

# **FinEx Physically Backed Funds plc**

A Retail Investor Alternative Investment Fund

**(an umbrella fund with segregated liability between sub-funds)**

A company incorporated with limited liability  
as an open-ended investment company with variable capital  
under the laws of Ireland with  
registered number 510154

## **PROSPECTUS**

This Prospectus is dated 31 August 2018

**The Directors of FinEx Physically Backed Funds p.l.c. whose names appear in the "Directors of the Company" section below accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.**

## **1 IMPORTANT INFORMATION**

The value of and income from Shares in the Company may go up or down and you may not get back the amount you have invested in the Company. Before investing in the Company you should consider the risks involved in such investment. Please see the "Risk Factors" section below.

A Redemption Fee not exceeding 3% of the Net Asset Value per Share may be charged by the Company as described in 'Redemption of Shares'. Details of such a Redemption Charge (if any) will be set out in the Supplement for the relevant Fund. The difference at any one time between the sale and redemption price of Shares in the Company means that the investment should be viewed as medium to long term.

You should consult your stockbroker or financial adviser about the contents of this Prospectus. Prices of Shares in the Company may fall as well as rise.

Distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully so receive it. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform themselves of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund. Shares representing interests in different Funds may be issued from time to time by the Directors. Shares of more than one Class may be issued in relation to a Fund. All Shares of each Class will rank *pari passu* save as provided for in the relevant Supplement. On the introduction of any new Fund (for which prior Central Bank approval is required) or any new Class of Shares (which must be issued in accordance with the requirements of the Central Bank), the Company will prepare and the Directors will issue a Supplement setting out the relevant details of each such Fund or new Class of Shares. A separate portfolio of assets will be maintained for each Fund (and accordingly not for each Class of Shares) and will be invested in accordance with the investment objective and policy applicable to such Fund. Particulars relating to individual Funds and the Classes of Shares available therein are set out in the relevant Supplement.

The Company is a Retail Investor AIF, a category of non-UCITS Collective Investment Scheme authorised by the Central Bank pursuant to Chapter 1 of the AIF Rulebook and an investment company with variable capital incorporated on 27 February 2012 under the laws of Ireland and authorised under Part 24 of the Companies Act 2014 as a specially designated investment company pursuant to Section 1395(5) of that Act. Such authorisation is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. In addition, the Central Bank shall not be liable by virtue of its authorisation of the Company or by reason of the exercise of the functions conferred on it by legislation in relation to the Company for any default of the Company. Authorisation of the Company does not constitute a warranty by the Central Bank as to the creditworthiness or financial standing of the various parties connected with the Company.

Where provided for in the relevant Supplement, a key information document in respect of the relevant Fund will be made available for distribution from the stockbroker or financial adviser to a retail investor (as defined in MIFID II) within the EEA in advance of a subscription by such a retail investor located within the EEA in accordance with Regulation (EU) No. 1286/2014 on key information for packaged retail and insurance – based investment products (PRIIPs).

The Shares of each Fund may be listed on one or more Relevant Stock Exchanges and if so listed shall be fully transferable by Shareholders. It is envisaged that Shares will be bought and sold by retail and institutional investors and professional traders in the secondary market like the ordinary

shares of a listed company. However, the Company cannot guarantee that a liquid secondary market will develop in relation to the Shares of any particular Fund.

Where the value of the Shares quoted on the secondary market significantly differs or varies from the current Net Asset Value per Share, investors who hold their shares through a secondary market will be permitted, subject to their liaising with the Administrator and complying with any necessary anti-money laundering checks requested by the Administrator, to redeem their shareholding directly from the Company. For example, this may apply in cases of market disruption such as the absence of a market maker. In such situations, information will be communicated to the regulated market indicating that the Company is open for direct redemptions from the Company. Such secondary market investors should refer to Section 10 – entitled "Share Dealing" of the Prospectus for details on how to process such redemption requests. Only the actual costs of providing this facility (i.e. those costs associated with liquidating any underlying positions) will be charged to such secondary market investors and in any event, the fees in respect of any such redemptions shall not be excessive.

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised. In particular, the Shares have not been registered under the United States Securities Act of 1933 (as amended) and may not, except in a transaction which does not violate United States securities laws, be directly or indirectly offered or sold in the United States or to any United States Person. The Company will not be registered under the United States Investment Company Act of 1940 (as amended).

The Company has been registered for sale in the Netherlands with the Authority for the Financial Markets. Due to the Company's registration for sale in the Netherlands, notice for any general meetings of the Company or a Fund shall be published 14 days in advance of the holding of any such meeting in a daily Dutch national newspaper. The Directors confirm that the Prospectus complies with the Dutch Act on Financial Supervision ("Wet op het financieel toezicht").

The Articles of Association of the Company give powers to the Directors to impose restrictions on the holding of Shares by (and consequently to redeem Shares held by) or the transfer of Shares to any United States Persons (unless permitted under certain exceptions under the laws of the United States) or by any person who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such person is not qualified to hold such Shares or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company, the relevant Fund or Shareholders as a whole incurring any liability to taxation or suffering any pecuniary or material administrative disadvantages or being in breach of any law or regulation which the Company, the relevant Fund or Shareholders as a whole might not otherwise have incurred, suffered or breached. The Articles of Association also permit the Directors where necessary to redeem and cancel Shares held by a person who is or is deemed to be Irish Resident on the occurrence of a chargeable event for Irish taxation purposes.

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

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

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

## 2 DIRECTORY

### **Finex Physically Backed Funds p.l.c. (Internally Managed AIF)**

#### **Registered Office**

3rd Floor  
76 Baggot Street Lower  
Dublin 2  
Ireland

#### **Directors of the Company**

Simon Luhr  
Jeremy O'Sullivan  
Tom Murray

#### **Investment Manager**

FinEx Investment Management LLP  
4th Floor  
39 Dover Street  
London W1S 4NN  
United Kingdom

#### **Administrator**

BNY Mellon Fund Services (Ireland)  
Designated Activity Company  
Guild House  
Guild Street  
IFSC  
Dublin 1  
Ireland

#### **Distributor**

FinEx ETF Limited  
c/o Trident Trust Company (Cayman) Limited  
Fourth Floor  
One Capital Place  
P.O. Box 847  
Grand Cayman  
KY1-1103  
Cayman Islands

#### **Registrar**

Computershare Investor Services (Ireland)  
Limited  
Heron House  
Corrig Road  
Sandyford Industrial Estate  
Dublin 18  
Ireland

### **Company Secretary**

DMS Governance Risk and Compliance  
Services Limited  
3rd Floor  
76 Baggot Street Lower  
Dublin 2  
Ireland

#### **Depository**

BNY Mellon Trust Company (Ireland) Limited  
Guild House  
Guild Street  
IFSC  
Dublin 1  
Ireland

#### **Irish Legal Advisors to the Company**

Maples and Calder  
75 St. Stephen's Green  
Dublin 2  
Ireland

#### **Auditors of the Company**

PriceWaterhouse Coopers  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

#### **Listing Sponsor to the Company**

Maples and Calder  
75 St. Stephen's Green  
Dublin 2  
Ireland

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### 3 DEFINITIONS

<b>"Accounting Period"</b>	means a calendar year ending 30 September or such other date as the Directors may from time to time decide;
<b>"Act"</b>	means Part 24 of the Companies Act 2014 as amended from time to time, including any regulations made thereunder by ministerial order and any conditions that may from time to time be imposed thereunder by the Central Bank whether by notice or otherwise affecting the Company.
<b>"Administration Agreement"</b>	means the amended and restated agreement dated 22 July 2014 between the Company and the Administrator, as amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank.
<b>"Administrator"</b>	means BNY Mellon Fund Services (Ireland) Designated Activity Company or any successor thereto duly appointed in accordance with the requirements of the Central Bank as the administrator to the Company.
<b>"AIF"</b>	means an alternative investment fund as defined in the AIFMD Regulations;
<b>"AIFMD"</b>	means the Alternative Investment Fund Managers Directive (Directive 2011/61/EU) as may be amended, supplemented or replaced and including any implementing regulations issued in respect thereof;
<b>"AIFMD Regulations"</b>	means the European Communities (Alternative Investment Fund Managers Directive) Regulations (S.I. 257 of 2013), as may be amended from time to time;
<b>"AIF Rulebook"</b>	means the Central Bank's AIF Rulebook, as amended, consolidated or substituted from time to time;
<b>"Anti-Dilution Levy"</b>	means a provision for market spreads (the difference between the prices at which assets are valued and/or bought or sold) and other dealing costs relating to the acquisition or disposal of Fund Assets in the event of receipt for processing of net subscription or net redemption requests, including subscriptions and/or redemptions which would be effected as a result of requests for exchange from one Class to another Class.
<b>"Application Form"</b>	means the application form for subscriptions for Shares in the Company.
<b>"Approved Counterparty"</b>	means such entity selected by the Company as may be described in the relevant Supplement, provided always that the relevant entity is, in relation to OTC derivatives, one falling within a category permitted by the Central Bank's notices.

<b>"Articles"</b>		means the Articles of Association of the Company.
<b>"Authorised Participant"</b>		means an entity or person authorised by the Company for the purposes of subscribing for and redeeming Shares with a Fund and as shall be listed on the Website.
<b>"Base Currency"</b>		means in relation to any Fund such currency as specified in the Supplement for the relevant Fund.
<b>"Basket"</b>		means the minimum amount of shares for subscriptions and redemptions as set out in the Supplement for each relevant Fund.
<b>"Business Day"</b>		means a day on which banks are open for business in such jurisdictions and cities specified in the Supplement for the relevant Fund or such other day(s) as the Directors may determine in relation to each Fund.
<b>"Central Bank"</b>		means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Company.
<b>"Clearing Agent"</b>		means any entity affiliated with one or more Relevant Stock Exchanges and which facilitates the validation, delivery and settlement of transactions in the Company's Shares.
<b>"Company"</b>		means FinEx Physically Backed Funds p.l.c.
<b>"Companies Act"</b>		means the Companies Act 2014.
<b>"Connected Person"</b>		means the persons defined as such in the section headed "Portfolio Transactions and Conflicts of Interest".
<b>"CRS"</b>		means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard;
<b>"Data Legislation"</b>	<b>Protection</b>	means from 25 May 2018 onwards, the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679);
<b>"Depository"</b>		means BNY Mellon Trust Company (Ireland) Limited or any successor thereto duly appointed with the prior approval of the Central Bank as the depository of the Company.
<b>"Depository Agreement"</b>		means the agreement between the Company and the Depository dated 22 July 2014 as amended, supplemented or otherwise modified from time to time.

