest of one investor or one Fund or a client or group of clients over another.

In the event that a conflict of interest does arise, the Manager will endeavour, so far as it is reasonably able, to ensure that such conflict of interest is resolved fairly and in the best interests of Shareholders.

#### **5.4 Investment Managers and Distributor**

The Manager has appointed IQ EQ Fund Management (Ireland) Limited and J&E Davy Unlimited Company as investment managers with discretionary powers and responsibility for managing the portfolio of assets of the relevant Fund or Funds of the Company which have been allocated to them from time to time ("the Portfolio") pursuant to the Investment Management Agreements. Under the terms of the Investment Management Agreements, each Investment Manager is responsible, subject to the overall supervision and control of the Manager and/ or the Board as relevant, for managing the assets and investments of the relevant Fund or Funds in accordance with the investment objective and policies of such Fund or Funds.

The Investment Managers are limited liability companies organised under the laws of Ireland and regulated by the Central Bank as authorised investment firms in the conduct of financial services and investment management activities.

The principal business of IQ EQ Fund Management (Ireland) Limited is the provision of discretionary asset management services and the principal business of J&E Davy Unlimited Company is the provision of stock broking, wealth management services and financial service.

The relevant Investment Manager may delegate the discretionary investment management functions in respect of the assets of the Portfolio to a sub-investment manager in accordance with the requirements of the Central Bank Rules. Where a sub-investment manager is appointed but not paid directly out of the assets of the relevant Fund, disclosure of such entity will be provided to the Shareholders on request and details thereof will be disclosed in the Company's periodic reports. Where a sub-investment manager is appointed and paid directly out of the assets of a Fund, this will be set out in the supplement for the relevant Fund.

The relevant Investment Manager may also appoint non-discretionary investment advisers, in each case in accordance with the requirements of the Central Bank Rules. Where an investment adviser is paid directly out of the assets of the relevant Fund, details of such investment adviser, including details of fees shall be set out in this Prospectus.

IQ EQ Fund Management (Ireland) Limited and J&E Davy Unlimited Company shall act as distributors of Shares in each relevant Fund or Funds of the Company which have been allocated to them from time to time pursuant to the Distribution Agreement with authority to delegate some or all of the duties as distributor to sub-distributors in accordance with the requirements of the Central Bank Rules.

IQ EQ Fund Management (Ireland) Limited is the entity that primarily promotes the sub-funds managed by IQ EQ Fund Management (Ireland) Limited and J&E Davy Unlimited Company is the entity that primarily promotes the sub-funds managed by J&E Davy Unlimited Company.

#### **5.5 Administrator**

The Manager has appointed Northern Trust International Fund Administration Services (Ireland) Limited as administrator, registrar and transfer agent of the Company pursuant to the Administration Agreement with responsibility for the day to day administration of the Company's affairs. The duties and functions of the Administrator include, inter alia, the calculation of the Net Asset Value and the Net Asset Value per Share, the keeping of all relevant records in relation to the Company as may be required with respect to the obligations

assumed by it pursuant to the Administration Agreement, the preparation and maintenance of the Company's books and accounts, liaising with the Auditor in relation to the audit of the financial statements of the Company and the provision of certain Shareholder registration and transfer agency services in respect of shares in the Company.

The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and is an indirect wholly owned subsidiary of Northern Trust Corporation. The Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. The principal business activity of the Administrator is the administration of collective investment schemes. The registered office of the Administrator is Georges Court, 54-62 Townsend Street, Dublin 2, Ireland.

The Administrator's principal business is the provision of fund administration, accounting, registration, transfer agency and related shareholder services to collective investment schemes and investment funds.

As at the date of this Prospectus, the Administrator is not aware of any conflicts of interest in respect of its appointment as administrator to the Company. If a conflict of interest arises, the Administrator will ensure it is addressed in accordance with the Administration Agreement, applicable laws and in the best interests of the Shareholders.

## 5.6 **Depositary**

The Company has appointed Northern Trust Fiduciary Services (Ireland) Limited as depositary of the Company pursuant to the Depositary Agreement with responsibility for acting as depositary and trustee of the assets of each Fund. The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990. Its registered office is as specified in the directory. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. Its main activity is the provision of custodial services to collective investment schemes.

The Depositary shall carry out functions in respect of the Company including but not limited to the following:

- (a) the Depositary shall hold in custody all financial instruments capable of being registered or held in a financial instruments account opened in the Depositary's books and all financial instruments capable of being physically delivered to the Depositary;
- (b) the Depositary shall verify the Company's ownership of all any assets (other than those referred to in (a) above) and maintain and keep up-to-date a record of such assets it is satisfied are owned by the Company;
- (c) the Depositary shall ensure effective and proper monitoring of the Company's cash flows;
- (d) the Depositary shall be responsible for certain oversight obligations in respect of the Company – see "Summary of Oversight Obligations" below.

Duties and functions in relation to (c) and (d) above may not be delegated by the Depositary.

Summary of Oversight Obligations:

The Depositary is obliged to ensure, among other things, that:

- (i) the sale, issue, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the Companies Act, the conditions imposed by the Central Bank and the Constitution;

- (ii) the value of Shares is calculated in accordance with the Companies Act and the Constitution;
- (iii) in transactions involving the Company's assets, any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
- (iv) the Company and each Fund's income is applied in accordance with the Companies Act and the Constitution;
- (v) the instructions of the Company are carried out unless they conflict with the Companies Act or the Constitution; and
- (vi) it has enquired into the conduct of the Company in each Accounting Period and reports thereon to the Shareholders. The Depositary's report will be delivered to the Company in good time to enable the Directors to include a copy of the report in the annual report of each Fund. The Depositary's report will state whether in the Depositary's opinion each Fund has been managed in that period:
  - (A) in accordance with the limitations imposed on the investment and borrowing powers of the Fund imposed by the Constitution and/or the Central Bank under the powers granted to the Central Bank under the Companies Act; and
  - (B) otherwise in accordance with the provisions of the Companies Act and the Constitution.

If the Company has not complied with (A) or (B) above, the Depositary will state why this is the case and will outline the steps that the Depositary has taken to rectify the situation. The duties provided for above may not be delegated by the Depositary to a third party.

In discharging its role, the Depositary shall act honestly, fairly, professionally, independently and in the interests of the Company and the Shareholders.

## 5.7 Auditor

KPMG has been appointed to act as the auditor for the Company. The responsibility of the Auditor is to audit and express an opinion on the financial statements of the Company/ its Funds in accordance with Irish law and International Financial Reporting Standards ("IFRS").

## 5.8 Paying Agents/Representatives/Distributors

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

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

Investors who do not themselves wish to be registered as Shareholders may use the services of a nominee. Where Shares are held through a nominee, those underlying investors who avail of the services of such nominee may be obliged to pay a fee directly to it in relation to the subscription, repurchase or conversion of Shares, details of which will be provided by the nominee. Regard must be had to the anti-money laundering requirements set out in the section entitled "Share Dealings".

## 5.9 **Company Secretary**

The company secretary of the Company is Wilton Secretarial Limited.

## 5.10 **Conflicts of Interest**

The Directors, the Manager, the relevant Investment Manager, the Administrator and the Depositary and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the "Parties") are or may be involved in other financial, investment and professional activities (for example provision of securities lending agent services) which may on occasion cause a conflict of interest with the management of the Company and/or their respective roles with respect to the Company. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Company may invest. Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement that they may have and that any conflicts which may arise will be resolved fairly. The appointment of the Manager, relevant Investment Manager, Administrator and Depositary in their primary capacity as service providers to the Company are excluded from the scope these Connected Party requirements.

In particular, the relevant Investment Manager may advise or manage other funds and other collective investment schemes in which a Fund may invest or which have similar or overlapping investment objectives to or with the Company or its Funds. Also, a conflict of interest may arise where the competent person valuing unlisted securities and/or OTC derivatives held by a Fund is the relevant Investment Manager or a sub-investment manager or any other related party to the Company. For example, because the relevant Investment Manager's fees are calculated on the basis of a percentage of a Fund's Net Asset Value, such fees increase as the Net Asset Value of the Fund increases. When valuing securities owned or purchased by a Fund, the relevant Investment Manager (or any other related party to the Company) will, at all times, have regard to its obligations to the Company and the Fund and will ensure that such conflicts are resolved fairly.

There is no prohibition on transactions with the Company, the Manager, the relevant Investment Manager, the Administrator, the Depositary or entities related to the Manager, the relevant Investment Manager, the Administrator or the Depositary including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the Company and none of them shall have any obligation to account to the Company for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are in the best interests of Shareholders and dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis and

- (a) a certified valuation by a person approved by the Depositary as independent and competent (or in the case of a transaction involving the Depositary, the Directors) has been obtained; or
- (b) the relevant transaction is executed on best terms on an organised investment exchange in accordance with its rules; or
- (c) where the conditions set out in (a) and (b) above are not practical, the relevant transaction is executed on terms which the Depositary is (or in the case of a transaction involving the Depositary, the Directors are) satisfied conform with the

principle that such transactions be carried out as if negotiated at arm's length and in the best interests of Shareholders.

The Depositary (or in the case of a transaction involving the Depositary, the Directors) shall document how it complied with paragraphs (a), (b) and (c) above and where transactions are conducted in accordance with paragraph (c), the Depositary (or in the case of a transaction involving the Depositary, the Directors), must document the rationale for being satisfied that the transaction conformed to the principles outlined above.

Potential conflicts of interest may arise from time to time from the provision by the Depositary and/or its affiliates of other services to the Company and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, trustee, depositary and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company and/or other funds for which the Depositary (or any of its affiliates) act.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Company and will treat the Company and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary's functions from its other potentially conflicting tasks and by the Depositary adhering to its "Conflicts of Interest Policy" (a copy of which can be obtained on request from the head of compliance for the Depositary).

Each Connected Party will provide the Company with relevant details of each transaction (including the name of the party involved and where relevant, fees paid to that party in connection with the transaction) in order to facilitate the Company discharging its obligation to provide the Central Bank with a statement within the relevant Fund's annual and semi-annual reports in respect of all Connected Party transactions.

The preceding list of potential conflicts of interest does not purport to be a complete enumeration or explanation of all of the conflicts of interest that may be involved in an investment in the Company.

In order to facilitate the Company discharging its obligation to provide the Central Bank with a report within its annual and semi-annual report in respect of all related party transactions, the relevant Party will disclose details of each related party transaction to the Company upon completion thereof (including the name of the related party involved and where relevant, fees paid to that party in connection with the transaction).

#### **5.11 Investment Manager Investment in Shares**

The relevant Investment Manager or an associated company or key employee of the relevant Investment Manager may invest in Shares of a Fund for general investment purposes or for other reasons including so that a Fund or Class may have a viable minimum size or is able to operate more efficiently. In such circumstances the relevant Investment Manager or its associated company may hold a high proportion of the Shares of a Fund or Class in issue.

#### **5.12 Soft Commissions**

The relevant Investment Manager may effect transactions with or through the agency of another person with whom the relevant Investment Manager or an entity affiliated to the relevant Investment Manager has arrangements under which that person will, from time to time, provide to or procure for the relevant Investment Manager and/or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software. No direct payment may be made for such goods or services but the relevant Investment Manager may undertake to place business with that person provided that person has agreed to provide best execution with respect to such business and the services provided must be of a type which assists in the provision of investment services to the Company. A report will be included in the Company's annual and half-yearly reports describing the relevant Investment Manager's soft commission practices. Where appropriate,

any such arrangements will comply with the requirements of Article 11 of the MiFID II Delegated Directive.

#### **5.13 Cash Commission/ Rebates and Fee Sharing**

Where an Investment Manager, or any of its delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities or FDI for a Fund, the rebated commission shall be paid to the relevant Fund. The relevant Investment Manager or its delegates may be paid/reimbursed out of the assets of the relevant Fund for reasonable properly vouched costs and expenses directly incurred by the relevant Investment Manager or its delegates in this regard. In accordance with the UCITS Regulations, the Manager, or any of its delegates or sub-delegates or their related parties, may, in their sole discretion acting in the best interests of the relevant Fund, enter into rebate arrangements with certain Shareholders which have the effect of reducing the management fee for such Shareholders. Further relevant information on rebate arrangements (if applicable) will be made available by the Manager upon request.

#### **5.14 Common Counsel**

William Fry LLP is Irish counsel to the Company. William Fry LLP may also act as counsel to the Manager and/ or the relevant Investment Manager in matters not involving the Company, and may also represent the Davy Group and its affiliates. Consequently, certain conflicts of interest may arise. William Fry LLP is not representing any prospective purchasers of the Shares in connection with this offering and will not be representing the Shareholders. Prospective investors and Shareholders are advised to consult their own independent counsel (and not William Fry LLP) with respect to the legal and tax implications of an investment in the Shares. In preparing and reviewing this Prospectus, William Fry LLP has relied on information furnished to it by the Manager and/ or the relevant Investment Manager and has not investigated or verified the accuracy and completeness of such information.

#### **5.15 Other Conflicts**

Any other potential conflicts may be disclosed in the relevant Supplement.

---

## 6 SHARE DEALINGS

---

### 6.1 Subscription for Shares

(a) General

Shares will first be issued on the first Dealing Day after expiry of the Initial Offer Period specified in the relevant Supplement at the Initial Issue Price as specified in the relevant Supplement. Thereafter Shares shall be issued at the Net Asset Value per Share (plus any Preliminary Charge and duties and charges)) on any Dealing Day.

The Directors may, in their absolute discretion and subject to the prior approval of the Depository, agree to designate additional Dealing Days for the purchase of Shares relating to any Fund which will be open to all Shareholders, provided that all Shareholders will be notified in advance.

Where a Class of Shares is denominated in a currency other than the Base Currency of a Fund, that Class may be identified as hedged or unhedged as disclosed in the relevant Supplement. Where a Class is to be hedged, the Company shall employ the hedging policy as more particularly set out in the section entitled "Hedged Classes" above.

(b) Initial Account Opening Procedure

Prior to an initial application for Shares being made, an account must be opened with the Administrator. In order to open an account, an account opening form together with all required supporting documentation including in relation to anti-money laundering due diligence checks must be submitted to, reviewed and accepted by the Administrator. A signed account opening form together with all required supporting documentation must be returned to the Administrator. Once received, duly assessed and processed by the Administrator, the Administrator will provide confirmation of the account number to the authorised contact(s), following which dealing instructions may be placed. Subscription instructions and proceeds must not be forwarded until the account number is confirmed by the Administrator (which may take up to five (5) Business Days). Any subscription deal received as part of the account opening form will be rejected. Incomplete account opening forms (including where compulsory information and/or anti-money laundering verification documents have not been provided in advance) will be rejected and any subscription monies will be returned as the risk and cost of the investor.

