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

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

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## **ARCHITAS MULTI-MANAGER GLOBAL MANAGED FUNDS UNIT TRUST**

*(An umbrella open-ended Unit Trust with segregated liability between its Funds authorised by the Central Bank pursuant to the provisions of the Regulations)*

### **PROSPECTUS**

**Manager**

**ARCHITAS MULTI-MANAGER EUROPE LIMITED**

**Investment Manager**

**ARCHITAS MULTI-MANAGER LIMITED**

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The date of this Prospectus is 27 June 2018.

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# ARCHITAS MULTI-MANAGER GLOBAL MANAGED FUNDS UNIT TRUST

## IMPORTANT INFORMATION

This Prospectus contains information relating to the Trust, an umbrella open-ended unit trust that is authorised in Ireland as a UCITS for the purposes of the Regulations.

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

### Prospectus and Supplements

This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. If there are different classes of Units representing a Fund, details relating to the separate classes may be dealt with in the same Supplement or in separate Supplements for each class. The creation of further classes of Units will be effected in accordance with the Central Bank Requirements. This Prospectus and the relevant Supplement should be read and constituted as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

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

### Stock Exchange listing

It is not currently intended to list Units of the Funds on any stock exchange.

### Applications for Units

Applications for Units will only be considered on the basis of this Prospectus (and any relevant Supplement), any relevant key investor information document and the latest published annual report and audited financial statements and, if published after such report, a copy of the latest half-yearly report and unaudited financial statements. These reports will form part of this Prospectus. No person has been authorised to give any information or to make any representation in connection with the offering or placing of Units other than those contained in this Prospectus, any Supplement and the reports referred to above and, if given or made, such information or representation must not be relied upon as having been authorised by the Trust. The Manager is not responsible for the content of any marketing documents produced by parties other than the Manager in connection with the Trust. The delivery of this Prospectus (whether or not accompanied by the reports referred to above) or any issue of Units shall not, under any circumstances, create any implication that the affairs of the Trust have not changed since the date of this Prospectus or the relevant Supplement.

### Registration of the Trust in jurisdictions outside Ireland

Applications may be made in jurisdictions outside Ireland to enable the Units of the Funds to be marketed freely in these jurisdictions. In the event that such registrations take place, local regulations in EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscription monies may be paid. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via an intermediary rather than directly to the Trustee bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Trustee for the account of the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant investor. The fees and expenses in connection with the registration and distribution of Units in such jurisdictions, which will be at normal commercial rates, may be borne by the Funds.

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION TO ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER OR SOLICITATION. THE DISTRIBUTION OF THIS PROSPECTUS AND THE OFFERING AND PLACING OF UNITS IN CERTAIN JURISDICTIONS MAY BE RESTRICTED AND, ACCORDINGLY, PERSONS INTO WHOSE POSSESSION THIS PROSPECTUS COMES ARE REQUIRED BY THE TRUST TO INFORM THEMSELVES ABOUT AND TO OBSERVE SUCH RESTRICTIONS.

POTENTIAL INVESTORS SHOULD INFORM THEMSELVES AS TO THE LEGAL REQUIREMENTS WITHIN THE COUNTRIES OF THEIR NATIONALITY, RESIDENCE, ORDINARY RESIDENCE OR DOMICILE FOR THE ACQUISITION OF UNITS, ANY FOREIGN EXCHANGE RESTRICTIONS OR EXCHANGE CONTROL REQUIREMENTS WHICH THEY MIGHT ENCOUNTER ON THE ACQUISITION OR SALE OF UNITS THE INCOME TAX AND OTHER TAXATION CONSEQUENCES WHICH MIGHT BE RELEVANT TO THE ACQUISITION, HOLDING OR DISPOSAL OF UNITS.

#### United States

The Units have not been and will not be registered under the 1933 Act or the securities laws of any of the states of the United States. The Units may not be offered or sold directly or indirectly in the United States or to or for the account or benefit of any US Person, except pursuant to an exemption from, or in a transaction not subject to the regulatory requirements of, the 1933 Act and any applicable state securities laws. Any re-offer or resale of any of the Units in the United States or to US Persons may constitute a violation of US law. The Trust has not been and will not be registered under the 1940 Act and investors will not be entitled to the benefit of registration.

The Units have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission or other 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. The Units are subject to restrictions on transferability and resale and may not be transferred or resold in the United States except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom.

In order to ensure compliance with the restrictions referred to above, the Trust is, accordingly, not open for investment by any US Persons or ERISA Plans except in exceptional circumstances and then only with the prior consent of the Manager. A prospective investor may be required at the time of acquiring Units to represent that such investor is a Qualified Holder and not a US Person or acquiring Units for the account or benefit, directly or indirectly, of a US Person or with the assets of an ERISA Plan. The granting of prior consent by the Directors to an investment does not confer on the investor a right to acquire Units in respect of any future or subsequent application.

A "US Person" is a person described in any the following paragraphs:

1. With respect to any person, any individual or entity that would be a US Person under Regulation S of the 1933 Act, as amended. The Regulation S definition is set forth below. **Even if you are not considered a US Person under Regulation S, you can still be considered a "US Person" within the meaning of this Prospectus under Paragraph 2 below.**
2. With respect to any person, individual or entity that would be excluded from the definition of "Non-United States person" in U.S. Commodity Futures Trading Commission ("CFTC") Rule 4.7. The definition of "Non-United States person" is set forth below.
3. For purposes of these definitions, "United States" means the United States of America, its states, territories or possessions, or an enclave of the United States government, its agencies or instrumentalities.
4. The Manager may amend the definition of "US Person" as used in this Prospectus without notice to Unitholders as necessary in order best to reflect then-current applicable US law and regulation. Contact your sales representative for a list of persons or entities that are deemed to be "US Persons".

### *Regulation S definition of US Person*

1. Pursuant to Regulation S of the 1933 Act, "U.S. Person" means:
  - (a) any natural person resident in the United States;
  - (b) any partnership or corporation organised or incorporated under the laws of the United States;
  - (c) any estate of which any executor or administrator is a US person;
  - (d) any trust of which any trustee is a US person;
  - (e) any agency or branch of a foreign entity located in the United States;
  - (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
  - (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or
  - (h) any partnership or corporation if:
    - i. organised or incorporated under the laws of any non-US jurisdiction; and
    - ii. formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(A) under the 1933 Act) who are not natural persons, estates or trusts.
2. Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a "US Person".
3. Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a "US Person" if:
  - (a) an executor or administrator of the estate who is not a US Person has a sole or shared investment discretion with respect to the assets of the estate; and
  - (b) the estate is governed by non-US law.
4. Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a "US Person" if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person.
5. Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a "US Person".
6. Notwithstanding (1) above, any agency or branch of a US Person located outside the United States shall not be deemed a "US Person" if:
  - (a) the agency or branch operates for valid business reasons; and
  - (b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
7. The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "US Persons".

The Manager may amend the definition of "US Person" without notice to Unitholders as necessary in order best to reflect then-current applicable US law and regulation. Contact your sales representative for a list of persons or entities that are deemed to be "US Persons".

## CFTC “Non-United States persons” definition

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

1. a natural person who is not a resident of the United States;
2. a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction;
3. an estate or trust, the income of which is not subject to US income tax regardless of source;
4. an entity organised principally for passive investment such as a pool, investment company or similar entity, provided, that shares/ units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7 (a)(2) or (3)) represent in the aggregate less than ten per cent of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC’s regulations by virtue of its participants being Non-United States persons; and
5. a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

## United Kingdom

Prospective UK resident investors must rely on their own examination of the legal, taxation, financial and other consequences of any investment in the Trust including the risk involved. Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation or other matters and, if in any doubt about the Trust, its suitability, or what action should be taken, should consult a person authorised and regulated by the FCA under the FSMA and qualified to advise on investments in CIS.

The Trust is, at the date of this Prospectus, not recognised as a “collective investment scheme” in the United Kingdom as defined in the FCA Handbook Glossary. The Trust itself has not been authorised or otherwise approved by the FCA and as an unregulated scheme it cannot be marketed in the UK to the general public. This Prospectus is issued by the Directors and may be issued or distributed in the United Kingdom by an “authorised person” (as defined in FSMA) only in circumstances in which it is exempt from the general restriction imposed on authorised persons on financial promotion of unregulated CIS under section 238 FSMA.

Prospective investors should note that most of the protections under FSMA do not apply to investments in the Trust and that compensation under the UK Financial Services Compensation Scheme may not be available.

A recipient of this Prospectus may not reproduce, forward or distribute copies of it to any person except as permitted in accordance with FSMA.

## Translations

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

### **Qualified Holders**

Unitholders are required to notify the Manager immediately in the event that they cease to be a Qualified Holder.

Where the Manager becomes aware that any Units are directly or beneficially owned by any person in breach of the above restrictions, the Manager may direct the Unitholder to transfer his Units to a person qualified to own such Units or to request the Manager to redeem Units, in default of which, the Unitholder shall, on the expiration of 30 days from the giving of such notice, be deemed to have given a request in writing for the redemption of the Units.

### **Risk Factors**

Investors should read and consider the risk discussion under “Risk Factors” and the “Risk Factors” section in the relevant Supplement before investing in a Fund.

**The maximum redemption fee chargeable by any Fund is 3% of the Net Asset Value of the Units redeemed. The value of Investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund. The difference at any one time between subscription and redemption prices for Units means that any investment should be viewed as medium to long term. An investment should only be made by those persons who are able to sustain a loss on their investment.**

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## DEFINITIONS

*“Administration Agreement”*, the agreement made between the Manager and the Administrator.

*“Administrator”*, State Street Fund Services (Ireland) Limited, and/or such other person as may be appointed, in accordance with the Central Bank Requirements, to provide administration services to the Trust.

*“Application Form”*, such application form as the Manager may prescribe for the purposes of opening an account in relation to the Trust and/or relevant Fund and subscribing, redeeming, transferring or switching Units in a Fund.

*“Auditors”*, PricewaterhouseCoopers.

*“Base Currency”*, the base currency of a Fund, being the currency in which the Net Asset Value is calculated.

*“Business Day”*, shall have the meaning for any Fund as set out in the relevant Supplement.

*“Central Bank”*, the Central Bank of Ireland or any successor thereof.

*“Central Bank’s UCITS Regulations”*, the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 as same may be amended, supplemented or re-enacted from time to time.

*“Central Bank Requirements”*, the requirements of the Central Bank from time to time applicable to UCITS, including the Central Bank’s UCITS Regulations and any other requirements or conditions of the Central Bank pursuant to the Regulations or otherwise and to which UCITS are subject.

*“CFTC”*, the Commodity Futures Trading Commission of the United States.

*“CIS”*, collective investment schemes.

*“Courts Service”*, the Courts Service is responsible for the administration of moneys under the control or subject to the order of the Courts.

*“Currency Holiday”*, any Business Day(s) on which transactions cannot be settled in a relevant currency.

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

*“Dealing Deadline”*, the time or times by which applications for subscriptions, redemptions, transfers or switches must be received by the Administrator to be processed for a Dealing Day, as defined in the relevant Supplement (or such earlier or later time prior to the Valuation Point as the Directors may, at their discretion, determine and notify in advance to Unitholders).

*“Directive”*, Council Directive of 13 July 2009 (2009/65/EC) on the co-ordination of laws, regulations and administrative provisions relating to UCITS (as may be amended and/or supplemented from time to time).

*“Directors”*, the directors of the Manager or any duly authorised committee thereof.

*“Duties and Charges”*, in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage fees, bank charges, interest, custodian or sub-custodian charges relating to sales and purchases of Investments, transfer fees, registration fees and other duties, costs, charges or spreads whether in connection with the original acquisition or increase or decrease of the assets of the relevant Fund or the creation, issue, sale, conversion or repurchase of Units or the sale, conversion or repurchase of Investments or the sale or purchase of Investments in respect of certificates or

otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but shall not include any commission payable to agents on sales and purchases of Units or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Units in the relevant Fund.

“EEA”, the European Economic Area.

“Eligible Counterparty”

- (a) a credit institution authorised:
  - (i) in the EEA;
  - (ii) within a signatory state, other than a member state of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
  - (iii) in Jersey, Guernsey, the Isle of Man, Australia or New Zealand; or
- (b) an investment firm, authorised in accordance with the Markets in Financial Instruments Directive in an EEA member state; or
- (c) an entity subject to regulation as a consolidated supervised entity by the US Securities and Exchange Commission.

In the case of a counterparty which is not a credit institution, the counterparty must have a minimum credit rating of A-2 or equivalent, or is deemed by the Manager to have an implied rating of A-2 or equivalent. Alternatively, an unrated counterparty will be acceptable where the Fund is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty by an entity which has and maintains a rating of A-2 or equivalent.

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

“ERISA Plans”, (i) any retirement plan subject to Title I of the United States Employee Retirement Income Security Act of 1974, as amended (“ERISA”); (ii) any individual retirement account or plan subject to Section 4975 of the United States Internal Revenue Code of 1986, as amended; or (iii) an entity whose assets include plan assets by reason of a plan’s investment in the entity (generally because 25% or more of a class of equity interests in the entity is owned by plans).

“EU”, the European Union.

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

“Exempted Irish Investor”,

- an Intermediary within the meaning of Section 739B of the Taxes Act;
- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act.
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a qualifying management company within the meaning of Section 734(1) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a specified company within the meaning of Section 734(1) of the Taxes Act;
- a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the Taxes Act where the Units held are assets of an approved retirement fund or an approved minimum retirement fund;

- a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Units are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Pensions Reserve Fund Commission or a Commission investment vehicle;
- the National Asset Management Agency being a person referred to in Section 739D(6)(ka) of the Taxes Act;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a company that is or will be within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act, in respect of payments made to it by the Company;
- an Irish Resident company investing in a money market fund being a person referred to in Section 739D(6)(k) of the Taxes Act; or
- any other Irish Resident or Irish Ordinary Resident who may be permitted to own Units under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company,

provided that they have completed the Relevant Declaration.

“*FATCA*”, the US Foreign Account Tax Compliance Act, as set forth in Sections 1471 through 1474 of, and other amendments to, the US Internal Revenue Code of 1986, as amended, and the relevant regulations, notices and announcements issued thereunder.

“*FDI*”, financial derivative instruments.

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

“*FCA*”, the United Kingdom Financial Conduct Authority.

“*FSMA*”, the United Kingdom Financial Services and Markets Act 2000 (as may be amended or re-enacted).

“*Fund*”, a fund of assets established (with the prior approval of the Central Bank) for one or more classes of Units which is invested in accordance with the investment objective and policies applicable to such Fund.

“*In House Managers*”, investment managers wholly or partially owned by the AXA Group.

“*In House Products*”, collective investment schemes managed and/or operated by the Investment Manager, or In House Managers.

“*Initial Offer Period*”, the period determined by the Manager in relation to any Fund or class of Units as the period during which Units in a Fund are initially on offer at the Initial Offer Price and set out in the relevant Supplement unless such period is extended or shortened in respect of such classes of Units in a Fund by the Manager and notified to the Central Bank.

“*Initial Offer Price*”, the subscription price per Unit in a Fund during any Initial Offer Period as set out in the relevant Supplement.

“*Intermediary*”, a person who,

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

- holds Units in an investment undertaking on behalf of other persons.

*“Investment”*, any investment which is permitted by the Regulations and is authorised by the Trust Deed.

*“Investment Manager”*, Architas Multi-Manager Limited, and/or such other person as may be appointed, in accordance with the Central Bank Requirements, to provide investment management services to the Funds, or any of them.

*“Investment Management Agreement”*, the agreement between the Manager and the Investment Manager.

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

*“Irish Ordinary Resident”*

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

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

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

*“Irish Resident”*

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

#### Residence – Individual

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

- spends 183 days or more in Ireland in that twelve month tax year; or
- has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that twelve month tax year together with the number of days spent in Ireland in the preceding twelve month tax year. Presence in a twelve month tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any time during that day.

#### Residence – Trust

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

#### Residence – Company

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

#### Companies incorporated on or after 1 January 2015

Finance Act 2014 introduced changes to the above residency rules. From 1 January 2015, a company incorporated in Ireland will be automatically considered resident in Ireland for tax purposes, unless it is

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

Companies incorporated prior to 1 January 2015 have until 1 January 2021 before the new corporate residency provisions take effect.

Companies incorporated prior to 1 January 2015

The Irish tax rules for companies incorporated prior to 1 January 2015 provides that a company incorporated in Ireland will be regarded for all tax purposes as being resident in Ireland. Irrespective of where a company is incorporated a company which has its central management and control in Ireland is resident in Ireland. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where:-

- the company or a related company carried on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU Member States or in countries with which Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a taxation treaty country (however this exception does not apply where the company's place of central management and control is in a jurisdiction that only applies an incorporation test for determining residency and the company would thus not be regarded as tax resident in any jurisdiction);

or

- the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

*"Manager"*, Architas Multi-Manager Europe Limited, a limited liability company incorporated in Ireland.

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

*"Minimum Holding"*, a minimum amount as set out in the relevant Supplement which must be held by a Unitholder in a Fund, or class of Units in a Fund at any one time, which amount may be reduced by the Manager in any case at its discretion.

*"Minimum Redemption"*, a minimum amount as set out in the relevant Supplement which may be redeemed by a Unitholder in a Fund, or class of Units in a Fund at any one time, which amount may be reduced by the Manager in any case at its discretion.

*"Minimum Subscription"*, a minimum amount as set out in the relevant Supplement which may be subscribed for in a Fund, or class of Units in a Fund at any one time, which amount may be reduced by the Manager in any case at its discretion.

*"Net Asset Value"*, the net asset value of a Fund determined in accordance with the Trust Deed.

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

*"OECD"*, the Organisation for Economic Co-operation and Development.

*"OTC"*, an over-the-counter transaction, typically in derivative contracts.

*"PIIU"*, Personal Portfolio Investment Undertaking, a personal portfolio investment undertaking in respect of an investor where some or all of the property of the undertaking, may be or was, selected by, or the selection of some or all of the property may be, or was, influenced by

- (i) the investor;

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

An investment undertaking is not a personal portfolio investment undertaking if the only property which may or has been selected was acquired on arm's length terms as part of a general offering to the public. 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.

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

*"Qualified Holder"*, any person, corporation or entity other than (i) a US Person; (ii) an ERISA Plan; (iii) a Canadian Resident; (iv) any other person, corporation or entity which cannot acquire or hold Units without violating laws or regulations whether applicable to it or the Trust or otherwise or whose holding might result (either individually or in conjunction with other Unitholders in the same circumstances) in the Trust incurring any liability to taxation or suffering pecuniary disadvantages which the Trust might not otherwise incur or suffer or the Trust being required to register or register any class of its securities under the laws of any jurisdiction (including without limitation, the 1933 Act or the 1940 Act); or (v) a custodian, nominee, or trustee for any person, corporation or entity described in (i) to (iv) above.

*"Redemption Form"*, such redemption form as the Manager may prescribe for the purposes of redeeming Units in a Fund.

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

*"Regulations"*, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011), as same may be amended, supplemented, substituted, replaced or varied from time to time and which bring into force in Ireland the measures necessary to implement the Directive.

*"Relevant Declaration"*, the declaration relevant to the Unitholder as set out in Schedule 2B of the Taxes Act.

*"Relevant Period"*, a period of 8 years beginning with the acquisition of a Unit by a Unitholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

*"Resolution"*, a resolution passed by Unitholders of a Fund in accordance with the terms of the Trust Deed.

*"SFC"*, the Securities and Futures Commission of Hong Kong.

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

*"Strategic Partner"*, investment firms with whom the AXA Group has special arrangements for the purchase of their branded collective investment schemes from time to time.

*"Supplement"*, any document issued by the Trust expressed to be a supplement to this Prospectus in accordance with the Central Bank Requirements.

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

*"Taxes Act"*, the Taxes Consolidation Act 1997 of Ireland (as may be amended or re-enacted).

*"Trust"*, Architas Multi-Manager Global Managed Funds Unit Trust.

*"Trustee"*, State Street Custodial Services (Ireland) Limited and/or such other person as may be appointed, with the prior approval of the Central Bank, to act as trustee to the Trust.

*"Trust Deed"*, the deed made between the Manager and the Trustee constituting the Trust.

*"UCITS"*, an Undertaking for Collective Investment in Transferable Securities established pursuant to the Directive.

*"Unit"*, a unit of no par value in the Trust.

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

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

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

*"Unitholder"*, the registered holder of a Unit.

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

*"1933 Act"*, the United States Securities Act of 1933 (as may be amended or re-enacted).

*"1940 Act"*, the United States Investment Company Act of 1940 (as may be amended or re-enacted).

In this Prospectus and the Supplements, words importing the singular include the plural and vice versa.

## DIRECTORY

### Manager

Architas Multi-Manager  
Europe Limited  
6<sup>th</sup> Floor  
2 Grand Canal Square  
Dublin 2  
Ireland

### Directors of the Manager

The Directors of the  
Manager, whose business  
address is that of the Manager  
as follows:

Duncan Freestone  
Pat Healy  
David Kingston  
Andrew Purvis  
Mark Summerbell  
Seamus Lyons

### Promoter and Investment Manager

Architas Multi-Manager Limited  
5 Old Broad Street  
London EC2N 1AD  
England

### Trustee

State Street Custodial  
Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### Administrator, Registrar and Transfer Agent

State Street Fund Services  
(Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### Auditors

PricewaterhouseCoopers  
Chartered Accountants  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

### Legal Advisers to the Trust

William Fry  
6<sup>th</sup> Floor  
2 Grand Canal Square  
Dublin 2  
Ireland



## **ARCHITAS MULTI-MANAGER GLOBAL MANAGED FUNDS UNIT TRUST**

### **Introduction**

The Trust was established pursuant to the Trust Deed on 19 September 2017. It is structured as an umbrella open-ended unit trust in that different Funds of the Trust may be established with the prior approval of the Central Bank. The assets of each Fund shall belong exclusively to that Fund, shall be segregated in the records of the Trustee, from the assets of other Funds, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose. The assets of each Fund will be invested in accordance with the investment objective and policies applicable to each such Fund. The value of the Units of each Fund shall at all times equal its Net Asset Value.