<b>"Dealing Day"</b>	means in respect of each Fund such Business Day or Business Days as the Directors may, from time to time, determine and as are specified in the Supplement for the relevant Fund (and which shall be at least monthly).
<b>"Dealing Deadline"</b>	means in relation to applications for subscription, redemption or conversion of Shares in a Fund, the day and time specified in the Supplement for the relevant Fund provided that once the Valuation Point of a Fund has passed, the Company will not accept any late applications.
<b>"Dealing Form"</b>	means the dealing form to be completed in respect of subsequent subscriptions and all redemptions of Shares.
<b>"Directors"</b>	means the directors of the Company.
<b>"Distribution Date"</b>	means in respect of each Fund such date (if any) as is specified in the Supplement for the relevant Fund on which dividends are declared.
<b>"Distribution Payment Date"</b>	means in respect of each Fund such date (if any) as is specified in the Supplement for the relevant Fund on which dividends shall be paid.
<b>"Distributor"</b>	means FinEx ETF Limited or any other person or persons for the time being appointed as a distributor in addition to or in succession to FinEx ETF Limited.
<b>"EEA"</b>	means the European Economic Area.
<b>"Euro", "EUR" or "€"</b>	means the lawful currency of the European Monetary Union Member States.
<b>"Exempt Irish Investor"</b>	means <ul style="list-style-type: none"> <li>(a) a qualifying management company within the meaning of section 739B(1) TCA;</li> <li>(b) an investment undertaking within the meaning of section 739B(1) TCA;</li> <li>(c) an investment limited partnership within the meaning of section 739J TCA;</li> <li>(d) a pension scheme which is an exempt approved scheme within the meaning of section 774 TCA, or a retirement annuity contract or a trust scheme to which section 784 or 785 TCA applies;</li> <li>(e) a company carrying on life business within the meaning of section 706 TCA;</li> <li>(f) a special investment scheme within the meaning of section 737 TCA;</li> <li>(g) a unit trust to which section 731(5)(a) TCA applies;</li> <li>(h) a charity being a person referred to in section 739D(6)(f)(i) TCA;</li> </ul>

- (i) person who is entitled to exemption from income tax and capital gains tax by virtue of section 784A(2) TCA and the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (j) a qualifying fund manager within the meaning of section 784A TCA or a qualifying savings manager within the meaning of section 848B TCA, in respect of Shares which are assets of a special savings incentive account within the meaning of section 848C TCA;
- (k) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 787I TCA and the Shares held are assets of a personal retirement savings account as defined in section 787A TCA;
- (l) the National Pensions Reserve Fund Commission;
- (m) the National Asset Management Agency;
- (n) the Courts Service;
- (o) a credit union within the meaning of section 2 of the Credit Union Act 1997;
- (p) an Irish resident company, within the charge to corporation tax under section 739G(2) TCA, but only where the Company is a money market fund;
- (q) a company which is within the charge to corporation tax in accordance with section 110(2) TCA in respect of payments made to it by the Company; and
- (r) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under Part 27, Chapter 1A TCA;
- (s) the National Treasury Management Agency of Ireland, or a fund investment vehicle within the meaning of Section 739D(6)(kb) TCA;

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

**"FATCA"**

means:

- (a) sections 1471 to 1474 of the U.S. Internal Revenue Code or any associated regulations or other official guidance;
- (b) any intergovernmental agreement, treaty, regulation, guidance or other agreement between the Government of Ireland (or any Irish government body) and the US, UK or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement, implement or give effect to the legislation, regulations or guidance described

in paragraph (a) above; and

- (c) any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding paragraphs;

<b>"Fund"</b>	means a separate portfolio of assets which is invested in accordance with the investment objective and policies as set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such Fund shall be applied and charged, and Funds means all or some of the Funds as the context requires or any other funds as may be established by the Company from time to time with the prior approval of the Central Bank.
<b>"Fund Assets"</b>	means the physical assets, cash, securities, financial derivative instruments and/or such other financial instruments invested in by a Fund and cash held by the Fund as further described in the relevant Supplement.
<b>"GBP" or "Sterling"</b>	means the lawful currency of the United Kingdom or any successor currency.
<b>"Initial Issue Price"</b>	means the price (excluding any Preliminary Charge) per Share at which Shares are initially offered in a Fund during the Initial Offer Period as specified (if relevant) in the Supplement for the relevant Fund.
<b>"Initial Offer Period"</b>	means the period during which Shares in a Fund are initially offered at the Initial Issue Price specified (if relevant) in the Supplement for the relevant Fund.
<b>"Investment Management Agreement"</b>	means the amended and restated agreement dated 26 January 2017 as further novated on 9 June 2017, between the Company and the Investment Manager, as may be further amended, supplemented or otherwise modified from time to time in accordance with the requirements of the Central Bank.
<b>"Investment Manager"</b>	means FinEx Investment Management LLP or any other person or persons for the time being duly appointed investment manager hereof in addition to or in succession to the said FinEx Investment Management LLP in accordance with the requirements of the Central Bank.
<b>"Investor Money Regulations"</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers, as may be amended from time to time.
<b>"Irish Resident"</b>	means any person resident in Ireland or ordinarily resident in Ireland (as described in the Taxation section of this Prospectus) other than an Exempt Irish Investor.
<b>"Irish Tax Authorities"</b>	means the Irish Revenue Commissioners.

**"Level 2 Regulation"**

means Commission Delegated Regulation (EU) No. 231/2013 as may be amended from time to time.

**"Market Disruption Event"**

means the occurrence or existence of one or more of the following events, which occur in relation to any Fund Asset (or to a component of such Fund Asset, or any derivative contract related thereto ("**Affected Instrument**")) and this definition is to be construed accordingly):

- (a) it is not possible to obtain a prompt or accurate price or value (or an element of such price or value) of any Affected Instrument according to the rules or normal accepted procedures for the determination of such price or value (whether due to the non-publication of such price or value or otherwise);
- (b) the calculation of the price or value of any Affected Instrument is, at the relevant time, in the opinion of the Investment Manager, impractical or impossible to make;
- (c) there is a reduction in liquidity in any Affected Instrument in the determination of the Investment Manager;
- (d) any suspension of or limitation is imposed on trading on any exchanges, quotation systems or "over-the-counter" market where any Affected Instrument is traded; and/or there exists an event or circumstance that prevents or materially limits transactions in any Affected Instrument. For the purpose of this definition, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, provided however that where a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Investment Manager and agreed to by the Directors constitute a Market Disruption Event;
- (e) where the Affected Instrument is not traded on any exchange, quotation system or other similar system, the Investment Manager is unable to obtain (a) from dealers in the Affected Instrument firm quotations in respect thereof or (b) a subscription or a redemption price of any Affected Instrument according to the rules or normal accepted procedures for such Affected Instrument;
- (f) the occurrence of any event that generally makes it impossible or impractical to convert any currency which was, immediately prior to the occurrence of such event, a foreign exchange currency, as determined by the Investment Manager;
- (g) the occurrence of any event that generally makes it impossible or impractical to convert between the currency of the country of issue and/or country of payment of any Affected Instrument and the Base Currency through customary legal channels, as

determined by the Investment Manager;

- (h) the occurrence of any event that generally makes it impossible or impractical to deliver or transfer (a) the currency from accounts inside the country of issue and/or country of payment of any Affected Instrument to accounts outside such country of issue and/or country of payment or (b) the currency of the country of issue and/or country of payment of any Affected Instrument between accounts inside such country of issue and/or country of payment, or to a party that is a non-resident of the country of issue and/or country of payment, as determined by the Investment Manager;
- (i) a general moratorium is declared in respect of banking activities in London, Dublin, New York, or TARGET; and/or

further Market Disruption Events may apply in respect of a specific Fund and in such instance, additional details shall be included in the Supplement for the relevant Fund.

<b>"Market Makers"</b>	means financial institutions that have signed a market making contract with the Company or that are registered as such with the Relevant Stock Exchanges as may be described in the relevant Supplement.
<b>"Member State"</b>	means a member state of the European Union.
<b>"Minimum Investment Amount"</b> <b>Additional</b>	means such amount (if any) as the Directors may from time to time prescribe as the minimum additional amount of subscription by each Shareholder for Shares of the relevant class in a Fund as is specified in the Supplement for the relevant Fund.
<b>"Minimum Initial Investment Amount"</b>	means such amount (if any) as the Directors may from time to time prescribe as the minimum initial subscription required by each Shareholder for Shares of the relevant class in a Fund as is specified in the Supplement for the relevant Fund.
<b>"Minimum Shareholding"</b>	means such number or value of Shares per Shareholder of the relevant class (if any) as is specified in the Supplement for the relevant Fund.
<b>"month"</b>	means calendar month.
<b>"Net Asset Value" or "Net Asset Value per Share"</b>	means in respect of the assets of a Fund, the amount determined in accordance with the principles set out in the "Calculation of Net Asset Value" section below as the Net Asset Value of a Fund or the Net Asset Value per Share.
<b>"Non-Voting Shares"</b>	means any particular Class of Shares that do not carry the right to notice of or to attend or vote at general meetings of the Company or the relevant Fund.
<b>"OECD"</b>	means the Organisation for Economic Co-operation and

	Development.
<b>"OTC Derivative"</b>	means an FDI which is dealt in on "over the counter market"
<b>"Preliminary Charge"</b>	means in respect of a Fund, the charge (if any) payable on the subscription for Shares as is specified in the Supplement for the relevant Fund.
<b>"Recognised Clearing and Settlement System"</b>	means Deutsche Bank AG, Depository and Clearing System, Central Moneymarkets Office; Clearstream Banking AG, Clearstream Banking SA, CREST, Depository Trust Company of New York, Euroclear; Japan Securities Depository Centre (JASDEC); Monte Titoli SPA; Netherlands Centraal Instituut voor Giraal Effectenverkeer BV; National Securities Clearing System, Russia's National Settlement Depository (NSD), Sicovam SA, SIS Sega Inter-settle AG; The Canadian Depository for Securities Ltd; VPC AB (Sweden) or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the TCA, by the Irish Tax Authorities as a recognised clearing system.
<b>"Redemption Fee"</b>	means in respect of a Fund, the charge (if any) payable on an application for the redemption of Shares as is specified in the Supplement for the relevant Fund.
<b>"Reference Asset"</b>	means the basket of securities whose performance a Fund may aim to replicate, or track the performance of, pursuant to its investment objective and in accordance with its investment policies, as specified in the relevant Supplement.
<b>"Relevant Declaration"</b>	means the declaration relevant to the Shareholder as set out in Schedule 2B of the TCA.
<b>"Relevant Stock Exchanges"</b>	means markets on which the Shares of the Funds will be listed such as the Euronext Dublin, NYSE Euronext, Open Joint Stock Company, Moscow Exchange MICEX-RTS, Closed joint-stock company, MICEX Stock Exchange, and/or such other stock exchanges as the Directors may determine from time to time.
<b>"Rouble"</b>	means the lawful currency of Russia.
<b>"Settlement Date"</b>	means in respect of receipt of monies for payment of subscription monies for subscription for Shares or dispatch of monies for the redemption of Shares the date specified in the Supplement for the relevant Fund.
<b>"Shares"</b>	means participating shares in the Company representing interests in a Fund and includes, where the context so permits or requires, any class of participating shares representing interests in a Fund.
<b>"Shareholders"</b>	means holders of Shares, and each a Shareholder.
<b>"Subscriptions/Redemptions"</b>	means the account in the name of the Company through

<b>"Account"</b>	which subscription monies, redemption proceeds and dividend income (if any) for each Fund are channelled, the details of which are specified in the Application Form;
<b>"Supplement"</b>	means any supplement to the Prospectus issued on behalf of the Company in connection with a Fund from time to time.
<b>"TCA"</b>	means the Irish Taxes Consolidation Act 1997, as amended.
<b>"United States"</b>	means the United States of America (including each of the states, the District of Columbia and the Commonwealth of Puerto Rico), its territories, possessions and all other areas subject to its jurisdiction.
<b>"United States Person"</b>	means a citizen or resident of the United States, a partnership organised or existing in the United States, a corporation organised under the laws of the United States or any estate or trust, other than an estate or trust the income of which comes from sources outside the United States (which is not effectively connected with the conduct of a trade or business within the United States) and is not included in gross income for the purpose of computing United States Federal income tax.
<b>"US Dollars" or "US\$"</b>	means the lawful currency of the United States.
<b>"Valuation Point"</b>	means the time on any Business Day by reference to which the Net Asset Value of a Fund and the Net Asset Value per Share are calculated as is specified in the Supplement for the relevant Fund.
<b>"Website"</b>	means <a href="http://www.FinExETF.com">www.FinExETF.com</a> .