(c) Applications for Shares

Applications for Shares may be made through the Administrator. Once the Administrator has provided confirmation of the account number, an application for Shares may be submitted by completing the Application Form along with all required anti-money laundering documentation which may be submitted in original form, by electronic means or by facsimile to the Administrator prior to the Dealing Deadline. Failure to provide the Application Form along with all required anti-money laundering documentation by such time may, at the discretion of the Directors, result in the compulsory redemption of the relevant Shares. The account number must be specified on all Application Forms.

Applications received by the Administrator prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors, in their absolute discretion, in exceptional

circumstances, otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day (specifically before the close of business in the relevant market that closes first on the relevant Dealing Day).

Initial applications should be made using an Application Form obtained from the Administrator which may be submitted in original form, any other means at the discretion of the Directors, by electronic means or by fax or with the original form to follow promptly and signed.

All initial applications shall be subject to prompt transmission to the Administrator of such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Directors or their delegate. In the case of subsequent applications submitted by electronic means or by fax, it shall not be necessary for the Company to subsequently receive the original Application Form provided that the Directors are satisfied that the appropriate controls and procedures are in place to comply with applicable anti-money laundering legislation and to ensure that any risk of fraud associated with the processing of transactions based on such means are adequately mitigated.

Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of written or electronic instructions and appropriate original documentation from the relevant Shareholder.

Any applications submitted by electronic means must be in a form and method agreed by the Directors and the Administrator.

Applications will be irrevocable unless the Directors, or a delegate, otherwise agree.

The Application Form contains certain conditions regarding the application procedure for Shares in the Company and certain indemnities in favour of the Company, the relevant Fund, the Administrator, the Depositary and the other Shareholders for any loss suffered by them as a result of certain applicants acquiring or holding Shares.

(d) Fractions

Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.0001 of a Share. Subscription monies representing less than 0.0001 of a Share will be retained by the Company in order to defray administration costs.

(e) Method of Payment and Collections Accounts

Subscription payments net of all bank charges should be paid by SWIFT or electronic transfer to the Collection Accounts. Other methods of payment are subject to the prior approval of the Directors or their delegates.

No interest will be paid in respect of payments received in circumstances where the application is received in advance of a Dealing Day or held over until a subsequent Dealing Day.

Upon receipt into the Collections Account, subscription monies will become the property of the relevant Fund and accordingly an investor will be treated as a general creditor of the relevant Fund during the period between receipt of subscription monies into the Collections Account and the issue of Shares.

(f) Currency of Payment

Subscription monies are payable in the denominated currency of the Share Class. However, the Company may accept payment in such other currencies as the Directors may agree at the prevailing exchange rate available to the Administrator. The cost and risk of converting currency will be borne by the investor.

In the case of Classes that are denominated in a currency other than the Base Currency and are identified as unhedged, a currency conversion will take place on subscription and also on redemptions, exchanges and distributions at prevailing exchange rates and the value of the Shares in the relevant Class will be subject to exchange rate risk in relation to the Base Currency. Please refer to the section of this Prospectus entitled "Risk Factors; Currency Risk" for more details.

(g) Timing of Payment

Payment in respect of subscription must be received in cleared funds into the Collections Account on or before the Settlement Date as outlined in the Supplement for the relevant Fund.

If payment in full in respect of the issue of Shares has not been received by the relevant time on the relevant Settlement Date, or in the event of non-clearance of funds, the allotment of Shares made in respect of such application may, at the discretion of the Directors, be cancelled, or, alternatively, the applicant may be charged interest together with an administration fee. In addition the Directors will have the right to sell all or part of the applicant's holdings of Shares in the Fund or any other Fund of the Company in order to meet those charges.

(h) Form of Shares and Confirmation of Ownership

Confirmation of each purchase of Shares will normally be sent to Shareholders within 5 Business Days of the purchase being made. Shares shall be issued in registered form only and title to Shares will be evidenced by written confirmation of entry of the investor's name on the Company's register of Shareholders and no certificates will be issued.

(i) In Specie Subscriptions

The Directors may, at their discretion, accept payment for Shares in a Fund by a transfer in specie of assets, the nature of which must comply with the investment objective, policy and restrictions of the relevant Fund and the value of which shall be determined by the Directors or their delegate, in accordance with the valuation principles governing the Company. Any prospective investor wishing to subscribe for Shares by a transfer in specie of assets will be required to comply with any administrative and other arrangements for the transfer specified by the Company, the Depositary or the Administrator. Any in specie transfer will be at the specific investor's risk and the costs of such a transfer will be borne by the specific investor. Shares will not be issued until the investments have been vested or arrangements are made to vest the investments with the Depositary or its sub-custodian to the Depositary's satisfaction and the number of Shares to be issued will not exceed the amount that would be issued if the cash equivalent of the investments had been invested and the Depositary is satisfied that the terms of such exchange shall not be such as are likely to result in any material prejudice to the existing Shareholders.

(j) Minimum Initial and Additional Investment Amount and Minimum Shareholding Requirements

The Minimum Initial Investment Amount, the Minimum Additional Investment Amount and the Minimum Shareholding of Shares of each Class of a Fund, if any, may vary and are set out in the Supplement for the relevant Fund. The Directors reserve the right from time to time to waive any requirements relating to the Minimum Initial Investment Amount, the Minimum Additional Investment Amount and the Minimum Shareholding as and when they determine at their reasonable discretion.

(k) Restrictions on Subscriptions

The Directors may reject any application in whole or in part without giving any reason for such rejection in which event the subscription monies or any balance thereof will,

subject to applicable law, be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's cost and risk. For the avoidance of doubt, no interest will be payable on such amount before its return to the applicant.

The Directors may, in their sole and absolute discretion, determine that in certain circumstances, it is detrimental for existing Shareholders to accept an application for Shares in cash or in specie, representing more than 5% of the Net Asset Value of a Fund. In such case, the Directors may postpone the application and, in consultation with the relevant investor, either require such investor to stagger the proposed application over an agreed period of time, or establish an Investment Account outside the structure of the Company in which to invest the investor's subscription monies. Such Investment Account will be used to acquire the Shares over a pre-agreed time schedule. The investor shall be liable for any transaction costs or reasonable expenses incurred in connection with operating and monitoring any such Investment Account. Any applicable Preliminary Charge will be deducted from the subscription monies before the investment of the subscription monies commences.

Shares may not be issued or sold by the Company during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below.

(l) Anti-Dilution Levy

The Directors reserve the right to impose an Anti-Dilution Levy on a transaction basis in the case of net subscriptions as a percentage adjustment (to be communicated to the Administrator) on the value of the relevant subscription calculated for the purposes of determining a subscription price to reflect the impact of dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of the relevant Fund where they consider such a provision to be in the best interests of a Fund. Such amount will be added to the price at which Shares will be issued in the case of net subscription requests. Any such sum will be paid into the account of the relevant Fund.

(m) Ownership Restrictions

Any person who holds Shares in contravention of restrictions imposed by the Directors or, by virtue of his holding, is in breach of the laws and regulations of any applicable jurisdiction (for example, by reason of the Company becoming liable in the relevant jurisdiction of the Shareholder) or whose holding could, in the opinion of the Directors, cause the Company to incur any liability to taxation or to suffer any pecuniary disadvantage which it or the Shareholders or any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Manager, the relevant Investment Manager, the Depositary, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in any Fund.

The Directors have power under the Constitution to compulsorily repurchase and/or cancel any Shares held or beneficially owned in contravention of any restrictions imposed by them or in breach of any law or regulation.

While Shares will generally not be issued or transferred to any U.S. Person, the Directors may authorise the purchase by or transfer to a U.S. Person in their discretion. The Directors will seek reasonable assurances that such purchase or transfer does not violate United States securities laws, e.g., will not require the Shares to be registered under the United States Securities Act of 1933 or the Company or any Fund to be registered under the United States Investment Company Act of 1940 or result in adverse tax consequences to the Company or to the non-US Shareholders. Each investor who is a U.S. Person will be required to provide such

representations, warranties or documentation as may be required to ensure that these requirements are met prior to the issue of Shares.

The Company may reject in their discretion any application for Shares by or any transfer of Shares to any persons whose holding would result in "Benefit Plan Investors" as defined in Section 3(42) of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") holding 25 per cent or more of the total value of any Fund or Class.

(n) Anti-Money Laundering and Counter Terrorist Financing Measures

Measures aimed at the prevention of money laundering and terrorist financing may require a detailed verification of the investor's identity, address and source of funds and where applicable the beneficial owner on a risk sensitive basis and the ongoing monitoring of the business relationship in order to comply with Irish law anti-money laundering obligations. Politically exposed persons ("PEPs"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family members, or persons known to be close associates of such persons, must also be identified.

By way of example an individual may be required to produce an original certified copy of a passport or identification card together with evidence of his/her address such as one certified copy of evidence of his/her address dated within the last 3 months, i.e. utility bills or bank statements, date of birth and tax residence. In the case of corporate investors, such measures may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), a certified copy of the corporate investor's authorised signatory list, the names, occupations, dates of birth and resident and business address of all directors. Depending on the circumstances of each application, a detailed verification might not be required where, for example, the application is made through a regulated financial intermediary located in a jurisdiction recognised by Ireland as having equivalent anti-money laundering protections.

The Administrator is regulated by the Central Bank, and must comply with the measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2021 which is aimed towards the prevention of money laundering. In order to comply with these anti-money laundering regulations, the Administrator will require from any subscriber or Shareholder a detailed verification of the identity of such subscriber or Shareholder, the identity of the beneficial owners of such subscriber or Shareholder, the source of funds used to subscribe for Shares, or other additional information which may be requested from any subscriber or Shareholder for such purposes from time to time. The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant and where applicable, the beneficial owner. The subscriber or Shareholder should note that the Administrator, in accordance with its anti-money laundering ("AML") procedures reserves the right to prohibit the movement of any monies if all due diligence requirements have not been met, or, if for any reason feels that the origin of the funds or the parties involved are suspicious. In the event that the movement of monies is withheld in accordance with the Administrator's AML procedures, the Administrator will strictly adhere to all applicable laws, and shall notify the Company as soon as professional discretion allows or as otherwise permitted by law.

None of the Company, the Directors, the Manager, the relevant Investment Manager or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily repurchased or payment of repurchase proceeds is delayed in such circumstances.

(o) Data Protection

Prospective investors should note that, by virtue of making an investment in the Company and the associated interactions with the Company and its affiliates and delegates (including completing the Application Form, and including the recording of

electronic communications or phone calls where applicable), or by virtue of providing the Company with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Company and its affiliates and delegates with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation.

The Company has prepared a Data Protection Disclosure Statement ("DPDS") outlining the Company's data protection obligations and the data protection rights of individuals under the Data Protection Legislation.

All new investors shall receive a copy of the DPDS as part of the process to subscribe for Shares in the Company.

The DPDS contains information on the following matters in relation to data protection:

- that investors will provide the Company with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation;
- that the Company shall act as a data controller in respect of this personal data and the fact that affiliates and delegates, such as the Manager, the Administrator, the Investment Managers and the Distributor may act as data processors;
- a description of the lawful purposes for which the personal data may be used, namely (i) where this is necessary for the performance of the contract to purchase Shares in the Company; (ii) where this is necessary for compliance with a legal obligation to which the Company is subject; and/or (iii) where this is necessary for the purposes of the legitimate interests of the Company or a third party and such legitimate interests are not overridden by the individual's interests, fundamental rights or freedoms;
- details on the transmission of personal data, including (if applicable) to entities located outside the EEA;
- details of data protection measures taken by the Company;
- an outline of the various data protection rights of individuals as data subjects under the Data Protection Legislation;
- information on the Company's policy for retention of personal data;
- contact details for further information on data protection matters.

Given the specific purposes for which the Company envisages using personal data, under the provisions of the Data Protection Legislation, it is not anticipated that individual consent will be required for such use. However, as outlined in the DPDS, individuals have the right to object to the processing of their data where the Company has considered this to be necessary for the purposes of its or a third party's legitimate interests.

## 6.2 Abusive Trading Practices

The Company generally encourages Shareholders to invest in the Funds as part of a medium to long-term investment strategy.

The relevant Investment Manager, on behalf of the Company, seeks to deter and prevent certain trading practices, such as excessive short-term trading, sometimes referred to as

"market timing" which may have a detrimental effect on the Funds and their Shareholders. To the extent that there is a delay between a change in the value of a Fund's investments, and the time when that change is reflected in the Net Asset Value of the Fund's Shares, the relevant Fund is exposed to the risk that investors may seek to exploit this delay by purchasing or redeeming Shares at Net Asset Values that do not reflect appropriate fair value prices. The relevant Investment Manager shall seek to deter and prevent this activity.

The relevant Investment Manager seeks to monitor Shareholder account activities in order to detect and prevent excessive and disruptive trading practices. The Company reserves the right to restrict or refuse any subscription or switching transaction if it considers the transaction may adversely affect the interests of a Fund or its Shareholders. If an application is rejected, the Administrator, at the risk of the applicant, will return the application monies or the balance thereof, at the cost and risk of the applicant and without interest, by bank transfer to the account from which it was paid

### 6.3 Repurchase of Shares

#### (a) General

Shareholders may redeem their Shares on a Dealing Day at the Repurchase Price which shall be the Net Asset Value per Share, less Repurchase Charge, if any and any applicable duties and charges (save during any period when the calculation of the Net Asset Value is suspended).

#### (b) Repurchase Requests

Requests for the repurchase of Shares should be made to the Administrator on behalf of the Company and may be submitted by any means required by the Directors or the Administrator, by electronic means or by fax with the original to follow promptly where so directed by the Administrator, and must be signed and should include such information as may be specified from time to time by the Directors or their delegate. Requests for the repurchase of Shares can be accepted by telephone. Requests for repurchase received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any requests for repurchase received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless the Directors in their absolute discretion in exceptional circumstances, otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such request(s) have been received prior to the Valuation Point for the particular Dealing Day (specifically before the close of business in the relevant market that closes first on the relevant Dealing Day).

Any requests for the repurchase of Shares submitted by electronic means must be in a form and method agreed by the Directors with the Administrator.

In the event of a Shareholder requesting a repurchase which would, if carried out, leave the Shareholder holding Shares having a Net Asset Value less than the Minimum Shareholding, the Company may, if it thinks fit, repurchase the whole of the Shareholder's holding.

If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Depositary, agree to designate additional Dealing Days for the repurchase of Shares relating to any Fund which will be open to all Shareholders. Any such additional Dealing Days and Valuation Points designated shall be notified to all Shareholders in the relevant Fund in advance.

### 6.4 Liquidity Management Procedures

The Company implements a range of liquidity risk management processes and procedures as set out below.