Each Fund may have more than one class of Units allocated to it. The Units of each class allocated to a Fund will rank *pari passu* with each other in all respects except as to all or any of the currency of denomination of the class, and / or the distribution policy of the class, and / or the level of fees and expenses to be charged to the class and / or the Minimum Subscription, Minimum Redemption and Minimum Holding limits applicable to the class, or as the Manager may otherwise determine.

The base currency of the Trust is USD. The Base Currency of each Fund will be determined by the Manager and will be set out in the relevant Supplement.

Specific details concerning each Fund are set out in the Supplement for that Fund. On the establishment of any new Fund or the creation of a new class of Units in an existing Fund, a Supplement will be issued in respect thereof.

A list of the Funds of the Trust currently approved by the Central Bank is set out in Supplement No. 1.

### **INVESTMENT OBJECTIVES AND POLICIES**

#### **General**

The specific investment objectives and policies for each Fund will be formulated by the Manager at the time of the creation of that Fund and set out in the relevant Supplement. Any alteration to the investment objective of a Fund at any time will be subject to the prior approval in writing of all of the Unitholders of that Fund, or, if a meeting of the Unitholders of the Fund is convened, by a simple majority of the votes cast at such meeting. Any material alteration to the investment policy of a Fund at any time will be subject to the prior approval in writing of all of the Unitholders of that Fund, or, if meeting of the Unitholders of the Fund is convened, by simple majority of the votes cast at such meeting. In circumstances where a meeting of Unitholders is convened for either of the foregoing purposes, Unitholders will be given reasonable notice so as to enable them to redeem their Units prior to the implementation of any alteration to the investment objectives or any material alteration of the investment policies of a Fund.

The stock exchanges and markets in which the Funds may invest are set out in Appendix I.

A Fund may, subject to the conditions set out in Appendix III, invest in other Funds of the Trust and/or other CIS (including CIS linked by common management or control to each other or to the Trust). A Fund will not invest in another Fund which itself holds units in other Funds. Where a Fund invests in other Funds, the rate of the annual management fee which Unitholders in the investing Fund are charged in respect of that portion of the investing Fund's assets that is invested in another Fund (whether such fee is paid directly at the investing Fund level, indirectly at the level of the Fund invested in or a combination of both) shall not exceed the rate of the annual management fee which unitholders in the investing Fund may be charged in respect of the balance of the investing Fund's assets, such that there shall be no double charging of the annual management fee to Unitholders of the investing Fund arising from such allocation. A Fund may also hold ancillary liquid assets, in each case subject to the investment restrictions set out in Appendix III.

Following a formal decision to terminate a Fund, the Investments of the Fund may be liquidated, converted to cash and managed so as to enable termination of the Fund in an orderly manner and in order to preserve the value of such cash and Unitholder equity.

### **Investment in FDI and Efficient Portfolio Management**

Each Fund may utilise FDI for investment purposes, where this intention is disclosed in a Fund's investment policies, and/or for efficient portfolio management purposes. Investments in FDI may include, but are not limited to, investments in futures (which may be used to manage interest rate risk or gain exposure to an equity index), warrants options (both of which may be used to achieve cost efficiencies, for example where the acquisition of the option is more cost effective than purchasing of the underlying asset), swaps (including credit default swaps, total return swaps, currency swaps or interest rate swaps) and forward currency exchange contracts (both of which may be used to manage currency risk against the Base Currency and/or any functional currency of a Fund or for other purposes). Only FDI included in a risk management process that has been approved by the Central Bank will be used by a Fund.

Subject to the conditions and within the limits laid down by the Central Bank each Fund may employ techniques and instruments relating to transferable securities for efficient portfolio management purposes. Transactions for the purposes of efficient portfolio management may be undertaken with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to a Fund and may not be speculative in nature. These techniques and instruments may include investments in FDI as noted above. New techniques and instruments may be developed which may be suitable for use by a Fund and the Manager (subject as aforesaid) may employ such techniques and instruments.

Each Fund may also invest in structured notes (instruments which enable a Fund to gain an economic exposure to an equity security, a combination of equity securities or an index, whilst having a primary credit risk to the issuer of the note) which are listed or traded on a Regulated Market for efficient portfolio management purposes. A Fund may enter into securities lending, repurchase and/or reverse repurchase agreements for the purposes of efficient portfolio management subject to the conditions and limits set out in the Central Bank Requirements.

### **Swap Transactions**

The Funds may enter into swaps transactions for the purposes of efficient portfolio management or direct investment where disclosed in the investment policy of any Fund. The Funds will typically enter into these transactions as part of their principal investment strategy to help pursue their investment objectives, subject to the conditions and within the limits laid down by the Central Bank. For example, these transactions may be used to preserve a return or spread on a particular investment or portion of a Fund's portfolio, to protect against currency fluctuations, as a duration management technique or to protect against any increase in the price of securities a Fund anticipates purchasing at a later date or to provide access to issuers when securities are not available due to supply constraints. Because swap agreements are not exchange-traded, but are private contracts into which a Fund and an Eligible Counterparty enter as principals, a Fund may experience a loss or delay in recovering assets if the Eligible Counterparty were to default on its obligations.

### **Options, Warrants and Futures Transactions**

The Funds may, for efficient portfolio management purposes or for direct investment purposes where disclosed in the investment policy of any Fund, buy, sell or write options on securities, financial indices, currencies or futures contracts, may buy or sell warrants and/or may buy and sell futures contracts on securities, financial indices or currencies. The Funds may engage in these transactions to hedge against changes in the value of other assets that the Funds own or intend to acquire. Use of options or futures for other than hedging purposes may be considered a speculative activity, involving greater risks than are involved in hedging.

Options can generally be classified as either "call" or "put" options. There are two parties to a typical options transaction: the "writer" and the "buyer". A call option gives the buyer the right to buy a security or other asset (such as an amount of currency or a futures contract) from, and a put option

gives the buyer the right to sell a security or other asset to, the option writer at a specified price, on or before a specified date. The buyer of an option pays a premium when purchasing the option, which reduces the return on the underlying security or other asset if the option is exercised, and results in a loss if the option expires unexercised. The writer of an option receives a premium from writing an option, which may increase its return if the option expires or is closed out at a profit. If a Fund as the writer of an option is unable to close out an unexpired option, it must continue to hold the underlying security or other suitable asset until the option expires, to “cover” its obligation under the option.

Warrants are long-term securities that give a holder the right to buy a stock at a set price, known as the subscription price. They are similar to long-dated call options. If the current market value of a stock is greater than the subscription price, the warrant has intrinsic value. Warrants are usually attached to a bond or preferred stock offering, and are usually detachable from the security.

A futures contract creates an obligation by the seller to deliver and the buyer to take delivery of the type of instrument or cash at the time and in the amount specified in the contract. Although many futures contracts call for the delivery (or acceptance) of the specified instrument, futures are usually closed out before the settlement date through the purchase (or sale) of a comparable contract. If the price of the sale of the futures contract by a Fund exceeds (or is less than) the price of the offsetting purchase, the Fund will realise a gain (or loss).

The value of options purchased by a Fund and futures contracts held by a Fund may fluctuate based on a variety of market and economic factors. In some cases, the fluctuations may offset (or be offset by) changes in the value of securities held in a Fund’s portfolio. All transactions in options and futures involve the possible risk of loss to the Fund of all or a significant part of the value of its investment. In some cases, the risk of loss may exceed the amount of the Fund’s investment. When a Fund writes a call option or sells a futures contract without holding the underlying securities, currencies or futures contracts, its potential loss is unlimited.

The successful use of options and futures will usually depend on the Investment Manager’s ability to forecast stock market, currency or other financial market movements correctly. A Fund’s ability to hedge against adverse changes in the value of securities held in its portfolio through options and futures also depends on the degree of correlation between changes in the value of futures or options positions and changes in the values of the portfolio securities. The successful use of futures and exchange traded options also depends on the availability of a liquid secondary market to enable a Fund to close its positions on a timely basis. There can be no assurance that such a market will exist at any particular time.

In the case of options that are not traded on an exchange (“over-the-counter” options), a Fund is at risk that the other party to the transaction will default on its obligations, or will not permit a Fund to terminate the transaction before its scheduled maturity.

### **Repurchase / Reverse Repurchase Agreements and Securities Lending**

Subject to the conditions and limits prescribed by the Central Bank Requirements, each Fund may enter into repurchase agreements, reverse repurchase agreements and / or securities lending for efficient portfolio management purposes where disclosed in its investment policy.

In repurchase agreements, a Fund buys securities from a seller, usually a bank or brokerage firm, with the understanding that the seller will repurchase the securities at a higher price at a later date. Such transactions afford an opportunity for a Fund to earn a return on available cash at minimal market risk, although the Fund may be subject to various delays and risks of loss if the seller is unable to meet its obligations to repurchase.

### **Investment and Borrowing Restrictions**

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

The Manager may also from time to time impose such further investment restrictions as may be compatible with or be in the interest of the Unitholders in order to comply with the laws and regulations of the countries where Unitholders of the Trust are located or the Units are marketed.

It is intended that the Manager shall, subject to the prior approval of the Central Bank, have power to avail itself of any change in the investment restrictions laid down in the Regulations which would permit investment by the Trust in securities or in any other forms of investment which, as at the date of this Prospectus, is restricted or prohibited under the Regulations. The Trust will give Unitholders reasonable notice of its intention to avail itself of any such change which is material in nature and the Prospectus will be updated accordingly.

## **Currency Hedging Policy**

### **Hedging at Portfolio Level**

The Funds may engage in currency exchange transactions for efficient portfolio management purposes or for direct investment purposes where disclosed in the investment policy of any Fund, to protect the value of specific portfolio positions or in anticipation of changes in relative values of currencies in which current or future Fund portfolio holdings are denominated or quoted. For example, to protect against a change in the currency classes denominated in currencies other than the Base Currency of a Fund, currency exchange rate between the date on which a Fund contracts to purchase or sell a security and the settlement date for the purchase or sale, or to “lock in” the equivalent of a distribution or interest payment in another currency, a Fund might purchase or sell a non-U.S. dollars currency on a spot (that is, cash) basis at the prevailing spot rate. If conditions warrant, the Funds may also enter into private contracts to purchase or sell currencies at a future date (“forward contracts”). The Funds might also purchase exchange-listed and over-the-counter call and put options on foreign currencies. Over-the-counter currency options are generally less liquid than exchange-listed options, and will be treated as illiquid assets. The Funds may not be able to dispose of over-the-counter options readily.

### **Hedging at Unit Class Level**

Each Fund may employ strategies aimed at hedging against currency risk at Unit class level where disclosed in the relevant Supplement. Where there are different classes of Units in a Fund, the Supplement for that Fund shall state whether or not a hedging policy is being adopted in respect of any class of Units. Where a Fund makes Investments denominated in currencies other than the base currency of the Fund, it may seek to hedge the resulting currency exposure back into the base currency of the Fund.

A Fund may employ certain currency-related transactions in order to hedge against certain currency risks, for example, where the currency of denomination of a class of Units differs from the Base Currency of the Fund. However, there can be no assurance that such hedging transactions will be effective. To the extent that hedging is successful, the performance of the Unit class is likely to move in line with the performance of the Investments and Unitholders in a hedged Unit class will not benefit if the Unit class currency falls against the Base Currency and/or currency in which the assets of the Fund are denominated. All costs and gains / losses arising from Investments in relation to such currency hedging transactions will be borne by the hedged Unit class of the relevant Fund and all gains arising in connection with such hedging transactions will be attributable to the relevant Unit class. Although any Fund may utilise currency hedging transactions in respect of Unit classes, it shall not be obliged to do so and to the extent that it does employ strategies aimed at hedging certain Unit classes, there can be no assurance that such strategies will be effective. The costs and related gains / losses arising from instruments entered into for the purposes of hedging the currency exposure for the benefit of any particular Unit class of a Fund (where the currency of a particular class is different to the Base Currency of the Fund) shall be attributable exclusively to the Unit class.

Currency hedged positions will not exceed 105% of the Net Asset Value of the relevant Unit class. All transactions will be clearly attributable to the relevant Unit class and currency exposures of different Unit classes will not be combined or offset. It is not intended to have under-hedged or over-hedged positions in respect of the Funds, however, due to market movements and factors outside the control of the Currency Manager, under-hedged and over-hedged positions may arise from time to time.

There will be procedures in place to monitor hedged positions and to ensure that: (a) under-hedged positions do not fall short of 95% of the portion of the Net Asset Value of the relevant Unit class which is to be hedged against currency risk; and (b) over-hedged positions do not exceed 105% of the Net Asset Value of the relevant hedged Unit class. As part of these procedures, hedged positions will be reviewed in excess of 100% of the Net Asset Value of the relevant hedged Unit class on a daily basis to ensure that they are not carried forward from day to day. In the event that hedging in respect of a hedged Unit class exceeds 105% due to market movements or redemptions, such hedging shall be reduced appropriately as soon as possible thereafter.

## DISTRIBUTION POLICY

The Manager is empowered to declare and pay a distribution on any class of Units in the Trust. For the avoidance of doubt, Unitholders have no entitlement to distributions until such time as a distribution has been declared by the Manager and the amount of any distribution shall be determined at the Manager's sole discretion.

The distribution policy in respect of each class of Units shall be set out in the relevant Supplement. The Manager may establish classes of Units with different distribution policies from time to time. In the event the Manager resolves to change the distribution policy of a class of Units, full details of the change in distribution policy will be reflected in the Supplement relating to that Fund and all relevant Unitholders will be notified in advance.

A distribution, if declared, will be declared in the Base Currency of the applicable Fund and will normally be paid by telegraphic transfer. Distributions may be paid only out of the net revenue of a Fund (i.e. all interest, dividends and other income less the Fund's accrued expenses) and/or realised and unrealised profits on the disposal/valuation of investments less realised and unrealised losses of the Fund. The particular source of distributions will be as set out in relevant Fund Supplement.

Any unclaimed distribution paid on a Unit will not earn interest and, if not claimed within six years from the date of its declaration shall be forfeited and cease to remain owing by the Manager and become the property of the relevant Fund (or in the case of a Fund which has been terminated shall be payable pro rata to the then current Funds of the Trust).

## RISK FACTORS

Potential investors should consider the following risk factors before investing in the Trust. Additional risk factors for the Funds may be set out in the relevant Supplements.

### General

Risk is the chance that an investor will lose money on an investment or that such investment will not earn as much expected by the investor. In general, the greater the risk, the more money an investment can earn and the more that can be lost. Like other investment funds, the value of each Fund's Units may be affected by the Fund's investment objective(s), principal investment strategies and particular risk factors. Consequently, each Fund may be subject to different risks. Some of the risks, including principal risks, of investing in the Funds are discussed below. However, other factors which cannot be foreseen at the moment may also affect each Fund's investment results.

There is no guarantee that a Fund will achieve its investment objective(s) or that it will not lose value.

### Risks to which each Fund is subject

**Asset Class Risk.** This is the risk that the returns from the types of Investments in which a Fund invests will underperform the general securities markets or different asset classes. Different types of securities and asset classes tend to go through cycles of outperformance and underperformance in comparison to the general securities markets.

**Broker Risk and Sub-Custody risk.** In certain markets, a Fund will be exposed to the credit risk of the counterparties or the brokers and dealers and exchanges through which, it deals, whether it engages in exchange or off-exchange traded transactions. A Fund may be subject to risk of loss of its

assets held by a broker in the event of the broker's bankruptcy or fraud, the bankruptcy or fraud of any clearing broker through which the broker executes and clears transactions on behalf of a Fund, or the bankruptcy or fraud of an exchange clearing house. A Fund's Investments may be registered in the name of a sub-custodian or broker where, due to the nature of the law or market practice of jurisdictions, it is common market practice. Such Investments may not be segregated from the sub-custodian's or the broker's own investments and in the event of default of such sub-custodian or broker may not be protected and may be irrecoverable by the Fund.

**Conflict of Interest Risk.** Where the Investment Manager (or sub-investment manager) of a Fund uses techniques and instruments for the purposes of efficient portfolio management, companies related to the Investment Manager or the sub-investment manager (as the case may be) may act as principal or may provide banking, brokerage or other services to the Fund, thereby deriving benefit. Related companies may be used where the Investment Manager or sub-investment manager considers that the best net results will be obtained for the Fund from these related companies. In the event of a conflict of interest arising between an Eligible Counterparty and the Investment Manager (or sub-investment manager) in the context of management of the Fund, the Investment Manager or sub-investment manager will adhere to the principles outlined in the section headed "Conflicts of Interest".

**Counterparty Risk to the Trustee.** The Trust will be exposed to the credit risk of the Trustee as a counterparty or any depository used by the Trustee where cash is held by the Trustee or other depositories. In the event of the insolvency of the Trustee or other depositories, the Trust will be treated as a general creditor of the Trustee or other depositories in relation to cash holdings of the Funds. The Funds' securities are however maintained by the Trustee or other depositories in segregated accounts and should be protected in the event of insolvency of the Trustee or other depositories. When such a counterparty is in financial difficulties, even if a Fund able to recover all of its capital intact, its trading could be materially disrupted in the interim, potentially resulting in material losses.

**Dealing Procedures Risk.** Some Funds may have dealing procedures which provide for the settlement of subscription monies after the cut-off time for receipt of Application Forms. These Funds bear the risk that investors fail to pay some or all of the relevant subscription monies or that such payments are not made within the timeframe set out in the relevant Supplement. The Manager on behalf of the relevant Fund may pursue such investors to recover any losses suffered by the relevant Fund. However, the relevant Fund may suffer a loss if the Manager is unable to recover these losses from such investors.

**Eligible Counterparty Risk.** Unitholders and potential investors should note that certain risks arise in the context of trading with an Eligible Counterparty as follows: FDI positions (such as swaps or other FDIs with similar characteristics) may be entered into on an OTC basis with one or more Eligible Counterparties. Trading in such FDIs results in credit risk exposure to such Eligible Counterparties (i.e. the risk that the Eligible Counterparty to an FDI trade will fail to discharge its obligations under the terms of the trade in respect of a Fund). Where the Investment Manager, on behalf of a Fund, enters into OTC FDI trades it may seek to mitigate much of its credit risk to an Eligible Counterparty by receiving collateral from that Eligible Counterparty. To the extent that any OTC FDIs are not fully collateralised, a default by the Eligible Counterparty may result in a reduction in the value of the Fund and thereby a reduction in the value of an investment in the Fund.

**Fund Management Risk.** This is the risk that strategies used by the Investment Manager or any sub-investment manager and its securities selections fail to produce the intended results.

**Investment Risk.** This is the risk that the value of a security may move up and down, sometimes rapidly and unpredictably based upon a change in a company's financial condition as well as overall market and economic conditions.

**Investment Selection Risk.** The Investment Manager or any sub-investment manager will select particular Investments in seeking to achieve the Fund's objective within its overall strategy. The Investments selected for the Fund may not perform as well as other securities that were not selected for the Fund. As a result the Fund may underperform other funds with the same objective or in the same asset class.

**Market Risk.** This is the risk that the securities markets will move down, sometimes rapidly and unpredictably based on overall economic conditions and other factors.

**Risks Relating to Repurchase Agreements.** In the event of the failure of the counterparty with which collateral has been placed, a Fund may suffer loss as there may be delays in recovering collateral placed out or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate pricing of the collateral or market movements.

**Risks Relating to Reverse Repurchase Agreements.** In the event of the failure of the counterparty with which cash has been placed, a Fund may suffer loss as there may be delay in recovering cash placed out or difficulty in realising collateral or proceeds from the sale of the collateral may be less than the cash placed with the counterparty due to inaccurate pricing of the collateral or market movements.

**Securities Lending Risk.** For purposes of realising additional income, each Fund may lend securities. Any such loan of securities will be continuously secured by collateral in accordance with the Central Bank Requirements. The risks in lending securities, as with other extensions of secured credit, consist of possible delay in receiving additional collateral or in the recovery of the securities, possible loss of rights in the securities should the borrower fail financially or a decline in the value of the collateral held by a Fund. Loans will only be made to firms deemed by the Investment Manager to be of good standing and will not be made unless, in the judgment of the Investment Manager, as applicable, the consideration to be earned from such loans would justify the risk.

**Sub-Investment Manager Selection Risk.** This is the risk that the Investment Manager's process for selecting or replacing a sub-investment manager and its decision to select or replace a sub-investment manager may not produce the intended results in terms of performance and/or the achievement of a Fund's investment objective.

**Umbrella Cash Subscription and Redemption Account ("Collection Account") Risk.** The Manager operates a single subscription and redemption account at umbrella level in the name of the Trust (the "Collection Account"). Subscriptions and redemptions accounts will not be established at Fund level. All subscription and redemption monies and dividends or cash distributions payable to or from the Funds will be channelled and managed through the Collection Account.