## 4 INTRODUCTION

Details of the existing Funds are set-out in the relevant Supplement for each Fund. As the Company is structured as an umbrella fund with segregated liability between its Funds, further Funds may be created from time to time by the Directors with the prior approval of the Central Bank. A separate Fund will be maintained for each portfolio of assets and will be invested in accordance with the investment objective applicable to such Fund. Each Fund may issue one or more classes of Shares, and each class of Shares in a Fund may have different charging structures (i.e. different management fees, distribution fees, Preliminary Charge, Redemption Charge in addition to different Basket sizes) and different Minimum Initial Investment Amounts, Minimum Additional Investment Amounts, Minimum Shareholding and Fund's Base Currency requirements. Information in relation to the fees applicable other classes of Shares are available on request. Further classes of Shares may be created from time to time by the Directors in accordance with the requirements of the Central Bank. Particulars relating to individual Funds and the class or classes available therein are set out in a Supplement for the relevant Fund. The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.

The Administrator may decline any application for Shares in whole or in part on the advice of the Directors without assigning any reason therefor and may not accept an initial subscription for Shares of any amount (exclusive of the Preliminary Charge, if any) which is less than the Minimum Initial Investment Amount for the relevant class in the relevant Fund.

A Preliminary Charge of up to 5 per cent of the Initial Issue Price (inclusive of VAT, if any) or as the case may be the Net Asset Value per Share (inclusive of VAT, if any) may be charged by the Company for payment to the Distributor, but it is the intention of the Directors that such Preliminary Charge should not, until further notice, exceed such amount as is set out in the Supplement for the relevant Fund. The Company may waive in whole or in part any Preliminary Charge.

After the Initial Offer Period, Shares will be issued, redeemed and converted on the relevant Dealing Days for each Fund. All Shares will be issued, converted or redeemed, subject to the limitations set out in this Prospectus, generally at Net Asset Value. The Net Asset Value of the Shares of each class will be calculated in accordance with the provisions summarised under "Calculation of Net Asset Value" below.

All holders of Shares will be entitled to the benefit of, will be bound by and deemed to have notice of the provisions of the Memorandum and Articles of Association of the Company summarised under "General Information" below, copies of which are available as detailed under "Documents for Inspection" below.

Information in this summary is selective and should be read in conjunction with the full text of this Prospectus.

## 5 MANAGEMENT OF THE COMPANY

The power of management of the Company and the Company's assets was vested in the Directors. The Directors control the affairs of the Company. The Directors have delegated certain functions to the Depositary, the Administrator, the Investment Manager and the Distributor.

The Company will ensure that its decision-making procedures and its organisational structure ensure the fair treatment of all Shareholders in the Company and equal treatment of all Shareholders of the same Class.

### 5.1 Directors of the Company

The Directors of the Company are described below:

(a) **Simon Luhr**

Mr. Simon Luhr is a partner of the Investment Manager. Mr. Luhr is a highly experienced investment banking and investment management professional having established a number of businesses over his 30 years in the business having expertise in identifying opportunities, establishing and managing business on a global scale. Mr. Luhr has been actively involved with the development of the global hedge fund industry, firstly from an investment bank perspective where he established and ran the international equities finance, delta one and prime brokerage businesses at both Morgan Stanley and Nomura later co-founding his own funds Marble Bar Asset Management LLP, SW1 Capital LP, FinEx Capital Management LLP and FinEx Investment Management LLP.

(b) **Jeremy O'Sullivan**

Mr. Jeremy O'Sullivan is an Independent Director on Irish regulated funds, both UCITS and QIF's. Mr. O'Sullivan is also a Director of DMS Offshore Investment Services (Europe) Limited based in the Dublin office. Mr. O'Sullivan performs a dual role in the Dublin office, assisting DMS' global client base in understanding the requirements and options open to them in the European regulated space and overseeing the in time zone support provided to DMS' European clients. Previously, Mr. O'Sullivan worked with BNY Mellon Fund Services (Ireland) Limited. In his role, Mr. O'Sullivan was responsible for the EMEA and APAC Alternative Investment Services New Business Implementation team covering alternative investment and private equity structures. He is a Chartered Alternative Investment Analyst and holds a Bachelor of Science Degree in Finance from University College Cork, Ireland. Prior to joining BNY Mellon, Mr. O'Sullivan worked with FundAssist as a business solutions manager and began his career in the Accounting and Valuations Alternative Funds Department at HSBC Securities Services (Ireland) Limited.

(c) **Tom Murray**

Mr. Tom Murray, an Irish resident, is an independent Irish resident director. He is currently a non-executive director of several regulated funds and up until 2008 was a director of Merrion Corporate Finance Ltd. He graduated in Commerce from UCD in 1976 and qualified as a Chartered Accountant with Coopers & Lybrand in 1980. Prior to joining Merrion, he was a director of Treasury in Investec Bank (Irish Branch) and CFO of Wang International Finance Ltd.

No Director has:

- (i) any unspent convictions in relation to indictable offences; or

- (ii) been bankrupt or the subject of an involuntary arrangement, or has had a receiver appointed to any asset of such Director; or
- (iii) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors; or
- (iv) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset;
- (v) had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
- (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

For the purposes of this Prospectus, the address of all the Directors is the registered office of the Company.

In exercising their discretion, the Directors will act in accordance with their fiduciary duties to the Company, which require them to, among other things, act in good faith in what they consider is in the best interests of the Company (which equates to the interests of the Shareholders as a whole). Their fiduciary duties require the Directors to ensure that their actions do not result in the unfair treatment of Shareholders.

## **5.2 Company**

The Company is an internally managed alternative investment fund. The Company confirms that it is in compliance with the requirement to cover potential professional liability risks resulting from activities which the Company may carry out.

## **5.3 Investment Manager**

The Company has delegated the powers of the investment management of each Fund to FinEx Investment Management LLP pursuant to the Investment Management Agreement. The Investment Manager is authorised by the FCA to provide discretionary asset management services.

## **5.4 Depositary**

The Company has appointed BNY Mellon Trust Company (Ireland) Limited as its depositary pursuant to the Depositary Agreement.

The Depositary is a private limited liability company incorporated in Ireland on 13 October 1994. The principal activity of the Depositary is to act as the depositary and trustee of the assets of collective investment schemes. The Depositary is authorised by the Central Bank under the Investment Intermediaries Act, 1995. The Depositary is a wholly-owned indirect subsidiary of The Bank of New York Mellon Corporation. The Bank of New York Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 36 countries and serving more than 100 markets. The Bank of New York Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. As at 31 December 2015, it had US\$28.9 trillion in assets under custody

and administration and US\$1.6 trillion in assets under management. The Depositary is responsible for the safe-keeping of the assets of the Company. The Depositary shall be responsible for the segregation of the assets (excluding any cash held on behalf of the Company as well as all assets held in the Unallocated Precious Metals Accounts (as defined in the supplement for the FinEx Physically Held Gold ETF)) and liabilities of each Fund of the Company. The Depositary may, however, appoint any person or persons to be the sub-custodian of such assets but in accordance with the terms of the Depositary Agreement any liability of the Depositary shall not be affected by the fact that it has entrusted some or all of the assets in its safekeeping to any third party. In order for the Depositary to discharge this responsibility, the Depositary must exercise care and diligence in choosing and appointing a third party as a safe-keeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned.

The Depositary acts as the depositary of the Company and, in doing so, shall comply with the provisions of the AIFMD, as implemented by AIFMD Level 2 and transposed by the AIFMD Regulations, and the terms of the Depositary Agreement in this regard.

The Depositary is liable to the Funds for the loss of financial instruments of the Funds which are held in custody as part of the Depositary's safekeeping function (irrespective of whether or not the Depositary has delegated its safekeeping function in respect of such financial instruments) and shall be responsible for the return of identical financial instruments or a corresponding amount to the Company without undue delay save where this liability has been lawfully discharged to a delegate in accordance with Article 21(13) or (14) of AIFMD or where the loss of financial instruments arises as a result of an external event beyond reasonable control as provided for under AIFMD. The Depositary will not be indemnified out of the assets of a Fund for the loss of financial instruments where it is so liable. For the avoidance of doubt gold is not a financial instrument under AIFMD. It shall also be liable to the Company and to Shareholders for any loss arising from the Depositary's negligence or its intentional failure properly to fulfil its obligations pursuant to the AIFMD.

In accordance with the provisions of the AIFM Regulations, the Level 2 Regulation, the AIF Rulebook and the terms of the Depositary Agreement, the Depositary shall carry out functions in respect of the Company including, but not limited to the following key functions:

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

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

Summary of Fiduciary and Oversight Obligations:

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

- (a) the sale, issue, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the Companies Act 2014 (the "**Companies Act**"), the conditions imposed by the Central Bank and the Articles;

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

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

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

The Company will inform Shareholders of any arrangement made by the Depositary to discharge itself of liability and of any changes regarding the Depositary's liability without delay.

## **5.5 Administrator**

The Company has delegated responsibility for the administration (including acting as registrar and transfer agent) of the Company to BNY Mellon Fund Services (Ireland) Designated Activity Company.

The Administrator is a designated activity company incorporated in Ireland on 31 May 1994 and is engaged in the provision of fund administration, accounting, registration, transfer agency, and related shareholder services to collective investment schemes and investment funds. The Administrator is authorised by the Central Bank under the Investment Intermediaries Act, 1995. The registered office of the Administrator is Guild House, Guild Street, IFSC, Dublin 1, Ireland.

The Administrator is responsible for providing administrative services to the Company including the calculation of the Net Asset Value and the Net Asset Value per Share, serving as the Company's agent for the issue and repurchase of Shares and acting as registrar of the Company.

## **5.6 Distributor**

The Company has appointed FinEx ETF Limited as distributor of Shares of the Company pursuant to the Distribution Agreement dated 22 July 2014.

The Distributor is registered as a limited company registered in the Cayman Islands under Company Registration Number 263561.