- (a) In accordance with the requirements of the Money Market Fund Regulation, the Company shall establish, implement and consistently apply prudent and rigorous liquidity management procedures for any Fund established as a Public Debt CNAV MMF or an LNAV MMF to ensure compliance with any liquidity thresholds applicable to such Funds. In particular, the Company shall consider applying (in the circumstances set out in Article 34(1) of the Money Market Fund Regulation) one or more of the measures permitted by Article 34(1) of the Money Market Fund Regulation, which (depending on the circumstances and notwithstanding anything else to the contrary in this Prospectus) may include:
- (i) imposing liquidity fees on redemptions that adequately reflect the cost to the relevant Fund of achieving liquidity and ensure that Shareholders who remain in the relevant Fund are not unfairly disadvantaged when other Shareholders redeem their Shares during the period;
  - (ii) imposing restrictions on repurchases that limit the amount of Shares to be redeemed on any one Dealing Day to a maximum of 10% of the Shares in the relevant Fund for any period up to 15 Business Days;
  - (iii) imposing a suspension of redemptions for any period up to 15 Business Days; or
  - (iv) taking no immediate action other than fulfilling the obligation laid down in Article 24(2) of the Money Market Fund Regulation.

(b) Method of Payment

The amount due on repurchase of Shares will be paid by electronic transfer to the relevant Shareholder's account of record on the initial Application Form in the currency of denomination of the relevant Class of Shares of the relevant Fund (or in such other currency as the Directors shall determine) by the Settlement Date.

In no event shall Repurchase Proceeds be paid until such papers as may be required by the Directors have been received from the investor and all of the necessary anti-money laundering checks have been carried out, verified and received in such form as required by the Administrator.

Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of written instructions and appropriate documentation from the relevant Shareholder.

(c) Currency of Payment

Shareholders will normally be repaid in the denominated currency of the relevant Class. If however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) at prevailing exchange rates on behalf of and for the account, risk and expense of the Shareholder.

In the case of Classes that are denominated in a currency other than the Base Currency and are identified as unhedged, a currency conversion will take place on repurchase at prevailing exchange rates. Please refer to the section of this Prospectus entitled "Risk Factors; Currency Risk" for more details.

(d) Timing of Payment and Collections Account

Repurchase Proceeds will be paid in accordance with the provisions specified in the relevant Supplement.

Investors should note that any redemption proceeds being paid out by a Fund and held for any time in the Collections Account shall remain an asset of the relevant Fund until such time as the proceeds are released to the investor. This would

include, for example, cases where redemption proceeds are temporarily withheld pending the receipt of any outstanding identity verification documents as may be required by the Company or the Administrator – enhancing the need to address these issues promptly so that the proceeds may be released. It should also be noted that the investor shall have ceased being considered a Shareholder and instead will rank as a general unsecured creditor of the Company.

(e) Withdrawal of Repurchase Requests

Requests for repurchase may not be withdrawn save with the written consent of the Directors or their delegate.

(f) Deferred Repurchases

If the number of Shares to be repurchased on any Dealing Day equals one tenth or more of the total number of Shares of a Fund in issue on that Dealing Day or one tenth or more of the Net Asset Value of a Fund the Directors or their delegate may at their discretion refuse to repurchase any Shares in excess of one tenth of the total number of Shares in issue or one tenth of the Net Asset Value as aforesaid and, if they so refuse, the requests for repurchase on such Dealing Day shall be reduced pro rata and Shares which are not repurchased by reason of such refusal shall be treated as if a request for repurchase had been made in respect of each subsequent Dealing Day until all Shares to which the original request related have been repurchased. Repurchase requests which have been carried forward from an earlier Dealing Day shall (subject always to the foregoing limits) be complied with in priority to later requests.

(g) In Specie Repurchases

The Directors may, with the consent of the individual Shareholders, satisfy any request for repurchase of Shares by the transfer to those Shareholders of assets of the relevant Fund having a value equal to the Repurchase Price for the Shares repurchased as if the Repurchase Proceeds were paid in cash less any Repurchase Charge and other expenses of the transfer.

A determination to provide repurchase in specie may be solely at the discretion of the Directors where the repurchasing Shareholder requests repurchase of a number of Shares that represents 5% or more of the Net Asset Value of the relevant Fund provided that any such Shareholder requesting repurchase shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds of such sale less the costs of such sale which shall be borne by the relevant Shareholder.

The nature and type of assets to be transferred in kind to each Shareholder shall be determined by the Directors (subject to the approval of the Depositary as to the allocation of assets) on such basis as the Directors in their discretion shall deem equitable and not prejudicial to the interests of the remaining Shareholders in the relevant Fund or Class.

(h) Anti-Dilution Levy

The Directors reserve the right to impose an Anti-Dilution Levy in the case of net repurchases on a transaction basis as a percentage adjustment (to be communicated to the Administrator) on the value of the relevant repurchase calculated for the purposes of determining a Repurchase Price to reflect the impact of dealing costs relating to the acquisition or disposal of assets and to preserve value of the underlying assets of the Fund where they consider such a provision to be in the best interests of a Fund. Such amount will be deducted from the price at which Shares will be repurchased in the case of net repurchase requests. Any such sum will be paid into the account of the Fund.

(i) Compulsory Repurchase of Shares/Deduction of Tax

Shareholders are required to notify the Administrator immediately if they become U.S. Persons or persons who are otherwise subject to restrictions on ownership as set out in this Prospectus and such Shareholders may be required to sell or transfer their Shares. The Company may repurchase any Shares which are or become owned, directly or indirectly, by or for the benefit of any person in breach of any restrictions on ownership from time to time as set out in this Prospectus or if the holding of Shares by any person is unlawful or is likely to result or results in any tax, fiscal, legal, regulatory, pecuniary liability or disadvantage or material administrative disadvantage to the Company, the Shareholders as a whole or any Fund or Class. The Company may also repurchase any Shares held by any person who holds less than the Minimum Shareholding or who does not, within seven days of a request by or on behalf of the Directors, supply any information or declaration required under the terms hereof to be furnished. The Company 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 a Shareholder including any interest or penalties payable thereon.

When a repurchase request has been submitted by an investor who is or is deemed to be an Irish Resident or a person Ordinarily Resident in Ireland or is acting on behalf of an Irish Resident or person Ordinarily Resident in Ireland, the Company shall deduct from the Repurchase Proceeds an amount which is equal to the tax payable by the Company to the Revenue Commissioners in respect of the relevant transaction. The attention of investors in relation to the section of this Prospectus entitled "Taxation" and in particular the section headed "Irish Taxation" which details circumstances in which the Company shall be entitled to deduct from payments to Shareholders who are Irish Resident or Irish Ordinarily Resident amounts in respect of liability to Irish taxation including any penalties and interest thereon and/or compulsorily repurchase Shares to discharge such liability. Relevant Shareholders will be required to indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for such tax on the happening of an event giving rise to a charge to taxation.

(j) Total Repurchase of Shares/Termination of Funds

All of the Shares of any Class or any Fund may be repurchased:

- (i) if at any time the Net Asset Value of the relevant Fund shall be less than the Minimum Fund Size or the Minimum Share Class Size (if any) determined by the Directors in respect of that Fund or Class and set out in the relevant Supplement; or
- (ii) on the giving by the Company of not less than twenty-one Clear Days' notice expiring on a Dealing Day to Shareholders of the relevant Fund or Class of its intention to repurchase such Shares; or
- (iii) if the holders of 75% in value of the relevant Class or Fund resolve at a meeting of the Shareholders duly convened and held that such Shares should be repurchased.

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

Please refer also to section 10.3(o) for a summary of provisions in the Constitution in relation to the circumstances where a Fund may be terminated in relation to procedures for the winding up of the Company.

## 6.5 Exchange of Shares

(a) Exchanges

Shareholders will be able to apply to exchange on any Dealing Day all or part of their holding of Shares of any Class of any Fund (the "Original Class") for Shares of another Class which are being offered at that time (the "New Class") (such Class being of the same Fund or another Fund), provided that all the criteria for applying for Shares in the New Class have been met and that notice is given to the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day. The Directors may however at their discretion in exceptional circumstances agree to accept requests for exchange received after the relevant Dealing Deadline provided they are received prior to the relevant Valuation Point (specifically before the close of business in the relevant market that closes first on the relevant Dealing Day). The general provisions and procedures relating to the issue and repurchase 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 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 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 number of Shares of the New Class to be issued will be calculated in accordance with the following formula:

$$S = \frac{[R \times (RP \times ER)] - F}{SP}$$

where:

- R** = the number of Shares of the Original Class to be exchanged;
- S** = the number of Shares of the New Class to be issued;
- RP** = the Repurchase Price per Share of the Original Class as at the Valuation Point for the relevant Dealing Day;
- ER** = in the case of an exchange of Shares designated in the same Base Currency, the value of ER is 1. In any other case, the value of ER is the currency conversion factor determined by the Directors at the Valuation Point for the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets relating to the Original and New Classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;
- SP** = the subscription price per Share of the New Class as at the Valuation Point for the applicable Dealing Day; and
- F** = the Exchange Charge (if any) payable on the exchange of Shares.

Where there is an exchange of Shares, Shares of the New Class will be allotted and issued in respect of and in proportion to the Shares of the Original Class in the proportion S to R.

An Exchange Charge of up to 2% of the Repurchase Price of the Shares being exchanged may be charged by the Company on the exchange of Shares. Details of any Exchange Charge will be set out in the relevant Supplement.

Exchange requests may not be withdrawn save with the written consent of the Company or its authorised agent.

(b) Restrictions on Exchange

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 Fund or Funds is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Applicants for 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. Applicants exchanging Shares via the Distributor or a Sub-Distributor (as the case may be) must contact directly the Distributor or the Sub-Distributor for arrangements regarding exchanges to be made or pending during such suspension period. Applications made or pending during such suspension period via the Distributor or a Sub-Distributor as the case may be, unless withdrawn, will be considered as at the next Dealing Day following the end of such suspension.

The Directors may, at their discretion, refuse to effect an exchange request without giving any reason for such refusal. In addition, restrictions may apply on making exchanges between certain Classes as may be set out in the relevant Supplement(s).

**6.6 Transfer of Shares**

Shares are freely transferable and may be transferred in writing in a 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 transferee and the transferor. Prior to the registration of any transfer, transferees, who are not existing Shareholders, must complete an Application Form and provide any other documentation (e.g. as to identity) reasonably required by the Company or 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 or interest in the Shares registered in the names of such joint Shareholders.

The Directors in their absolute discretion and without assigning any reason therefor may decline to register any transfer of a Share to (i) a U.S. Person (unless permitted under certain exceptions under the laws of the United States) or; (ii) any person who does not clear such money laundering checks as the Directors may determine; or (iii) any person who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such person is not qualified to hold such Shares; or (iv) any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary legal or material administrative disadvantages or being in breach of any law or regulation which the Company might not otherwise have incurred, suffered or breached; or (v) an individual under the age of 18 (or such other age as the Directors may think fit) or of unsound mind; or (vi) any person unless the transferee of such Shares would, following such transfer, be the holder of Shares equal to or greater than the Minimum Initial Investment Amount (where relevant); or (vii) any person in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Shareholding; or (viii) any person where in respect of such transfer any payment of taxation remains outstanding.

---

## 7 VALUATION OF ASSETS

---

### 7.1 Calculation of Net Asset Value

The Net Asset Value of a Fund shall be expressed in the Base Currency or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case, and shall be calculated by ascertaining the value of the assets of the Fund and deducting from such value the liabilities of the Fund as at the Valuation Point for such Dealing Day.

In the event that the Shares of any Fund are further divided into Classes, the Net Asset Value per Class shall be determined by notionally allocating the Net Asset Value of the Fund amongst the Classes making such adjustments for subscriptions, redemptions, fees, dividend accumulation or distribution of income and the expenses, liabilities or assets attributable to each such Class (including the profit and loss (realised and unrealised) on and the costs of the currency hedging transactions (including any administrative costs arising from additional risk management) will accrue solely to that Class) and any other factor differentiating the Classes determined by the Directors. The Net Asset Value of the Fund, as allocated between each Class, shall be divided by the number of Shares of the relevant Class which are in issue or deemed to be in issue and rounding the result mathematically to four decimal places as determined by the Directors or such other number of decimal places as may be determined by the Directors from time to time.

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

The Constitution provides for the correct allocation of assets and liabilities amongst each Fund. The Constitution provides for the method of valuation of the assets and liabilities of each Fund and of the Net Asset Value of each Fund. The assets and liabilities of a Fund will be valued at the Valuation Point as follows:-

- (a) Assets listed or traded on a recognised exchange (other than those referred to at (e) below) for which market quotations are readily available shall be valued at the last traded price. Where a security is listed or dealt in on more than one recognised exchange, the relevant exchange or market shall be the principal or main stock exchange or market on which the security is listed or dealt on or the exchange or market which the Directors determine provides the fairest criteria in determining a value for the relevant investment. Assets listed or traded on a recognised exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- (b) The value of any instrument or security which is not quoted, listed or dealt in on a recognised exchange, or which is so quoted, listed or dealt but for which no such quotation or value is available, or the available quotation or value is not representative of the fair market value, shall be the probable realisation value as estimated with care and good faith by (i) the Directors or (ii) a competent person, firm or corporation (including the relevant Investment Manager) selected by the Manager and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary and in the case of an Authorised Money Market Fund, such probably realisation value shall be determined in accordance with Article 29(4) of the Money Market Fund Regulation. Where reliable market quotations

are not available for fixed income securities, the value of such securities may be determined using matrix methodology compiled by the Directors or competent person (as approved by the Depositary) whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.

- (c) Cash (in hand or on deposit) will be valued at its nominal/face value plus accrued interest or less debit interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
- (d) Notwithstanding paragraph (a) above, units in collective investment schemes shall be valued at the latest available net asset value per unit or latest bid price as published by the relevant collective investment scheme or, if listed or traded on a recognised exchange, in accordance with (a) above.
- (e) Exchange-traded derivative instruments will be valued based on the settlement price as determined by the market where the instrument is traded. If such settlement price is not available, such value shall be calculated in accordance with (b) above, i.e. being the probable realisation value estimated with care and in good faith by a competent person appointed by the Manager (and approved for such purpose by the Depositary).
- (f) Notwithstanding the provisions of paragraphs (a) to (e) above the Directors may, in order to achieve a constant Net Asset Value per Share, value investments as follows:
  - (i) for a Fund which is authorised as a Public Debt CNAV MMF, using the amortised cost method in accordance with Article 29(6) of the Money Market Fund Regulation; and
  - (ii) for a Fund which is authorised as a LVNAV MMF, using amortised cost method in accordance with Article 29(7) of the Money Market Fund Regulation. The Directors may, in accordance with Article 33(2) of the Money Market Fund Regulation, use such values to calculate the subscription price and repurchase price.
- (g) Notwithstanding the generality of the foregoing, the Directors may with the approval of the Depositary adjust the value of any investment if they consider that such adjustment is required to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant. The rationale for adjusting the value must be clearly documented.
- (h) If the Directors deem it necessary, a specific investment may be valued under an alternative method of valuation approved by the Depositary and the rationale/methodologies used must be clearly documented.
- (i) Any value expressed otherwise than in the Base Currency of the relevant Fund shall be converted into the Base Currency of the relevant Fund at the prevailing exchange rate which the Directors or their delegate shall determine to be appropriate.