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

Payment by a Fund of redemption proceeds and dividends is subject to receipt by the Trust or its delegate, the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Redeeming Unitholders and Unitholders entitled to distributions should ensure that any outstanding documentation and/or information required in order for them to receive such payments to their own account is provided to the Manager or its delegate, the Administrator, promptly. Payment of redemption proceeds or dividends to the Unitholders entitled to such amounts may accordingly be blocked pending compliance with the foregoing requirements to the satisfaction of the Manager or its delegate, the Administrator. Redemption and distribution amounts, including blocked redemption or distribution amounts, will, pending payment to the relevant investor or Unitholder, be held in the Collection Account in the name of the Trust. For as long as such amounts are held in the Collection Account the investors/Unitholders entitled to such payments from a Fund will be unsecured creditors of the Trust with respect to those amounts and, with respect to and to the extent of their interest in such amounts, will not benefit from any appreciation in the Net Asset Value of the relevant Fund or any other shareholder rights (including further dividend entitlement). Redeeming Unitholders will cease to be Unitholders with regard to the redeemed Units as and from the relevant redemption date. In the event of the insolvency of that Fund or the Trust, there is no guarantee that the Fund or

the Trust will have sufficient funds to pay unsecured creditors in full. Redeeming Unitholders and Unitholders entitled to distributions should therefore ensure that any outstanding documentation and/or information required in order for them to receive such payments to their own account is provided to the Manager or its delegate, the Administrator promptly. Failure to do so is at such Unitholder's own risk.

In the event of the insolvency of a Fund, recovery of any amounts to which other Funds are entitled, but which may have transferred to the insolvent Fund as a result of the operation of the Collection Account, will be subject to the principles of Irish trust law and the terms of the operational procedures for the Collection Account. There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent Fund may have insufficient funds to repay amounts due to other Funds.

The Manager will operate the Collection Account in accordance with the provisions of the Trust Deed.

**Valuation Risk.** Valuation of a Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the Fund.

### **Risks to which each Fund may be subject**

**Banking Industry Sector Risk.** To the extent a Fund invests in the banking industry, it is exposed to the risks generally associated with such industry, including interest rate risk, credit risk and the risk that regulatory developments relating to the banking industry may affect its Investment.

**Concentration Risk.** A Fund's investments may be concentrated in specific industry sectors / instruments / geographical locations, etc. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

The value of a Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal, or regulatory event affecting the country / region the Fund focuses on.

**Convertible Securities Risk.** Convertible securities may include both convertible debt and convertible preferred stock. Such securities may be converted into shares of the underlying common stock at either a stated price or stated rate. Therefore, convertible securities enable the holder to benefit from increases in the market price of the underlying common stock. Convertible securities provide higher yields than the underlying common stock, but generally offer lower yields than nonconvertible securities of similar quality. Comparable to straight bond investments, convertible securities are subject to interest rate risk, credit risk and liquidity risk. In addition, the convertible securities will be exposed to fluctuation in relation to the underlying common stock and greater volatility than straight bonds. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security held by a Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into underlying common stock or sell it to a third party. Investments by certain of the Funds in convertible debt securities are not subject to any ratings restrictions, although the Investment Manager will consider such ratings, and any changes in such ratings, in its determination of whether a Fund should invest and/or continue to hold the securities.

**Distressed Companies Risk.** Debt obligations of distressed companies typically are unrated, lower-rated or close to default. Also, securities of distressed companies are generally more likely to become worthless than the securities of more financially stable companies.

**Equity Risk.** Stocks and other equity securities generally fluctuate in value more than bonds and may decline in value over short or over extended periods. The value of such securities will change based on changes in a company's financial condition, investment sentiment and in overall market, political and economic conditions.

**Eurozone Risk.** In light of the ongoing concerns on the sovereign debt risk of certain countries within the Eurozone, a Fund investing in the region may be subject to higher volatility, liquidity, currency and



default risks. Any adverse events, such as credit downgrade of a sovereign or exit of EU Member States from the Eurozone, may have a negative impact on the value of the Fund.

**FDI Risk.** FDI are financial contracts whose value is based on the value of an underlying asset, reference rate or index. A Fund's investment in FDI may rise or fall more rapidly than other Investments. These transactions are subject to changes in the underlying security on which such transactions are based. Even a small investment in FDI can have a significant impact on an exposure to stock market values, interest rates or currency exchange rates. FDI are subject to a number of risks such as liquidity risk, interest rate risk, market risk, credit risk and portfolio management risk depending on the type of underlying asset, reference rate or index. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of a FDI may not correlate well with the underlying asset, reference rate or index. These types of transactions will be used primarily as a substitute for taking a position in the underlying asset and/or for hedging purposes. When a FDI is used as a hedge against an offsetting position that a Fund also holds, any loss generated by the FDI should be substantially offset by gains on the hedged instrument, and vice-versa. To the extent that a Fund uses FDI for purposes other than as a hedge, that Fund is directly exposed to the risks of that FDI and any loss generated by the FDI will not be offset by a gain.

FDI may be used subject to the limits and conditions set out in Appendix II. FDI positions may be executed either on exchange or over the counter. Such FDI tend to have a greater volatility than the securities to which they relate and they bear a corresponding greater degree of risk. The primary risks associated with the use of such FDI are (i) failure to predict accurately the direction of the market movements and (ii) market risks, for example, lack of liquidity or lack of correlation between the change in the value of the underlying asset and that of the value of a Fund's FDI. These techniques may not always be possible or effective in enhancing returns or mitigating risk. A Fund's investment in OTC FDI is subject to the risk of counterparty default. In addition, a Fund may have to transact with counterparties on standard terms which it may not be able to negotiate. To the extent that a Fund invests in FDI, a Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default.

The use of FDI will also expose the relevant Fund to the risk that the legal documentation of the contract may not accurately reflect the intention of the parties. Legal risk is the risk of loss due to the unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

A Fund may be leveraged as a result of its use of FDI. The leverage element/component of FDI can result in a loss significantly greater than the amount invested in the FDI by the relevant Fund. In circumstances where a Fund is leveraged, specific details of the level of leverage will be set out in the Supplement for the relevant Fund.

**Financial Services Sector Risk.** To the extent a Fund invests in the financial services sector, the value of a Fund's Units may be particularly vulnerable to factors affecting that sector, such as the availability and cost of capital funds, changes in interest rates, the rate of corporate and consumer debt defaults, extensive government regulation and price competition. The value of a Fund's Units could experience significantly greater volatility than Funds investing in a diversified portfolio of securities.

**Fixed Income Risk.** To the extent that any of the Funds invest a substantial amount of assets in fixed income securities, a Fund may be subject to the following risks:

(a) **Asset-Backed Securities Risk.**

Asset-backed securities represent interests in pools of consumer loans such as credit card receivables, automobile loans and leases, leases on equipment such as computers, and other financial instruments and are subject to certain additional risks. Rising interest rates tend to extend the duration of asset-backed securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, the Fund may exhibit additional volatility. The risk of default by borrowers is greater during periods of rising interest rates and/or unemployment rates. In addition, the principal on asset-backed securities may be prepaid at any time, which will reduce the yield and market value. When interest rates are declining, there are usually more prepayments of loans as borrowers are motivated to pay off

debt and refinance at new lower rates, which will shorten the life of these securities. The reinvestment of cash received from prepayments will, therefore, usually be at a lower interest rate than the original investment, lowering the Fund's yield. Prepayments also vary based on, among other factors, general economic conditions and other demographic conditions.

Moreover, the asset-backed securities are exposed to the risk that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities. If a Fund purchases asset-backed securities that are "subordinated" to other interests in the same pool of assets, the Fund as a holder of those securities may only receive payments after the pool's obligations to other investors have been satisfied. In addition, instability in the markets for asset-backed securities may affect the liquidity of such securities, which means that a Fund may be unable to sell such securities at an advantageous time and price. As a result, the value of such securities may decrease and a Fund may incur greater losses on the sale of such securities than under more stable market conditions. Furthermore, instability and illiquidity in the market for lower-rated asset-backed securities may affect the overall market for such securities, thereby impacting the liquidity and value of higher-rated securities.

(b) Credit Risk.

The actual or perceived reduction in the creditworthiness of debt issuers generally will have adverse effects on the values of their debt securities. Credit risk is the risk that the issuer or guarantor of a debt security or counterparty to a Fund's Investments will be unable or unwilling to make timely principal and/or interest payments, or otherwise will be unable or unwilling to honour its financial obligations. Each Fund may be subject to credit risk to the extent that it invests in debt securities or engages in transactions, such as securities loans or repurchase agreements, which involve a promise by a third party to honour an obligation to the Fund. Credit risk is particularly significant in the event a Fund invests a material portion of its assets in "junk bonds" or lower-rated securities.

(c) Interest Rate Risk.

The price of a bond or a fixed income security is dependent upon interest rates. Therefore, the share price and total return of a Fund investing a significant portion of its assets in bonds or fixed income securities will vary in response to changes in interest rates. A rise in interest rates causes the value of a bond to decrease, and vice-versa. There is the possibility that the value of a Fund's Investment in bonds or fixed income securities may fall because bonds or fixed income securities generally fall in value when interest rates rise. The longer the term of a bond or fixed income instrument, the more sensitive it will be to fluctuations in value from interest rate changes. Changes in interest rates may have a significant effect on Funds holding a significant portion of their assets in fixed income securities with long-term maturities.

(d) Investment Grade Securities Risk.

Debt securities are rated by national bond ratings agencies. Securities rated BBB by S&P or Baa by Moody's are considered investment grade securities, but are somewhat riskier than higher rated obligations because they are regarded as having only an adequate capacity to pay principal and interest, and are considered to lack outstanding investment characteristics.

(e) Junk Bonds or Lower Rated or Unrated Securities Risk.

Bonds rated below investment grade (i.e. BB by S&P or Fitch or Ba by Moody's) or unrated are speculative in nature, involve greater risk of default by the issuing entity and may be subject to greater market fluctuations than higher rated fixed income securities. They are usually issued by companies without long track records of sales and earnings, or by those companies with questionable credit strength. The retail secondary market for these "junk bonds" may be less liquid than that of higher rated securities and adverse conditions could make it difficult at times to sell certain securities or could result in lower prices than those used in calculating the Fund's net asset value. A Fund investing in "junk bonds" may also be subject to greater credit risk because it may invest in debt securities issued in connection with corporate restructuring by highly leveraged issuers or in debt securities not current in the payment of interest or principal or in default. "Junk Bonds" may contain redemption or call provisions. If an issuer exercises these provisions in a declining interest rate market, the Fund would have to replace the security with a lower yielding security, resulting in a decreased

return. Conversely, a junk bond's value will decrease in a rising interest rate market, as will the value of the Fund's assets. If the Fund experiences unexpected net redemptions, this may force it to sell its junk bonds, without regard to their investment merits, thereby decreasing the asset base upon which the Fund expenses can be spread and possibly reducing the Fund's rate of return.

(f) Downgrading Risk.

The credit rating of a debt security or its issuer may subsequently be downgraded. In the event of such downgrading, the value of a Fund may be adversely affected. The Manager and/or Investment Manager may or may not be able to dispose of the debt securities that are being downgraded.

(g) Credit Rating Risk.

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

(h) Mortgage-Backed Securities Risk.

The risk that the principal on mortgage-backed securities may be prepaid at any time, which will reduce the yield and market value. If interest rates fall, the rate of prepayments tends to increase as borrowers are motivated to pay off debt and refinance at new lower rates. Rising interest rates tend to extend the duration of mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, a Fund that holds mortgage-related securities may exhibit additional volatility. This is known as extension risk. In addition, the risk of default by borrowers is greater during periods of rising interest rates and/or unemployment rates. The early retirement of particular classes or series of a collateralised mortgage obligation held by a Fund would have the same effect as the prepayment of mortgages underlying other mortgage-backed securities.

If a Fund purchases mortgage-backed securities that are "subordinated" to other interests in the same mortgage pool, the Fund as a holder of those securities may only receive payments after the pool's obligations to other investors have been satisfied. For example, an unexpectedly high rate of defaults on the mortgages held by a mortgage pool may limit substantially the pool's ability to make payments of principal or interest to the Fund as a holder of such subordinated securities, reducing the values of those securities or in some cases rendering them worthless. Certain mortgage-backed securities may include securities backed by pools of mortgage loans made to "subprime" borrowers or borrowers with blemished credit histories; the risk of defaults is generally higher in the case of mortgage pools that include such subprime mortgages. The underwriting standards for subprime loans are more flexible than the standards generally used by banks for borrowers with non-blemished credit histories with regard to the borrowers credit standing and repayment ability. Borrowers who qualify generally have impaired credit histories, which may include a record of major derogatory credit items such as outstanding judgments or prior bankruptcies. In addition, they may not have the documentation required to qualify for a standard mortgage loan. As a result, the mortgage loans in the mortgage pool are likely to experience rates of delinquency, foreclosure, and bankruptcy that are higher, and that may be substantially higher, than those experienced by mortgage loans underwritten in a more traditional manner. In addition, changes in the values of the mortgaged properties, as well as changes in interest rates, may have a greater effect on the delinquency, foreclosure, bankruptcy, and loss experience of the mortgage loans in the mortgage pool than on mortgage loans originated in a more traditional manner. Moreover, instability in the markets for mortgage-backed securities may affect the liquidity of such securities, which means that a Fund may be unable to sell such securities at an advantageous time and price. As a result, the value of such securities are prone to substantial price volatility and may decrease and a Fund may incur greater losses on the sale of such securities than under more stable market conditions. Furthermore, instability and illiquidity in the market for lower-rated mortgage-backed securities may affect the overall market for such securities, thereby impacting the liquidity and value of higher-rated securities. Mortgage-backed securities may be subject to greater credit, liquidity and interest risk compared to other debt securities in general.

(i) Sovereign Debt Risk.

A Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Fund to participate in restructuring such debts. The Fund may suffer significant losses when there is a default of sovereign debt issuers.

(j) Zero Coupon and Pay-in-Kind Securities Risk.

A zero coupon or pay-in-kind security pays no interest in cash to its holder during its life. Accordingly, zero coupon securities usually trade at a deep discount from their face or par value and, together with pay-in-kind securities, will be subject to greater fluctuations in market value in response to changing interest rates than debt obligations of comparable maturities that make current distribution of interest in cash.

**Focused Fund Risk.** Funds that invest in the securities of a limited number of companies may incur more risk because changes in the value of a single security may have a more significant effect, either positive or negative, on the Fund's Net Asset Value.

**Foreign Securities Risk.** A Fund's Investments in foreign securities can adversely affect a Fund's performance. Foreign markets, particularly emerging markets, may be less liquid, more volatile and subject to less government supervision than domestic markets. The value of a Fund's Investment may be negatively affected by changes in the exchange rates between the Base Currency and foreign currencies. There may be difficulties enforcing contractual obligations, and it may take more time for trades to clear and settle. A Fund may be subject to the following risks associated with investing in foreign securities:

(a) Currency Risk.

Investments of the Funds may be denominated in currencies other than the Base Currency. Also, a Unit class may be designated in a currency other than the Base Currency. Unfavourable fluctuations in currency exchange rates and exchange rate controls of these currencies will negatively affect the Net Asset Value of a Fund. Adverse changes in currency exchange rates (relative to the Base Currency) may erode or reverse any potential gains from a Fund's Investments which are denominated in a currency other than the Base Currency or may widen existing losses.

Depending on an investor's currency of reference, currency fluctuations between that currency and the Base Currency may adversely affect the value of an investment in that Fund.

A Fund may from time to time enter into currency exchange transactions such as currency exchange forward contracts. Currency exchange forward contracts do not eliminate fluctuations in the prices of a Fund's assets or in foreign exchange rates, or prevent loss if the prices of these assets should decline. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the assets held.

(b) Depositary Receipts and Notes.

A Fund may invest in securities of foreign issuers in the form of depositary receipts, depositary notes or other securities that are convertible into securities of foreign issuers. American Depositary Receipts ("ADRs") are receipts typically issued by a US bank or trust company that evidence underlying securities issued by a foreign corporation. European Depositary Receipts (issued in Europe) and Global Depositary Receipts ("GDRs") (issued throughout the world) each evidence a similar ownership arrangement. Global Depositary Notes ("GDNs") are typically debt instruments issued by a depositary bank that evidence ownership of a local currency-denominated debt security. A Fund may invest in unsponsored depositary receipts/notes. The issuers of unsponsored depositary receipts/notes are not obligated to disclose information that may be considered material. Therefore, there may be less information available regarding these issuers and there may not be a correlation between such information and the market value of the depositary receipts/notes. Depositary receipts/notes are generally

subject to the same risks as the foreign securities that they evidence or into which they may be converted.

(c) **Emerging Markets Risk.**

Funds which invest in emerging markets are subject to certain risks associated with investment in an emerging market including, but not limited to: generally less liquid and less efficient securities markets; generally greater price volatility; exchange rate fluctuations and exchange control; imposition of restrictions on the expatriation of funds or other assets; imposition of restrictions on foreign investment; the existence of certain national policies which may restrict investment opportunities, including restrictions on investment in issuers or industries deemed sensitive to national interests; less publicly available information about issuers; the imposition of additional taxes; higher transaction and custody costs; settlement delays and risk of loss; difficulties in enforcing contracts; less liquidity and smaller market capitalisations; less well-regulated markets resulting in more volatile prices; different accounting and disclosure standards; governmental interference; higher inflation and rapid fluctuations in inflation rates; social, economic and political uncertainties; lack of available currency hedging instruments; custodial and/or settlement systems which may not be fully developed; the risk of expropriation of assets and the risk of war; legal and taxation risks. There are greater risks involved in investing in emerging market countries and/or their securities markets. Generally, economic structures in these countries are less diverse and mature than those in developed countries, and their political systems are less stable. Investments in emerging market countries may be affected by national policies that restrict foreign investment in certain issuers or industries.

In the absence of the Trustee's breach of trust through fraud, negligent or intentional failure to properly fulfil its obligations pursuant to the Regulations, the Trustee may not be liable to the Trust or its Unitholders for the loss of an asset of a Fund which is not capable of being registered or held in a securities account in the name of the Trustee or a sub-custodian or being physically delivered to the Trustee.

In the event that custody is delegated to local entities that are not subject to effective prudential regulation, including minimum capital requirements and supervision in the jurisdiction concerned, prior Unitholder notice will be provided advising of the risks involved in such delegation. None of the Manager, the Investment Manager, the Trustee, the Administrator or any of their agents makes any representation or warranty about, or any guarantee of the operation, performance or settlement, clearing and registration of transactions dealing in emerging markets.

A Fund that invests in an emerging market may be subject to greater risk of loss than a Fund which invests in a developed market.

The small size of their securities markets and low trading volumes can make investments illiquid and more volatile than investments in developed countries and such securities may be subject to abrupt and severe price declines. As a result, a Fund investing in emerging market countries may be required to establish special custody or other arrangements which will be in accordance with Central Bank Requirements before investing.

Geographic Risk.

The economies and financial markets of certain regions, such as Latin America and Asia, can be highly interdependent and may decline all at the same time.

Political/Economic Risk.

Changes in economic and tax policies, government instability, war or other political or economic actions or factors may have an adverse effect on a Fund's foreign Investments.

Regulatory Risk.

Less information may be available about foreign companies. In general, foreign companies are not subject to uniform accounting, auditing and financial reporting standards or to other regulatory practices and requirements. Accounting practices are in many respects less rigorous than those applicable in more developed markets. Similarly, the amount and quality of

information required for reporting by companies in emerging market countries is generally of a relatively lower degree than in more developed markets.

Reporting and Valuation Factors Risk.

There can be no guarantee of the accuracy of information available in emerging market countries in relation to investments which may adversely affect the accuracy of the value of Units in the Fund. Accounting practices are in many respects less rigorous than those applicable in more developed markets. Similarly, the amount and quality of information required for reporting by companies in emerging market countries is generally of a relatively lower degree than in more developed markets.

Custody Factors

Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances the Fund may not be able to recover some of its assets. Such circumstances may include any acts or omissions or the liquidation, bankruptcy or insolvency of a sub-custodian, retroactive application of legislation and fraud or improper registration of title. The costs borne by a Fund in investing and holding investments in such markets will generally be higher than in organised securities markets.

Settlement Risk.

Settlement and clearance procedures and trade regulations also may involve certain risks (such as delays in payment for or delivery of securities).

At times, settlements in certain foreign countries have not kept pace with the number of securities transactions. These problems may make it difficult for a Fund to carry out transactions. If a Fund cannot settle or is delayed in settling a purchase of securities, it may miss attractive investment opportunities and certain of its assets may be uninvested with no return earned thereon for some period. If a Fund cannot settle or is delayed in settling a sale of securities, it may lose money if the value of the security then declines or, if it has contracted to sell the security to another party, the Fund could be liable for any losses incurred.

Transaction Costs Risk.

The costs of buying and selling foreign securities, including tax, brokerage and custody costs, generally are higher than those involving domestic transactions.

**Growth Investing Risk.** Growth investing generally focuses on companies that, due to their strong earnings and revenue potential, offer above-average prospects for capital growth, with less emphasis on dividend income. Earnings predictability and confidence in earnings forecasts are an important part of the selection process. As a result, the price of growth stocks may be more sensitive to changes in current or expected earnings than the prices of other stocks. Where the Investment Manager uses this approach it will generally seek out companies experiencing some or all of the following: high sales growth, high unit growth, high or improving returns on assets and equity, and a strong balance sheet. The Investment Manager may prefer companies with a competitive advantage such as unique management, marketing or research and development. Growth investing is also subject to the risk that the stock price of one or more companies will fall or will fail to appreciate as anticipated by the Investment Manager, regardless of movements in the securities market. Growth stocks tend to be more volatile than value stocks, so in a declining market, their prices may decrease more than value stocks in general.