## **6 INVESTMENT OBJECTIVE, POLICIES AND RESTRICTIONS**

### **6.1 Investment Objective and Policies**

The Articles provide that the investment objective and policies for each Fund will be formulated by the Directors at the time of the creation of that Fund. Details of the investment objective and policies for each Fund of the Company are set out in the Supplement for each Fund.

It is a requirement of the Central Bank that any change in the investment objective or any material change to the investment policy of a Fund may be made with the approval of an ordinary resolution of the Shareholders of the Fund or may be made with the prior written approval of all Shareholders in a Fund. Subject and without prejudice to the preceding sentence of this paragraph, in the event of a change of investment objective and/or policies of a Fund a minimum of one month's notice period must be given to each Shareholder of the Fund to enable a Shareholder to have its Shares redeemed prior to the implementation of such change.

### **6.2 Investment Restrictions**

The investment restrictions for each Fund are formulated by the Directors at the time of the creation of the Fund.

The following general investment restrictions apply to each Fund save to the extent that such restrictions are expressly or implicitly disapplied by investment policies and restrictions contained in the Supplement for the relevant Fund and any additional restrictions specified therein.

The investment restrictions applying to a Fund are derived from the AIF Rulebook and are as follows:

- (a) A Fund shall not invest more than 20% of its net assets in securities which are not traded in or dealt on a regulated market which operates regularly and is recognised and open to the public.
- (b) Subject to Section (e) below, a Fund shall not invest more than 20% of its net assets in securities issued by the same institution. Where a Fund's investment policy is to replicate an index, this limit is increased to 35% in the case of a single issuer where this is justified by exceptional market circumstances.
- (c) Subject to Section (d) below, a Fund shall not hold more than 20% of any class of security issued by any single issuer. This requirement does not apply to investments in other open-ended investment funds.
- (d) A Fund may only invest up to 100% of its net assets in transferable securities issued or guaranteed by any state, its constituent states, its local authorities, or public international bodies of which one or more states are members with the prior approval of the Central Bank by the following issuers:
  - 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.

- (e) A Fund shall not keep on deposit more than 10% of its net assets with any one institution; this limit is increased to 30% of net assets for deposits with or securities evidencing deposits issued by or securities guaranteed by the following:
- (i) a credit institution authorised in the European Economic Area (EEA) (European Union Member States, Norway, Iceland, Liechtenstein);
  - (ii) a credit institution authorised within a signatory state, other than a Member State of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States);
  - (iii) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
  - (iv) the depositary; or
  - (v) with the prior approval of the Central Bank, a credit institution which is an associated or related company of the depositary.
- (f) A Fund shall not invest more than 30% of net assets in any one open-ended investment fund. A Fund shall not invest more than 20% of net assets in unregulated open-ended investment funds. A Fund shall only invest in units of an investment fund managed by the Investment Manager or by an associated or related company of either of these, where the Investment Manager or associated or related company has waived the preliminary/initial/redemption charge which it would normally charge. A

Fund shall ensure that any commission or other fee received by the Investment Manager must be paid into the property of the relevant Fund.

- (g) A Fund shall not have a risk exposure to a counterparty in an OTC derivative transaction which exceeds the following:
  - (i) where the counterparty is a relevant institution, 10% of the relevant Fund's net assets; or
  - (ii) in any other case, 5% of the relevant Fund's net assets.

The Fund shall ensure that its global exposure relating to derivative instruments will not exceed the total net asset value of its portfolio. When a transferable security or money market instrument contains an embedded derivative, the latter shall be taken into account when complying with the requirements herein.

Where a Fund invests in FDI dealt in over-the-counter, "OTC derivatives" the counterparty will be a relevant institution or an investment firm, authorised in accordance with MiFID in an EEA Member State, or will be an entity subject to regulation as a Consolidated Supervised Entity ("CSE") by the US Securities and Exchange Commission; or in the case of a counterparty which is not a relevant institution, the counterparty will have a minimum credit rating of A-2 or equivalent, or will be deemed by the Fund to have an implied rating of A-2 or equivalent.

- (h) A Fund shall not acquire nor shall it appoint an AIFM which would acquire any securities carrying voting rights of any issuer which would allow it to exercise a significant influence or legal and management control of such issuer.

The investment limits set out above are deemed to apply at the time of purchase of the investments. The Company need not comply with the above investment limit percentages when exercising subscription rights attaching to securities which form part of the assets of the Company. If the investment limit percentages are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription rights, the Directors will adopt as a priority objective for the Company's sale transactions the remedying of that situation, taking due account of the interests of Shareholders.

It is intended that the Company shall have the power subject to the prior approval of the Central Bank to avail itself of any change in the investment and borrowing restrictions specified pursuant to the Central Bank's requirements. Any changes to the investment or borrowing restrictions will be disclosed in an updated Prospectus.

### 6.3 Profile of a Typical Investor

The typical investor in the Company may vary according to the investment objective and policies as set out in the relevant supplement.

- (a) **Leverage**

The extent to which a Fund may employ leverage and the method used to calculate the relevant Fund's global exposure will be disclosed in the relevant Supplement.

- (b) **Efficient Portfolio Management**

Subject to the specific provisions (if any) relating to efficient portfolio management set out in the relevant Supplement for the relevant Fund, the Company may utilise techniques and instruments relating to transferable securities and /or other financial instruments in which it invests for the purposes of efficient portfolio management and under the conditions and within the limits applicable to Retail AIFs laid down by the Central Bank in the AIF Rulebook details of which (if any) shall be set out in the

relevant Supplement. The Company shall not enter into efficient portfolio management transactions if such transaction would result in change to the relevant Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described.

Efficient portfolio management techniques may only be effected in accordance with normal market practice. All assets received in the context of efficient portfolio management techniques should be considered as collateral and should comply with the criteria set out above in relation to collateral. All the revenues arising from efficient portfolio management techniques employed shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees, (which are all fully transparent) which shall not include hidden revenue, shall include fees and expenses payable to counterparties engaged by the Company, in respect of the relevant Fund from time to time.

(c) **Hedged Classes**

The Company may (but is not obliged to) enter into certain currency-related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class into the currency of denomination of the relevant Class for the purposes of efficient portfolio management.

The Company may also (but is not obliged to) enter into certain currency-related transactions in order to hedge the currency exposure of a Fund where the Fund invests in assets denominated in currencies other than the Base Currency. In addition, a Class designated in a currency other than the Base Currency may be hedged against exchange rate fluctuation risks between the designated currency of the Class and the Base Currency. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of the Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on, and the costs of, the relevant financial instruments will accrue solely to the relevant Class. However, investors should note that there is no segregation of liability between Share Classes. Shareholders are therefore exposed to the risk that hedging transactions undertaken in one class may impact negatively on the Net Asset Value of another Class.

Where a Class of Shares is to be hedged, this will be disclosed in the Supplement for the Fund in which such Class is issued. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. Where the Investment Manager seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However, over-hedged positions will not exceed 105% of the Net Asset Value and hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level which review will also incorporate a procedure to ensure that positions in excess of 100% of Net Asset Value will not be carried forward from month to month. To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move in line with the performance of the underlying assets, with the result that investors in that Class will not gain/ lose if the Class currency falls/ rises against the Base Currency.

The Company will only engage in interest rate hedging at a Class level where the benefits and costs of such hedging will be accrued and attributed solely to Shareholders in the relevant Class and where such arrangements are in accordance with the Central Bank's requirements.

## **6.4 Collateral Policy**

In the context of utilisation of financial derivative instruments for efficient portfolio management techniques, hedging and/or investment purposes, collateral may be received from a counterparty for the benefit of a Fund or posted to a counterparty by or on behalf of the Company. Any receipt or posting of collateral by the Company will be conducted in accordance with the requirements of the Central Bank and the terms of the Company's collateral policy outlined below.

#### **6.5 Collateral – Received by the Fund**

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

#### **6.6 Non-Cash Collateral**

Collateral received must, at all times, meet with the following criteria:

- (a) Liquidity: Collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation.
- (b) Valuation: Collateral received should be valued on at least a daily basis and must be marked to market daily.
- (c) Issuer credit quality: where the collateral issuer is not rated A-1 or equivalent, conservative haircuts must be applied.
- (d) Until the expiry of any relevant repurchase contract or securities lending arrangement, collateral obtained under such contracts or arrangements must equal or exceed in value, at all times the value of the amount invested or securities loaned;
- (e) Must be transferred to the Depositary, or its agent; and
- (f) Must be immediately available to the Company, without recourse to the counterparty in the event of default by that entity.

Non-Cash Collateral

- (i) Cannot be sold, pledged or re-invested;
- (ii) Must be held at the risk of the counterparty;
- (iii) Must be issued by an entity independent of the counterparty; and
- (iv) Must be diversified to avoid concentration in one issue, sector or country.

#### **6.7 Cash Collateral**

Cash collateral may not be invested other than in the following:

- (i) deposits with relevant institutions;
- (ii) government or other public securities;
- (iii) certificates of deposit issued by relevant institutions;

- (iv) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by relevant institutions;
- (v) repurchase agreements provided collateral received falls under categories (i) – (iv) and (vi) of this paragraph; and
- (vi) daily dealing money market funds which have and maintain a rating of AAA or equivalent.

Invested cash collateral should be held in a diversified manner. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to a counterparty. Re-investment of cash collateral in accordance with the provisions above can still present additional risk for a Fund.

#### **6.8 Collateral – Posted by the Fund**

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

#### **6.9 Use of a Subscriptions/Redemptions Account**

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

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

#### **6.10 Borrowing and Lending Powers**

The Company may borrow on a temporary basis up to 10 per cent of its net assets at any time for the account of any Fund and may charge or pledge the assets of such Fund as security for any such borrowings. Specific borrowing limits for each Fund are set out in the relevant Supplement. Without prejudice to the powers of the Company to invest in securities, the Company may not lend to, or act as guarantor on behalf of third parties nor shall it raise capital from the public through the issue of debt securities. A Fund may acquire debt securities and securities which are not fully paid.

## **7 RISK FACTORS**

Potential investors should consider the following risks relevant to the Funds before investing. Certain of the risks outlined below are also directly applicable to each Fund of the Company.

The investments of the Company in securities and commodities are subject to normal market fluctuations and other risks inherent in investing in securities and commodities. The value of investments and the income from them, and therefore the value of, and income from, Shares can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase. An investor who realises Shares after a short period may, in addition, not realise the amount originally invested in view of the Preliminary Charge and Redemption Charge which may be made on the issue and redemption of such Shares.

The following risk factors are set out in are reasonably believed to be a descending level of importance by the Investment Manager.

### **7.1 Market Risk**

Market risk occurs where trading counterparties may from time to time refrain from making a market in a particular financial contract or instrument. This can lead to considerable losses being incurred by those exposed to such instruments

### **7.2 Liquidity Risk**

Liquidity risk occurs where persons holding a financial contract or instrument with a trading counterparty are unable to liquidate their exposure in time at a reasonable price.