## 7.2 Suspension of Calculation of Net Asset Value

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the subscription, repurchase and exchange of Shares and the payment of Repurchase Proceeds:

- (a) during any period when any of the markets on which a substantial portion of the assets of the relevant Fund are quoted, listed or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- (b) 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 substantial portion of the assets of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value of the Fund cannot be fairly calculated; or
- (c) during any breakdown in the means of communication normally employed in determining the price of a substantial portion of the assets of the relevant Fund, or when, for any other reason the current prices on any market of any of the assets of the relevant Fund cannot be promptly and accurately ascertained; or
- (d) during any period during which any transfer of funds involved in the realisation or acquisition of assets or payments due on the repurchase of Shares of the relevant Fund cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or
- (e) during any period when the Directors are unable to repatriate funds required for the purpose of making payments due on the repurchase of Shares in the relevant Fund or making any transfer of funds involved in the realisation or acquisition of investments or when payments due on the repurchase of Shares from Shareholders cannot in the opinion of the Directors be effected at normal rates of exchange; or
- (f) during any period when in the opinion of the Directors such suspension is justified having regards to the best interests of the Company and/or the relevant Fund; or
- (g) following the circulation to Shareholders of a notice of a general meeting at which a resolution proposing to wind up the Company or terminate the relevant Fund is to be considered; or
- (h) during any period during which any reason makes it impossible or impracticable to determine the value of a major portion of the assets of the relevant Fund.

All reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Shareholders who have requested subscriptions or repurchases of Shares of any Class in any Fund or exchanges of Shares of one Class in any Fund 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 immediately without delay to the Central Bank as well as, where appropriate, the competent authorities in the jurisdictions in which the Shares are marketed. Details of any such suspension will also be notified to all Shareholders and will be published in a newspaper circulating in an appropriate jurisdiction, or such others as the Directors may determine if, in the opinion of the Directors, it is likely to exceed 14 days.

---

## 8 FEES AND EXPENSES

---

The Company may pay out of the assets of each Fund the fees and expenses as described below.

### 8.1 Fees of the Manager

The Company shall pay to the Manager a fee of up to €400,000 per annum (plus any applicable taxes), payable quarterly in arrears apportioned from the assets of the Funds in such manner as deemed appropriate by the Board.

The Manager shall be entitled to be reimbursed for all reasonable and properly vouched out-of-pocket expenses incurred by the Manager in the performance of its duties and responsibilities under the Management Agreement.

### 8.2 Investment Management Fees

The relevant Investment Manager shall be entitled to receive from the Company such fees and expenses in relation to each Fund or Class as specified in the relevant Supplement.

The relevant Investment Manager may from time to time, at its sole discretion and out of its own resources, decide to rebate intermediaries and/or Shareholders part or all of its Investment Management Fee and/or performance fee. Any such rebates may be applied by issuing additional Shares to Shareholders or in cash.

Details of any fees payable out of the assets of any Fund to a duly appointed sub-investment manager will be disclosed in the relevant Supplement.

### 8.3 Distributor's Fees

The Distributor shall be entitled to receive from the Company such fees and expenses in relation to each Fund or Class as specified in the relevant Supplement.

Fees payable to any Sub-Distributor may be paid out of the Distributor's fees.

### 8.4 Administrator's and Depositary's Fees

The Administrator and the Depositary shall be entitled to receive from the Company such fees and expenses in relation to each Fund or Class as specified in the relevant Supplement.

### 8.5 Directors' Fees

Unless and until otherwise determined from time to time by the Company in a general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. At the date of this Prospectus, the maximum fee per Director shall be €40,000 plus VAT, if any, per annum (adjusted on an ongoing basis for inflation by reference to the Irish Consumer Price Index). Directors who are employees of the relevant Investment Manager or the Manager will not receive a fee. Any additional fees necessitated by the addition of new Funds shall be apportioned equally among the new Funds and, to the extent they do not impact on Shareholders in existing Funds (on the basis that such additional fees are attributed to new Funds only), will not be subject to existing Shareholder approval. To the extent that any such additional fees do impact existing Shareholders, such existing Shareholders will be notified in advance of any such additional fees. In addition, any such additional fees shall be disclosed in the relevant Supplement. All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties. Directors' fees shall be payable semi-annually in arrears and shall be apportioned equally among the Funds.

## 8.6 **Paying Agent Fees**

Fees and expenses of any Paying Agents appointed in respect of the Company, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Company or the Fund in respect of which a Paying Agent has been appointed.

## 8.7 **Establishment Expenses**

All fees and expenses relating to the establishment and organisation of the Company and the initial Funds including the fees of the Company's professional advisers (including legal, accounting, tax, regulatory, compliance, fiduciary and other professional advisors) was borne by the Company out of the assets of the initial Funds and amortised over the first five Accounting Periods of the Company or such other period as the Directors may determine and in such manner as the Directors, in their absolute discretion, deem fair. The cost of establishing subsequent funds will be charged to the relevant Fund.

## 8.8 **Operating Expenses and Fees**

The Company and/or each Fund and, where expenses or liabilities are attributable specifically to a Class, such Class shall bear the following expenses and liabilities or, where appropriate, its pro rata share thereof subject to adjustment to take account of expenses and/or liabilities attributable to one or more Classes:

- (a) all fees and expenses payable to or incurred by the Manager, the Administrator, the Depositary, the relevant Investment Manager, the Company Secretary, any sub-investment manager, adviser, Distributor, dealer, Paying Agent, or local representative correspondent bank, fiscal representative or other supplier of services to the Company appointed by or on behalf of the Company or with respect to any Fund or Class and their respective delegates plus any VAT (if any) thereon;
- (b) all duties, taxes or government charges which may be payable on the assets, income or expenses of the Company;
- (c) all brokerage fees, bank fees, charges and commissions incurred by or on behalf of the Company in the course of its business and any payments to a research payment account in accordance with Article 13 of the MiFID II Delegated Directive;
- (d) all regulatory and compliance consultancy fees and other professional advisory fees incurred by the Company or by or on behalf of its delegates;
- (e) all transfer fees, registration fees and other charges whether in respect of the constitution or increase of the assets or the creation, exchange, sale, purchase or transfer of Shares or the purchase or sale or proposed purchase or sale of assets or otherwise which may have become or will become payable in respect of or prior to or upon the occasion of any transaction, dealing or valuation, but not including commission payable on the issue and/or repurchase of Shares;
- (f) all expenses incurred in connection with the operation and management of the Company, including, without limitation to the generality of the foregoing, all Directors' fees and expenses, all costs incurred in organising Directors' meetings and in obtaining proxies in relation to such meetings, all insurance premiums including any policy in respect of directors' and officers' liability insurance cover and association membership dues and all non-recurring and extraordinary items of expenditure as may arise;
- (g) the remuneration, commissions and expenses incurred or payable in the marketing, promotion and distribution of Shares including without limitation commissions payable to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Shares in the Company and

the costs and expenses of preparation and distribution of all marketing material and advertisements;

- (h) all fees and expenses connected with the preparation, publication and supply of information to Shareholders and the public including, without limitation, the cost of preparing, translating, printing, distributing the Prospectus and any addenda or supplements, key information document/ key investor information document and any periodic updates thereof, marketing literature, any report to the Central Bank or any other regulatory authority, the annual audited report and any other periodic reports and the calculation, publication and circulation of the Net Asset Value per Share, certificates, confirmations of ownership and of any notices given to Shareholders in whatever manner;
- (i) all fees and expenses incurred in connection with the convening and holding of Shareholders' meetings;
- (j) all fees and expenses incurred or payable in registering and maintaining a Fund or Class registered with any and all government agencies and/or regulatory authority and/or rating agencies, clearance and/or settlement systems and/or any exchanges in any various countries and jurisdictions including, but not limited to, filing and translation expenses;
- (k) all fees and expenses incurred or payable in listing and in maintaining or complying with the requirements for the listing of the Shares on the Irish Stock Exchange (or other exchange to which Shares may be admitted);
- (l) all legal and other professional fees and expenses incurred by the Company or by or on behalf of its delegates in any actions taken or proceedings instituted or defended to enforce, protect, safeguard, defend or recover the rights or property of the Company;
- (m) all other liabilities and contingent liabilities of the Company of whatsoever kind and all fees and expenses incurred in connection with the Company's operation and management including, without limitation, interest on borrowings, all company secretarial expenses and all Companies Registration Office filings and statutory fees and all regulatory fees;
- (n) all expenses involved in obtaining and maintaining a credit rating for the Company from any rating agency;
- (o) all fees and expenses of the Auditors, tax, legal and other professional advisers and any valuer or other supplier of services to the Company;
- (p) the costs of any amalgamation or restructuring of the Company or any Fund;
- (q) the costs of liquidation or winding up the Company or terminating any Fund;
- (r) the total amount of any actual or estimated liabilities properly payable out of the assets of any Funds including any outstanding borrowings of a Fund and all accrued interest, fees and expenses payable thereon (but excluding liabilities taken into account in determining the value of the assets of the relevant Fund) and any estimated liability for tax on unrealised capital gains;
- (s) such sum in respect of tax (if any) on net capital gains realised during the current Accounting Period prior to the valuation being made as in the estimate of the Directors will become payable;

- (t) the amount (if any) of any distribution declared by the Directors in respect of the last preceding Accounting Period but not distributed in respect thereof;
- (u) the total amount (whether actual or estimated by the Directors) of any liabilities for taxation leviable on income including income tax and corporation tax, if any, (but not taxes leviable on capital or on realised or unrealised capital gains);
- (v) the total amount of any actual or estimated liabilities for withholding tax (if any) payable on any of the investments of a Fund in respect of the current Accounting Period;
- (w) during any period during which any reason makes it impossible or impracticable to determine the value of a major portion of the assets of the relevant Fund; or
- (x) all other fees and all expenses incurred in connection with the Company's operation and management;

in each case together with any applicable value added tax.

Any such expenses may be deferred and amortised by the Company in accordance with standard accounting practice, at the discretion of the Directors and any such deferral of fees shall not be carried forward to subsequent accounting periods. An estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of each Fund. Operating expenses and the fees and expenses of service providers which are payable by the Company shall be borne by all Funds in proportion to the Net Asset Value of the relevant Fund or attributable to the relevant Class provided that fees and expenses directly or indirectly attributable to a particular Fund or Class shall be borne solely by the relevant Fund or Class.

Where an expense is not considered by the Directors to be attributable to any one Fund, the expense will normally be allocated to all Funds in proportion to the Net Asset Value of the Funds or otherwise on such basis as the Directors deem fair and equitable.

## 8.9 Entry/Exit Charges

- (a) **Preliminary Charge**  
Shareholders may be subject to a Preliminary Charge of up to a maximum of 5% of subscription monies. Such charge may be applied as a preliminary once-off charge or as a contingent deferred sales charge. Details of any Preliminary Charge payable shall be specified in the relevant Supplement.
- (b) **Repurchase Charge**  
Shareholders may be subject to a Repurchase Charge up to a maximum of 3% of repurchase monies, as specified in the relevant Supplement.
- (c) **Exchange Charge**  
Shareholders may be subject to an Exchange Charge on the exchange of any Shares up to a maximum of 2% of the Net Asset Value of the Shares in the original Fund, as specified in the relevant Supplement.
- (d) **Anti-Dilution Levy**  
The Directors reserve the right to impose an Anti-Dilution Levy in the case of net subscriptions and/or net repurchases on a transaction basis as a percentage adjustment (to be communicated to the Administrator) on the value of the relevant subscription/repurchase calculated for the purposes of determining a subscription price or repurchase price to reflect the impact of dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of

the relevant Fund where they consider such a provision to be in the best interests of a Fund. Such amount will be added to the price at which Shares will be issued in the case of net subscription requests and deducted from the price at which Shares will be repurchased in the case of net repurchase requests. Any such sum will be paid into the account of the Fund.

#### **8.10 Extraordinary Expenses**

The Company shall be liable for Extraordinary Expenses including, without limitation, expenses relating to litigation costs and any tax, levy, duty or similar charge imposed on the Company or its assets that would otherwise not qualify as ordinary expenses. Extraordinary Expenses are accounted for on a cash basis and are paid when incurred or invoiced on the basis of the Net Asset Value of each Fund to which they are attributable. Extraordinary Expenses are allocated across each Class of Shares on a pro-rata basis.

---

## 9 TAXATION

---

### Taxation

#### General

The following is a brief summary of certain aspects of Irish taxation law and practice relevant to the transactions contemplated in this Prospectus. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change.

The information given below is not exhaustive and does not constitute legal or tax advice and prospective investors should consult their own professional advisers on the possible tax consequences of buying, selling, converting, holding or redeeming Shares under the laws of the jurisdictions in which they may be subject to tax. Investors are also advised to inform themselves as to any exchange control regulations applicable to their country of residence.

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

#### Ireland

##### (a) Taxation of the Company

The Directors have been advised that the Company is an investment undertaking within the meaning of section 739B TCA and therefore is not chargeable to Irish tax on its relevant income or relevant gains so long as the Company is resident for tax purposes in Ireland. The Company will be resident for tax purposes in Ireland as it is incorporated in Ireland and not regarded as resident elsewhere under a double tax agreement. It is intended that the Directors of the Company will conduct the affairs of the Company in a manner that will allow for this.

Notwithstanding the above, a charge to tax may arise for the Company in respect of Shareholders on happening of a "Chargeable Event" in the Company.

A Chargeable Event includes:

- (i) any payment to a Shareholder by the Company in respect of their Shares;
- (ii) any transfer, cancellation, redemption or repurchase of Shares; and
- (iii) any deemed disposal by a Shareholder of their Shares at the end of a "relevant period" (a "Deemed Disposal").

A "relevant period" is a period of 8 years beginning with the acquisition of Shares by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

A Chargeable Event does not include:

- (i) any transaction in relation to Shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;;
- (ii) any exchange by a Shareholder effected by way of a bargain made at arm's length by the Company, of Shares in the Company for other Shares in the Company;

- (iii) certain transfers of Shares between spouses or civil partners and former spouses or former civil partners;
- (iv) any transaction in relation to, or in respect of, relevant shares (within the meaning of Section 739B(2A) of the Taxes Act) of the Company which transaction only arises by virtue of a change of court funds manager for the Company;
- (v) an exchange of Shares arising on a qualifying amalgamation or reconstruction of the Company with another Irish investment undertaking; or
- (vi) the cancellation of Shares in the Company arising from an exchange in relation to a scheme of amalgamation (as defined in Section 739HA of the TCA).