**Index Fund Risk.** An investment in a CIS which seeks to track or replicate an index exposes an investor to the market risks associated with fluctuations in the securities comprising the index and the value of securities comprised in the CIS. The value of the CIS can increase as well as decrease and the value of an investment in such a CIS will fluctuate accordingly. Where a CIS is passively managed, its manager and/or its investment manager will not have discretion to adapt to market changes due to the inherent investment nature of the CIS. There is no guarantee that the CIS's investment objective will be achieved and automatic and continuous tracking of the relevant index tracked or replicated by a CIS cannot be guaranteed.

Where a CIS invests directly in the constituents of an index, it may not be possible or practicable for a

CIS to purchase all of the securities comprising such index in their proportionate weightings or to purchase them at all due to various factors, including the investment strategy used, the costs and expenses involved and the concentration limits described in Appendix III to this Prospectus. In addition, where securities in an index are subject to corporate actions, share issues of index components may affect the market value of the index as would share price adjustments where index components are subject to restructuring or other actions.

Index providers periodically publish new constituents, reflecting changes in the securities that are included or excluded in an index depending on the relevant index rules – which process is called “rebalancing”.

When the constituents of an index change, any CIS which seeks to physically track/replicate such index will typically, to the extent that it is possible and practicable and to do so, seek to realign its exposure to more closely reflect that of the index. To realign the exposures in such CIS, securities must be bought and sold. This rebalancing will incur costs that are not reflected in the theoretical calculation of the index return and may impact on such a CIS’s ability to provide returns consistent with those of the index. Such costs can be direct or indirect and include, but are not limited to, transaction costs (such as brokerage fees), custody fees, exchange costs and commissions (including foreign exchange spreads) and stamp duty. Re-weighting of the index may result in tracking error in the CIS and the availability of components of the relevant index cannot be guaranteed.

A CIS which seeks to track or replicate an index can accumulate cash which will, in turn, increase tracking error. In general, a CIS which tracks or replicates an index will remain substantially fully invested in index components even when the prices of such index components are generally falling. The adverse performance of an index component will ordinarily not result in its disposal as an investment of the relevant CIS.

**Initial Public Offering (“IPO”) Risk.** A Fund that purchases securities issued in an IPO is subject to the risk that the value of the securities may rise or fall more rapidly than other Investments. Prior to an IPO, there is generally no public market for an issuer’s common stock. There can be no assurance that an active trading market will develop or be sustained following the IPO, therefore, the market price for the securities may be subject to significant fluctuations and a Fund may be affected by such fluctuations. In addition, securities issued in an IPO are often issued by a company that may be in the early stages of development with a history of little or no revenues and such company may operate at a loss following the offering. A Fund’s ability to obtain shares of an IPO security may be substantially limited in the event of high demand for the securities and there is no guarantee that the Fund will receive an allocation of shares. To the extent a Fund invests in IPOs, a significant portion of its returns may be attributable to its investments in IPOs, which have a magnified impact on Funds with small asset bases. There is no guarantee that as those Funds’ assets grow they will continue to experience substantially similar performance by investing in IPOs.

**Investment Company Securities Risk.** A Fund may invest in shares of CIS in accordance with its investment policy. Shares of CIS are securities of other open-end or closed-end investment companies. Investing in other investment companies involves substantially the same risks as investing directly in the underlying instruments, but the total return on such investments at the Fund level may be reduced by the operating expenses and fees of such other investment companies, including advisory fees.

Notwithstanding the due diligence carried out on a CIS in which the Fund invests, investors should be aware that managers of a CIS and companies in which the Fund has invested may take undesirable tax positions (which may include investing in entities that are not compliant with FATCA which may result in withholding of US tax under the provisions of FATCA which may in turn affect the value of the investment), employ excessive leverage, or otherwise manage the CIS or company in a manner that is not anticipated.

Besides, the underlying CIS in which the Fund invests may not be regulated. There is also no guarantee that the underlying CIS will always have sufficient liquidity to meet the Fund’s redemption requests as and when made.

A Fund which is a fund of funds will be subject to the risks associated with the underlying CIS. The Fund does not have control of the investments of the underlying CIS and there is no assurance that the investment objective and strategy of the underlying CIS will be successfully achieved which may have a negative impact on the net asset value of the Fund.

**Investment in Russia Risk.** Where a Fund invests in Russia, investors should be aware that the laws relating to securities investment and regulation in Russia have been created on an ad-hoc basis and do not tend to keep pace with market developments. This may lead to ambiguities in interpretation and inconsistent and arbitrary application of such regulation. In addition, investors should note that the process of monitoring and enforcement of applicable regulations is rudimentary. Equity securities in Russia are dematerialised and the only legal evidence of ownership is entry of the shareholder's name on the share register of the issuer. The concept of fiduciary duty is not well established and so shareholders may suffer dilution or loss of investment due to the actions of management without satisfactory legal remedy. Rules regulating corporate governance either do not exist or are undeveloped and offer little protection to minority shareholders.

**Large-Cap Company Risk.** Larger more established companies may be unable to respond quickly to new competitive challenges such as changes in technology and consumer tastes. Many larger companies also may not be able to attain the high growth rate of successful smaller companies, especially during extended periods of economic expansion.

**Leveraging Risk.** When a Fund borrows money or otherwise leverages its holdings, for example, where it utilises FDI, the value of an investment in that Fund will be more volatile and all other risks will tend to be compounded. All of the Funds may take on leveraging risk by investing in collateral from securities loans and by borrowing money to meet redemption requests.

**Liquidity Risk.** Certain securities held by a Fund may be difficult (or impossible) to sell at the time and at the price the seller would like. A Fund may have to hold these securities longer than it would like and may forego other investment opportunities. There is the possibility that a Fund may lose money or be prevented from earning capital gains if it cannot sell a security at the time and price that is most beneficial to the Fund. Funds that invest in privately-placed securities, certain small company securities, high-yield bonds, mortgage-backed securities or foreign or emerging market securities, which have all experienced periods of illiquidity, are subject to liquidity risks. A particular Fund may be more susceptible to some of these risks than others, as noted in the description of each Fund.

**Loan Participation and Assignments Risk.** A Fund's Investments in loan participations and assignments are subject to the risk that the financial institution acting as agent for all interests in a loan might fail financially. It is also possible that a Fund could be held liable as a co-lender.

**Money Market Risk.** Although a money market fund is designed to be a relatively low risk investment, it is not entirely free of risk. Despite the short maturities and high credit quality of Investments in Funds established as money market funds increases in interest rates and deteriorations in the credit quality of the Fund's Investments may reduce the Fund's yield. In addition, the Fund is still subject to the risk that the value of an Investment may be eroded over time by inflation.

**Money Market Instrument Risk.** A Fund which invests a significant amount of its Net Asset Value in money market instruments may be considered by investors as an alternative to investing in a regular deposit account. Investors should note, however, that a holding in such a Fund is subject to the risks associated with investing in a collective investment undertaking, in particular the fact that the principal sum invested is capable of fluctuation as the Net Asset Value of the Fund fluctuates.

**Multiple Adviser Risk.** Where the Investment Manager appoints a number of sub-investment managers for individual Funds, each sub-investment manager will independently choose and maintain a portfolio of securities for the Fund and will each be responsible for investing a specific allocated portion of the Fund's assets. Because each sub-investment manager manages its allocated portion of the Fund independently from another sub-investment manager, the same security may be held in different portions of the Fund, or may be acquired for one portion of the Fund at a time when a sub-investment manager to another portion deems it appropriate to dispose of the security from that other portion. Similarly, under some market conditions, one sub-investment manager may believe that



temporary, defensive investments in short-term instruments or cash are appropriate when another sub-investment manager believes continued exposure to the equity or debt markets is appropriate for its allocated portion of the Fund. Because each sub-investment manager directs the trading for its own portion of the Fund, and does not aggregate its transactions with those of the other sub-investment manager, the Fund may incur higher brokerage costs than would be the case if a single sub-investment manager were managing the entire Fund.

**Portfolio Turnover Risk.** The Funds do not restrict the frequency of trading to limit expenses. The Funds may engage in active and frequent trading of portfolio securities to achieve their principal investment strategies. Frequent trading can result in a portfolio turnover in excess of 100% in any given fiscal year (high portfolio turnover). High portfolio turnover may result in increased transaction costs to a Fund and its Unitholders, which would reduce investment returns.

**Reinvested Cash Collateral Risk.** Where a Fund reinvests cash collateral this will generate market exposure in the expectation of generating capital gain. Where the reinvestment does not achieve this aim, and instead the reinvestment generates a loss, the Fund will bear this loss and will be obliged to return to the counterparty the full value of the cash collateral originally invested (rather than the then current value market value of the cash collateral post reinvestment).

**Risk Relating to Dynamic Asset Allocation Strategy.** The investments of a Fund using dynamic asset allocation strategy may be periodically rebalanced and therefore the Fund may incur greater transaction costs than a fund with static allocation strategy. Besides, the dynamic asset allocation strategy may not achieve the desired results under all circumstances and market conditions.

**Risk of Implementing Active Currency Position.** As the active currency position implemented by a Fund may not be correlated with the underlying investments by the Fund, the Fund may suffer a significant or total loss even if there is no loss of the value of the underlying investments held by the Fund.

#### **Risks Associated with Investment in the Mainland China**

##### **(a) Renminbi Currency and Conversion Risks**

Renminbi (“RMB”) is currently not freely convertible and is subject to exchange controls and restrictions.

Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors’ base currencies will not depreciate. Any depreciation of RMB could adversely affect the value of investors’ investment in the relevant Fund.

Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

##### **(b) Risks Associated with High Volatility of the Mainland China Market**

High market volatility and potential settlement difficulties in the Mainland China market may also result in significant fluctuations in the prices of the securities traded on such market and thereby may adversely affect the value of the relevant Fund.

##### **(c) Risks Associated with Regulatory Policies of the Mainland China Market**

Securities exchange in the Mainland China typically have the right to suspend or limit trading in any security traded on the relevant exchanges. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the relevant Fund.

(d) Credit Rating Agency Risk

The credit appraisal system in the Mainland China and the rating methodologies employed in the Mainland China may be different from those employed in other markets. Credit ratings given by the Mainland China rating agencies may therefore not be directly comparable with those given by other international rating agencies.

(e) Urban Investment Bonds Risk

Urban investment bonds are issued by local government financing vehicles (“LGFVs”), such bonds are typically not guaranteed by local governments or the central government of the Mainland China. In the event that the LGFVs default on payment of principal or interest of the urban investment bonds, the relevant Fund could suffer substantial loss and the Net Asset Value of the relevant Fund could be adversely affected.

(f) “Dim Sum” Bonds Risk

The “Dim Sum” bond market is still a relatively small market which is more susceptible to volatility and illiquidity. The operation of the “Dim Sum” bond market as well as new issuances could be disrupted causing a fall in the Net Asset Value of the relevant Fund should there be any promulgation of new rules which limit or restrict the ability of issuers to raise RMB by way of bond issuances and/or reversal or suspension of the liberalisation of the offshore RMB (CNH) market by the relevant regulator(s).

(g) Risk Associated with the Shanghai- or Shenzhen- Hong Kong Stock Connect (the “Stock Connects”)

The relevant rules and regulations on the Stock Connects are subject to change which may have potential retrospective effect. The Stock Connects are subject to quota limitations. Where a suspension in the trading through the programmes is effected, the relevant Fund’s ability to invest in China A-shares or access the Mainland China market through the programmes will be adversely affected. In such event, the relevant Fund’s ability to achieve its investment objective could be negatively affected.

The nature and rights of the Funds which invest via Stock Connects as the beneficial owners of the China A-shares through the relevant central securities depository in Hong Kong as nominee is not well defined under Mainland China law. There is lack of a clear definition of, and distinction between, “legal ownership” and “beneficial ownership” under Mainland China law. Therefore the exact nature and methods of enforcement of the rights and interests of the Funds which invest via Stock Connects under Mainland China law is uncertain. Because of this uncertainty, in the unlikely event that relevant central securities depository in Hong Kong becomes subject to winding up proceedings in Hong Kong it is not clear if the China A-shares will be regarded as held for the beneficial ownership of the Funds which invest via Stock Connects or as part of the general assets available for general distribution to the creditors of the relevant central securities depository in Hong Kong.

(h) Mainland China Tax Risk

There are risks and uncertainties associated with the current Mainland China tax laws, regulations and practice in respect of capital gains realised via the Stock Connects or access products on the relevant Fund’s investments in the Mainland China (which may have retrospective effect). Any increased tax liabilities on the relevant Fund may adversely affect the relevant Fund’s value.

**Small-Cap and/or Mid-Cap Company Risk.** A Fund’s Investments in small-cap and mid-cap companies may involve greater risks than Investments in larger, more established issuers. Smaller companies generally have narrower product lines, more limited financial resources and more limited trading markets for their stock, as compared with larger companies. Their securities may be less well-known and trade less frequently and in more limited volume than the securities of larger, more established companies. In addition, small-cap and mid-cap companies are typically subject to greater changes in earnings and business prospects than larger companies. Consequently, the prices of

small company stocks tend to rise and fall in value more frequently than the stocks of larger companies. Although investing in small-cap and mid-cap companies offers potential for above-average returns, the companies may not succeed and the value of their stock could decline significantly. In general, these risks are greater for small-capitalisation companies than for mid-capitalisation.

**Special Situations Risk.** A Fund may use aggressive investment techniques, including seeking to benefit from “special situations,” such as mergers, consolidations, liquidations, reorganisations, restructurings, tender or exchange offers or other unusual events expected to affect a particular issuer. In general, securities of companies which are the subject of a tender or exchange offer or a merger, consolidation, liquidation, restructuring or reorganisation proposal sell at a premium to their historic market price immediately prior to the announcement of an offer for the company. However, it is possible that the value of securities of a company involved in such a transaction will not rise and in fact may fall, in which case a Fund would lose money. It is also possible that the Investment Manager’s assessment that a particular company is likely to be acquired or acquired during a specific time frame may be incorrect, in which case a Fund may not realise any premium on its Investment and could lose money if the value of the security declines during the Fund’s holding period. A Fund’s return also could be adversely impacted to the extent that the Investment Manager’s strategies fail to identify companies for investment by the Fund that become the subject of a merger or similar transaction that results in an increase in the value of the securities of those companies. Moreover, publicly announced mergers and similar types of transactions may be renegotiated or terminated, in which case a Fund may lose money. In addition, if a transaction takes longer time to close than an adviser originally anticipated, a Fund may realise a lower-than-expected rate of return.

**Taxation Risk.** The attention of potential investors is drawn to the taxation risks associated with investing in any Fund. Please see the heading “Taxation” below.

**Unseasoned Companies Risk.** These are companies that have been in operation less than three years, including operations of any predecessors. These securities may have limited liquidity and their prices may be very volatile.

**Value Investing Risk.** Value investing attempts to identify strong companies selling at a discount from their perceived true worth. Where the Investment Manager uses this approach it will generally select stocks at prices that, in their view, are temporarily low relative to the company’s earnings, assets, cash flow and dividends. Value investing is subject to the risk that the stocks’ intrinsic value may never be fully recognised or realised by the market, or their prices may go down. In addition, there is the risk that a stock judged to be undervalued may actually be appropriately priced. Value investing generally emphasises companies that, considering their assets and earnings history, are attractively priced and may provide dividend income.

## MANAGEMENT AND ADMINISTRATION

### The Manager

The Manager of the Fund is Architas Multi-Manager Europe Limited. The Manager was incorporated as a limited liability company on 8 September 2008 and is a wholly owned subsidiary of AXA S.A. and has an authorised share capital of €25,000,000 of which €4,000,000 was issued and fully paid up as at the date of this Prospectus. The Manager's main business is the provision of fund management and administration services to CIS such as the Trust. The Manager currently provides fund management and administration services to three other unit trusts authorised by the Central Bank.

The secretary of the Manager is Wilton Secretarial Limited and the Directors of the Manager are as follows:

**Duncan Freestone (British, UK Resident).** Mr Freestone has been a Director of Architas Multi-Manager Europe Limited since 2011 and has held the title of Chief Operating Officer at Architas since 2013. Mr Freestone's responsibilities include: operational service delivery (including the oversight of third-party services), IT delivery and Change projects. Mr Freestone joined Architas in September 2008 from AXA Investment Managers, where he spent 9 years with responsibility for the UK Change and IT teams. Mr Freestone has over 25 years' experience in the investment management industry, managing large change programs, IT delivery and Operations. Prior to AXA Investment Managers he worked at JP Morgan Investment Management and Mercury Asset Management.

**Pat Healy (Irish, Irish resident).** Mr Healy has been a Director and Chairman of Architas Multi-Manager Europe Limited since its formation in 2008. Mr Healy currently holds non-executive directorships with the New Ireland Assurance Company (Chairman) and RSA Insurance Ireland. He is also the Chairman of the Trustees of the AXA Ireland pension scheme. Previously, Mr Healy has worked in an executive capacity within the AXA Group, including roles as Finance Director of AXA Ireland from 2000 to 2006 and as Managing Director of AXA Life Europe from 2006 to 2014. Prior to joining AXA Group, Mr Healy has also held senior positions at ABN-AMRO Stockbrokers, Ireland, Allied-Irish Investment Bank and Irish Life Assurance Company.

**David Kingston (Irish, Irish resident).** Mr Kingston has been a Director of Architas Multi-Manager Europe Limited since its formation in 2008. He also holds the position of Chairman at Acuvest (investment advisory business). Mr Kingston qualified as an actuary in 1967 while working for Scottish Widows Fund and Life Assurance Society of Edinburgh. He has subsequently held various senior management roles at Irish Life between 1968 and 1983, before serving as managing director between 1983 and 1998. Since leaving Irish Life in 1998, Mr Kingston has acted as Director and Adviser to companies in the international insurance and investment sectors. He has also served as Chairman to the Irish Stock Exchange from 1998 to 2007. He is an adjunct professor at Trinity College, Dublin and has also written several actuarial papers.

**Andrew Purvis (British, UK Resident).** Mr Purvis has been a Director of Architas Multi-Manager Europe Limited since its formation in 2008 and has held the title of Director of Legal, Compliance and Risk at Architas since November 2016. Prior to this he was Director of Business Risk at AXA Wealth from September 2010 and a Director of AXA Sun Life Holdings plc and its principal subsidiaries from January 2004. He joined AXA in 1981. Mr Purvis holds a BSc Economics degree from the University of Wales. He completed the Bar finals in 1993.

**Mark Summerbell (British, UK Resident).** Mr Summerbell has been a Director of Architas Multi-Manager Europe Limited since 2011 and has held the title of Head of Funds at Architas since 2016. Prior to this, Mr Summerbell was a Director of AXA Rosenberg Management Ireland Limited and held the position of Head of Pooled Funds. Before joining the wider AXA Group, Mr Summerbell was a Director of Institutional Operations at Mellon Global Investments Limited in London from 2004 and prior to this he worked at Newton Investment Management Ltd. since 1996. Mr Summerbell holds a BA in Systems Analysis from Bristol Polytechnic and has taken the Hong Kong Securities Institute exam. Mr Summerbell is also a member of the Institute of Chartered Accountants in England and Wales.

**Seamus Lyons (Irish, UK Resident).** Mr Lyons has been a Director of Architas Multi-Manager Europe Limited since 2016 and has held the title of Senior Investment Manager at Architas since 2015. Mr Lyons manages a number of investment portfolios across a broad array of asset classes. Prior to joining Architas in 2015, Mr Lyons was a Senior Portfolio Manager and the Head of Research at AXA Investment Managers. Mr Lyons has over 15 years investment experience and prior to joining AXA Investment Managers in 2008, he spent a number of years at Forsyth Partners, where he was an Investment Manager. He holds a Master's Degree in Finance from the Michael Smurfit Graduate School of Business at University College Dublin. He is a CFA Charterholder and is IMC qualified.

The Manager is responsible for managing the investment and re-investment of the Investments of each of the Funds in order to achieve the investment objectives and policies of such Funds and to carry out the duties of a manager of a unit trust in accordance with the Directive and the Regulations. The Manager is also responsible for carrying on the general administration of the Trust.

The Manager has delegated the performance of the investment management functions in respect of the Trust to the Investment Manager and the administrative functions to the Administrator.

The Manager may appoint sales agents and/or intermediaries and may also appoint distributor(s) to whom it may delegate distribution responsibilities in respect of particular jurisdictions or territories.

#### **Remuneration Policies and Practices**

The Manager is subject to remuneration policies, procedures and practices (together, the “**Remuneration Policy**”) which comply with the UCITS V Directive (2014/91/EU). The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the Funds. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Manager, the Company and the Funds, and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Manager, the Company or the Funds, and ensures that no individual will be involved in determining or approving their own remuneration. The Remuneration Policy will be reviewed annually. Details of the up-to-date Remuneration Policy, which includes a description of how remuneration and benefits are calculated and the identities of persons responsible for awarding the remuneration and benefits, are available via <http://architas.com/ie/home/>. The Remuneration Policy summary will be made available for inspection and may be obtained, free of charge, at the registered office of the Manager.

#### **Promoter and Investment Manager**

The Manager has delegated responsibility for the investment and reinvestment of the Trust's assets and has appointed Architas Multi-Manager Limited as investment manager pursuant to the Investment Management Agreement. The Investment Manager will be responsible for the management of the investment of the assets of each Fund of the Trust in accordance with the investment objectives and policies described in this Prospectus and relevant Supplements, subject always to the supervision and direction of the Manager.