### **7.3 Secondary Market Trading Risk**

Even though the Shares are to be listed on one or more Relevant Stock Exchanges, there can be no certainty that there will be liquidity in the Shares on any Relevant Stock Exchange or that the market price at which the Shares may be traded on a Relevant Stock Exchange will be the same as or approximately equal to the Net Asset Value per Share. However, as the Shares may be dealt in by means of subscription and redemption, the Directors consider that large discounts or premiums in the Net Asset Value of a Fund would not be sustainable. There can be no guarantee that once the Shares are listed on a Relevant Stock Exchange they will remain listed or that the conditions of listing will not change.

Trading in Shares on a Relevant Stock Exchange, or the requirement for market makers to make two way prices on a Relevant Stock Exchange, may be halted or suspended due to market conditions, or because the Relevant Stock Exchange considers that trading in the Shares is inadvisable, or the discontinuance in the calculation or publication of the Reference Asset or a component thereof, or otherwise pursuant to the Relevant Stock Exchange's rules. If trading on a Relevant Stock Exchange is halted or suspended, investors in Shares may not be able to sell their Shares until trading resumes however such investors should be able to apply to the Company to redeem Shares in accordance with the provisions set out below.

### **7.4 Interest and Exchange Rate Fluctuations**

Each Fund may enter into hedging transactions on currencies to protect against a decline in the value of investments denominated in currencies other than the reference currency, and against any increase in the cost of investments denominated in currencies other than the reference currency.

The Net Asset Value of a Fund invested in fixed-interest securities will change in response to fluctuations in interest rates and currency exchange rates. Except to the extent that values are independently affected by exchange rate fluctuations, when interest rates decline the value of fixed-income securities can generally be expected to rise. Conversely, when interest rates

rise, the value of fixed-income securities can generally be expected to decline. The performance of investments in fixed-interest securities denominated in a specific currency will also depend on the interest rate environment in the country issuing the currency. As the Net Asset Value of a Fund is calculated in its reference currency, the performance of investments denominated in a currency other than the reference currency will depend on the strength of such currency against the reference currency and on the interest rate environment in the country issuing the currency. In the absence of other events that could otherwise affect the value of non-reference currency investments (such as a change in the political climate or an issuer's credit quality), an appreciation in the value of the non-reference currency can generally be expected to increase the value of a Fund's non-reference currency investments in terms of the reference currency. A rise in interest rates or decline in the value of non-reference currencies relative to the reference currency can generally be expected to depress the value of a Fund's non-reference currency investments.

## **7.5 Derivative Trading Risks**

The prices of FDIs, including futures and options, are volatile and may involve above average risk. Hence investment in the Company may be suitable only for persons who are in a position to take such a risk. Accordingly it is recommended that an investment in the Company should not comprise a substantial part of an investor's portfolio. In addition, the Company is subject to the risk of the failure of any of the exchanges on which it trades or of their clearing houses and in certain cases the counterparties with whom the trades are carried out. The following additional risks apply to trading in derivatives:

### **(a) Forward Contracts Transactions**

The Company may trade in forward contracts on foreign currencies. In this connection, the Company may contract to make or take delivery of a particular foreign currency. Although the foreign currency market is not necessarily more volatile than the market in futures, there is less protection against defaults in the forward trading of currencies since such forward contracts are not guaranteed by an exchange or clearing house.

### **(b) Derivative Trading may be illiquid**

Most futures exchanges limit fluctuations in futures contract prices during a single day by regulations referred to as daily price fluctuation limits or daily limits. During a single trading day no trades may be executed at prices beyond the daily limit. Once the price of a futures contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the futures contract can be neither taken nor liquidated unless traders are willing to effect trades at or within the limit. Futures prices have in the past moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Company from promptly liquidating unfavourable positions and thus subject the Company to losses.

### **(c) Possible effects of Speculative Position Limits**

Certain exchanges have established limits referred to as speculative position limits on the maximum net long or net short position which any entity may hold or control in particular futures. It is possible that the trading instructions for the Company may have to be modified and that positions held by the Company may have to be liquidated in order to avoid exceeding such limits. Such modification or liquidation, if required, could adversely affect the operations and profitability of the Company.

### **(d) Derivative Trading is Leveraged**

Because of the low margin deposits normally required in derivative trading, a degree of leverage is typical of a trading account. As a result, a relatively small price

movement in a contract may result in losses to Shareholders. Thus, like other leveraged investments, any purchase or sale of a derivative contract may result in losses to the Company in excess of the amount initially deposited by the Company as margin with respect to that contract.

(e) **Options**

The Company may engage in the trading of options including options on futures contracts. Such trading involves risks similar to those involved in trading futures contracts or margined securities, in that options are leveraged. Specific market movements of the futures contracts or securities underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the futures contract or security underlying the option which the writer must purchase or deliver upon exercise of the option.

## 7.6 **Achievement of Investment Objective**

There is no assurance that any Fund will achieve its investment objective.

## 7.7 **Disruption Events**

Upon the occurrence of a Market Disruption Event (including an Adjustment Event as defined below, and without limitation to the Directors' personal powers as further described herein):

- (a) to the extent that the Fund has entered into FDIs, an Approved Counterparty (whether acting as the relevant Calculation Agent or otherwise) may either (i) terminate one or more of the relevant FDIs, or (ii) adjust the terms of the relevant FDIs held by the Fund to account for such event, including adjustment to or substitution of the valuation of the FDI (and, provided that the Investment Manager (and where appropriate the Approved Counterparty) considers that it is commercially reasonable to do so, the relevant Fund may continue to operate by using such formula for and method of calculating the value of the FDI in effect prior to the occurrence of any such event with such adjustments as the Investment Manager may deem necessary for the purpose of continuing the operation of the relevant Fund), and such adjustment(s) may have a positive or negative impact on the Net Asset Value of the relevant Fund; and/or
- (b) the Directors may temporarily suspend the calculation of the Net Asset Value and any subscription, redemption and exchange of Shares and payment of redemption proceeds in accordance with the provisions set out under "Suspension of Calculation of Net Asset Value"; and/or
- (c) if the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to the market conditions (taking into account such Market Disruption or Adjustment Events and the best interests of the Shareholders), the Directors shall terminate the Fund.

Certain events ("**Adjustment Events**") may occur with respect to the ability of an Approved Counterparty to perform its obligations under one or more derivative contracts. These events include, but are not limited to the events below:

- (i) it becomes impossible or commercially unreasonable, in the determination of the Investment Manager, for the Approved Counterparty to continue to perform its obligations under the derivatives;
- (ii) to the extent the Fund has entered into FDIs, and / or options or futures contracts where (a) the costs associated with the Approved Counterparty

hedging its liability and obligations under the relevant FDIs and / or options or futures contracts increase; or (b) the ability of the Approved Counterparty to hedge its liability becomes impaired or commercially unreasonable or impracticable; or

- (iii) if any law shall be passed or change in law is implemented which renders it illegal, impracticable or inadvisable for the Approved Counterparty to continue to perform its obligations under one or more derivative contracts.

#### **7.8 Settlement Risk**

Settlement risk occurs when a transaction is not completed as duly agreed between the parties. This may be due to an error or omission in the necessary settlement, clearing or registration processes or due to the lack of creditworthiness of one of the parties to the transaction.

#### **7.9 Counterparty Risk**

Counterparty risk occurs when a party to a contract fails to honour and defaults on its obligations thereunder. Funds which are party to these risks can incur considerable losses.

#### **7.10 Delivery Failure**

In some securities markets, deliveries of securities and other Fund Assets and payments therefor may not be or are not customarily made simultaneously. Further due to the nature of the investment policy and structuring of transactions involving the Fund Assets the deliveries of securities and payments may not be made simultaneously. The Depositary or a sub-depositary may make or accept payment for or delivery of Fund Assets in such form and manner according to the customs prevailing in the relevant market or among securities dealers or in accordance with the terms of the Depositary Agreement. The Company shall bear the risk that:-(i) the recipient of Fund Assets delivered by the Depositary or any sub-depositary may fail to make payment, for or return such Fund Assets or hold such Fund Assets or the proceeds of their sale in trust for the Depositary or the Company; and (ii) the recipient of payment for Fund Assets made by the Depositary or any sub-depositary including without limitation amounts paid as premium or margin on derivatives contracts may fail to deliver the Fund Assets (such failure to include, without limitation, delivery of forged or stolen Fund Assets) or to return such payment, or hold such payment in trust for the Depositary or the Company in each case whether such failure is total or partial or merely a failure to perform on a timely basis. Neither the Depositary nor any sub-depositary shall be liable to the Company for any loss resulting from any of the foregoing events or from the liquidation, insolvency or bankruptcy of such recipient.

#### **7.11 Fund Expenses**

Returns on Shares will be net of all fees and expenses incurred in the establishment and ongoing running of the relevant Fund and may not be directly comparable to the yields which could be earned if any investment were instead made directly in the assets of the relevant Fund.

#### **7.12 Correlation Risk**

The Company may utilise forward contracts and currency options to seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio

positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

### **7.13 Listing**

There can be no certainty that a listing on any stock exchange applied for by the Company will be achieved and/or maintained or that the conditions of listing will not change. Further, trading in Shares on a Relevant Stock Exchange may be halted pursuant to that Relevant Stock Exchange's rules due to market conditions and investors may not be able to sell their Shares until trading resumes.

### **7.14 Cross Currency Risk**

The Company's investments may be denominated in a currency other than the Base Currency and the Company's exposure to such a currency may not be hedged back to the Base Currency. Accordingly, the value of the Shares may be affected by any currency movement between the currency of the investments and the Base Currency.

### **7.15 Political Legal and/or Regulatory Risks**

The value of the assets of the Company may be adversely affected by uncertainties, such as international political and economic developments, changes in market conditions, government policies or in legal, regulatory or taxation requirements.

### **7.16 Legal and Regulatory**

The Company must comply with regulatory constraints or changes in the laws affecting it, the Shares, or the Investment Restrictions, which might require a change in the investment policy and objectives followed by a Fund. A Fund's assets may also be subject to change in laws or regulations and/or regulatory action which may affect their value.

### **7.17 Political Factors, Emerging Market and Non-OECD Member State Assets**

The performance of the Shares and/or the possibility to purchase, sell, or redeem Shares may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and changes in regulatory requirements. Such risks can be heightened in investments in, or relating to, emerging markets or non-OECD member states. In addition, local custody services remain underdeveloped in many non-OECD and emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances, a Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets or non-OECD member states, may not provide the same degree of investor information or protection as would generally apply to major markets.

### **7.18 Segregation of Liability**

Under the provisions of the Companies Act, the Directors shall maintain for each Fund a separate portfolio of assets. As between Shareholders, each portfolio of assets shall be invested for the exclusive benefit of the relevant Fund. The Shareholders shall only be entitled to the assets and profits of that Fund in which they participate. The Company shall be considered one single legal entity. With regard to third parties, in particular towards the Company's creditors, the Company shall be responsible for all liabilities incurred by a Fund exclusively based on the assets of this relevant Fund. Among the Shareholders, the liabilities of each Fund shall only be incurred to the respective Fund. While the provisions of the Companies Act provide for segregated liability between Funds, these provisions have yet to

be tested in foreign courts, in particular, in satisfying local creditors' claims. There is however no segregation of liability between Classes of Shares within a Fund. Accordingly, it is not free from doubt that the assets of any Fund of the Company may not be exposed to the liabilities of other Funds of the Company. As at the date of this Prospectus, the Directors are not aware of any existing or contingent liability of any Fund of the Company.