On the happening of a Chargeable Event, the Company shall be entitled to deduct the appropriate amount of tax on any payment made to a Shareholder in respect of the Chargeable Event. On the occurrence of a Chargeable Event where no payment is made by the Company to the Shareholder, the Company may appropriate or cancel the required number of Shares to meet the tax liability.

Where the Chargeable Event is a Deemed Disposal and the value of Shares held by Irish Resident Shareholders in the Company is less than 10% of the total value of Shares in the Company (or a Fund) and the Company has made an election to the Revenue Commissioners to report annually certain details for each Irish Resident Shareholder, the Company will not be required to deduct the appropriate tax and each Irish Resident Shareholder (and not the Company) must pay the tax on the Deemed Disposal on a self-assessment basis. Credit is available against appropriate tax relating to the Chargeable Event for appropriate tax paid by the Company or the Shareholder on any previous Deemed Disposal. On the eventual disposal by the Shareholder of the Shares, a refund of any unutilised credit will be payable.

**(b) Taxation of Shareholders**

*Non-Irish Resident Shareholders*

Non-Irish Resident Shareholders will not be chargeable to Irish tax on the happening of a Chargeable Event provided that either:

- (i) the Company is in possession of a completed Relevant Declaration to the effect that the Shareholder is not an Irish Resident, or
- (ii) the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Shareholder, the written notice of approval has not been withdrawn by the Revenue Commissioners and there are no indicia of Irish tax residence in respect of that Shareholder.

If the Company is not in possession of a Relevant Declaration or the Company is in possession of information which would reasonably suggest that the Relevant Declaration is not or is no longer materially correct, the Company must deduct tax on the happening of a Chargeable Event in relation to such Shareholder. The tax deducted will generally not be refunded.

Intermediaries acting on behalf of non-Irish Resident Shareholders can claim the same exemption on behalf of the Shareholders for whom they are acting. The intermediary must complete a Relevant Declaration that it is acting on behalf of a non-Irish Resident Shareholder.

A non-Irish Resident corporate Shareholder which holds Shares directly or indirectly by or for a trading branch or agency of the Shareholder in Ireland, will be liable for Irish corporation tax on income from the Shares or gains made on the disposal of the Shares.

*Exempt Irish Shareholders*

The Company is not required to deduct tax in respect of an Exempt Irish Shareholder so long as the Company is in possession of a completed Relevant Declaration from those persons and the Company has no reason to believe that the Relevant Declaration is materially incorrect. The Exempt Irish Shareholder must notify the Company if it ceases to be an Exempt Irish Shareholder. Exempt Irish Shareholders in respect of whom the Company is not in possession of a Relevant Declaration will be treated by the Company as if they are not Exempt Irish Shareholders.

While the Company is not required to deduct tax in respect of Exempt Irish Shareholders, those Shareholders may themselves be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares depending on their circumstances. It is the obligation of the Exempt Irish Shareholder to account for tax to the Revenue Commissioners.

#### *Irish-Resident Shareholders*

Irish Resident Shareholders (who are not Exempt Irish Shareholders) will be liable to tax on the happening of a Chargeable Event. Tax at the rate of 41% will be deducted by the Company on payments made to the Shareholder in relation to the Shares or on the sale, transfer, Deemed Disposal (subject to the 10% threshold outlined above), cancellation, redemption or repurchase of Shares or the making of any other payment in respect of the Shares.

An Irish Resident Shareholder who is not a company and is not an Exempt Irish Shareholder will not be liable to any further income or capital gains tax in respect of any sale, transfer, Deemed Disposal, cancellation, redemption or repurchase, of Shares or the making of any other payment in respect of their Shares.

Where the Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder, and the payment is not taxable as trading income under Schedule D Case I, the amount received will be treated as the net amount of an annual payment chargeable to tax under Schedule D Case IV from the gross amount of which income tax has been deducted. The rate of tax applicable to a Chargeable Event in respect of any Irish tax resident corporate investor in this instance is 25% provided the corporate investor has made a declaration to the Company including its Irish tax reference number.

Where the Irish Resident Shareholder is a company which is not an Exempt Irish Shareholder, and the payment is taxable as trading income under Schedule D Case I, the following provisions apply:

- (i) the amount received by the Shareholder is increased by any amount of tax deducted by the Company and will be treated as income of the Shareholder for the chargeable period in which the payment is made;
- (ii) where the payment is made on the sale, transfer, Deemed Disposal, cancellation, redemption or repurchase of Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Shareholder for the acquisition of those Shares; and
- (iii) the amount of tax deducted by the Company will be set off against the Irish corporation tax assessable on the Shareholder in respect of the chargeable period in which the payment is made.

#### *Personal Portfolio Investment Undertaking*

An investment undertaking will be considered to be a personal portfolio investment undertaking (PPIU) in relation to a specific Shareholder where that Shareholder, a person acting on behalf of that Shareholder, a person connected with that Shareholder, a person connected with a person acting on behalf of that Shareholder, the Shareholder and a person connected with that Shareholder or a person acting on behalf of both the Shareholder and a person connected with that Shareholder can influence the selection of some or all of the property of the undertaking. The undertaking will only be a PPIU in respect of those

Shareholders who can influence the selection or where persons connected with the Shareholder can influence the selection. A gain arising on a chargeable event in relation to a PPIU will be taxed at the rate of 60%. An undertaking will not be considered to be a PPIU where certain conditions are complied with as set out in section 739BA TCA, including where the property which may be or has been selected was available to the public at the time that the property is available for selection by an Shareholder and is clearly identified in the investment undertaking's marketing or other promotional material. To qualify for this exemption, the investment undertaking must also deal with all investors on a non-discriminatory basis. In the case of investments deriving 50% or more of their value from land, any investment made by an individual is limited to 1% of the total capital required.

#### *Currency Gains*

Where a currency gain is made by an Irish Resident Shareholder on the disposal of Shares, that Shareholder may be liable to capital gains tax in respect of any chargeable gain made on the disposal.

#### *Stamp Duty*

On the basis that the Company qualifies as an investment undertaking within the meaning of section 739B TCA, no Irish stamp duty will generally be payable on the subscription, transfer or repurchase of Shares. The stamp duty implications for subscriptions for Shares or transfer or repurchase of Shares in specie should be considered on a case by case basis.

#### *Capital Acquisitions Tax*

No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Shares provided that:

- (iii) at the date of the disposition the transferor of the Shares is neither domiciled nor ordinarily resident in Ireland, and, at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and
- (iv) the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date.

#### *Other Tax Matters*

The income and capital gains received by the Company from securities issued in countries other than Ireland, or assets located in countries other than Ireland, may be subject to taxes including withholding tax in the countries where such income and gains arise. The Company may not be able to benefit from reduced rates of withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries. The Directors will have sole discretion as to whether the Company will apply for such benefits and may decide not to apply for such benefits if they determine that it may be administratively burdensome, cost prohibitive or otherwise impractical.

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

#### **Automatic Exchange of Information**

The Company is obliged, pursuant to the IGA, Council Directive 2011/16/EU, section 891E, section 891F and section 891G of the TCA and regulations made pursuant to those sections, to collect certain information about its investors.

The Company will be required to provide certain information to the Revenue Commissioners in relation to the investors (including information in respect of the investor's tax residence status) and also in relation to accounts held by investors. For further information on FATCA or CRS please refer to the website of the Revenue Commissioners at [www.revenue.ie/en/business/aeoi/index.html](http://www.revenue.ie/en/business/aeoi/index.html).

*Further detail in respect of FATCA and CRS is set out below.*

#### *FATCA Implementation in Ireland*

On 21 December 2012, the governments of Ireland and the U.S. signed the IGA.

The IGA significantly increases the amount of tax information automatically exchanged between Ireland and the U.S. It provides for the automatic reporting and exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish Residents. The Company is subject to these rules. Complying with such requirements will require the Company to request and obtain certain information and documentation from its Shareholders, other account holders and (where applicable) the beneficial owners of its Shareholders and to provide any information and documentation indicating direct or indirect ownership by U.S. Persons to the competent authorities in Ireland. Shareholders and other account holders will be required to comply with these requirements, and non-complying Shareholders may be subject to compulsory redemption and/ or U.S. withholding tax of 30% on withholdable payments and/or other monetary penalties.

The IGA provides that Irish financial institutions will report to the Revenue Commissioners in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the IRS in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.

The Company (and/or any of its duly appointed agents) shall be entitled to require Shareholders to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the Company may have as a result of the IGA or any legislation promulgated in connection with the IGA and Shareholders will be deemed, by their subscription for or holding of Shares to have authorised the automatic disclosure of such information by the Company or any other person to the relevant tax authorities.

#### *OECD Common Reporting Standard*

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the CRS Regulations.

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

Ireland and a number of other jurisdictions have entered or will enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the OECD. The Company will be required to provide certain information to the Revenue Commissioners about investors resident or established in jurisdictions which are party to CRS arrangements.

The Company, or a person appointed by the Company, will request and obtain certain information in relation to the tax residence of its shareholders or "account holders" for CRS purposes and (where applicable) will request information in relation to the beneficial owners of any such account holders. The Company, or a person appointed by the Company, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions. Ireland introduced CRS Regulations in December 2015 and implementation of CRS among early adopting countries (including Ireland) occurred with effect from 1 January 2016.

#### *Certain Irish Tax Definitions*

##### *Residence – Company*

A company which is incorporated in Ireland is automatically considered 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 incorporated in a foreign jurisdiction

that is centrally managed and controlled in Ireland will be treated as resident in Ireland for tax purposes, unless otherwise resident by virtue of a double tax agreement.

#### *Residence – Individual*

The Irish tax year operates on a calendar year basis.

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

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

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

#### *Ordinary Residence – Individual*

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 that individual is not resident in Ireland. Thus, an individual who is resident and ordinarily resident in Ireland in 2013 will remain ordinarily resident in Ireland until the end of the tax year 2016.

#### *Intermediary*

means a person who:

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

#### **Other Jurisdictions**

As Shareholders are no doubt aware, the tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. Therefore, the Directors strongly recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares relating to a Fund and any investment returns from those Shares.

**THE TAX AND OTHER MATTERS DESCRIBED IN THIS PROSPECTUS DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SHAREHOLDERS.**

---

## 10 GENERAL INFORMATION

---

### 10.1 Reports and Accounts

The Company will prepare an annual report and audited accounts as of 30 September in each calendar year and a half-yearly report and unaudited accounts as of 31 March in each year.

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

The audited annual report and accounts for each Fund in respect of each financial year shall be prepared in accordance with the IFRS.

The Directors may send such reports and accounts electronically to Shareholders in accordance with the requirements of the Central Bank Rules. See "Access to Documents" below.

### 10.2 Incorporation and Share Capital

The Company was incorporated in Ireland on 7 October 2013 as an investment company with variable capital with limited liability under registration number 533779. The Company has no subsidiaries.

The registered office of the Company is as stated in the directory at the back of this Prospectus.

The authorised share capital of the Company is 300,000 redeemable non-participating Shares of no par value and 500,000,000,000 participating Shares of no par value. Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the consideration paid therefor but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot shares in the capital of the Company on such terms and in such manner as they may think fit. There are 300,000 non-participating Shares currently in issue. 299,999 redeemable non-participating Shares have been issued to Davycrest Nominees and 1 redeemable non-participating Share has been issued to Davy Nominees.

No share capital of the Company has been put under option nor has any share capital been agreed (conditionally or unconditionally) to be put under option.

### 10.3 Constitution

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 assets of capital raised from the public operating on the principle of risk-spreading in accordance with the Regulations.

The Constitution contains provisions to the following effect:

(a) 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.

(b) 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 but such consent or sanction will not be required in the case of a variation, amendment or abrogation of the rights attached to any Shares of any Class if, in the view of the Directors, such variation, amendment or abrogation does not materially prejudice the interests of the relevant Shareholders or any of them. Any such variation, amendment or abrogation will be set out in a supplement to (or restatement of) the relevant Supplement originally issued in connection with the relevant Shares, a copy of which will be sent to the relevant Shareholders entered on the register on the date of issue of such document and will be binding on the relevant Shareholders. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one third of the issued Shares of the Class in question and the quorum at an adjourned meeting shall be one person holding Shares of the Class in question or his proxy.

(c) 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 and 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.

(d) 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:

- (i) consolidate and divide all or any of its share capital into Shares of larger amount;
- (ii) subdivide its Shares, or any of them, into Shares of smaller amount or value;
- (iii) 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
- (iv) redenominate the currency of any Class of Shares.

(e) 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 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.

(f) 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) provided that all such borrowings shall be within the limits and conditions laid down by the Central Bank.

(g) Delegation to Committee

The Directors may delegate any of their powers to any committee comprising at least one Director. Any such delegation may be made subject to any conditions the Directors may impose 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 Constitution regulating the proceedings of Directors so far as they are capable of applying.

(h) Retirement of Directors

The Directors shall not be required to retire by rotation or by virtue of their attaining a certain age.

(i) 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.

(j) 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 therefore may decline to register any transfer of a Share to (i) a U.S. Person (unless permitted

under certain exceptions under the laws of the United States) or; (ii) any person who does not clear such money laundering checks as the Directors may determine; or (iii) any person who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such person is not qualified to hold such Shares; or (iv) any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering any other pecuniary legal or material administrative disadvantages or being in breach of any law or regulation which the Company might not otherwise have incurred, suffered or breached; or (v) an individual under the age of 18 (or such other age as the Directors may think fit) or of unsound mind; or (vi) any person unless the transferee of such Shares would, following such transfer, be the holder of Shares equal to or greater than the Minimum Initial Investment Amount (where relevant); or (vii) any person in circumstances where as a result of such transfer the transferor or transferee would hold less than the Minimum Shareholding; or (viii) any person where in respect of such transfer any payment of taxation remains outstanding.

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.

(k) Right of Repurchase

Shareholders have the right to request the Company to repurchase their Shares in accordance with the provisions of the Constitution.

(l) Dividends

The Constitution permits 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 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 Fund and, in particular, any investments to which the relevant Fund is entitled. A Shareholder 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 Shareholder 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 Fund.