The Investment Manager may, in accordance with the Central Bank Requirements, appoint one or more sub-investment managers to whom it may delegate all or part of the day-to-day conduct of its investment management responsibilities in respect of any Fund. Details of any sub-investment managers will be provided to Unitholders on request and disclosed in the Trust's periodic reports. The Investment Manager will discharge the fees and expenses of any sub-investment manager out of the fee received by it from the Manager. If more than one sub-investment manager is appointed to a Fund, the Investment Manager shall allocate the assets of the Fund between the sub-investment managers in such proportions as it shall, at its discretion, determine.

The Investment Manager is a wholly owned subsidiary of AXA UK and is part of the AXA group of companies. The Investment Manager is authorised by the FCA to carry on regulated activities in the United Kingdom and is subject to the rules of the FCA. The Investment Manager was incorporated under the laws of England and Wales and was established on 20 December 2007.

## **Currency Manager**

The Manager intends to appoint a currency hedging services provider (the "Currency Manager") on a non-discretionary basis to facilitate the carrying out of forward exchange transactions, within parameters determined and defined by the Manager for the purpose of implementing the currency hedging strategies for certain Funds. The Currency Manager will not be paid out of the assets of the Trust.

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

The Manager has delegated responsibility for administration of the Trust's affairs, including calculation of the Net Asset Value and preparation of the financial statements to State Street Fund Services (Ireland) Limited pursuant to the Administration Agreement. The Administrator will act as administrator, registrar and transfer agent for the Trust, subject to the overall supervision of the Manager.

The Administrator is a limited liability company incorporated in Ireland on 23 March 1992 and is ultimately owned by State Street Corporation. State Street Corporation is headquartered in Boston, Massachusetts, USA, and a leading worldwide specialist in providing sophisticated global investors with investment servicing and investment management, which trades on the New York Stock Exchange under the symbol "STT".

## **The Trustee**

State Street Custodial Services (Ireland) Limited has been appointed to act as trustee of the Trust pursuant to the Trust Deed.

The principal activity of the Trustee is to act as trustee/depositary of the assets of collective investment schemes. The Trustee is regulated by the Central Bank.

The Trustee is a private limited company incorporated in Ireland on 22 May 1991. The Trustee is ultimately owned by State Street Corporation. Its authorised share capital is GBP 5,000,000 and its issued and paid up capital is GBP 200,000.

### Trustee's Duties

The Trustee has been entrusted with the following main duties:

- oversight of the Trust including the valuation policies and procedures;
- oversight of the subscriptions and redemptions procedures;
- ensure that the Funds' cash flows are properly monitored in accordance with the Regulations;
- safe-keeping of the Trust's assets; and
- oversight of certain transactions and operations relating to the Trust.

The duties referred to in the foregoing paragraph as well as any additional duties which the Trustee has been entrusted with, are more fully described in the Trust Deed, a copy of which is available at the registered office of the Manager.

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

The Trustee is liable for any loss suffered by the Trust or the Unitholders as a result of the Trustee's negligent or intentional failure to properly fulfil its obligations under the Regulations. In the event of the loss of a financial instrument held in custody, the Trustee must immediately return a financial instrument of identical type or the corresponding amount to the Trust. In the case of such a loss, the liability is strict: the Trustee may avoid liability only in the case of an external event beyond the reasonable control of the Trustee, the consequences of which are unavoidable despite all reasonable efforts to the contrary. The cumulative fulfilment of these conditions should be proven by the Trustee in order for it to be discharged of liability.

### Delegation

In accordance with the Trust Deed, the Trustee has been charged with safekeeping the assets of the Fund. The Trustee may delegate its safekeeping duties only in accordance with the Regulations and, amongst other matters, it must exercise all due, skill, care and diligence in the selection and

appointment of any third party to whom it proposes to delegate its safekeeping duties, either wholly or in part, and must continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any such third party delegate and of the arrangements of such third party in respect of the matters delegated to it. Any third party to whom the Trustee delegates its safekeeping functions in accordance with the Regulations may, in turn, sub-delegate those functions subject to the same requirements as apply to any delegation effected directly by the Trustee. The liability of the Trustee under the Regulations will not be affected by any delegation of its safekeeping functions.

Up-to-date information in relation to the Trustee, its duties, the safe-keeping functions delegated by the Trustee, the list of delegates and sub-delegates to whom safe-keeping functions have been delegated and any relevant conflicts of interest that may arise will be made available to Unitholders upon request to the Manager.

In accordance with the Regulations, the Trustee must not carry out activities with regard to the Trust or with regard to the Manager (acting on behalf of the Trust or any Fund) that may create conflicts of interest between itself and (i) the Fund, (ii) the Unitholders and/or (iii) the Manager unless it has separated the performance of its depository tasks from its other potentially conflicting tasks in accordance with the Regulations and the potential conflicts are identified, managed, monitored and disclosed to Unitholders. Please refer to the Section of the Prospectus entitled “**Conflicts of Interest**” for details of potential conflicts that may arise involving the Trustee.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates (as at the date of this Prospectus) are set out at Appendix IV.

#### **Legal Advisers**

The Manager has appointed William Fry as legal advisers for the Trust.

#### **Auditors**

The Manager has appointed PricewaterhouseCoopers as auditors for the Trust.

#### **Conflicts of Interest**

##### A. General

Due to the widespread operations undertaken or which in the future may be undertaken by the Manager, the Investment Manager (in its capacity as investment manager), the sub-investment managers, the Administrator and the Trustee, and their respective holding companies, subsidiaries, affiliates, employees, officers, directors and Unitholders (each an “Interested Party”) conflicts of interest may arise.

Without prejudice to the generality of the foregoing, the following conflicts of interest may arise:

- (i) an Interested Party may acquire or dispose of any Investment notwithstanding that the same or similar Investments may be owned by or for the account of or otherwise connected with a Fund;
- (ii) an Interested Party may acquire, hold or dispose of Investments notwithstanding that such Investments had been acquired or disposed of by or on behalf of a Fund by virtue of a transaction effected by a Fund in which the Interested Party was concerned provided that the acquisition by an Interested Party of such Investments is effected on normal commercial terms negotiated on an arm’s length basis and such Investments held by the Fund are acquired on the best terms having regard to the interests of the Fund;
- (iii) a Fund may invest in other CIS which may be operated and/or managed by an Interested Party. Where commission is received by the Investment Manager by virtue of an investment by a Fund in the units/shares of any CIS, such commission will be paid into the property of the relevant Fund;

- (iv) a Fund may purchase or hold an Investment the issuer of which is an Interested Party or where an Interested Party is its adviser or banker.

An Interested Party may provide similar services to others provided that the services they provide to the Funds are not impaired thereby. Furthermore, an Interested Party may acquire, hold or dispose of Investments as if effected on normal commercial terms negotiated on an arm's length basis and the Investments held by a Fund are acquired on the best terms reasonably obtainable having regard to the interests of the Fund. An Interested Party may deal with the Fund as principal or as agent, provided that any such dealings are in the best interests of Unitholders and are carried out as if effected on normal commercial terms negotiated on an arm's length basis i.e. if:

- (a) a certified valuation of a transaction by a person approved by the Trustee (or the Manager in the case of a transaction with the Trustee) as independent and competent; or
- (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or
- (c) where (a) and (b) are not practical, execution on terms which the Trustee (or the Manager in the case of a transaction with the Trustee) is satisfied are carried out as if effected on normal commercial terms negotiated at arm's length in the best interests of Unitholders.

The Trustee, (or the Manager in the case of transactions involving the Trustee), must document how it complies with (a) to (c) above. Where transactions are conducted in accordance with (c), the Trustee, (or the Manager in the case of transactions involving the Trustee), must document its rationale for being satisfied that the transaction conformed to the principles outlined in (c).

Any transactions between a Fund and an Interested Party as principal may only be made with the prior written consent of the Trustee (or the Manager, in the event of a transaction with the Trustee).

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

## B. The Trustee

Conflicts of interest may arise for the Trustee or its delegates where the Trustee or its delegates:

- is likely to make a financial gain, or avoid a financial loss at the expense of the Trust or its investors;
- has an interest in the outcome of a service or an activity provided to the Trust or of a transaction carried out on behalf of the Trust which is distinct from the Trust's interest;
- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the Trust;
- carries on the same activities for the Trust and for other clients that adversely affect the Trust; or
- is in receipt of inducement in the form of monies, good or services other than the standard commission or fee for that service.

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

## C. The Investment Manager

In addition to the potential conflicts of interest which may arise in respect of the Investment Manager disclosed at A above, it is possible that the Investment Manager may in the course of its business have potential conflicts of interest with the Trust or a particular Fund and/or other funds managed by the Investment Manager. The Investment Manager will, however, have regard in such event to its obligations under the Investment Management Agreement and, in particular, to its obligation to act in the best interests of the Trust so far as practicable, having regard to its obligations to other clients when undertaking any investment business where potential conflicts of interest may arise. Where a



conflict of interest cannot be avoided, the Investment Manager will ensure that the Trust and the other funds it manages are fairly treated.

The Investment Manager may, from time to time, act as manager and/or investment adviser to other funds which follow similar investment objectives to those of the Funds provided the services they provide are not impaired thereby. Subject to the Investment Manager's fund selection policy, the Investment Manager may, from time to time, purchase In House Products and units in collective investment schemes managed by Strategic Partners up to 100% of each relevant Fund. The purchase of In House Products and units in collective investment schemes managed by Strategic Partners will remain subject to the Investment Manager's overriding obligation to perform its duties as set out in this Prospectus, including, but not limited to, the duty to mitigate potential conflicts of interest.

The Investment Manager's fee may be based on a percentage of the Net Asset Value of a Fund. The Investment Manager may provide valuation services to the Administrator (to assist in calculating the Net Asset Value of a Fund) in relation to Investments which are not listed or traded on a Regulated Market. This may result in a potential conflict of interest as the Investment Manager's fee will increase as the Net Asset Value of a Fund increases.

The Manager will conduct periodic reviews of the Investment Manager's compliance with its fund selection policy and its conflicts of interest policy to ensure that the Investment Manager continues to act in the best interests of the Trust and its Unitholders. Further information is available from the Manager on request.

The Investment Manager acknowledges that there may be some situations where the organisational or administrative arrangements in place for the management of conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the Trust or its Unitholders will be prevented. Should any such situations arise the Investment Manager will disclose these to the Manager who will in turn disclose to the Unitholders.

### **Accounts and Information**

The first annual report and audited financial statements in respect of the Trust will be made up to 30 September 2018. The first half-yearly report and unaudited financial statements in respect of the Trust will be made up to 31 March 2018.

The Trust's accounting period ends on 30 September in each year and half-yearly reports will be prepared to 31 March in each year.

The Manager prepares an annual report and audited financial statements for the Trust within four months of the end of the financial period to which they relate i.e. by 31 January of each year. Copies of the half-yearly report and unaudited financial statements (made up to 31 March) are also prepared within two months of the end of the half year period to which they relate i.e. by 30 May of each year.

Copies of the annual report and audited financial statements and half-yearly report and unaudited financial statements will be sent, on request, to Unitholders and will be available to download at [www.architas.com](http://www.architas.com). Copies of the Prospectus, Supplements, key investor information documents and annual and half-yearly reports of the Trust may be obtained from the Manager at its registered office at the address given under "Directory".

### **VALUATION, SUBSCRIPTIONS AND REDEMPTIONS**

#### **Calculation of Net Asset Value**

The Net Asset Value of each Fund is expressed in its Base Currency. The calculation of the Net Asset Value of each Fund and the Net Asset Value attributable to each class thereof will be carried out by the Administrator in accordance with the requirements of the Trust Deed, and details are set out under the heading "Statutory and General Information" below. All dealings in a Fund will be dealt on a forward pricing basis, i.e. by reference to the Net Asset Value for Units calculated as at the Valuation Point on the relevant Dealing Day. Except when the determination of the Net Asset Value

of any Fund has been suspended in the circumstances set out under the heading “Temporary Suspensions” below, the calculation of the Net Asset Value of each Fund, the Net Asset Value per Unit (and, where there is more than one class in a Fund, the Net Asset Value attributable to each class and the Net Asset Value per Unit per class) will be prepared as at each Valuation Point and will be available to Unitholders on request. The Net Asset Value per Unit per class may differ between each class within a Fund. The Net Asset Value attributable to any class of Units within a Fund will be determined by deducting the share of liabilities of that class from its share of the assets of the Fund. The Net Asset Value of each Unit of each class will be determined by dividing the Net Asset Value attributable to the class by the number of Units of that class and rounding the result to two decimal places or such number of decimal places of a Unit as the Manager may determine from time to time.

The Net Asset Value shall also be made public at the offices of the Administrator during normal business hours and will be published daily on the Investment Manager’s website at [www.architas.com](http://www.architas.com) and will be kept up to date. The Net Asset Value per Unit may also be published in such newspapers and/or other publications as may be necessary where the Trust is registered in jurisdictions outside Ireland and if required Unitholders in the relevant jurisdictions will be notified where such publication takes place.

### **Subscriptions**

A Unit is a beneficial interest in a Fund under the Trust Deed. The Manager may issue Units of any class of any Fund and on such terms as it may from time to time determine. Units shall be issued at the Net Asset Value per Unit plus any charges as specified in the relevant Supplement. All Units will be in registered form and evidenced by entry on the Trust’s register of Unitholders and confirmations of ownership in writing will be issued to Unitholders. No certificates of ownership will be issued. The terms and conditions applicable to the issue of Units of any class together with subscription and settlement details and procedures will be set out in the relevant Supplement.

Under the Trust Deed, the Manager is given authority to effect the issue of Units and has absolute discretion to accept or reject in whole or in part any application for Units without assigning any reason therefor. The Manager has power to impose such restrictions as it thinks necessary to ensure that no Units are acquired by any person which might result in the legal and beneficial ownership of Units by persons who are not Qualified Holders or expose the Trust to adverse tax or regulatory consequences. If an application is rejected, any monies received will be returned to the applicant (minus any handling charge incurred in any such return) as soon as possible by telegraphic transfer (but without interest, costs or compensation).

Measures aimed at the prevention of money laundering may require an investor who is subscribing for Units to provide verification of identity to the Administrator. The Administrator will notify applicants if proof of identity is required and the forms of proof that are acceptable. The Administrator shall not pay repurchase proceeds or dividend payments where the requisite documentation and/or information for verification purposes has not been produced by the entitled Unitholder. Any such blocked payments may be held in a Collection Account pending receipt, to the satisfaction of the Administrator, of the requisite documentation and/or information. Unitholders should refer to the risk statement ‘**Umbrella Cash Subscription and Redemption Account (“Collection Account”) Risk**’ in the Section of this Prospectus entitled ‘**Risk Factors**’ for an understanding of their position vis-a-vis monies held in a Collection Account.

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

### **Application Forms**

All applicants applying for the first time for Units in the Trust must complete and sign the Application Form. Subsequent applications by existing Unitholders may be made by fax without the requirement to submit original documents or otherwise in writing as may be prescribed by the Manager (in accordance with the Central Bank Requirements) from time to time provided that there has been no change in the relevant details of the Unitholder. Application Forms may be obtained from the Administrator. Application Forms shall (save as determined by the Manager) be irrevocable and must be received by the Administrator by the relevant Dealing Deadline. Application Forms may be sent by

facsimile at the risk of the applicant. Initial applications can be made by fax provided the original of the Application Form (and supporting documentation in relation to money laundering prevention checks) is sent to arrive promptly. Amendments to an investor's registration details will only be made on receipt of an original written request by the Administrator in relation to the same.

Failure to provide the original Application Form by the Dealing Deadline may, at the discretion of the Manager, result in the compulsory redemption of the relevant Units, less any associated costs and charges arising to the Fund as a result of the compulsory redemption. However, applicants will not receive the proceeds of any redemption of Units or distribution payments until the original Application Form has been received and anti-money laundering procedures have been completed.

Subscriptions may also be effected by electronic and such other means (e.g. SWIFT) as the Manager, with the consent of the Administrator, may prescribe from time to time when such means are in accordance with the Central Bank Requirements.

### **Subscriptions during an Initial Offer Period**

During an Initial Offer Period, Units will be issued in the manner set out in the relevant Supplement. An application for subscription must be received by the Administrator during the Initial Offer Period after which time it will be irrevocable by the applicant (unless otherwise agreed by the Manager) and, following acceptance of such application by the Manager, will be binding on both the applicant and the Manager.

The subscription price of Units subscribed for during an Initial Offer Period shall be the Initial Offer Price. Applications for Units during an Initial Offer Period must be received (together with all anti-money laundering documentation) during the Initial Offer Period. While the Manager currently requires cleared funds to be received during an Initial Offer Period, it retains discretion to permit cleared funds to be received after the Initial Offer Period has closed but no later than provided for in the relevant Supplement.

An application for subscription during an Initial Offer Period must be for the Minimum Subscription.

Notwithstanding the foregoing, subscription monies received during the Initial Offer Period may be returned to investors and the launch of the relevant Fund or class of Units postponed in the event that, in the Manager's opinion, insufficient monies are received during the Initial Offer Period to launch the relevant Fund or the class of Units as viable concerns.

### **Subscriptions following an Initial Offer Period**

Application Forms for subscriptions for Units following the Initial Offer Period must be received by the Administrator by the Dealing Deadline at which time it shall become irrevocable by the Unitholder (unless otherwise agreed by the Manager). Following acceptance of such application by the Manager, the application will be binding on both the applicant and the Manager. Any applications received after the Dealing Deadline will normally be held over until the next Dealing Day but may be accepted for dealing on the relevant Dealing Day, at the discretion of the Manager (provided the application is received by the Administrator before the relevant Valuation Point as defined in the relevant Supplement).

The subscription price of Units following an Initial Offer Period will be the aggregate of (a) the Net Asset Value per Unit as at the Valuation Point for the relevant Dealing Day as defined in the relevant Supplement and (b) if applicable, any Duties and Charges, which must be received by the Trustee by the time set out in the relevant Supplement.

An application for subscription following an Initial Offer Period must be for the Minimum Subscription.

### **Fractions of Units**

Fractions of Units will be issued where any part of the subscription monies for Units represents less than the subscription price for one Unit, provided however that fractions of Units shall not be less than three decimal places or such number of decimal places of a Unit as the Manager may determine from

time to time. Subscription monies, representing less than the relevant fraction of a Unit will not be returned to the applicant but will be retained by the relevant Fund in order to defray administration costs.

#### **Method of payment of subscription monies**

Subscription payments net of all bank charges should be paid to the Administrator by CHAPS, SWIFT or telegraphic transfer to the bank account specified at the time of dealing. Other methods of payment are subject to the prior approval of the Manager in consultation with the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held until a subsequent Dealing Day.

#### **Currency of payment of subscription monies**

Subscriptions may be accepted in a currency other than the designated currency of the relevant class of Units at the discretion of the Administrator in the manner set out in the section headed "Currency of Payment and Foreign Exchange Transactions".

#### **Timing of payment of subscription monies**

Payment in respect of subscriptions for applications received before the cut-off time on the relevant Dealing Day must be received by the Administrator by the time set out in the relevant Supplement.

If payment in full in cleared funds in respect of a subscription has not been received by the relevant time, the Manager and/or the Investment Manager may cancel the allotment and the Unitholder shall indemnify the Trust for any loss suffered by the Trust as a result of a failure by the Unitholder to pay the subscription monies by the relevant time. In addition, the Manager will have the right to sell all or part of the applicant's holding of Units in the relevant Fund or in any other Fund of the Trust in order to meet these charges.

In anticipation of the receipt of the proceeds of a subscription the Manager on behalf of the Trust may temporarily borrow an amount equal to the proceeds of the subscription (subject to a limit of 10% of the Net Asset Value of a Fund) and invest the amount borrowed in accordance with the investment objective and policies of the relevant Fund. Once the subscription proceeds have been received, the Manager will use this to repay relevant borrowings. The Manager reserves the right to charge the relevant Unitholder for any interest or other costs incurred by the Trust as a result of this borrowing. If the Unitholder fails to reimburse the Manager for such costs the Manager and/or the Investment Manager will have the right to sell all or part of the applicant's holdings of Units in the relevant Fund or in any other Fund in order to meet those charges and/or to pursue that Unitholder for such charges.

In the event that a Currency Holiday for a Fund falls on a Business Day, any payments in respect of subscriptions which are due to be paid in that currency on that Business Day, must be paid on the next Business Day which is not a Currency Holiday.

#### **Minimum Subscription / Minimum Holding**

Where a holding of any Unitholder falls below the Minimum Holding in a Fund or its foreign currency equivalent (for reasons other than as a result of market movements) the Manager reserves the right to redeem the remaining holding of any Unitholder.

#### **Collection Account**

Subscription monies received in respect of a Fund in advance of the issue of Units may be held in a Collection Account in the name of the Trust. Unitholders should refer to the risk statement '**Umbrella Cash Subscription and Redemption Account ("Collection Account") Risk**' in the Section of this Prospectus entitled '**Risk Factors**' for an understanding of their position vis-a-vis monies held in a Collection Account.

## Redemptions

Units may be redeemed on every Dealing Day (save during any period when the calculation of the Net Asset Value is suspended) at the Net Asset Value per Unit less any charges as specified in the relevant Supplement calculated as at the Valuation Point on the relevant Dealing Day. Redemption Forms must be received by the Dealing Deadline. Any Redemption Forms received after that time will normally be held over until the next Dealing Day but may be accepted for dealing on the relevant Dealing Day, at the discretion of the Manager or its delegates, provided they are received prior to the Valuation Point.