#### **7.19 Nominee Arrangements**

Where an investor holds Shares via a nominee or intermediary, or holds interests in Shares through a Clearing Agent, such investor will typically not appear on the Register of the Company and may not therefore be able to exercise voting or other rights available to those persons appearing on the Register.

#### **7.20 Non-Voting Shares**

The Non-Voting Shares do not carry any voting rights. Changes may not be made in respect of the Class of Shares of the relevant Fund to which those Non-Voting Shares relate.

#### **7.21 Valuation of Unlisted Investments**

The fact that the Investment Manager shall be appointed as a competent person for the purposes of valuing unlisted investments by certain Funds creates a potential conflict of interest insofar as the Investment Manager's fees shall indirectly be based on the Net Asset Value of the relevant Funds.

#### **7.22 FATCA**

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

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

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

#### **7.23 OECD CRS**

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

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

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

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

## 8 DIVIDEND POLICY

The dividend arrangements relating to each Fund will be decided by the Directors at the time of the creation of the relevant Fund and details are set out where applicable in the Supplement for the relevant Fund. Under the Articles, the Directors are entitled to pay such dividends at such times as they think fit and as appear to be justified by the profits of the relevant Fund being the accumulated revenue (consisting of all revenue accrued including interest and dividends) and realised and unrealised capital gains on the disposal/valuation of investments and other funds less realised and unrealised accumulated capital losses of the relevant Fund.

Dividends not claimed within six years from their date of declaration will be forfeited and shall revert to the relevant Fund.

Dividends payable to Shareholders will be paid by telegraphic transfer. Payments by telegraphic transfer shall be made to the account in the name of the relevant Shareholder, and in the case of joint Shareholders to the first named joint Shareholder on the Register. Dividend bank drafts are posted at the risk of the Shareholders. The cost of all dividends relating to a Fund shall be borne by that Fund. Shareholders should note that any dividend income being paid out by a Fund and held in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the income is released to the investor and during that time the investor will rank as a general unsecured creditor of the Fund.

Unless a Shareholder elects by notice in writing to the Administrator to receive payment of distributions in cash (such notice to be received at least 7 Business Days before the next relevant dividend date unless the Company otherwise agrees) dividends shall be reinvested by the Company on behalf of the Shareholder in payment for additional Shares of the same class in the relevant Fund in accordance with the following formula:

$$\frac{DxE}{F} = Z$$

where:

- D** = the number of Shares held by the relevant Shareholder of the relevant class in the relevant Fund in issue at the opening of business on the Distribution Date for the relevant Fund as determined by the Directors.
- E** = the cash amount of the dividend per Share of the relevant class in the relevant Fund less any stamp duty or similar charge payable on reinvestment.
- F** = the Net Asset Value per Share of the relevant class in the relevant Fund determined as at a date as near as practicable to the Distribution Payment Date.
- Z** = the number of additional Shares in the relevant class in the relevant Fund to be allotted to the reinvesting Shareholder

## **9 LIQUIDITY POLICY**

The Company, in consultation with the relevant Investment Manager, employs an appropriate liquidity management system and has adopted procedures which enable it to monitor the liquidity risk of the Company and each Fund and to ensure that the liquidity profile of the investments of each Fund complies with its underlying obligations. The liquidity management system ensures that each Fund maintains a level of liquidity appropriate to their underlying obligations based on an assessment of the relative liquidity of the Fund's assets in the market, taking account of the time required for liquidation and the price or value at which those assets can be liquidated and their sensitivity to other market risks or factors. The Company, in consultation with the relevant Investment Manager, monitors the liquidity profile of the portfolio of assets having regard to the profile of the investor base of the Fund, the relative size of investments and the redemption terms to which these investments are subject. The Company, in consultation with the relevant Investment Manager, implements and maintains appropriate liquidity measurement arrangements and procedures to assess the quantitative and qualitative risks of positions and intended investments which have a material impact on the liquidity profile of the portfolio of the Fund's assets to enable their effects on the overall liquidity profile to be appropriately measured and considers and puts into effect the tools and arrangements necessary to manage the liquidity of the Company

## 10 SHARE DEALING

### 10.1 General Information in respect of Applications for Shares

All applicants applying for the first time for Shares in the Company must complete the Application Form prescribed by the Directors. Application Forms and Dealing Forms may be obtained from the Company or the Administrator. Measures aimed at the prevention of anti-money laundering may require an applicant to provide verification of identity to the Company and/or the Administrator. Details of these requirements are set out in the Application Form. Any amendment to an Application Form may only be effected upon receipt by the Administrator of an original written instruction signed by the authorised signatories on account.

The Directors may restrict or prevent the ownership of Shares by (i) any person, or persons in circumstances (whether directly or indirectly affecting such person or persons, connected or not, or any other circumstances appearing to the Directors to be relevant), which in the opinion of the Directors might result in the Company or the relevant Fund or its Shareholders incurring any liability to taxation or suffering other pecuniary, regulatory, legal or material administrative disadvantages or being in breach of any law or regulation which the Company or the relevant Fund or its Shareholders might not otherwise have incurred, suffered or breached; or (ii) any person who appears to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Shares; or (iii) any United States Person (unless pursuant to an exemption under US securities laws); or (iv) any individual under the age of 18 (or such other age as the Directors think fit) or of unsound mind (such persons, firms or corporate bodies to be determined by the Directors being herein referred to as "**Prohibited Persons**").

Each applicant agrees in the Application Form to hold harmless and indemnify the Company and the Administrator and agrees to keep them indemnified against any direct or indirect loss of any nature whatsoever arising to it as a result of their acting upon or pursuant to electronic instructions or facsimile instructions reasonably believed in good faith to be genuine and to be signed by properly authorised persons. The Administrator may rely conclusively upon and shall incur no liability in respect of any action taken upon any notice, consent, request, instruction or other instrument reasonably believed in good faith by it to be genuine and to be signed by such properly authorised persons.

Joint applicants must each sign the Application Form unless an acceptable power of attorney or other written authority is provided.

As with other Irish companies limited by shares, the Company is required to maintain a register of Shareholders. The Directors have resolved that Shares in the Funds will be issued in dematerialised (or uncertificated) form and that the Funds will apply for admission for clearing and settlement through a clearing system. As the Company is an Irish company, the operation of a clearing system in respect of these Shares is governed by the Companies Act, 1990 (Uncertified Securities) Regulations, 1996 (as amended).

### 10.2 Subscription of Shares

Investors can subscribe for their Shares (i) for cash; and/or (ii) in-kind, on the relevant Dealing Day (where appropriate and depending on the relevant Fund). Subscription proceeds (including any subscription charge or Anti-Dilution Levy) should be paid into the Subscriptions/Redemptions Account in the base currency of the share class. It may also be possible for investors to buy their Shares on the Secondary Market (as described below). The Company will not issue fractions of Shares. The details on the specific cash and in-kind subscription procedures are set out below under the headings "**Cash Subscriptions and Redemptions**" and "**In-kind Subscriptions and Redemptions**", respectively. **A Preliminary Charge of up to 5% of the Initial Issue Price or the Net Asset Value per Share, as appropriate, may be charged by the Company for payment to the Company on the**

**issue of Shares. The amount of any Preliminary Charge or any Anti-Dilution Levy (if applicable), will be set out in the relevant Supplement.**

**It is envisaged by the Directors that investors will generally buy and sell their Shares through the Secondary Market (as set out below), given the nature of the Funds of the Company and the terms and conditions relating to the subscription and redemption of Shares other than on the Secondary Market.**

Existing Shareholders may subscribe for further Shares by submitting an original Dealing Form or by fax provided that all ongoing anti-money laundering and client identification checks are complete. Applications made by fax will be at the risk of the applicant. The Directors have also decided that initial and subsequent subscription applications may be made by electronic or other means (provided that a duly completed Application Form is received for initial subscription applications and supporting documentation in relation to money laundering prevention checks are received promptly and where such electronic means are used they must be in a format and method as shall be agreed in advance with the Administrator and subject to and in accordance with the requirements of the Central Bank).

The Net Asset Value per Share of each Class in each Fund will be published in its respective Base Currency. Details of the Minimum Initial Investment Amount for each Fund will be set out in the relevant Supplement.

The Directors retain the right to offer only one Class of Shares for purchase by investors in any particular jurisdiction in order to conform to local law, custom or business practice. The Directors also reserve the right to adopt standards applicable to classes of investors or transactions that permit or require the purchase of a particular Class of Shares.

The Directors reserve the right to reject, in whole or in part, any application for Shares without assigning reason thereof.

Activities which may adversely affect the interests of the Shareholders (for example, activities that disrupt the Company's investment strategies or impact expenses for the Company) are not permitted. The Directors may, in their discretion, if they deem such activities adversely affect the interests of the Shareholders, take action (such as the rejection of applications) as appropriate to deter such activities.

Each applicant agrees in the Application Form to indemnify the Company and its delegates against any losses, damages, liabilities or reasonable costs arising directly from any non-delivery or late delivery of cash or the securities in respect of the applicant's subscription for Shares.

### **10.3 Redemption of Shares**

Investors can redeem their Shares (i) for cash; and/or (ii) in-kind, on the relevant Dealing Day. It is also possible for investors to sell their Shares on the Secondary Market (as described below). The details on the specific cash and in-kind redemption procedures are set out below under the headings "**Cash Subscriptions and Redemptions**" and "**In-kind Subscriptions and Redemptions**", respectively. **A Redemption Charge of up to 3% of the Net Asset Value per Share of a Fund may be charged by the Company. The amount of any Redemption Charge or any Anti-Dilution Levy (if applicable) will be set out in the relevant Supplement.**

**It is envisaged by the Directors that investors will generally buy and sell their Shares through the Secondary Market (as set out below), given the nature of the Funds of the Company and the terms and conditions relating to the subscription and redemption of Shares other than on the Secondary Market.**

Details of the Minimum Redemption Amount for each Fund will be set out in the relevant Supplement. After the initial issues, Shares will be redeemed at the Net Asset Value per Share minus duties and charges as the (case may be) including any Redemption Charge.

Shareholders wishing to have all or some of their Shares redeemed by the Company may make an application for redemption in writing, by fax using a Dealing Form obtainable from the Website, provided that (i) payment shall be made to the account on record (any changes to the account on record may only be made upon receipt of original written instructions signed by the authorised signatories on the account) and (ii) an original Application Form has been received and all anti-money laundering and client identification checks are complete. The Directors may also permit such applications to be made by electronic means in such format and method as shall be agreed in advance with the Administrator and subject to and in accordance with the requirements of the Central Bank. The Company and the Administrator shall not be liable for such delay or failure to process the application for redemption where the Shareholder fails or delays to provide such verification information. Applications must include details of the name of the Fund, Class of Share, the number of Shares or the amount the Shareholder wishes to have redeemed, the Shareholder's details, the Shareholder's account number and any other information required by the Dealing Form. Failure to provide any of this information may result in delay of the application for redemption whilst verification (which may be requested in writing) is sought from the Shareholder.