(m) Funds

The Directors are required to establish a separate portfolio of assets for each Fund created by the Company from time to time, to which the following shall apply:

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

- (iii) in the event that there are any assets of the Company which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall, with the approval of the Depositary, allocate such assets to and among any one or more of the 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;
  - (iv) no Shares will be issued on terms that entitle the Shareholders of any Fund to participate in the assets of the Company other than the assets (if any) of the Fund relating to such Shares. If the proceeds of the assets of the relevant Fund are not sufficient to fund the full repurchase proceeds payable to each Shareholder for the relevant Fund, the proceeds of the relevant Fund will, subject to the terms for the relevant Fund, be distributed equally among each Shareholder of the relevant Fund pro rata to the amount paid up on the Shares held by each Shareholder. If the realised net assets of any Fund are insufficient to pay any amounts due on the relevant Shares in full in accordance with the terms of the relevant Fund, the relevant Shareholders of that Fund will have no further right of payment in respect of such Shares or any claim against the Company, any other Fund or any assets of the Company in respect of any shortfall;
  - (v) each Fund shall be charged with the liabilities, expenses, costs, charges or reserves of the Company in respect of or attributable to that Fund; and
  - (vi) in the event that any asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of section 1406 of the Companies Act shall apply.
- (n) **Fund Exchanges**
- Subject to the provisions of the Companies Act, the Regulations, the Constitution and the section of this Prospectus entitled "Exchange of Shares", a Shareholder holding Shares in any Class of a 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 of the same Fund (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). The Directors may, at their discretion, refuse to effect an exchange request without giving any reason for such refusal.
- (o) **Termination of Funds**
- Any 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:
- (i) if at any time the Net Asset Value of the relevant Fund shall be less than the Minimum Fund Size (if any) determined by the Directors in respect of that Fund;
  - (ii) if any Fund shall cease to be authorised or otherwise officially approved;
  - (iii) if any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the relevant Fund;
  - (iv) if there is a change in the economic or political situation relating to a Fund which the Directors consider would have material adverse consequences on the investments of the Fund;

- (v) if the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to prevailing market conditions or it is in the best interests of the Shareholders; or
- (vi) if the Directors serve not less than thirty days' notice on the Shareholders in the relevant Fund advising them of the Directors' intention to terminate the relevant Fund.

The decision of the Directors in any of the events specified herein shall be final and binding on all the parties concerned but the Directors shall be under no liability on account of any failure to terminate the relevant Fund pursuant to points (i) to (vi) above or otherwise.

The Directors shall give notice of termination of a Fund to the Shareholders in the relevant Fund and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Directors shall in their sole and absolute discretion determine unless such notice is served pursuant to point (vi) above, in which case the relevant notice of termination cannot fix a date at which the termination will take effect which is less than thirty days' from the date of such notice.

With effect on and from the date as at which any Fund is to terminate or in the case of (i) below such other date as the Directors may determine:

- (i) No shares of the relevant Fund may be issued or sold by the Company;
- (ii) The relevant Investment Manager or its authorised delegate shall, on the instructions of the Directors, realise all the assets then comprised in the relevant Fund (which realisation shall be carried out and completed in such manner and within such period after the termination of the relevant Fund as the Directors think advisable);
- (iii) The Depositary shall, on the instructions of the Directors from time to time, distribute to the Shareholders in proportion to their respective interests in the relevant Fund all net cash proceeds derived from the realisation of the relevant Fund and available for the purpose of such distribution, provided that the Depositary shall not be bound (except in the case of the final distribution) to distribute any of the monies for the time being in its hands the amount of which is insufficient to pay 1 Euro or its equivalent amount in the relevant currency in respect of each Share of the relevant Fund and provided also that the Depositary shall be entitled to retain out of any monies in its hands as part of the relevant Fund full provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by the Depositary or the Directors in connection with or arising out of the termination of the relevant Fund and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands; and
- (iv) Every such distribution referred to above shall be made in such manner as the Directors shall, in their sole and absolute discretion, determine but shall be made only against production of the certificates or warrants relating to the Shares of the relevant Fund if issued in respect of which the same is made and upon delivery to the Depositary of such form of request for payment as the Depositary shall in its absolute discretion require. Any unclaimed proceeds or other cash held by the Depositary may, at the expiration of twelve months from the date upon which the same were payable, be paid into court subject to the right of the Depositary to deduct therefrom any expenses it may incur in making such payment.

If the Directors decide to terminate a Fund and give notice of termination of a Fund to the Shareholders in the relevant Fund, all of the Shareholders of that Fund will be deemed to have requested that their Shares in that Fund be redeemed on such date as determined by the Directors and in accordance with the redemption procedure detailed herein.

(p) Winding up

The Constitution contains provisions to the following effect:

- (i) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Act and section 10.3(q) below, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund;
- (ii) The assets available for distribution amongst the Shareholders shall be applied as follows: first the proportion of the assets in a Fund attributable to each Class of Shares 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 other Classes of Shares. 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 each Class of Share; 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;
- (iii) A Fund may be wound up pursuant to section 1406 of the Companies Act, and in such event the provisions of the Constitution shall apply mutatis mutandis in respect of that Fund;
- (iv) 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 of a Fund in specie the whole or any part of the assets of the Company relating to that Fund, 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 or the holders of different Classes of Shares as the case may be. 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 Shareholder 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.

(q) Segregation of Liability

- (i) Notwithstanding any statutory provision or rule of law to the contrary any liability incurred on behalf of or attributable to any Fund shall be discharged

solely out of the assets of that Fund, and no Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply nor be obliged to apply the assets of any such Fund in satisfaction of any liability incurred on behalf of or attributable to any other Fund.

- (ii) The assets allocated to a Fund shall be applied solely in respect of the Shares of such Fund and no Shareholder relating to such Fund shall have any claim or right to any asset allocated to any other Fund.
- (iii) Any asset or sum recovered by the Company by any means whatsoever or wheresoever shall, after the deduction or payment of any costs of recovery, be applied to the Fund affected. In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect hereof cannot otherwise be restored to that Fund, the Directors with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.
- (iv) The Company may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, as between its Funds as apply at law in respect of companies and the property of a Fund is subject to orders of the Irish courts as it would have been if the Fund were a separate legal person.
- (v) In any proceedings brought by any Shareholder of a particular Fund, any liability of the Company to such Shareholder in respect of such proceeding can only be settled out of the assets of the Fund corresponding to such Shares without recourse in respect of such liability or any allocation of such liability to any other Fund of the Company.
- (vi) Nothing in this section shall prevent the application of any enactment or rule of law which would require the application of the assets of any Fund in discharge of some or all of the liabilities of any other Fund on the grounds of fraud or misrepresentation and, in particular, by reason of the application of the Companies Act.

(r) **Share Qualification**

The Constitution does not contain a share qualification for Directors.

#### 10.4 **Directors' Interests**

None of the Directors has or has had any direct interest in the promotion of the Company or in any transaction effected by the Company which is unusual in its nature or conditions or is significant to the business of the Company up to the date of this Prospectus or in any contracts or arrangements of the Company subsisting at the date hereof other than;

Ian Healy was previously company secretary to IQ EQ Fund Management (Ireland) Limited.

None of the Directors has a service contract with the Company nor are any such service contracts proposed.

#### 10.5 **Indemnities and Insurance**

Pursuant to the Constitution, each of the Directors shall be indemnified by the Company against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such office in the discharge of his duties (other than in the case of fraud, negligence or wilful default).

The Company acting through the Directors is empowered under the Constitution to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the Company insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

## 10.6 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) Management Agreement

The Management Agreement provides that the appointment of the Manager will continue in force unless and until terminated by either party giving not less than ninety days' notice in writing to the other although in certain circumstances (e.g. the liquidation or bankruptcy of either party, un-remedied material breach after notice, etc.) the Management Agreement may be terminated with immediate effect by notice in writing by either party to the other. On termination of the appointment of the Manager, the Manager shall be entitled to receive all fees and other monies accrued due up to the date of such termination. The Management Agreement contains indemnities in favour of the Manager against all actions, proceedings, claims, costs, demands, losses and expenses (including legal and professional expenses arising therefrom) which may be brought against, suffered or incurred by the Manager by reason of its performance of its duties under the terms of the Management Agreement (otherwise than due to fraud, wilful default or negligence in the performance by the Manager, its subcontractors, servants or agents of its obligations or functions under the Management Agreement).

### (b) Investment Management Agreement

Pursuant to the Investment Management Agreement between the Company and J&E Davy Unlimited Company, J&E Davy Unlimited Company has been appointed the Investment Manager to the Company for certain Funds. The Investment Manager will be entitled to receive fees as described in each Supplement. The Investment Management Agreement may be terminated by either party on giving not less than 90 days' prior written notice to the other party. The Investment Management Agreement may also be terminated forthwith by either party giving notice in writing to the other party upon certain breaches as outlined in the Investment Management Agreement or upon the insolvency of a party (or upon the happening of a like event).

The Investment Manager shall not be under any liability to the Company, the Funds or the Shareholders on account of any act or omission of the Investment Manager in accordance with or in pursuance of any request by, or advice given to the Company. Whenever pursuant to any provision of this Agreement any notice, instruction or other communication is to be given by or on behalf of the Company in respect of the Funds to the Investment Manager in respect of any such request or advice, the Investment Manager may accept as sufficient evidence thereof:-

- (i) a document signed or purporting to be signed on behalf of the Company by such person or persons whose signature the Investment Manager is for the time being authorised by the Company to accept; or
- (ii) a message by tested telex or facsimile transmitted by the Company by such person or persons whose messages the Investment Manager is for the time being authorised by the Company to accept; or
- (iii) a certified copy of an extract of a board minute of the Directors of the Company;

and the Investment Manager shall not be obliged to accept any document or message signed or transmitted or purporting, to be signed or transmitted by any other person. For the avoidance of doubt, the Investment Manager shall not be, under any obligation to act on any notice, instruction or other communication from any person other than the Company or any person or persons whose notice, instruction or other communication the Investment Manager is for the time being authorised by the Company to accept. The Investment Manager will acknowledge such notice, instruction or other communication by acting on it (where appropriate) and will not be obliged to give or make any other acknowledgement of such notice, instruction or other communication.

The Investment Manager shall not be liable to the Company, the Funds or any Shareholder or otherwise for any loss suffered by any of them in connection with the performance or non-performance of the Investment Manager's duties hereunder or otherwise in connection with the subject matter of this Agreement or any matter or thing done or omitted to be done by the Investment Manager in pursuance thereof, other than by reason of any loss to the Company, the Funds or any Shareholder arising from negligence, bad faith, recklessness, wilful default or fraud in the performance or non-performance by the Investment Manager of its obligations or duties hereunder, Subject and without prejudice to the foregoing, the Investment Manager shall not be liable for any indirect or consequential damages suffered by the Company, the Funds or any Shareholder.

Notwithstanding any other provision of the Investment Management Agreement, the Investment Manager's recourse against the Company in respect of any claims which may be brought against, suffered or incurred by the Investment Manager, its permitted delegates, servants or agents shall be limited to the Fund established in respect of Shares to which the claims relate, and the Investment Manager shall have no recourse to any other assets of the Company or any other Fund in respect of any such claims. If, following the realisation of all of the assets of the relevant Fund and subject to the application of such realisation proceeds in payment of all claims relating to the relevant fund (if any) and all other liabilities (if any) to the Company ranking pari passu with or senior to the claims which have recourse to the relevant Fund, the claims are not paid in full:

- (i) the amount outstanding in respect of the claims relating to the relevant Fund shall be automatically extinguished;
- (ii) the Investment Manager shall have no further right of payment in respect thereof; and
- (iii) the Investment Manager shall not be able to petition for the winding-up of the Company or the termination of any other Fund as a consequence of any such shortfall.

PROVIDED HOWEVER that sub-clauses (i) and (10.6(b)(ii)) above shall not apply to any assets of the Fund that may be subsequently held or recouped by the Fund.

(c) Investment Management Agreement

Pursuant to the Management Agreement between the Company and IQ EQ Fund Management (Ireland) Limited, IQ EQ Fund Management (Ireland) Limited has been appointed the Investment Manager to the Company for certain Funds. The Investment Manager will be entitled to receive fees as described in each Supplement. The Investment Management Agreement may be terminated by either party on giving not less than 90 days' prior written notice to the other party. The Investment Management Agreement may also be terminated forthwith by either party giving notice in writing to the other party upon certain breaches as outlined in the Investment Management Agreement or upon the insolvency of a party (or upon the happening of a like event).

The Investment Manager shall not be under any liability to the Company, the Funds or the Shareholders on account of any act or omission of the Investment Manager in accordance with or in pursuance of any request by, or advice given to the Company. Whenever pursuant to any provision of this Agreement any notice, instruction or other communication is to be given by or on behalf of the Company in respect of the Funds to the Investment Manager in respect of any such request or advice, the Investment Manager may accept as sufficient evidence thereof:-

- (a) a document signed or purporting to be signed on behalf of the Company by such person or persons whose signature the Investment Manager is for the time being authorised by the Company to accept; or
- (b) a message by tested telex or facsimile transmitted by the Company by such person or persons whose messages the Investment Manager is for the time being authorised by the Company to accept; or
- (c) a certified copy of an extract of a board minute of the Directors of the Company;

and the Investment Manager shall not be obliged to accept any document or message signed or transmitted or purporting, to be signed or transmitted by any other person. For the avoidance of doubt, the Investment Manager shall not be, under any obligation to act on any notice, instruction or other communication from any person other than the Company or any person or persons whose notice, instruction or other communication the Investment Manager is for the time being authorised by the Company to accept. The Investment Manager will acknowledge such notice, instruction or other communication by acting on it (where appropriate) and will not be obliged to give or make any other acknowledgement of such notice, instruction or other communication.

The Investment Manager shall not be liable to the Company, the Funds or any Shareholder or otherwise for any loss suffered by any of them in connection with the performance or non-performance of the Investment Manager's duties hereunder or otherwise in connection with the subject matter of this Agreement or any matter or thing done or omitted to be done by the Investment Manager in pursuance thereof, other than by reason of any loss to the Company, the Funds or any Shareholder arising from negligence, bad faith, recklessness, wilful default or fraud in the performance or non-performance by the Investment Manager of its obligations or duties hereunder, Subject and without prejudice to the foregoing, the Investment Manager shall not be liable for any indirect or consequential damages suffered by the Company, the Funds or any Shareholder.

Notwithstanding any other provision of the Investment Management Agreement, The Investment Manager's recourse against the Company in respect of any claims which may be brought against, suffered or incurred by the Investment Manager, its permitted delegates, servants or agents shall be limited to the Fund established in respect of Shares to which the claims relate, and the Investment Manager shall have no recourse to any other assets of the Company or any other Fund in respect of any such claims. If, following the realisation of all of the assets of the relevant Fund and subject to the application of such realisation proceeds in payment of all claims relating to the relevant fund (if any) and all other liabilities (if any) to the Company ranking pari passu with or senior to the claims which have recourse to the relevant Fund, the claims are not paid in full:

- (i) the amount outstanding in respect of the claims relating to the relevant Fund shall be automatically extinguished;
- (ii) the Investment Manager shall have no further right of payment in respect thereof; and

- (iii) the Investment Manager shall not be able to petition for the winding-up of the Company or the termination of any other Fund as a consequence of any such shortfall.