The Administrator will not make redemption payments to third parties and will not pay redemption proceeds until an original Application Form has been received from the redeeming Unitholder and all anti-money laundering procedures have been completed.

If total requests for redemption for a particular Fund on any Dealing Day represent 5% or more of the Net Asset Value of a Fund, the Fund may, with the prior consent of the redeeming Unitholder(s), elect to satisfy that redemption request *in specie* in accordance with the terms under the section headed "Subscriptions/Redemptions in Specie" and will, if requested by the redeeming Unitholder(s) (and at the risk and cost of that Unitholder, sell assets at the redeeming Unitholders' request). If total redemption requests for a particular Fund on any Dealing Day represent 10% or more of the Net Asset Value of a Fund, each redemption request in respect of Units in such Fund may, at the discretion of the Manager, be reduced rateably so that the total number of Units of each Fund for redemption on that Dealing Day shall not exceed 10% of the Net Asset Value of such Fund. Any part of a redemption request to which effect is not given by reason of the exercise of this power by the Manager shall be treated as if a request had been made in respect of the next Dealing Day and each succeeding Dealing Day (in relation to which the Manager shall have the same power) until the original requests have been satisfied in full.

No Units of any Fund will be redeemed during a period when the determination of Net Asset Value of that Fund is suspended and any Unitholder with a pending redemption request will remain a Unitholder of the Fund until the suspension is lifted.

### Redemption Forms

Every Unitholder will have the right to require the Manager to redeem his Units in a Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended in the circumstances set out in the Prospectus) on furnishing to the Administrator a Redemption Form. Redemption Forms shall (save as determined by the Manager) be irrevocable and must be received by the Administrator by the relevant Dealing Deadline. Redemption Forms may be sent by facsimile at the risk of the redeeming Unitholder.

Redemptions may also be effected by electronic and such other means (e.g. SWIFT) as the Manager, with the consent of the Administrator, may prescribe from time to time when such means are in accordance with the Central Bank Requirements.

Redemption Forms for Units must be received by the Administrator by the relevant Dealing Deadline at which time it shall become irrevocable by the Unitholder (unless otherwise agreed by the Manager). Any Redemption Form received after the Dealing Deadline will normally be held over until the next Dealing Day but may be accepted for dealing on the relevant Dealing Day, at the discretion of the Manager (provided the application is received by the Administrator before the relevant Valuation Point).

### Redemption price

The redemption price of Units will be the aggregate of (a) the Net Asset Value per Unit on the Valuation Point for the relevant Dealing Day, as defined in the relevant Supplement, less (b) if applicable, any Duties and Charges, which will be deducted from the Net Asset Value of the total number of Units redeemed.

A request for redemption must be for the Minimum Redemption.

### **Method of payment of redemption proceeds**

Redemption payments (net of all bank charges) will be made to the bank account detailed on the Application Form or as subsequently notified to the Administrator in writing.

Should the Unitholder wish for redemption proceeds to be made into an account other than that specified in the original Application Form, then the Unitholder must submit an original request in writing to the Administrator prior to, or at the time of, the redemption request. The proceeds of a redemption request received by fax by the Administrator will only be paid to the account of record of the redeeming Unitholder.

### **Currency of payment of redemption proceeds**

Redemptions may be paid in a currency other than the designated currency of the relevant class of Units at the discretion of the Administrator in the manner set out in the section headed "Currency of Payment and Foreign Exchange Transactions".

### **Timing of payment of redemption proceeds**

Redemption proceeds will be paid by 5.00pm (Irish time) on the fourth Business Day following the relevant Dealing Day or as set out in the relevant Supplement provided that all required documentation has been furnished to and received by the Administrator.

Settlement for redemptions will normally be made within 10 Business Days of the Dealing Day.

In the event that a Currency Holiday for a Fund falls on a Business Day, any redemption proceeds which are due to be paid in that currency on that Business Day, will be paid on the next Business Day that is not a Currency Holiday.

### **Minimum Redemption / Minimum Holding**

Unitholders must redeem Units in the Minimum Redemption. Where, as a result of a redemption request a holding of any Unitholder falls below the Minimum Holding in a Fund or its foreign currency equivalent the Manager reserves the right to redeem the remaining holding of any Unitholder.

### **Compulsory Redemption**

All the Units of a Fund may be redeemed at the discretion of the Manager if, after the first anniversary of the first issue of Units of the relevant Fund, its Net Asset Value falls, for a period of thirty (30) consecutive days or more, below €840,000 or its foreign currency equivalent; or in case the Manager deems it appropriate because of changes in economic or political circumstances affecting the Trust or relevant Fund, the Manager may, after giving prior notice to the Unitholders concerned, redeem all (but not some of) the Units of the Trust or of the relevant Fund (as the case may be) on the next Valuation Point following the expiry of such notice at the Net Asset Value reflecting the anticipated realisation and liquidation costs, but with no other redemption charge.

The Manager, acting in good faith, on reasonable grounds and pursuant to applicable law and regulation shall have the right to redeem compulsorily any Unit at the redemption price or to require the transfer of any Unit to a Qualified Holder if (i) such Unit is held by a person other than a Qualified Holder; (ii) in the opinion of the Manager, the redemption or transfer (as the case may be) would eliminate or reduce the exposure of the Trust or the Unitholders to adverse tax, legal, reputational, fiscal or regulatory consequences; (iii) the holders of 75% in value of the relevant class approve the redemption at a meeting of the Unitholders thereof of which not less than 21 days' notice has been given; (iv) at the discretion of the Manager, after the first anniversary of the first issue of Units of the relevant class if the Net Asset Value of the Fund of which the class forms part falls below the amount and for such period specified in the Prospectus or Supplement in respect of such Fund; (v) a Unitholder's holding falls below the relevant Minimum Holding amount; (vi) the Unitholder has not completed the anti-money laundering procedures to the satisfaction of the Manager and/or the Administrator; (vii) in the opinion of the Manager, the holding of such Units would be a material

administrative disadvantage to the Trust or its Unitholders as a whole or in circumstances in which the Manager believes that it is in the best interests of the Trust or otherwise contrary to the provisions of the Prospectus or the Trust Deed for a particular Unitholder to continue to hold Units; or (viii) the Manager has given Unitholders 30 days' notice of its intention to compulsorily redeem such Units.

As an alternative, but subject to the prior approval of the Central Bank and of the Unitholders of the Fund or Unit affected, the Manager may arrange for a Fund or class to be merged with another Fund or class of the Trust or with another UCITS regulated by the Central Bank.

### **Collection Account**

Cash redemption proceeds may, pending payment to the relevant Unitholder, be held in a Collection Account in the name of the Trust. Unitholders should refer to the risk statement '**Umbrella Cash Subscription and Redemption Account ("Collection Account") Risk**' in the Section of this Prospectus entitled '**Risk Factors**' for an understanding of their position vis-a-vis monies held in any such account.

### **Transfers**

Units are (save as hereinafter specified) freely transferable and may be transferred in writing in a form approved by the Manager. No transfer may be made unless the proposed transferee has completed an Application Form and provided such other information (e.g. as to identity) as the Manager may reasonably require. The Manager may decline to register any transfer of a Unit where it appears that such transfer would be likely to result in the legal or beneficial ownership of such Units by a person who is not a Qualified Holder or expose the Trust to adverse tax or regulatory consequences.

### **Switching**

Unitholders of any class of Units within a Fund may switch free of charge to another class of Units within the same Fund or to the same or another class of Units of another Fund as the Manager may permit where set out in the relevant Supplement. On the establishment of any new Fund (or class thereof) the Manager shall specify the switching rights relating to such Fund (or class thereof).

The general provisions on procedures for redemptions (including provisions relating to the cut-off time for receipt of Application Forms) will apply equally to switching.

No switches will be made during any period in which the rights of Unitholders to require the redemption of their Units are suspended.

### **Switching request**

Switching may be effected by submission of a request to the Administrator or by such other means, such as by means of written instructions, as the Administrator may prescribe from time to time where such means are in accordance with the Central Bank Requirements.

### **Calculation of switching request**

The number of Units to be issued in the new class and/or Fund will be calculated in accordance with the following formula:

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

Where

- A = number of Units of the new class and/or Fund to be allocated
- B = number of Units of the original class or Fund to be converted
- C = redemption price per Unit on the relevant Dealing Day for the original class or Fund

- D = the currency conversion factor determined by the Administrator as representing the prevailing rate of exchange of settlement on the relevant Dealing Day applicable to the transfer of assets between the relevant Funds (where the base currencies of the relevant Funds are different) or where the base currencies of the relevant classes or Funds are the same D = 1
- E = subscription price per Unit on the relevant Dealing Day for the new class and/or Fund

### **Minimum Subscription / Minimum Holding / Minimum Redemption**

If the switch would result in the Unitholder holding a number of Units in the original class or Fund with a value of less than the Minimum Holding, the Administrator may, at its discretion, convert the whole of the applicant's holding of Units in the class or Fund or refuse to effect any switch.

### **Subscriptions/Redemptions in Specie**

#### **Subscription *in specie***

Investors may subscribe *in specie* in a Fund (i.e. by the transfer of Investments or predominantly Investments to the Fund) when agreed in advance with the Manager.

The Minimum Subscription for *in specie* subscriptions is the cash equivalent of the Minimum Subscription (net of Duties and Charges), which minimum may be reduced in any case by the Manager in its discretion.

Investments delivered in connection with *in specie* subscription requests will be valued in accordance with the provisions of this Prospectus. Units shall not be issued until relevant securities and, if applicable, Duties and Charges have been received by the Trustee. All securities received by the Trustee must comply with the investment objective, investment policy and restrictions of the relevant Fund.

The Manager may issue Units of any class of Fund by way of exchange for Investments provided that:

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



## **Redemption in Specie**

The Manager may, at its discretion, redeem Units of any class of a Fund by way of exchange for Investments provided that:

- (a) an Application Form is completed and delivered to the Administrator as required by this Prospectus and the redemption request otherwise satisfies all the requirements of the Manager and the Administrator as to such request and the Unitholder seeking redemption of Units agrees to such course of action;
- (b) the Trustee and the Manager are satisfied that the terms of any exchange would not be likely to result in any prejudice to the remaining Unitholders, and elects that instead of the Units being redeemed in cash, the redemption shall be satisfied in specie by the transfer to the Unitholder of Investments provided that the value thereof shall not exceed the amount which otherwise would have been payable on a cash redemption and provided that the transfer of Investments is approved by the Trustee. Such value may be reduced by such amount as the Manager may consider represents any Duties and Charges to be paid to the Fund as a result of the direct transfer by the Fund of the Investments or increased by such amount as the Manager may consider represents any appropriate provision for dilution adjustment or Duties and Charges which would have been incurred by the Fund in the disposition of the Investments to be transferred. The shortfall (if any) between the value of the Investments transferred on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption shall be satisfied in cash. Any decline in the value of the Investments to be transferred in settlement of a redemption between the relevant Dealing Day and the day on which Investments are delivered to the redeeming Unitholder shall be borne by the redeeming Unitholders. The Investments to be transferred on a redemption in specie will be subject to independent valuation; and
- (c) if a redeeming Unitholder requests redemption of a number of Units that represents 5% or more of the Net Asset Value of a Fund, the Manager may, with the prior consent of the redeeming Unitholder, redeem the Units by way of exchange for Investments and in such circumstances the Manager will, if requested by the redeeming Unitholder, sell the Investments on behalf of the Unitholder. The cost of the sale can be charged to the Unitholder.

If the discretion conferred upon the Manager above is exercised, the Manager shall notify the Trustee and shall supply to the Trustee particulars of the Investments to be transferred and any amount of cash to be paid to the Unitholder. All Duties and Charges in respect of such transfers shall be payable by the Unitholder. Any allocation of Investments pursuant to an in specie redemption is subject to the approval of the Trustee.

## **Data Protection**

Prospective investors are referred to the Application Form for details of the data protection laws and regulations applicable to the Trust.

## **Temporary Suspensions**

The Manager, with the consent of the Trustee may at any time temporarily suspend the determination of the Net Asset Value of any Fund and the issue and/or redemption of Units of any class of any Fund during the whole or any part of any period:

- (a) when any of the principal markets on which any significant portion of the Investments of the relevant Fund from time to time are quoted, listed, traded or dealt in is closed (otherwise than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended or trading on any relevant futures exchange or market is restricted or suspended;
- (b) when, as a result of political, economic, military or monetary events or any other circumstances outside the control, responsibility and power of the Manager, any disposal or valuation of Investments of the relevant Fund is not, in the opinion of the Manager,

reasonably practicable without this being seriously detrimental to the interests of owners of Units in general or the owners of Units of the relevant Fund or if, in the opinion of the Manager, the redemption price cannot fairly be calculated or such disposal would be materially prejudicial to the owners of Units in general or the owners of Units of the relevant Fund;

- (c) during which any breakdown occurs in the means of communication normally employed in determining the value of any significant portion of the Investments of the Trust (a significant portion being 10% or more of the Net Asset Value of the Trust) or when for any other reason the value of any significant portion of the Investments or other assets of the relevant Fund cannot reasonably or fairly be ascertained;
- (d) when the Manager is unable to repatriate funds or liquidate Investments required for the purpose of making redemption payments or when such payments cannot, in the opinion of the Manager, be effected at normal prices or normal rates of exchange or during which any transfer of funds involved in the realisation or acquisition of Investments or when payments due or redemption cannot, in the opinion of the Manager, be effected at normal prices or normal rates of exchange;
- (e) when proceeds of the sale or redemption of Units cannot be transmitted to or from the Trust or the Fund's account;
- (f) upon the publication of a notice convening a meeting of Unitholders for the purposes of resolving to wind up the Trust; or
- (g) where necessary (in exceptional circumstances with legitimate reason, having due regard to the interest of Unitholders), in the opinion of the Manager.

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

In the event of any suspension as set out above, the Manager will immediately publish such fact on the Investment Manager's website [www.architas.com](http://www.architas.com) and will immediately (and in any event during the Business Day on which the suspension occurred), notify the Central Bank and any other competent authority in a Member State or other country in which Units are marketed.

### **Market Timing**

The Trust is intended to be a long-term investment vehicle and is not designed to be used by investors for speculating on short-term market or currency movements. The Manager reserves the right, as it deems appropriate, to take any necessary or desirable measures in order to limit or prevent abusive trading practices, including "market timing" or "portfolio churning". Such actions may include (but are not limited to) the Manager rejecting any application for subscriptions or conversions of Units from any investor which the Manager believes is engaged in or suspected to be engaged in such abusive practices. Although there can be no assurance that the Manager will be able to detect and prevent all such occurrences, the goal of this policy is to minimise any negative impact of such abusive short-term trading practices on the other Unitholders while recognising the benefits that accrue to all Unitholders from sharing fund expenses across a large asset base.

### **Currency of Payment and Foreign Exchange Transactions**

Subscription monies must be paid in the currency of denomination of the relevant Unit class.

Where a Unitholder is switching between Unit classes, subscription monies may be paid in a currency other than the currency of denomination of the Unit class into which the Unitholder is investing. In these circumstances, any necessary foreign exchange transactions may be arranged by the Administrator (at its discretion) for the account of, and at the risk and expense of, the applicant at the time the request for the switch is received and accepted.

In the case of a Unit Class that is not hedged, a currency conversion between the currency of the unhedged Unit Class and the Base Currency will take place on subscription, redemption, switching and distributions at prevailing market exchange rate quoted by the Administrator's bankers.

## **FEES AND EXPENSES**

### **General**

#### **Establishment Expenses**

All fees and expenses relating to the establishment of the Trust, and the initial Funds of the Trust will be borne by the Funds. Such fees and expenses will be amortised over five financial years of the Trust or such other period as the Directors may determine provided however that such amortised expenses will form part of the aggregate annual expenses of the Trust referred to below. To the extent that any further Funds or any additional classes are established within the amortisation period, the Directors may charge back the proportion of establishment expenses (borne by it) attributable to such class or Fund in such manner as the Directors deem fair and equitable.

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

#### **Service Providers' Fees**

The fees of service providers to the Funds shall be as set out in the relevant Supplement. Service providers to the Funds are also entitled to be reimbursed for all agreed charges, fees and expenses charged at normal commercial rates and out of pocket expenses properly incurred in the performance of their duties and responsibilities to the relevant Fund. All such fees and expenses will be borne by the relevant Fund.

#### **Subscription Related Fees**

The Manager may, at its discretion, charge a preliminary fee on the issue of Units of classes up to a maximum of 5% of the Net Asset Value per Unit. Subject to the Central Bank Requirements, the Manager may on any Dealing Day differentiate between applicants as to the amount of such charge required to be paid and as to the amount of charge to be levied on Units.

#### **Redemption Fee**

The Manager may, at its discretion, charge a fee on the redemption of Units of classes up to a maximum of 3% of the Net Asset Value per Unit. Subject to the Central Bank Requirements, the Manager may, on any Dealing Day, differentiate between Unitholders as to the amount of the redemption fee (subject to the maximum aforesaid).

#### **Operational Expenses**

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

- (a) any fees in respect of circulating details of the Net Asset Value (including publishing prices) and Net Asset Value per Unit;
- (b) stamp duties;
- (c) taxes (other than taxes taken into account as Duties and Charges) and contingent liabilities as determined from time to time by the Manager;
- (d) rating fees (if any);
- (e) brokerage or other expenses of acquiring and disposing of Investments;
- (f) fees and expenses of the auditors, tax, legal and other professional advisers of the Trust;
- (g) fees and expenses of any portfolio monitoring and/or proxy voting agents;
- (h) fees connected with listing of Units on any stock exchange;

- (i) fees and expenses in connection with the distribution of Units and costs of registration and listing of the Trust in jurisdictions outside Ireland;
- (j) costs of preparing, printing and distributing the Prospectus and Supplements, any key investor information documents issued in accordance with the Regulations, reports, financial statements and any explanatory memoranda;
- (k) any necessary translation fees;
- (l) any costs incurred as a result of periodic updates of the Prospectus of the Trust, any Supplements and/or key investor information documents, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law);
- (m) the Central Bank's industry funding levy;
- (n) fees connected with the termination of the Trust and/or any Fund;
- (o) any other fees and expenses relating to the management and administration of the Trust or attributable to the Investments;
- (p) in respect of each financial year of the Trust in which expenses are being determined, such proportion (if any) of the establishment expenses and reconstruction expenses (if any) as are being amortised in that year;
- (q) all other liabilities of the Trust of whatsoever kind and nature except liabilities represented by Units in the Trust and reserves (other than reserves authorised or approved by the Manager for Duties and Charges or contingencies).

The above expenses shall be charged as between each Fund and class thereof on such terms and in such manner as the Manager (with the consent of the Trustee) deems fair and equitable.

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

### **Commission Sharing**

Neither the Investment Manager nor any of their affiliates may retain the benefit of any cash commission or rebate paid or payable by any broker or dealer to the Investment Manager or affiliate in respect of any business placed with such broker or dealer by any such person, for and on behalf of the Trust.

### **Costs/Fees arising from Efficient Portfolio Management**

Save to the extent provided otherwise in the Supplement of a Fund, to the extent the Investment Manager or any sub-investment manager engages in efficient portfolio management techniques on behalf of a Fund, the Fund will bear the associated direct / indirect operational costs and will not participate in revenue sharing arrangements.

## **ALLOCATION OF ASSETS AND LIABILITIES**

The Trust Deed requires the establishment of a separate Fund for different classes of Units in the following manner:

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

## TAXATION

### General

***The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Units under the laws of the jurisdictions in which they may be subject to tax.***

The following is a brief summary of certain aspects of Irish and United Kingdom tax 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.

Dividends, interest and capital gains (if any) which any of the Funds receive with respect to their Investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of Investments are located. It is anticipated that the Trust 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 Trust, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Unitholders rateably at the time of the repayment.

Unitholders who are not Irish Residents may be taxed in accordance with the laws of other jurisdictions. This Prospectus does not make any statement regarding those jurisdictions. Before investing in the Trust, investors should discuss with their tax advisors the implications of acquiring, holding, transferring and redeeming Units.

### FATCA and other cross-border reporting systems

The Hiring Incentives to Restore Employment Act was signed into US law on 18 March 2010 and includes foreign account tax compliance provisions generally known as "FATCA". The thrust of these provisions is that details of US investors holding assets outside the US will be reported by financial institutions to the US Internal Revenue Services ("IRS") as a safeguard against US tax evasion. To discourage non-US financial institutions from staying outside this regime, FATCA provides that US securities held by a financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30% on gross sales proceeds as well as income. This regime has been effective since 1 July 2014.

The basic terms of FATCA appear to include the Trust as a 'Financial Institution', such that, in order to comply, the Manager may require all Unitholders to provide mandatory documentary evidence of their tax residence.

The US has developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement ("Irish IGA") on 21 December 2012.

The Irish IGA is intended to reduce the burden for Irish financial institutions of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish financial institution (unless the financial institution is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners, who will then provide such information to the IRS.

In order to comply with its FATCA obligations, the Manager may require investors to provide information and documentation prescribed by applicable law and such additional documentation as reasonably requested by the Trust. Each prospective investor should consult their own tax advisor regarding the requirements under FATCA with respect to their particular circumstances.