The payment of redemption proceeds will be made to the bank account detailed on the original Application Form or as may be subsequently notified to the Administrator in writing signed by the authorised signatories on the account.

Investors should note that any redemption proceeds being paid out by a Fund and held for any time in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the proceeds are released to the investor. This would include, for example, cases where redemption proceeds are temporarily withheld pending the receipt of any outstanding identity verification documents as may be required by the Company or the Administrator – enhancing the need to address these issues promptly so that the proceeds may be released. It should also be noted that the investor shall have ceased being considered a Shareholder and instead will rank as a general unsecured creditor of the Company.

Such applications for redemption will be considered as binding and irrevocable by the Company on the Shareholders. Written confirmations may be required by the Company and must be duly signed by all registered holders, unless in the case of joint registered holders, each such holder has sole signing authority.

In no event shall applications for redemption be settled until the original Application Form has been received by the Administrator from the investor and all of the necessary anti-money laundering checks have been carried out.

The Company is entitled to limit the number of Shares of any Fund redeemed on any Dealing Day to Shares representing not more than 10% of the Net Asset Value of that Fund on that Dealing Day. In this event, the limitation will apply pro rata, so that all Shareholders wishing to redeem their shareholding in that Fund on the relevant Dealing Day will realise the same proportion of their redemption request. Shares not redeemed but which would otherwise have been redeemed, will be carried forward for redemption on the next Dealing Day and will be dealt with in priority (on a pro rata basis as detailed above) to redemption requests received subsequently. If requests for redemptions are so carried forward, the Administrator shall use best endeavours to inform Shareholders prior to such requests being carried forward.

The Articles contain special provisions with respect to a redemption request received from a Shareholder which would result in Shares representing more than 5% of the Net Asset Value of any Fund being redeemed by the Company on any Dealing Day. In such a case the Company, at the discretion of the Directors (and with the Shareholder's consent, unless the original subscription was made in specie) may satisfy the redemption request in whole or in part by a distribution of investments of the relevant Fund in specie, provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders of that Fund. The assets to be transferred shall be selected at the discretion of the Investment Manager, subject to the approval of the Depositary, and taken at their value used in

determining the redemption price of the Shares being redeemed. Where a Shareholder requesting such redemption receives notice of the Company's intention to elect to satisfy the redemption request by such a distribution of assets, the Shareholder may require that the Company, instead of transferring those assets, arrange for their sale and the payment of the net proceeds of sale to that Shareholder.

#### **10.4 Cash Subscriptions and Redemptions**

An investor may subscribe for or redeem Shares for cash on each Dealing Day (except during any period in which the calculation of the Net Asset Value is suspended) as described below.

Applications for cash subscriptions or redemptions received by the Administrator on any Business Day before the relevant Dealing Deadline will be processed by the Administrator on that Business Day at the next calculated Net Asset Value per Share. Applications received after the Dealing Deadline for the relevant Dealing Day shall be deemed to have been received by the next Dealing Deadline save in exceptional circumstances where Directors may otherwise agree and provided that such applications are received prior to the Valuation Point for the relevant Dealing Day. For the avoidance of doubt the Minimum Initial Investment Amount and the Minimum Redemption Amount shall be set out in the Supplement for the relevant Fund and may be expressed by reference to a "Basket" and the cash equivalent of that Basket and the Directors may in their sole and absolute discretion accept applications for subscriptions and redemptions which represent a fraction of the relevant Basket. Applications for subscriptions will be irrevocable unless the Directors, or a delegatee, otherwise agree. If requested, the Directors may in agreement with the Administrator, in their absolute discretion, agree to designate additional Dealing Days and Valuation Points in respect of those Dealing Days for the purchase of Shares relating to any Fund which will be open to all Shareholders. Shareholders will be notified in advance of any such additional Dealing Days. Payment in respect of subscriptions must be received by the relevant Settlement Date. If payment in cleared funds in respect of a subscription has not been received by the relevant Settlement Date, the Directors may cancel the allotment and/or the applicant may be charged interest. In addition, the Directors will have the right to sell all or part of the applicants holding of Shares in the relevant Fund or in any other Fund of the Company in order to meet these charges.

Shareholders wishing to subscribe for or redeem Shares must complete the Dealing Form. Application Forms and Dealing Forms may be obtained from the Website. Dealing Forms may be sent by fax at the risk of the applicant. Any changes to the account details will only be accepted by the Administrator in writing signed by authorised signatories on the account.

Payment for Shares redeemed will be effected by the Settlement Date as specified in the Supplement for the relevant Fund (assuming the Shares have been transferred into the Company's account at a clearing system). Redemption payments will be made electronically to the bank account detailed on the original Application Form or as subsequently notified to the Administrator in writing.

#### **10.5 In-kind Subscriptions and Redemptions**

Investors may subscribe for Shares in-kind on each Dealing Day except during any period in which the calculation of the Net Asset Value is suspended. For the avoidance of doubt the Minimum Initial Investment Amount and the Minimum Redemption Amount shall be set out in the Supplement for the relevant Fund and may be expressed by reference to a "Basket" and the Directors may in their sole and absolute discretion accept applications for subscriptions and redemptions which represent a fraction of the relevant Basket. "**In-kind**" means that, rather than receiving cash in respect of a subscription and delivering cash proceeds in respect of a redemption, the Fund will receive securities or deliver securities in the case of a redemption (or predominantly securities) acceptable to the Investment Manager.

The Company will publish a file (the "**Portfolio Composition File**") for the Funds setting out the form of assets or securities to be delivered (a) by Shareholders in the case of

subscriptions; or, (b) by the Company in the case of redemptions, in return for Shares in the relevant Fund. Only securities or other assets which form part of the investment objective and policy of a Fund will be included in the Portfolio Composition File. The Portfolio Composition File for each of the Funds for each Dealing Day will be available upon request from the Investment Manager.

In addition, a report showing the portfolio holdings of the Fund will be published by the Company for each Dealing Day via the official Website [www.FinExETF.com](http://www.FinExETF.com).

In the case of in-kind redemptions, the transfer of assets and securities by the Company will normally take place not later than 3 Business Days after Shares have been returned to the Company's account at the relevant Clearing Agent.

The settlement of any in kind redemption may include the payment of a Redemption Dividend. The "Redemption Dividend" shall represent the accrued dividends related to a cash redemption or related to the securities transferred to a Shareholder in satisfaction of a valid in kind redemption request. Such a dividend will become due immediately prior to the redemption of the Shares and paid to the Shareholder as part of the (i) cash amount in the case of a cash redemption or (ii) the securities transferred in the case of an in kind redemption.

The value attributed to securities delivered in connection with in-kind subscription or redemption requests will be equivalent to that for cash subscriptions/redemptions, and no Shares shall be issued until all securities and cash payable to the Depository (or a permitted collateral amount) are in the possession of, or properly credited to the account of, the Depository.

(a) **Applications for Subscription**

Applications for in-kind subscriptions must be made to the Administrator on or prior to the relevant Dealing Deadline. Dealing Days, Dealing Deadlines and the relevant Minimum Initial Investment Amount and Minimum Additional Investment Amount relating to each Fund are specified in the relevant Supplement. Applications received after the Dealing Deadline for the relevant Dealing Day shall be deemed to have been received by the next Dealing Deadline save in exceptional circumstances where Directors may otherwise agree and provided that such applications are received prior to the Valuation Point for the relevant Dealing Day. Applications for subscriptions will be irrevocable unless the Directors, or a delegatee, otherwise agree. If requested, the Directors may, in their absolute discretion, agree to designate additional Dealing Days and Valuation Points in respect of those Dealing Days for the purchase of Shares relating to any Fund which will be open to all Shareholders. Shareholders will be notified in advance of any such additional Dealing Days. Except when the calculation of the Net Asset Value per Share is suspended in accordance with "**Suspension of Calculation of Net Asset Value**" all applications for in-kind subscriptions will be binding and irrevocable. The Directors may in their sole discretion decide to reject any application for subscription in whole or in part.

Investors should note that they may be unable to subscribe for Shares via an Authorised Participant on days that any such Authorised Participant is not open for business.

(i) **Settlement Period**

As set out above, standard settlement period for in-kind subscriptions is generally three Business Days following the Dealing Day in respect of which the application for subscription is accepted, but this may vary depending upon the standard settlement periods of the different stock exchanges on which the shares are traded and the nature of the securities but shall not (in the absence of appropriate collateral being posted) in any event exceed ten Business Days

from the relevant Dealing Deadline. No Shares will be issued to the applicant until all the securities being subscribed in kind have been received by the Depositary and any applicable Preliminary Charge and/or Anti-Dilution Levy have been received (as appropriate).

(ii) **Failure to Deliver Assets or Securities**

In the event that an applicant fails to deliver to the Depositary one or more of the assets or securities by the designated time, the Company may reject the application for subscription, cancel any allotted Shares, or may require the applicant to pay to it a collateral sum at least equal to 115% of the closing value of such undelivered securities as at the Valuation Point for the relevant Dealing Day, marked to market until the date of delivery of such undelivered securities or the date on which the Company acquires such securities in the open market, plus any costs or expenses and, if applicable, taxes associated with the purchase by the Company of those securities or may require a letter of credit acceptable to it for such purpose. On the payment of such amounts, the Shares will be issued. In the event that the actual cost to the Company of acquiring the securities (including costs or expenses and any taxes) exceeds the aggregate of the value of such securities as at the Valuation Point for the relevant Dealing Day, any applicable Preliminary Charge, Anti-Dilution Levy or applicable taxes paid by the applicant, the applicant will be required to promptly reimburse the Company the difference on demand. The Company will have the right to sell or redeem all or part of the applicant's holding of Shares in the Fund (or any other Fund) in order to meet some or all of these charges.

(b) **Applications for Redemption**

Applications for in-kind redemptions of Shares must be made to the Administrator on or prior to the relevant Dealing Deadline in accordance with the specific procedures contained herein. Dealing Days, Dealing Deadlines and the relevant Minimum Redemption Amount relating to each Fund are specified in the relevant Supplement. Applications received after the Dealing Deadline for the relevant Dealing Day shall be deemed to have been received by the next Dealing Deadline save in exceptional circumstances where the Directors may otherwise agree and provided that such redemption requests are received prior to the Valuation Point for the relevant Dealing Day. Applications will be irrevocable unless the Directors otherwise agree. If requested, the Directors may, in their absolute discretion, agree to designate additional Dealing Days and Valuation Points in respect of those Dealing Days for the purchase of Shares relating to any Fund which will be open to all Shareholders. Shareholders will be notified in advance of any such additional Dealing Days.