PROVIDED HOWEVER that sub-clauses (i) and (ii) above shall not apply to any assets of the Fund that may be subsequently held or recouped by the Fund.

(d) Distribution Agreement

Pursuant to the Distribution Agreement between the Company and J&E Davy Unlimited Company, J&E Davy Unlimited Company has been appointed the Distributor to the Company with authority to delegate some or all of its duties as distributor to sub-distributors in accordance with the requirements of the Central Bank Rules. The Distribution Agreement may be terminated by either party on giving not less than 90 days' prior written notice to the other party. The Distribution Agreement may also be terminated forthwith by either party giving notice in writing to the other party upon certain breaches as outlined in the Distribution Agreement or upon the insolvency of a party (or upon the happening of a like event).

The Distributor shall not be liable for any loss of, or damage to, the property of the Company or for any failure or delay in performing any of its obligations under or pursuant to this Agreement, and any such failure or delay will not constitute a breach of this Agreement, if such failure or delay is due to any cause whatsoever outside its reasonable control and it shall be entitled to a reasonable extension of the time for performing such obligations as a result of such cause.

Notwithstanding any other provision of the Distribution Agreement, the Distributor's recourse against the Company in respect of any claims which may be brought against, suffered or incurred by the Distributor, its permitted delegates, servants or agents shall be limited to the Fund established in respect of Shares to which the claims relate, and the Distributor shall have no recourse to any other assets of the Company or any other Fund in respect of any such claims. If, following the realisation of all of the assets of the relevant Fund and subject to the application of such realisation proceeds in payment of all claims relating to the relevant fund (if any) and all other liabilities (if any) to the Company ranking pari passu with or senior to the claims which have recourse to the relevant Fund, the claims are not paid in full:

- (i) the amount outstanding in respect of the claims relating to the relevant Fund shall be automatically extinguished;
- (ii) the Distributor shall have no further right of payment in respect thereof; and
- (iii) the Distributor shall not be able to petition for the winding-up of the Company or the termination of any other Fund as a consequence of any such shortfall.

PROVIDED HOWEVER that sub-clauses 10.6(d)(i) and 10.6(d)(ii) above shall not apply to any assets of the Fund that may be subsequently held or recouped by the Fund.

(e) Administration Agreement

Pursuant to the Administration Agreement, the Administrator will provide certain administrative, registrar and transfer agency services to the Company. The Administrator will be entitled to receive fees as described in the section of this Prospectus entitled "Fees and Expenses; Administrator and Depositary Fees". The Administration Agreement may be terminated by either party on giving not less than 90 days' prior written notice to the other party. The Administration Agreement may also be terminated by either party forthwith by giving notice in writing to the other party upon certain breaches as outlined in the Administration Agreement or upon the insolvency of a party (or upon the happening of a like event).

The Company shall indemnify the Administrator, its officers, employees, agents, sub-contractors and representatives (the "Indemnitees") against, and hold them harmless from, any liabilities, losses, claims, costs, damages, penalties, fines, obligations, or expenses of any kind whatsoever (including reasonable fees and legal expenses) ("Liabilities") that may be imposed on, incurred by or asserted against any of the Indemnitees, in connection with or arising out of:

- i. the Administrator's performance in accordance with the terms of this Agreement, provided the Indemnitees have not acted with negligence or engaged in fraud or wilful default in connection with the Liabilities in question;
- ii. the Administrator's reliance on information provided to the Administrator by or on behalf of the Company or any asset pricing or market data providers, provided that the Indemnitees have not acted with negligence or engaged in fraud or wilful default in connection with the Liabilities in question;
- iii. any action or omission taken by the Administrator in accordance with any Proper Instruction or other directions upon which the Administrator is authorised to rely under the terms of this Agreement, provided that the Indemnitees have not acted with negligence or engaged in fraud or wilful default in connection with the Liabilities in question;
- iv. the actions or omissions of any broker, dealer, bank, depositary or other person engaged by the Company;
- v. any claim arising out of the investment activities of the Company, including an action, suit, claim or demand brought or threatened against or suffered or sustained by the Administrator by a Shareholder or a person who holds a charge or other security interest over any property comprised in the Company including but not limited to a claim under an external complaints resolution procedure.

Notwithstanding any other provision of the Administration Agreement, the Administrator's recourse against the Company in respect of any claims which may be brought against, suffered or incurred by the Administrator, its permitted delegates, servants or agents shall be limited to the Fund established in respect of Shares to which the claims relate, and the Administrator shall have no recourse to any other assets of the Company or any other Fund in respect of any such claims. If, following the realisation of all of the assets of the relevant Fund and subject to the application of such realisation proceeds in payment of all claims relating to the relevant fund (if any) and all other liabilities (if any) to the Company ranking *pari passu* with or senior to the claims which have recourse to the relevant Fund, the claims are not paid in full:

- (i) the amount outstanding in respect of the claims relating to the relevant Fund shall be automatically extinguished;
- (ii) the Administrator shall have no further right of payment in respect thereof; and
- (iii) the Administrator shall not be able to petition for the winding-up of the Company or the termination of any other Fund as a consequence of any such shortfall.

PROVIDED HOWEVER that sub-clauses 10.6(e)(i) and 10.6(e)(ii) above shall not apply to any assets of the Fund that may be subsequently held or recouped by the Fund.

The Administration Agreement provides that in calculating the Net Asset Value, the Administrator shall not be liable for any loss suffered by the Company by reason of any error resulting from any inaccuracy in the information provided by any third party pricing service that the Administrator is directed to use by the Company in accordance with the pricing policy.

(f) Depositary Agreement

Pursuant to the Depositary Agreement, the Depositary shall act as depositary of the Company's assets and shall be responsible for the oversight of the Company to the extent required by and in accordance with applicable law, rules and regulations. The Depositary shall exercise the supervisory duties in accordance with applicable law, rules and regulations as well as the Depositary Agreement.

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

The Depositary Agreement provides that the Depositary shall be liable, (i) in respect of a loss of a financial instrument held in its custody (or that of its duly appointed delegate) unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary, and (ii) in respect of all other losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Regulations.

The Depositary shall perform its obligations with due skill, care and diligence as determined in accordance with the standards and practices of a professional depositary for hire in the markets or jurisdictions in which the Depositary performs services under the Depositary Agreement.

Depositary shall be responsible only for the performance or non-performance of its duties as provided for under the UCITS Requirements and in the Depositary Agreement.

To the extent permitted by the Regulations, Depositary shall not be liable to the Company or the Shareholders or any other person for any indirect, special or consequential losses or damages arising out of or in connection with the performance of non-performance by Depositary of its duties and obligations under this Agreement.

The Depositary Agreement shall continue in force unless and until terminated by either party giving not less than 90 days' prior written notice to the other, although termination may be immediate in certain circumstances, such as the insolvency of the Depositary. Upon an (envisaged) removal or resignation of the Depositary, the Company shall with due observance of the applicable Central Bank Rules, appoint a successor Depositary. The Depositary may not be replaced without the approval of the Central Bank.

The Depositary Agreement shall be governed by the laws of Ireland and the courts of Ireland shall have non-exclusive jurisdiction to hear any disputes or claims arising out of or in connection with the Depositary Agreement.

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

(g) Additional Contracts.

In addition to the above, the Company may enter into additional contracts with Paying Agents as may be required in connection with an offer of Shares into a particular jurisdiction from time to time. The provision of such services shall be on arm's length commercial terms for the Company for which fees shall be charged at normal commercial rates and expenses are to be reimbursed.

#### 10.7 **Miscellaneous**

Save as disclosed under the "Incorporation and Share Capital" section above, no share or loan capital of the Company has been issued or agreed to be issued, is under option or otherwise. As of the date of this Prospectus, the Company does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptance or acceptance credits, hire purchase or finance lease commitments, guarantee or other contingent liabilities which are material in nature.

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.

Unless otherwise disclosed under the "Conflicts of Interest" section 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.

#### 10.8 **Electronic Signatures**

The Directors reserve the flexibility to affix signatures in electronic form, and to accept electronic signature of counterparties, in line with applicable laws.

#### 10.9 **Access to Documents**

The following documents may be provided in a durable medium (which shall include in writing and/or by electronic mail) or in an electronic format on a website designated by the Company for this purpose [www.davy.ie](http://www.davy.ie) or such other website as the relevant Investment Manager may notify to Shareholders in advance from time to time). A copy in writing of such documents shall be provided to Shareholders on request, free of charge:

- this Prospectus
- once published, the latest annual and half yearly reports of the Company
- KID (noting the disclosures regarding KIDs in section 1.1 of the Prospectus)

In addition, copies of the following documents may be obtained free of charge from the registered office of the Company in Ireland during normal business hours, on any Business Day:

- the Constitution
- once published, the latest annual and half yearly reports of the Company

An up-to-date version of the key information document and/ or key investor information document shall be made available for access in an electronic format on a website designated by the Company for this purpose. In the event that the Company proposes to register one or more Funds for public offering in other EU Member States, it shall make the following additional documentation available on such website and/or [www.iqeq.com/davy-funds-plc/](http://www.iqeq.com/davy-funds-plc/):

- this Prospectus

- once published, the latest annual and half yearly reports of the Company
- the Constitution

Shareholders on request, free of charge regarding:

- the identity of the Depositary and a description of its duties and of conflicts of interest that may arise; and
- a description of any safe-keeping functions delegated by the Depositary, a list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation.

#### 10.10 **Remuneration Policy**

The Manager has a remuneration policy in place to ensure compliance with UCITS V. This remuneration policy imposes remuneration rules on staff and senior management within the Manager whose activities have a material impact on the risk profile of the Funds. The Manager will ensure that its remuneration policies and practices are consistent with sound and effective risk management, will not encourage risk-taking which is inconsistent with the risk profile of the Funds and the Constitution, and will be consistent with UCITS V. The Manager will ensure that the remuneration policy is at all times consistent with the business strategy, objectives, values and interests of the Company, the Funds and Shareholders, and includes measures to ensure that all relevant conflicts of interest may be managed appropriately at all times. Further details with regard to the remuneration policy are available at the following website: [www.davy.ie](http://www.davy.ie) The remuneration policy may be obtained free of charge on request from the Manager.

---

**APPENDIX I**  
**INVESTMENT RESTRICTIONS APPLICABLE TO THE FUNDS UNDER THE REGULATIONS**

---

Details of the investment restrictions laid down in accordance with the Regulations in respect of each Fund other than Authorised Money Market Funds are set out below:

**1 Permitted Investments**

Investments of each Fund other than an Authorised Money Market Fund are confined to:

- 1.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in an EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU Member State or non-EU Member State.
- 1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3 Money market instruments other than those dealt on a regulated market.
- 1.4 Units of UCITS.
- 1.5 Units of AIFs.
- 1.6 Deposits with credit institutions.
- 1.7 FDI.

**2 Investment Limits**

- 2.1 A Fund other than an Authorised Money Market 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.
- 2.2 A Fund other than an Authorised Money Market Fund may invest no more than 10% of its Net Asset Value in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the Fund in certain U.S. securities known as Rule 144A securities provided that:
  - (a) the securities are issued with an undertaking to register with the U.S. Securities and Exchanges Commission within one year of issue; and
  - (b) the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- 2.3 A Fund other than an Authorised Money Market 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% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect

bond-holders. If a Fund invests more than 5% of its Net 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 Fund.

- 2.5 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.
- 2.6 The transferable securities or money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.7 A Fund may not invest more than 20% of its Net Asset Value in deposits made with the same credit institution. Deposits with any one credit institution, other than with Relevant Institutions, held as ancillary liquidity, must not exceed 10% of the Net Asset Value of a Fund. This limit may be raised to 20% in the case of deposits made with the Depository.
- 2.8 The risk exposure of a Fund other than an Authorised Money Market 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 Relevant Institutions.
- 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 the Net Asset Value of a Fund:
- (a) investments in transferable securities or money market instruments;
  - (b) deposits, and/or
  - (c) counterparty risk exposures arising from OTC derivative transactions.
- 2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of the Net Asset Value of a Fund.
- 2.11 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of the Net Asset Value of a Fund may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12 A Fund other than an Authorised Money Market Fund may invest up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, Non-Member States or public international bodies of which one or more EU Member States are members.

The individual issuers must be listed in the Prospectus and may be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC.

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

### **3 Investment in Collective Investment Schemes (CIS)**

- 3.1 A Fund other than an Authorised Money Market 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 the Net Asset Value of a Fund.
- 3.3 The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
- 3.4 When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the management company of the Company or by any other company with which the management company of the Company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
- 3.5 Where a commission (including a rebated commission) is received by the Fund manager/investment manager by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.

### **4 Index Tracking UCITS**

- 4.1 A Fund other than an Authorised Money Market 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 Fund is to replicate an index which satisfies the criteria set out in the Central Bank Rules.
- 4.2 The limit in 4.1 may be raised to 35% of the Net Asset Value of the Fund, and applied to a single issuer, where this is justified by exceptional market conditions.

### **5 General Provisions**

- 5.1 An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 A Fund may acquire no more than:
  - 5.2.1 10% of the non-voting shares of any single issuing body;
  - 5.2.2 10% of the debt securities of any single issuing body;
  - 5.2.3 25% of the units of any single CIS;
  - 5.2.4 10% of the money market instruments of any single issuing body.

The limits laid down in 5.2.2, 5.2.3 and 5.2.4 above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

- 5.3 5.1 and 5.2 shall not be applicable to:

- (a) transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
- (b) transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
- (c) transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
- (d) shares held by a Fund other than an Authorised Money Market Fund in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund other than an Authorised Money Market Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6 and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;
- (e) Shares held by a Fund other than an Authorised Money Market Fund in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at Shareholders' request exclusively on their behalf.

5.4 A Fund other than an Authorised Money Market Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

5.5 The Central Bank may allow a recently authorised Fund other than an Authorised Money Market Fund to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six Months following the date of its authorisation, provided it observes the principle of risk spreading.

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

5.7 A Fund may not carry out uncovered sales of: transferable securities; money market instruments; units of CIS; or FDI. A Fund other than an Authorised Money Market Fund may hold ancillary liquid assets.

## **6 FDI**

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

6.2 Position exposure to the underlyings of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Rules. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Rules).