Although the Manager will use commercially reasonable efforts to comply with any requirements that are necessary to avoid the imposition of withholding taxes on payments to the Trust pursuant to

FATCA, no assurance can be given that the Trust will be able to satisfy these obligations. If the Trust becomes subject to a withholding tax as a result of FATCA, the return of all investors may be materially affected. To the extent the Trust does suffer US withholding tax on its investments as a result of FATCA, the Manager may take any action in relation to an investor's investment in the Trust to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating Foreign Financial Institution gave rise to the withholding. Any withholding, set-off or deduction in respect of the proceeds of any redemption will be made by the Manager in accordance with applicable, law and/or regulation, in good faith and on reasonable grounds.

Prospective investors should consult with their tax advisers regarding the possible implications of FATCA on their investment in the Trust.

The Common Reporting Standard (“**CRS**”) is a new, single global standard on Automatic Exchange Of Information (“**AEOI**”). It was approved by the Organisation for Economic Co-operation and Development (“**OECD**”) in February 2014 and draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. Under the CRS, participating jurisdictions will be required to exchange certain information held by financial institutions regarding their non resident investors. The CRS has been effective in Ireland since 1 January 2016. The Manager will be required to provide certain information to the Irish Revenue Commissioners about non-Irish tax resident Unitholders (which information will in turn be provided to the relevant tax authorities). It should also be noted the CRS replaces the EU Taxation on Savings Directive.

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

### **Irish Taxation**

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

#### **The Trust**

The Trust will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Manager is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Manager will be conducted in such a manner as to ensure that it is Irish Resident for tax purposes.

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

However, tax can arise on the happening of a “chargeable event” in the Trust. A chargeable event includes any distribution payments to Unitholders or any encashment, redemption, cancellation or transfer of Units. The appropriation or cancellation of Units of a Unitholder by the Manager for the purposes of meeting the amount of appropriate tax payable on any gain is also a chargeable event. A chargeable event also includes the ending of a Relevant Period.

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

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



A chargeable event does not include:

- an exchange by a Unitholder, effected by way of an arms length bargain of Units in the Trust for other Units in the Trust;
- any transaction (which might otherwise be a chargeable event) in relation to Units held in a recognised clearing system (such as CREST) as designated by order of the Irish Revenue Commissioners;
- a transfer by a Unitholder of the entitlement to a Unit where the transfer is between spouses, former spouses, civil partners and former civil partners subject to certain conditions;
- an exchange of Units arising on a qualifying amalgamation or reconstruction of the Trust with another investment undertaking (within the meaning of Section 739H of the Taxes Act);
- any transaction in relation to, or in respect of, relevant Units in an investment undertaking which transaction only arises by virtue of a change in the manager of funds administered by the Courts Service.

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

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

Where the value of the Units held by Taxable Irish Persons is less than 10% of the value of the total Units of the Trust, the Manager will not be obliged to deduct tax on the happening of a chargeable event on the ending of a Relevant Period, provided an election has been made to report certain information to the Revenue Commissioners and the Unitholder. In such circumstances, the Unitholder will have to account for the appropriate tax arising on the happening of the chargeable event on a self-assessment basis.

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

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

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

Dividends received by the Trust from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the Manager can make a declaration to the payer that the Trust is a collective investment undertaking beneficially entitled to the dividends which will entitle the Trust to receive such dividends without deduction of Irish dividend withholding tax.

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

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

## **Unitholders**

### **(i) Unitholders who are neither Irish Resident nor Irish Ordinary Resident**

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

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

A gain shall not be treated as arising to the Trust on the happening of a chargeable event in respect of Unitholders who are neither Irish Residents nor Irish Ordinary Residents and who have made Relevant Declarations in respect of which the Manager is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct. However, any corporate Unitholder which is not Irish Resident and which holds Units directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from the Units or gains made on disposal of the Units.

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

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

### **(ii) Unitholders who are Irish Resident or Irish Ordinary Resident**

Unless a Unitholder is an Exempted Irish Investor and provides a Relevant Declaration to that effect or unless the Units are purchased by the Courts Service or the Unitholder is a corporate which has provided a declaration of its corporate status, tax at the rate of 41% will have to be deducted by the

Manager on distributions and gains arising to the Unitholder on an encashment, redemption, cancellation or transfer of Units by a Unitholder. Tax at a rate of 41% will also be required to be deducted by the Manager on the ending of a Relevant Period at which time there is a deemed disposal of Units by the Unitholder. Tax at a rate of 25% will have to be deducted by the Manager where the Unitholder is a company regardless of the nature of the distribution and the Unitholder has provided a formal declaration of its corporate status.

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

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

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

### (iii) Irish Courts Service

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

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

- (a) specifies the total amount of gains arising to the investment undertaking in respect of the Units acquired; and
- (b) specifies in respect of each person who is or was beneficially entitled to those Units:

where available, the name and address of the person,  
the amount of total gains to which the person has beneficial entitlement, and  
such other information as the Revenue Commissioners may require.

### **Stamp Duty**

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

No Irish stamp duty will be payable by the Manager on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been

issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stock or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the Taxes Act) which is registered in Ireland.

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

### **Capital Acquisitions Tax**

The disposal of Units will not be subject to Irish gift or inheritance tax (Capital Acquisitions Tax), provided that the Trust falls within the definition of an investment undertaking (within the meaning of Section 739B of the Taxes Act) and that:

- (i) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinary Resident in Ireland;
- (ii) at the date of the disposition, the Unitholder disposing of the Units is neither domiciled nor Ordinarily Resident in Ireland; and
- (iii) the Units are comprised in the gift or inheritance at the date of the gift or inheritance and at the "valuation date" (as defined for Capital Acquisitions Tax purposes).

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponent will not be deemed to be resident or ordinarily resident in Ireland at the relevant date unless:

- that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessments in which that date falls; and
- that person is either resident or ordinarily resident in Ireland on that date.

## STATUTORY AND GENERAL INFORMATION

### 1. Trust Deed

All Unitholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Trust Deed, copies of which are available as mentioned below. The provisions of the Trust Deed are binding on the Trustee, the Manager and the Unitholders and all persons claiming through them respectively as if all such Unitholders and persons had been party to the Trust Deed.

Copies of the Trust Deed may be obtained by Unitholders from the Administrator free of charge or may be inspected by Unitholders only at the offices of the Administrator during normal business hours on a Business Day.

The Trustee and the Manager shall, subject to the prior approval of the Central Bank, be entitled at any time, and from time to time, to modify, alter or add provisions to the Trust Deed provided that the Trustee shall certify in writing that in its opinion, the modification, alteration or addition:

- (a) does not materially prejudice the interests of Unitholders or operate to release to any material extent the Trustee or the Manager from any responsibility to the Unitholders; and/or
- (b) is required in order to comply with any provision of the Regulations or any regulation made pursuant thereto or any other applicable statutory or fiscal enactment or requirement or any practice or requirement of any government or fiscal or revenue authority (whether or not having the force of law) including without limitation any requirement imposed by the Central Bank.

No other modification, alteration or addition, may be made without the sanction of a Resolution of Unitholders. No such modification, alteration or addition may impose any obligation on any Unitholder to make any further payment or accept any liability in respect of his Units.

### 2. Meetings

The Trustee or the Manager only may convene a meeting of Unitholders at any time of the Trust or any Fund.

All business transacted at a meeting of Unitholders duly convened and held shall be by way of a Resolution.

Not less than fourteen days' notice of every meeting of the Trust or any Fund must be given to relevant Unitholders. Notice of any general meeting at which a special resolution is to be proposed will be given to relevant Unitholders at least 21 days prior to the date of the meeting. The notice shall specify the place, day and hour of the meeting and terms of the Resolution to be proposed. A copy of the notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee. A copy of the notice shall be sent by post to the Manager unless the meeting shall have been convened by the Manager. The accidental omission to give notice to or the non-receipt of notice by any of the Unitholders shall not invalidate the proceedings at any meeting.

A quorum at any meeting of the Trust, any Fund or any class within a Fund shall be two Unitholders present in person or by proxy (unless the Trust or relevant Fund or relevant class has only one Unitholder in which case only one Unitholder is required). No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

At any meeting:

- (a) all Units in the Trust shall carry equal voting rights, except that in matters affecting only a particular Fund, only Units of that Fund shall be entitled to vote; and

- (b) every Unitholder that is present in person or by proxy shall, on a vote taken on a show of hands, be entitled to one vote for every Unit of which he is a Unitholder and, on a poll (which is duly demanded in accordance with the Trust Deed) be entitled to one vote per Unit of which he is a Unitholder.

### **3. Calculation of Net Asset Value**

- (a) The calculation of the Net Asset Value of each Fund is the responsibility of the Administrator. The Net Asset Value of each Fund will be determined by the Administrator in accordance with the Trust Deed and will be equal to all its assets less all of its liabilities as at the Valuation Point on each Business Day plus any interest accrued on underlying assets between the Valuation Point and the time of calculation of the Net Asset Value on the Dealing Day.
- (b) The assets of the Trust and each of the Funds shall be deemed to include:
  - (i) subscription monies receivable for Units allocated, all cash in hand, on deposit or on call including any interest accrued thereon and all accounts receivable;
  - (ii) all bills, demand notes, certificates of deposit and promissory notes;
  - (iii) all bonds, forward currency transactions, time notes, shares, stock, convertibles, units of or participation in CIS/mutual funds, debentures, debenture stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, contracts for differences, fixed rate securities, floating rate securities, securities in respect of which the return and/or repurchase amount is calculated by reference to any index, price or rate, financial instruments and other investments and securities owned or contracted for in respect of the Trust, other than rights and securities issued by it;
  - (iv) all stock and cash dividends and cash distributions to be received in respect of a Fund and not yet received by it but declared to stockholders on record on a date on or before the day as of which the Net Asset Value is being determined;
  - (v) all interest accrued on any interest-bearing securities owned by a Fund except to the extent that the same is included or reflected in, the principal value of such security;
  - (vi) all other Investments of a Fund;
  - (vii) the establishment costs attributable to the Trust and any Funds and the cost of issuing and distributing Units of the Trust in so far as the same have not been written off and; and
  - (viii) all other assets of a Fund of every kind and nature including prepaid expenses as valued and defined from time to time by the Manager.
- (c) The liabilities of each Fund shall be deemed to include:
  - (i) all bills, notes and accounts payable;
  - (ii) all expenses payable and/or accrued (the latter on a day to day basis);
  - (iii) all known liabilities including the amount of any unpaid interest distribution declared upon the Units in the Fund, contractual obligations for the acquisition of Investments or other property or for the payment of money and outstanding payments on any Units previously redeemed;

- (iv) an appropriate provision for taxes (other than taxes taken into account as Duties and Charges) and contingent liabilities as determined from time to time by the Manager;
- (v) all other liabilities of the Fund of whatsoever kind and nature except liabilities represented by Units in the Trust.

In determining the amount of such liabilities the Manager may calculate administrative and other expenses of a regular or recurring nature on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period.

- (d) The assets of each Fund will be valued as follows:
  - (i) the Manager shall be entitled to value the units of any Fund using the amortised cost method of valuation. Where an amortised cost valuation method is utilised, an Investment is valued at its cost of acquisition adjusted for amortisation of premium or accretions of discount rather than at current market value:
    - A. the amortised cost method of valuation may only be used in relation to Funds which comply with the Central Bank's requirements for money market funds and where a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's guidelines;
    - B. where the amortised cost valuation is not applied to the portfolio of a Fund as a whole, money market Investments of a Fund within such a portfolio shall only be valued on an amortised basis if the money market instrument has a known residual maturity of less than three months and has no specific sensitivity to market parameters, including credit risk, in accordance with the Central Bank Requirements. The Manager or its delegates shall review or cause a review to take place of deviations between the amortised method of valuation and the market value of Investments in accordance with the Central Bank's requirements;
  - (ii) the value of an Investment which is quoted, listed or normally dealt in on a Regulated Market shall (save in the specific cases set out in the relevant paragraphs below) be the last traded price on such Regulated Market as at the Valuation Point or the closing mid-market price when no last traded price is available, provided that:
    - A. if an Investment is quoted, listed or normally dealt in on more than one Regulated Market, the Manager may, in its absolute discretion, select any one of such markets for the foregoing purposes (provided that the Manager has determined that such market constitutes the main market for such Investment or provides the fairest criteria for valuing such securities) and once selected a market shall be used for future calculations of the Net Asset Value with respect to that Investment unless the Manager otherwise determines; and
    - B. in the case of any Investment which is quoted, listed or normally dealt in on Regulated Market but in respect of which for any reason, prices on that market may not be available at any relevant time, or, in the opinion of the Manager, may not be representative, the value therefor shall be the probable realisation value thereof estimated with care and in good faith by a competent person, firm or association appointed by the Manager making a market in such Investment (approved for the purpose by the Trustee) and/or any other competent person appointed by the Manager (and approved for the purpose by the Trustee);

- C. in the case of any Investment which is quoted, listed or normally dealt in on a Regulated Market but which was acquired at a premium or at a discount outside or off the relevant market, the level of premium or discount at the date of valuation may be taken into account when valuing such Investment provided the Trustee ensures that the adoption of such procedure is justifiable in the context of establishing the probable realisation value thereof;
- (iii) the value of any Investment which is not quoted, listed or normally dealt in on a Regulated Market shall be the probable realisable value estimated with care and in good faith by a competent person, firm or association making a market in such Investment (approved for the purpose by the Trustee) and/or any other competent person appointed by the Manager (and approved for the purpose by the Trustee) to provide such estimated value;
  - (iv) the value of any Investment which is a unit of or participation in an open-ended CIS/mutual fund shall be the latest available net asset value of such unit/participation as published by the CIS;
  - (v) the value of any prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless in any case the Manager is of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Manager (with the approval of the Trustee) may consider appropriate in such case to reflect the true value thereof;
  - (vi) cash in hand and cash deposits shall be valued at their nominal value plus accrued interest from the date on which the same were acquired or made;
  - (vii) treasury bills shall be valued at the closing mid market price on the market on which same are traded or admitted to trading as at the Valuation Point, provided that where such price is not available, same shall be valued at the probable realisation value estimated with care and good faith by a competent person (appointed by the Manager and approved for the purpose by the Trustee);
  - (viii) bonds, notes, debenture stocks, certificates of deposit, bank acceptances, trade bills and similar assets shall be valued at the closing mid market price on the market on which these assets are traded or admitted for trading (being the market which is the sole market or in the opinion of the Manager the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired;
  - (ix) the value of any exchange traded futures contracts and options (including index futures) which are dealt in on a Regulated Market shall be the settlement price as determined by the market in question, provided that if such settlement price is not available for any reason or is unrepresentative, same shall be valued at the probable realisation value estimated with care and good faith by a competent person (appointed by the Manager and approved for the purpose by the Trustee);
  - (x) the value of any OTC derivatives contracts shall be valued at least daily at a price obtained from the counterparty or by an alternative valuation provided by a competent person (which may be the Investment Manager) appointed by the Manager and approved by the Trustee for such purpose, or by any other means provided the value is approved by the Trustee. If a derivative instrument is valued at a price obtained from the counterparty, such price shall be verified at least weekly by a party independent of the counterparty (which may be the Investment Manager) approved for such purpose by the Trustee. If a derivative instrument is valued in any other way, the Manager will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA and such alternative valuation shall be reconciled on at



least a monthly basis to a valuation provided by the counterparty and any significant difference shall be promptly investigated and explained.

- (xi) forward foreign exchange and interest rate swaps contracts for which market quotations are freely available will be valued by reference to market quotations (in which case there is no requirement to have such prices independently verified or reconciled to the counterparty valuation). If no such market quotations are available, interest rate swaps contracts will be valued in accordance with the previous paragraph;
  - (xii) notwithstanding any of the foregoing sub-paragraphs, the Manager with the approval of the Trustee may adjust the value of any Investment if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as it may deem relevant, it considers that such adjustment is required to reflect the fair value thereof;
  - (xiii) if in any case a particular value is not ascertainable as above provided or if the Manager deems that some other method of valuation of the relevant Investment is necessary then in such case the method of valuation of the relevant Investment shall be such as the Manager shall decide provided that such method is approved by the Trustee and the methodologies used shall be clearly documented;
- (e) notwithstanding the foregoing, where at any time of any valuation any asset of the Trust has been realised or contracted to be realised there shall be included in the assets of the Trust in place of such asset the net amount receivable by the Trust in respect thereof provided that if such amount is not then known exactly then its value shall be the net amount estimated by the Manager as receivable by the Trust and provided that such adjustment method is approved by the Trustee;
  - (f) the Manager, may, in order to comply with any applicable accounting standards, present the value of any assets of the Trust in financial statements to Unitholders in a manner different to that set out in the Trust Deed.
  - (g) Any certificate as to Net Asset Value of Units given in good faith (and in the absence of negligence or manifest error) by or on behalf of the Manager shall be binding on all parties.

#### **4. Termination**

A Fund may be terminated if the holders of 75% in value of the issued Units of the Fund approve the termination at a meeting of the Fund of which not less than 21 days' notice has been given.

The Trust and each Fund may be terminated by the Trustee by notice in writing to the Manager as hereinafter provided on the occurrence of the following events, namely:

- (a) if the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or ceases business or if an examiner is appointed to it or a receiver appointed over any part of its assets;
- (b) if in the reasonable opinion of the Trustee the Manager shall be incapable of performing or shall in fact fail to perform his duties satisfactorily or shall do any other thing which in the opinion of the Trustee is intended to bring the Trust into disrepute or to be harmful to the interests of the Unitholders;
- (c) if any law shall be passed which renders it illegal or in the reasonable opinion of the Trustee impracticable or inadvisable to continue the Trust;

- (d) if within 120 days from the date of the Trustee expressing in writing to the Manager its desire to retire, a qualified person acceptable to the Manager and the Central Bank to act as new Trustee has not been appointed; or
- (e) if, within three months from the date of notice of the removal of the Manager, no replacement manager has been appointed to the Trust.

The Trust and each Fund may be terminated by the Manager in its absolute discretion by notice in writing to the Trustee as hereinafter provided in any of the following events, namely:

- (i) if the Trust shall cease to be an authorised unit trust under the Regulations;
- (ii) if any law shall be passed which renders it illegal or in the reasonable opinion of the Manager impracticable or inadvisable to continue the Trust;
- (iii) if within 120 days from the date of the Manager expressing in writing to the Trustee its desire to retire, a qualified person acceptable to the Trustee and the Central Bank to act as new Manager has not been appointed;
- (iv) all of the Units of each Fund have been redeemed; or
- (v) if the Manager, acting in good faith, in its discretion, considers termination of a Fund appropriate based on reasonable grounds and pursuant to applicable law and regulation.

The party terminating the Trust and each Fund shall give notice thereof to the Unitholders in writing and by such notice fix the date on which such termination is to take effect which day shall not be less than one month after the service of such notice.

On a termination Unitholders are entitled to receive distributions in proportion to their respective interests in the relevant class of the relevant Fund after all liabilities, costs and expenses have been deducted. Such distributions will be the net cash proceeds derived from the realisation of the property of the Fund unless by agreement between the Manager, the Trustee and the relevant Unitholder, distributions are made *in specie* in accordance with the terms under the section headed "Subscriptions/Redemptions in Specie".

On a winding up of all the Funds, the balance of any assets of the Trust then remaining, not comprised in any of the Funds shall be apportioned as between Funds (and class thereof) pro rata to the net asset value of each Fund immediately prior to any distribution to Unitholders which shall be distributed amongst the Unitholders of each Fund pro rata to the number of Units in that Fund held by them.

Every such distribution shall be made only after the production of evidence of title to the Units to the satisfaction of the Trustee together with such form of request for payment and receipt as the Trustee shall in its absolute discretion require.

Unitholders' distribution proceeds may contain an income element, equivalent to that part of the Net Asset Value of the Unit which reflects the accrued income (if any) to the date of termination.

The Manager and the Trustee undertake to carry out the termination procedures as soon as reasonably possible after the decision/Resolution to terminate has taken place.

## **5. Commissions**

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

## **6. Retirement of the Trustee**

The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new Trustee or on the revocation of the authorisation of the Trust. In the event of the Trustee desiring to retire and provided that approval of the Central Bank has been obtained for the appointment of a new Trustee, the Manager shall endeavour to find a new trustee who is a qualified corporation to act as trustee and, provided that such new trustee is acceptable to the Manager and has received prior approval for appointment by the Central Bank, and agrees to enter into such deed(s) as are required by the Manager to secure the due performance of the new trustee's duties, the Manager shall, by deed or deeds, appoint such new trustee to be the Trustee in the place of the retiring Trustee. Despite attempts by the Manager to appoint a new trustee, if no replacement for the Trustee has been appointed in accordance with Regulation 32 of the Central Bank Requirements and the current trustee is unwilling or unable to act as such, then;

- (i) a general meeting will be convened at which a Resolution to wind up or otherwise dissolve the Trust is proposed; and
- (ii) the appointment of the current Trustee may be terminated only upon the revocation of the authorisation of the Trust by the Central Bank.

The Trustee covenants with the Manager that, in the event of its retirement, it shall deliver or cause to be delivered in good time and in good order to any successor trustee appointed in accordance with the preceding paragraph, all such books and records, documents, papers and other information of, relating or belonging to the Trust or a Fund or to the Manager acting on behalf of the Trust or a Fund then held hereunder in its possession or in the possession of its agents or nominees in written, electronic or any other form whatsoever, and shall take all such other steps as necessary in accordance with the Regulations, Central Bank Requirements or other applicable law to ensure the orderly transition of the Funds to such successor trustee.

## **7. Removal of the Trustee**

The Manager may remove the Trustee by notice in writing given by the Manager in any of the following events:

- (a) if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or if an examiner is appointed to it or a receiver appointed over any part of its assets;
- (b) if for good and sufficient reason the Manager is of opinion and so states in writing to the Trustee that a change of Trustee is desirable in the interests of the Unitholders.

The Manager shall (with the prior approval of the Central Bank) appoint as Trustee some other qualified corporation subject to such corporation entering into such deeds as are required by the Manager to secure the due performance of the new trustee's duties.

## **8. Retirement of the Manager**

The Manager shall have power to retire in favour of some other qualified corporation (whose appointment has received the prior approval of the Central Bank and the Trustee) upon and subject to such corporation entering into such deeds as are required by the Trustee to secure the due performance of the new manager's duties as manager.

## **9. Removal of the Manager**

- (a) The Trustee may remove the Manager by notice in writing given by the Trustee if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if an examiner is appointed or a receiver is appointed over any part of its assets. In such

an event the Trustee shall (with the prior approval of the Central Bank) appoint as Manager some other qualified corporation, being a manager approved by the Central Bank, subject to such corporation entering into such deed(s) as are required by the Trustee to secure the due performance of the new manager's duties as manager and which deed(s) shall provide (inter alia) that the new manager shall purchase from the former Manager the Units of each Fund of which the former Manager is or is deemed to be the holder at the redemption price applicable to the redemption of Units of each Fund on the relevant Dealing Day(s).

#### **10. Indemnity and Liability of the Manager, Investment Manager, Administrator and Trustee**

Each of the Manager, the Investment Manager and the Administrator shall be indemnified out of the assets of the Trust against all actions, proceedings, claims, costs, demands and expenses (including, without limitation, legal fees on a full indemnity basis and other costs, charges and expenses in enforcing or attempting to enforce this indemnity) which may be brought against, suffered or incurred by it by reason of its performance or non-performance of its obligations or duties under the terms of the Trust Deed, the Investment Management Agreement or the Administration Agreement (as the case may be) other than due to its fraud, wilful default or negligence.

Under the terms of the Trust Deed, the Trustee shall be indemnified out of the assets of the Trust and each relevant Fund against any losses or claims (as further described therein) brought against, suffered or incurred by it in acting as the Fund's trustee with the exception that the Trustee shall not be indemnified for losses, claims etc. for which the Trustee is found to be liable to the Manager, any Fund or any Unitholder in accordance with the terms of the Trust Deed or applicable law. The Trustee's liability may be enforced directly or indirectly by Unitholders against the Trustee.

During any period in which the Trust is authorised by the SFC, the Trustee and the Manager shall not be exempted from any liability to Unitholders imposed under Hong Kong law.

#### **11. Material Contracts**

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

- (a) the Trust Deed. The Trust Deed contains provisions governing the responsibilities of the Manager and the Trustee and provides for their indemnification in certain circumstances subject to certain exclusions (see paragraph 10 above) and subject to the provisions of the Regulations. Details of the provisions relating to the fees payable to the Manager and the Trustee are set out in "Fees and Expenses" and details of the provisions relating to the Trust Deed are set out in paragraphs 1-4, 6 - 10 respectively;
- (b) the Administration Agreement. The Administration Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by the Manager at any time with immediate effect by giving written notice to the Administrator and by the Administrator giving not less than six months' written notice to the Manager, although in certain circumstances (e.g. the insolvency of any party, unremedied breach after notice, etc.) the Agreement may be terminated forthwith by notice in writing by either party to the other. The Administration Agreement contains indemnities in favour of the Administrator other than matters arising by reason of its breach of the terms of the Administration Agreement, fraud, wilful default or negligence in the performance of its duties and obligations, and provisions regarding the Administrator's legal responsibilities.
- (c) the Investment Management Agreement. The Investment Management Agreement provides that the appointment of the Investment Manager will continue in force unless and until terminated by either party giving to the other not less than 6 months written notice although in certain circumstances (e.g. the insolvency of either party, unremedied breach after notice, etc.) the Agreement may be terminated forthwith by notice in writing by either party to the other. The Investment Management Agreement contains

indemnities in favour of the Investment Manager other than matters arising by reason of its negligence, fraud or wilful default.

### **Inspection of Documents**

Copies of the following documents will be available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) and may be obtained, on request, free of charge, from the Administrator:

- (a) this Prospectus and any Supplement or addendum thereto;
- (b) any key investor information document;
- (c) the Trust Deed;
- (d) the latest annual and half-yearly reports (when issued).

## APPENDIX I

### Stock Exchanges and Regulated Markets

With the exception of permitted investment in unlisted securities, investment will be restricted to those stock exchanges and markets listed below in this Prospectus or any Supplement thereto or revision thereof each of which stock exchanges and markets is regulated, operates regularly, is recognised and is open to the public. These stock exchanges and markets are listed in accordance with the Central Bank Requirements, it being noted that the Central Bank does not issue a list of approved markets and exchanges.

1. Stock exchanges, markets and regulated derivatives markets in any Member State of the European Union (except Malta), Norway, Iceland, Australia, Canada, Japan, Hong Kong, New Zealand, Switzerland or the United States.

2. The following stock exchanges (or successors thereof):

in Argentina	the Buenos Aires Stock Exchange Mercado Abierto Electronico S.A.
in Brazil	the Rio de Janeiro Stock Exchange the Sao Paulo Stock Exchange
in Chile	the Santiago Stock Exchange the Bolsa Electronica de Chile
in China	the Shanghai Stock Exchange the Shenzhen Stock Exchange
in Colombia	the Bolsa de Valores de Columbia
in Egypt	the Egyptian Stock Exchange
in India	the National Stock Exchange of India the Delhi Stock Exchange the Madras Stock Exchange
in Indonesia	the Indonesian Stock Exchange
in Israel	the Tel Aviv Stock Exchange
in Korea	the Korea Stock Exchange (Stock Market) Korean Exchange (KOSDAQ)
in Malaysia	the Bursa Malaysia
in Mexico	the Bolsa Mexicana de Valores (Mexican Stock Exchange)
in Peru	the Bolsa de Valores de Lima
in Philippines	the Philippines Stock Exchange
in Russia	Russian Trading System Stock Exchange (Level 1 or Level 2) MICEX (Moscow Interbank Currency Exchange)

	Moscow Stock Exchange Regional Stock Exchange – MICEX Far East Siberian Stock Exchange Internet Direct-Access Exchange St Petersburg Stock Exchange
in Singapore	the Singapore Exchange the Singapore Derivatives Exchange
in South Africa	the JSE Securities Exchange
in Thailand	the Stock Exchange of Thailand the Bangkok Stock Exchange
in Taiwan	the Taiwan Stock Exchange
in Turkey	the Istanbul Stock Exchange
in UAE – Abu Dhabi	Abu Dhabi Securities Market
in UAE – Dubai	Dubai Financial Market (DFM) Dubai International Financial Exchange (DIFX) Dubai Mercantile Exchange

3. The following regulated markets:

- (a) the market organised by the International Capital Market Association;
- (b) NASDAQ in the United States;
- (c) the market in US Government Securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;
- (d) the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);
- (e) the market conducted by “listed money market institutions” as described in the Bank of England publication on “The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, foreign currency and bullion)”;
- (f) AIM – the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange;
- (g) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- (h) the French market for “Titres de Creance Negotiable” (over-the-counter market in negotiable debt instruments);
- (i) the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;

- (j) The Second Marche of the stock exchange set up in France in accordance with the laws of France; and
  - (k) the market in the United Kingdom known previously as the “Grey Book Market” that is conducted through persons governed by Chapter 3 of the Financial Services Authority’s Market Conduct Sourcebook (inter-professional conduct).
4. Any approved derivative market within the EEA which is not listed in paragraphs 1 or 2 or 3 above on which FDI are traded.

The above markets are listed in accordance with the Central Bank Requirements, it being noted the Central Bank does not issue a list of approved markets or stock exchanges.



## APPENDIX II

### FDI/Efficient Portfolio Management

#### A. Investment in FDI

The following provisions apply whenever a Fund proposes to engage in transactions in FDI including, but not limited to, futures, forwards, swaps, inflation swaps (which may be used to manage inflation risk), options, swaptions and warrants, where the transactions are for the purposes of the efficient portfolio management of any Fund or for direct investment purposes (and such intention is disclosed in the Fund's investment policy). Where it does intend to engage in transactions in relation to FDI, the Trust will employ a risk management process to enable it to accurately measure, monitor and manage, on a continuous basis, the risk of all open derivative positions and their contribution to the overall risk profile of a Fund's portfolio. The Trust will, on request, provide supplemental information to Unitholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

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

- A Fund's global exposure (as prescribed in the Central Bank Requirements) relating to FDI must not exceed its total Net Asset Value when using the commitment approach.
- Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank Requirements. (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 Requirements).
- A Fund may invest in FDI dealt in OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

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

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

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

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

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

Techniques and instruments (other than FDI) which may be used for efficient portfolio management purposes are set out below.

All revenues received from total return swaps and securities lending (if securities lending is used by any Fund in the future), net of direct and indirect operational costs are returned to the relevant Fund.

### **C. Use of Repurchase/Reverse Repurchase Arrangements and Securities Lending**

In addition to entering into FDI for efficient portfolio management purposes, a Fund may also engage in efficient portfolio management techniques including repurchase/reverse repurchase agreements and securities lending subject to the Regulations and conditions and limits prescribed by the Central Bank Requirements. Repurchase/reverse repurchase agreements and securities lending agreements may only be entered into in accordance with normal market practice.

All assets received by a Fund in the context of efficient portfolio management techniques should be considered as collateral. All assets received by a Fund in the context of efficient portfolio management techniques and/or OTC derivatives transactions must, at all times, meet with criteria set out below:

- (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 (i.e. in relation to the acquisition of shares/units in an issuing body).
- (ii) **Valuation:** collateral received should be valued on at least a daily basis at mark-to-market prices and daily variation margins should be used if the value of collateral falls below coverage requirements. Assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. Where the Manager, on behalf of a Fund, enters into a reverse repurchase agreement, it shall seek to 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 relevant Fund.
- (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 Eligible Counterparty and is not expected to display a high correlation with the performance of the Eligible 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 Eligible Counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
- (vi) **Immediately available:** collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the Eligible Counterparty.

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

**E. Cash collateral may not be invested other than 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*).

Invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the Eligible Counterparty or a related entity. Please refer to the section above entitled "*Reinvested Cash Collateral Risk*".

All transactions entered into by a Fund in the context of OTC derivatives must be with an Eligible Counterparty.

## APPENDIX III

### INVESTMENT AND BORROWING RESTRICTIONS

Investment of the assets of the relevant Fund must comply with the Regulations. The Regulations provide:

<b>1</b>	<b>Permitted Investments</b>
	Investments of each Fund are confined to:
<b>1.1</b>	Transferable securities and money market instruments, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments, as defined in accordance with Central Bank Requirements, other than those dealt on a regulated market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of AIFs as set out in the Central Bank's guidance " <i>UCITS Acceptable Investment in other Investment Funds</i> ".
<b>1.6</b>	Deposits with credit institutions as prescribed by Central Bank Requirements.
<b>1.7</b>	FDI as prescribed by Central Bank Requirements.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	Each 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.
<b>2.2</b>	Each 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 a Fund in certain US securities known as Rule 144A securities provided that: <ul style="list-style-type: none"> <li>- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li> <li>- the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.</li> </ul>
<b>2.3</b>	Each Fund may invest no more than 10% of 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%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its Net 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. To avail of this provision the prior approval of the Central Bank is required.
<b>2.5</b>	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
<b>2.6</b>	The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

<p><b>2.7</b></p> <p><b>2.8</b></p> <p><b>2.9</b></p> <p><b>2.10</b></p> <p><b>2.11</b></p> <p><b>2.12</b></p>	<p>Deposits with any single credit institution other than a credit institution specified in Regulation 7 of the Central Bank UCITS Regulations held as ancillary liquidity shall not exceed: (a) 10% of the NAV of a Fund; or (b) where the deposit is made with the Trustee 20% of the net assets of a Fund.</p> <p>The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of its Net Asset Value.</p> <p>This limit is raised to 10% in the case of credit institutions authorised in the EEA, credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</p> <p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of its Net Asset Value:</p> <ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> <li>- deposits, and/or</li> <li>- counterparty risk exposures arising from OTC derivatives transactions.</li> </ul> <p>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 its Net Asset Value.</p> <p>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 its Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.</p> <p>Each Fund may invest up to 100% of its Net Asset Value in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list:</p> <p>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.</p> <p>Each Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its Net Asset Value.</p>
<p><b>3</b></p>	<p><b>Investment in CIS</b></p>
<p><b>3.1</b></p> <p><b>3.2</b></p> <p><b>3.3</b></p>	<p>A Fund may not invest more than 20% of its Net Asset Value in any one CIS.</p> <p>Investment in AIFs may not, in aggregate, exceed 30% of the Funds' Net Asset Value.</p> <p>The CIS in which a Fund invests may not itself invest more than 10% of its Net Asset Value in other open-ended CIS.</p>

3.4	<p>When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Manager or by any other company with which the Manager is linked by common management or control, or by a substantial direct or indirect holding, the Manager 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.</p>
3.5	<p>Where a commission (including a rebated commission) is received by the Manager, Investment Manager or an investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.</p>
3.6	<p>The following investment restrictions apply where a Fund invests in other Funds of the Trust:</p> <ul style="list-style-type: none"> <li>• a Fund will not invest in a Fund of the Trust which itself holds shares in other Funds of the Trust;</li> <li>• a Fund investing in such other Fund of the Trust will not be subject to subscription, conversion or redemption fees;</li> <li>• the Manager will not charge a management fee to a Fund in respect of that portion of the Fund's assets invested in another Fund of the Trust. Where the Investment Manager's fees are paid directly out of the assets of a Fund, the Investment Manager will not charge an investment management fee to a Fund in respect of that portion of the Fund's assets invested in another Fund of the Trust.</li> </ul> <p>Investment by a Fund in another Fund of the Trust will be subject to the limits set out in paragraphs 3.1 to 3.3 above.</p>
<b>4</b>	<b>Index Tracking UCITS</b>
4.1	<p>A 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 specified by Central Bank Requirements and is recognised by the Central Bank</p>
4.2	<p>The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.</p>
<b>5</b>	<b>General Provisions</b>
5.1	<p>The Trust may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.</p>
5.2	<p>A Fund may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
5.3	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices</li> </ul>

	<p>in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</p> <p>(v) Shares held by the Trust 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 Units at Unitholders' request exclusively on their behalf.</p>
<b>5.4</b>	A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
<b>5.5</b>	The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Unitholders.
<b>5.7</b>	<p>The Trust may not carry out uncovered sales of:</p> <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments*;</li> <li>- units of CIS; or</li> <li>- FDI.</li> </ul>
<b>5.8</b>	A Fund may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
<b>6.1</b>	A Fund's global exposure relating to FDI must not exceed its total Net Asset Value.
<b>6.2</b>	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Central Bank UCITS Regulations.)
<b>6.3</b>	<p>A Fund may invest in FDIs dealt in over-the-counter (OTC) provided that</p> <ul style="list-style-type: none"> <li>- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.</li> </ul>
<b>6.4</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

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

## **Borrowing Restrictions**

The Central Bank Requirements provide that the Trust, in respect of each Fund:

- (a) may not borrow, other than borrowings which in the aggregate do not exceed 10% of the Net Asset Value of the Fund and provided that this borrowing is on a temporary basis. Borrowing may be secured on the assets of the Fund. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding;
- (b) may acquire foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of the borrowing restriction in paragraph (a), provided that the offsetting deposit: (i) is denominated in the Base Currency of the Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding. However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purposes of paragraph (a) above.



## APPENDIX IV

### LIST OF TRUSTEE SUB-DELEGATES

Market	Subcustodian
Albania	Raiffeisen Bank sh.a.
Australia	The Hongkong and Shanghai Banking Corporation Limited
Austria	Deutsche Bank AG UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Bangladesh	Standard Chartered Bank
Belgium	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Brussels branch)
Benin	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Bermuda	HSBC Bank Bermuda Limited
Federation of Bosnia and Herzegovina	UniCredit Bank d.d.
Botswana	Standard Chartered Bank Botswana Limited
Brazil	Citibank, N.A.
Bulgaria	Citibank Europe plc, Bulgaria Branch UniCredit Bulbank AD
Burkina Faso	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Canada	State Street Trust Company Canada
Chile	Banco Itaú Chile S.A.
People's Republic of China	HSBC Bank (China) Company Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
	China Construction Bank Corporation (for A-share market only)
	Citibank N.A. (for Shanghai – Hong Kong Stock Connect market only)
	The Hongkong and Shanghai Banking Corporation Limited (for Shanghai – Hong Kong Stock Connect market only)
	Standard Chartered Bank (Hong Kong) Limited (for Shanghai – Hong Kong Stock Connect market)
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco BCT S.A.
Croatia	Privredna Banka Zagreb d.d.
	Zagrebacka Banka d.d.
Cyprus	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)
Czech Republic	Československá obchodní banka, a.s.
	UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Danmark A/S)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
Egypt	HSBC Bank Egypt S.A.E. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Estonia	AS SEB Pank
Finland	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Finland Plc.)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
France	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Paris branch)
Republic of Georgia	JSC Bank of Georgia
Germany	State Street Bank GmbH
	Deutsche Bank AG
Ghana	Standard Chartered Bank Ghana Limited
Greece	BNP Paribas Securities Services, S.C.A.
Guinea-Bissau	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Hong Kong	Standard Chartered Bank (Hong Kong) Limited
Hungary	Citibank Europe plc Magyarországi Fióktelepe
	UniCredit Bank Hungary Zrt.
Iceland	Landsbankinn hf.
India	Deutsche Bank AG

	The Hongkong and Shanghai Banking Corporation Limited
<b>Indonesia</b>	Deutsche Bank AG
<b>Ireland</b>	State Street Bank and Trust Company, United Kingdom branch
<b>Israel</b>	Bank Hapoalim B.M.
<b>Italy</b>	Deutsche Bank S.p.A.
<b>Ivory Coast</b>	Standard Chartered Bank Côte d'Ivoire S.A.
<b>Japan</b>	Mizuho Bank, Limited
	The Hongkong and Shanghai Banking Corporation Limited
<b>Jordan</b>	Standard Chartered Bank
<b>Kazakhstan</b>	JSC Citibank Kazakhstan
<b>Kenya</b>	Standard Chartered Bank Kenya Limited
<b>Republic of Korea</b>	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
<b>Kuwait</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Latvia</b>	AS SEB banka
<b>Lithuania</b>	AB SEB bankas
<b>Malawi</b>	Standard Bank Limited
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad
	Standard Chartered Bank Malaysia Berhad
<b>Mali</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Mexico</b>	Banco Nacional de México, S.A.
<b>Morocco</b>	Citibank Maghreb
<b>Namibia</b>	Standard Bank Namibia Limited
<b>Netherlands</b>	Deutsche Bank AG
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Niger</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Nigeria</b>	Stanbic IBTC Bank Plc.
<b>Norway</b>	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Norge ASA) Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
<b>Oman</b>	HSBC Bank Oman S.A.O.G. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Pakistan</b>	Deutsche Bank AG
<b>Panama</b>	Citibank, N.A.
<b>Peru</b>	Citibank del Perú, S.A.
<b>Philippines</b>	Deutsche Bank AG
<b>Poland</b>	Bank Handlowy w Warszawie S.A. Bank Polska Kasa Opieki S.A.
<b>Portugal</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)
<b>Puerto Rico</b>	Citibank N.A.
<b>Qatar</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Romania</b>	Citibank Europe plc, Dublin – Romania Branch
<b>Russia</b>	Limited Liability Company Deutsche Bank
<b>Saudi Arabia</b>	HSBC Saudi Arabia Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Senegal</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Serbia</b>	UniCredit Bank Serbia JSC
<b>Singapore</b>	Citibank N.A. United Overseas Bank Limited
<b>Slovak Republic</b>	UniCredit Bank Czech Republic and Slovakia, a.s.
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.
<b>South Africa</b>	FirstRand Bank Limited

	Standard Bank of South Africa Limited
<b>Spain</b>	Deutsche Bank S.A.E.
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Republic of Srpska</b>	UniCredit Bank d.d.
<b>Swaziland</b>	Standard Bank Swaziland Limited
<b>Sweden</b>	Nordea Bank AB (publ)
	Skandinaviska Enskilda Banken AB (publ)
<b>Switzerland</b>	Credit Suisse AG
	UBS Switzerland AG
<b>Taiwan - R.O.C.</b>	Deutsche Bank AG
	Standard Chartered Bank (Taiwan) Limited
<b>Tanzania</b>	Standard Chartered Bank (Tanzania) Limited
<b>Thailand</b>	Standard Chartered Bank (Thai) Public Company Limited
<b>Togo</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Tunisia</b>	Banque Internationale Arabe de Tunisie
<b>Turkey</b>	Citibank, A.Ş.
	Deutsche Bank A.Ş.
<b>Uganda</b>	Standard Chartered Bank Uganda Limited
<b>Ukraine</b>	PJSC Citibank
<b>United Arab Emirates Dubai Financial Market</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Arab Emirates Dubai International Financial Center</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Arab Emirates Abu Dhabi</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Kingdom</b>	State Street Bank and Trust Company, United Kingdom branch
<b>Uruguay</b>	Banco Itaú Uruguay S.A.
<b>Vietnam</b>	HSBC Bank (Vietnam) Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Zambia</b>	Standard Chartered Bank Zambia Plc.
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)

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