6.3 A Fund may invest in OTC derivatives provided that the counterparties to the OTC derivatives are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

6.4 Investment in FDI is subject to the conditions and limits laid down by the Central Bank.

Details of the investment restrictions laid down in accordance with the Money Market Fund Regulation in respect of Authorised money Market Funds are set out below:

## **1 Eligible Assets**

An Authorised Money Market Fund shall invest only in one or more of the following categories of financial assets and only under the conditions specified in the Money Market Fund Regulation:

- 1.1 Money market instruments.
- 1.2 Eligible securitisations and ABCP.
- 1.3 Deposits with credit institutions.
- 1.4 Financial derivative instruments.
- 1.5 Repurchase agreements that fulfil the conditions set out in Article 14 of the Money Market Fund Regulation.
- 1.6 Reverse repurchase agreements that fulfil the conditions set out in Article 15 of the Money Market Fund Regulation.
- 1.7 Units or shares of other Authorised Money Market Funds.

## **2 Investment Restrictions**

- 2.1 An Authorised Money Market Fund shall invest no more than:
  - (a) 5% of its assets in money market instruments, securitisations and ABCPs issued by the same body;
  - (b) 10% of its assets in deposits made with the same credit institution, unless the structure of the banking sector in the EU Member State in which the Authorised Money Market Fund is domiciled is such that there are insufficient viable credit institutions to meet that diversification requirement and it is not economically feasible for the Authorised Money Market Fund to make deposits in another EU Member State, in which case up to 15% of its assets may be deposited with the same credit institution.
- 2.2 By way of derogation from point (a) of paragraph 2.1, a VNAV MMF may invest up to 10% of its assets in money market instruments, securitisations and ABCPs issued by the same body provided that the total value of such money market instruments, securitisations and ABCPs held by the VNAV MMF in each issuing body in which it invests more than 5% of its assets does not exceed 40 % of the value of its assets.
- 2.3 *The aggregate of all of an Authorised Money Market Fund's exposures to securitisations and ABCPs shall not exceed 15% of the assets of the Authorised Money Market Fund.*

As from the date of application of the delegated act referred to in Article 11(4) of the Money Market Fund Regulation, the aggregate of all of an Authorised Money Market Fund's exposures to securitisations and ABCPs shall not exceed 20% of the assets of the Authorised Money Market Fund, whereby up to 15 % of the assets of the Authorised Money Market Fund may be invested in securitisations and ABCPs that do not comply with the criteria for the identification of STS (as defined in the Money Market Fund Regulation) securitisations and ABCPs.

- 2.4 The aggregate risk exposure of an Authorised Money Market Fund to the same counterparty to OTC derivative transactions which fulfil the conditions set out in Article 13 of the Money Market Fund Regulation shall not exceed 5% of the assets of the Authorised Money Market Fund.
- 2.5 The cash received by the Authorised Money Market Fund as part of the repurchase agreement does not exceed 10% of its assets.
- 2.6 The aggregate amount of cash provided to the same counterparty of an Authorised Money Market Fund in reverse repurchase agreements shall not exceed 15% of the assets of the Authorised Money Market Fund.
- 2.7 Notwithstanding paragraphs 2.1 and 2.4 above, an Authorised Money Market Fund shall not combine, where to do so would result in an investment of more than 15% of its assets in a single body, any of the following:
- (a) investments in money market instruments, securitisations and ABCPs issued by that body;
  - (b) deposits made with that body;
  - (c) OTC financial derivative instruments giving counterparty risk exposure to that body.
- 2.8 By way of derogation from the diversification requirement provided for in paragraph 2.7, where the structure of the financial market in the EU Member State in which the Authorised Money Market Fund is domiciled is such that there are insufficient viable financial institutions to meet that diversification requirement and it is not economically feasible for the Authorised Money Market Fund to use financial institutions in another EU Member State, the Authorised Money Market Fund may combine the types of investments referred to in points (a) to (c) up to a maximum investment of 20% of its assets in a single body.
- 2.9 An Authorised Money Market Fund may invest up to 100% of its assets in different money market instruments issued or guaranteed separately or jointly by the Union, the national, regional and local administrations of the EU Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a third country, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which one or more EU Member States belong.
- 2.10 Paragraph 2.9 shall only apply where all of the following requirements are met:

- (a) the Authorised Money Market Fund holds money market instruments from at least six different issues by the issuer;
- (a) the Authorised Money Market Fund limits the investment in money market instruments from the same issue to a maximum of 30% of its assets;
- (b) the Authorised Money Market Fund makes express reference, in its fund rules or Constitution, to all administrations, institutions or organisations referred to in the first subparagraph that issue or guarantee separately or jointly money market instruments in which it intends to invest more than 5% of its assets;
- (c) the Authorised Money Market Fund includes a prominent statement in its prospectus and marketing communications drawing attention to the use of the derogation and indicating all administrations, institutions or organisations referred to in the first subparagraph that issue or guarantee separately or jointly money market instruments in which it intends to invest more than 5% of its assets.

- 2.11 Notwithstanding the individual limits laid down in paragraph 2.1, an Authorised Money Market Fund may invest no more than 10% of its assets in bonds issued by a single credit institution that has its registered office in a EU Member State and is subject by law to special public supervision designed to protect bond-holders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest.
- 2.12 Where an Authorised Money Market Fund invests more than 5% of its assets in the bonds referred to in paragraph 2.11 issued by a single issuer, the total value of those investments shall not exceed 40% of the value of the assets of the Authorised Money Market Fund.
- 2.13 Notwithstanding the individual limits laid down in paragraph 2.1, an Authorised Money Market Fund may invest no more than 20% of its assets in bonds issued by a single credit institution where the requirements set out in point (f) of Article 10(1) or point (c) of Article 11(1) of Delegated Regulation (EU) 2015/61 are met, including any possible investment in assets referred to in paragraph 2.11.
- 2.14 Where an Authorised Money Market Fund invests more than 5% of its assets in the bonds referred to in paragraph 2.13 issued by a single issuer, the total value of those investments shall not exceed 60% of the value of the assets of the Authorised Money Market Fund, including any possible investment in assets referred to in paragraph 2.11, respecting the limits set out therein.
- 2.15 Companies which are included in the same group for the purposes of consolidated accounts under Directive 2013/34/EU of the European Parliament and of the Council or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits referred to in paragraphs 2.1 to 2.8.

### **3 Eligible units or shares of Authorised Money Market Funds**

- 3.1 An Authorised Money Market Fund may acquire the units or shares of any other Authorised Money Market Fund ('targeted MMF') provided that all of the following conditions are fulfilled:
- a) no more than 10% of the assets of the targeted MMF are able, according to its fund rules or Constitution, to be invested in aggregate in units or shares of other Authorised Money Market Funds;
  - b) the targeted MMF does not hold units or shares in the acquiring Authorised Money Market Funds.
- 3.2 An Authorised Money Market Fund whose units or shares have been acquired shall not invest in the acquiring Authorised Money Market Funds during the period in which the acquiring Authorised Money Market Funds holds units or shares in it.
- 3.3 An Authorised Money Market Fund may acquire the units or shares of other Authorised Money Market Funds, provided that no more than 5% of its assets are invested in units or shares of a single Authorised Money Market Fund.
- 3.4 An Authorised Money Market Fund may, in aggregate, invest no more than 17.5% of its assets in units or shares of other Authorised Money Market Funds.
- 3.5 Units or shares of other Authorised Money Market Funds shall be eligible for investment by an Authorised Money Market Fund provided that all of the following conditions are fulfilled:
- (a) the targeted MMF is authorised under the Money Market Fund Regulation;
  - (b) where the targeted MMF is managed, whether directly or under a delegation, by the same manager as that of the acquiring Authorised Money Market Funds or by any other company to which the manager of the acquiring Authorised Money Market Funds is linked by common management or control, or by a substantial direct or indirect holding, the manager of the targeted MMF, or that other company, is prohibited from charging subscription or redemption fees on account of the investment by the acquiring Authorised Money Market Funds in the units or shares of the targeted MMF;
- 3.6 Short-term Authorised Money Market Funds may only invest in units or shares of other short-term Authorised Money Market Funds.
- 3.7 Standard Authorised Money Market Funds may invest in units or shares of short-term MMFs and standard Authorised Money Market Funds.

---

## APPENDIX II PERMITTED MARKETS

---

With the exception of permitted investments in unlisted securities and derivative instruments, investments will be restricted to the following stock exchanges and markets listed below in accordance with the regulatory criteria as defined in the Central Bank Regulations. For the purposes of this Appendix II, reference to "unlisted securities" may include securities that are listed on a market or exchange where such exchange is not set out in the below list in accordance with Regulation 68(1)(c) and 68(2)(a) of the Regulations. The Central Bank does not issue a list of approved stock exchanges or markets.

- 1 any stock exchange in the EU and also any investments listed, quoted or dealt in on any stock exchange in Australia, Canada, Japan, New Zealand, Norway, Switzerland or in the United Kingdom which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges;
- 2 any exchange registered with the SEC as a National Stock Exchange, NASDAQ, the over-the-counter market in the U.S. regulated by the Financial Industry Regulatory Authority, Inc.; the market known as the "Grey Book Market", that is the market conducted by those persons for the time being included in the list maintained by the FCA for the purposes of section 43 of the Financial Services Act, 1986 under the conditions imposed by the FCA under that section conducted by listed money market institutions as described in the Bank of England publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion" dated April, 1988 (as amended or revised from time to time); the over-the-counter market in Tokyo regulated by the Securities Dealers Association of Japan; the market organised by the International Capital Markets Association; the market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank in New York; the French market for "Titres de Créances Négociables" (over-the-counter market in negotiable debt instruments) and the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;
- 3 all of the following stock exchanges and markets: the Hong Kong Stock Exchange, the Bombay Stock Exchange, the Kuala Lumpur Stock Exchange, the Singapore Stock Exchange, the Taiwan Stock Exchange, the Stock Exchange of Thailand, the Korea Stock Exchange, the Shanghai Stock Exchange, the Philippines Stock Exchange, the Johannesburg Stock Exchange, the Shenzhen Stock Exchange (SZSE), the Cairo and Alexandria Stock Exchange, the National Stock Exchange of India, the Jakarta Stock Exchange, the Amman Financial Market, the Nairobi Stock Exchange, the Bolsa Mexicana de Valores, the Casablanca Stock Exchange, the Namibia Stock Exchange, the Nigeria Stock Exchange, the Karachi Stock Exchange, the Moscow Exchange, the Colombo Stock Exchange, the Buenos Aires Stock Exchange (MVBA), the Bogota Stock Exchange, the Medellin Stock Exchange, the Lima Stock Exchange, the Valencia Stock Exchange, the Santiago Stock Exchange, the Bolsa Electronica de Chile, the Sao Paulo Stock Exchange, the Rio de Janeiro Stock Exchange, the Stock Exchange of Mauritius Ltd., the Istanbul Stock Exchange, the Botswana Stock Exchange, the Beirut Stock Exchange, the Lahore Stock Exchange, the Ho Chi Minh Stock Exchange, the Ghana Stock Exchange, the Tunis Stock Exchange, the Chittagong Stock Exchange, the Dhaka Stock Exchange, the Tel Aviv Stock Exchange, the Uganda Securities Exchange, the Belgrade Stock Exchange, the Bolsa de Valores de Panamá, the Lusaka Stock Exchange the market organised by the International Capital Markets Association; the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the SEC and by the Financial Industry Regulatory Authority, Inc. and by banking institutions

regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described

4 in the Corporation; the market conducted by listed money market institutions as described in the FCA publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets": "The Grey Paper" (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the UK, regulated by the London Stock Exchange; the French Market for Titres de Créances Négociables (over-the-counter market in negotiable debt instruments); the over-the-counter market in Canadian Government Bonds regulated by the Investment Dealers Association of Canada; and

5 for investments in financial derivative instruments:-

CME Group, NASDAQ OMX Group, Chicago Board of Trade, Chicago Mercantile Exchange, New York Mercantile Exchange, American Stock Exchange, New York Futures Exchange, New York Stock Exchange, NYSE Arca, Chicago Board Options Exchange, NASDAQ OMX NLX, NASDAQ OMX PHLX, Philadelphia Board of Trade, Kansas City Board of Trade, CBOE Futures Exchange, CME Europe, Eurex, Euronext (Amsterdam, Brussels, Lisbon, Paris), ICE Futures Europe, ICE Futures Canada, ICE Futures U.S., Australian Stock Exchange, Sydney Futures exchange, New Zealand Exchange, Toronto Stock Exchange, Montreal Stock Exchange, Bolsa Mercadorias & Futuros, Bolsa Mexicana de Valores, Hong Kong Exchange, Johannesburg Stock Exchange, MEFF Renta Variable (Madrid), Barcelona MEFF Rent Fija, OMX Nordic Exchange Copenhagen, OMX Exchange Helsinki, OMX Nordic Exchange Stockholm, Osaka Exchange, Singapore Exchange, Tokyo Financial Exchange, Tokyo Stock Exchange, Korea Exchange, London Stock Exchange, NASDAQ OMX Sweden, ERIS Exchange, Global Markets Exchange, ELX Futures.

**APPENDIX III**  
**GLOBAL NETWORK OF MARKETS AND SUBCUSTODIANS**

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

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

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

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

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

<b>South Africa</b>	The Standard Bank of South Africa Limited	
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Spain</b>	Citibank Europe plc	
<b>Sri Lanka</b>	Standard Chartered Bank	
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (publ)	
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd	
<b>Taiwan</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
<b>Thailand</b>	Citibank N.A., Bangkok Branch	
<b>Tunisia</b>	Union Internationale de Banques	
<b>Turkey</b>	Citibank A.S.	
<b>United Arab Emirates (ADX)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (DFM)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (NASDAQ)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>Uganda</b>	Standard Chartered Bank Uganda Limited	

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

---

## DIRECTORY

### Davy Funds p.l.c.

#### Directors

Ian Healy  
John (Bob) Craddock  
Robert Kelleher

#### Registered office

6<sup>th</sup> Floor  
2 Grand Canal Square  
Dublin 2  
Ireland

#### Manager

IQ EQ Fund Management (Ireland) Limited  
76 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### Administrator

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

#### Investment Managers

IQ EQ Fund Management (Ireland) Limited  
76 Sir John Rogerson's Quay  
Dublin 2  
Ireland  
and  
J&E Davy Unlimited Company  
Davy House  
49 Dawson Street  
Dublin 2  
Ireland

#### Depositary

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

#### Distributor

IQ EQ Fund Management (Ireland) Limited  
76 Sir John Rogerson's Quay  
Dublin 2  
Ireland  
and  
J&E Davy Unlimited Company  
Davy House  
49 Dawson Street  
Dublin 2  
Ireland

#### Auditors and Irish tax advisers

KPMG  
1 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

#### Irish legal advisers

William Fry LLP  
2 Grand Canal Square  
Dublin 2  
Ireland

#### Promoter

J&E Davy Unlimited Company  
Davy House  
49 Dawson Street  
Dublin 2  
Ireland

#### Company Secretary

Wilton Secretarial Limited  
2 Grand Canal Square  
Dublin 2  
Ireland