No delivery instructions will be issued by the Administrator to the Depositary in relation to the assets, securities or cash until the Administrator has accepted the application for redemption in relation to all Shares being redeemed (such day, the "**Cancellation Day**") and the Administrator has confirmed receipt of the returned Shares in the relevant Fund. Delivery of securities will be on a free delivery settlement basis. The cost of any settlement, including but not limited to, by electronic transfer will be charged to and payable by the applicant for redemption.

Investors shall be able to redeem Shares via an Authorised Participant on such days as the Authorised Participant is open for business. All such redemptions shall be in accordance with the terms detailed under the heading "**Redemption of Shares**". Investors should note that they may be unable to redeem Shares via an Authorised Participant on days that any such Authorised Participant is not open for business.

(i) **Settlement Period**

The standard settlement period for in-kind redemptions is three Business Days following the Dealing Day in respect of which the application for redemption is accepted but may vary depending upon the standard settlement periods of the Relevant Stock Exchanges on which the Shares are traded and the in-kind securities. Any cash to be paid in respect of an in-kind redemption will be for value on the same day as settlement of the securities.

(ii) **Partial Cash Settlement**

The Company may, in its absolute discretion, satisfy part of the application for in-kind redemption in cash, for example in cases in which it believes that a security held by a Fund is unavailable for delivery or where it believes that an insufficient amount of that security is held for delivery to the applicant for redemption in-kind.

## **10.6 Form of the Shares and Register**

The Administrator will maintain the register for the Company and will be responsible for the issue of Shares. Shares entered on the register of the Company will be in non-certificated form and share certificates will not be issued. The Shareholders' register is conclusive evidence of the ownership of such Shares. Registered Shares shall be issued without share certificates. The uncertified form enables the Company to effect redemption instructions without undue delay.

## **10.7 General Provisions**

The Directors reserve the right to reject any application in whole or in part. Furthermore, the Directors reserve the right at any time, without notice, to discontinue the issue and sale of Shares of any Fund of the Company.

No Shares will be issued during any period when the calculation of the Net Asset Value per Share of the relevant Fund is suspended pursuant to the Articles and as discussed herein under "**Suspension of Calculation of Net Asset Value**".

Notice of any such suspension will be given to applicants for Shares and applications made or pending during such suspension may be withdrawn by notice in writing received by the Company prior to the end of such suspension. Applications which are not withdrawn will be considered on the first Dealing Day following the end of the suspension period.

## **10.8 Data Protection**

Prospective investors should note that, by virtue of making an investment in the Company and the associated interactions with the Company and its affiliates and delegates (including completing the Application Form, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the Company with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Company and its affiliates and delegates with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation. The Company shall act as a data controller in respect of this personal data and its affiliates and delegates, such as the Administrator, the Investment Manager and the Distributor, may act as data processors (or joint data controllers in some circumstances).

The Company has prepared a document outlining the Company's data protection obligations and the data protection rights of individuals under the Data Protection Legislation (the "**Privacy Notice**").

All new investors shall receive a copy of the Privacy Notice as part of the process to subscribe for Shares in the Company and a copy of the Privacy Notice was sent to all existing investors in the Company that subscribed before the Data Protection Legislation came into effect.

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

- that investors will provide the Company with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation;
- a description of the purposes and legal basis for which the personal data may be used;
- details on the transmission of personal data, including (if applicable) to entities located outside the EEA;
- details of data protection measures taken by the Company;
- an outline of the various data protection rights of individuals as data subjects under the Data Protection Legislation;
- information on the Company's policy for retention of personal data;
- contact details for further information on data protection matters.

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

## **10.9 Money Laundering and Countering Terrorist Financing Measures**

Measures aimed at the prevention of money laundering and terrorist financing will require a detailed verification of the investor's identity, address and source of funds and where applicable the beneficial owner on a risk sensitive basis and the ongoing monitoring of the business relationship with the Company.

By way of example, an individual will be required to produce a copy of a passport or identification card, which shows a photograph, signature and date of birth, duly certified by a public authority such as a notary public, the police or the ambassador in their country of residence, together with one item evidencing their address such as a utility bill or bank statement (not more than six months old). In the case of corporate applicants this may require production of certified copies of the certificate of incorporation (and any change of name) and of the memorandum and articles of association (or equivalent), a certified copy of the corporation's authorised signatory list, the names, occupations, dates of birth and residential and business addresses of all directors and beneficial owners (who may also be required to verify their identity as described above).

Politically exposed persons ("**PEPs**"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family member, or persons known to be close associates of such persons, must also be identified.

Depending on the circumstances of each application, a detailed verification of source of funds might not be required where (i) the investor makes payment from an account held in the investor's name at a recognised financial intermediary or (ii) the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is located within a country recognised in Ireland as having equivalent anti-money laundering and counter terrorist financing regulations or satisfies other applicable conditions.

The Administrator and the Company each reserves the right to request such information as is necessary to verify the identity, address and source of funds of an investor. In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Administrator or the Company may refuse to accept the application and subscription monies. The Administrator may also refuse to process redemption requests or pay redemption proceeds in such circumstances. Applicants should note that redemption proceeds will only be made to the account of record.

Each applicant for Shares acknowledges that the Administrator and the Company shall be held harmless against any loss arising as result of a failure to process his/her application for Shares or redemption request, if such information and documentation has been requested by the Administrator and has not been provided by the applicant. Furthermore the Company or the Administrator also reserve the right to refuse to make any redemption payment or distribution to a Shareholder if any of the Directors of the Company or the Administrator suspects or is advised that the payment of any redemption or distribution moneys to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Company, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction.

#### **10.10 Compulsory Redemption**

The Company may compulsorily redeem all of the Shares of any Fund if the Net Asset Value of the relevant Fund is less than the Minimum Fund Size (if any) specified in the relevant Supplement and in accordance with the terms of the Supplement for the relevant Fund.

The Company reserves the right to redeem any Shares which are or become owned, directly or indirectly by a Prohibited Person as set out under the heading "**General Information in respect of Applications for Shares**".

## 11 CONVERSION OF SHARES

Shareholders will be able to apply to convert on any Dealing Day all or part of their holding of Shares of any class in a Fund (the old class) into Shares of another class within the relevant Fund which are being offered at that time (the new class) provided that all the criteria for applying for Shares in the new class within the Fund have been met and by giving notice to the Administrator on behalf of the Company on or prior to the Dealing Deadline for the relevant Dealing Day. The general provisions and procedures relating to redemptions will apply equally to conversions. No conversion will be made, however, if it would result in the Shareholder holding a number of Shares of either the old class or the new class of a number or value which is less than the Minimum Shareholding for the relevant class of Shares.

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

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

where:

**R** = the number of Shares of the old class to be converted;

**S** = the number of Shares of the new class to be issued;

**RP** = the redemption price per Share of the old class on the relevant Dealing Day;

**ER** = in the case of a conversion of Shares designated in the same Base Currency is 1. In any other case it is the currency conversion factor determined by the Directors on the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets relating to the old and new classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;

**SP** = the issue price per Share of the new class for issue on the applicable Dealing Day; and

**F** = the fee payable (if any) on the conversion of Shares.

The Company may charge a fee in connection with conversions. This fee shall be calculated as a percentage of the value of the Shares of the old class being converted which percentage shall not exceed two per cent of the Net Asset Value per Share of the new class for issue on the applicable Dealing Day (See F in the above formula).

When requesting the conversion of Shares of any class as an initial investment in a Fund, Shareholders should ensure that the value of the Shares converted is equal to or exceeds the Minimum Initial Investment Amount for the relevant new class of Shares in the relevant Fund as specified in the Supplement for the relevant Fund hereof. In the case of a conversion of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Shareholding for the relevant old class of Shares in the relevant Fund.

Shares may not be converted from one class to another class during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Shareholders applying to have their Shares converted will be notified of such postponement or cancellation and unless withdrawn their conversion applications will be considered as of the next Dealing Day following the ending of such suspension.

## 12 SECONDARY MARKET

It is the intention of the Company for each of its Funds, through having its Shares listed on one or more Relevant Stock Exchanges. As part of those listings there is an obligation on one or more members of the Relevant Stock Exchange to act as market makers offering prices at which the Shares can be purchased or sold by investors. The spread between those purchase and sale prices may be monitored and regulated by the relevant stock exchange authority.

Unless otherwise stated in the Supplement for the relevant Fund, it is contemplated that application will be made to list the Shares of each Fund on one or more Relevant Stock Exchange(s). If the Directors decide to create additional Funds or Classes they may in their discretion apply for the Shares of such Funds to be listed on the Relevant Stock Exchange(s). For so long as the Shares of any Fund are listed on any Relevant Stock Exchange, the Fund shall endeavour to comply with the requirements of the Relevant Stock Exchange relating to those Shares. For the purposes of compliance with the national laws and regulations concerning the offering and/or listing of the Shares outside Ireland this document may have attached to it one or more documents setting out information relevant for the jurisdictions in which the Shares are offered for subscription.

The Company does not charge any transfer fee for purchases of Shares on the secondary market. Orders to buy Shares through the Relevant Stock Exchanges can be placed via a member firm or stockbroker. Such orders to buy Shares may incur costs over which the Company has no control.

The approval of any listing particulars pursuant to the listing requirements of the Relevant Stock Exchange does not constitute a warranty or representation by such Relevant Stock Exchange as to the competence of the service providers or as to the adequacy of information contained in the listing particulars or the suitability of the Shares for investment or for any other purpose.

Certain Authorised Participants who subscribe for Shares may act as market makers; other Authorised Participants are expected to subscribe for Shares in order to be able to offer to buy Shares from or sell Shares to their customers as part of their broker/dealer business. Through such Authorised Participants being able to subscribe for or redeem Shares, a liquid and efficient secondary market may develop over time on one or more Relevant Stock Exchanges as they meet secondary market demand for such Shares. Investors should be able to redeem Shares via an Authorised Participant on days that any such Authorised Participant is open for business and once such redemption complies with the redemption requirements set out above under "Applications for Redemption" above and will be subject to a maximum Redemption Charge of 3% (i.e. a maximum of 3% of the Net Asset Value of the Shares may be deducted from such investors redemption proceeds). Through the operation of such a secondary market, persons who are not Authorised Participants will be able to buy Shares from or sell Shares to other secondary market investors or market makers, broker/dealers, or other Authorised Participants at prices which should approximate, after currency conversion, the Net Asset Value of the Shares. Investors should be aware, however that on days other than Business Days or Dealing Days of a Fund when one or more markets are trading Shares but the underlying Market(s) on which the Reference Asset of the Fund are traded are closed, the spread between the quoted bid and offer prices in the Shares may widen and the difference between the market price of a Share and the last calculated Net Asset Value per Share may, after currency conversion, increase. Investors should also be aware that on such days the Reference Asset value would not necessarily be calculated and available for investors in making their investment decisions because prices of Reference Asset securities in the underlying Market(s) would not be available on such days. Nonetheless, one or more Relevant Stock Exchanges may provide a calculation of such Reference Asset based upon trading, if any, of such Reference Asset securities on marketplaces other than the underlying Market(s). The settlement of trades in Shares on Relevant Stock Exchanges will be through the facilities of one or more Recognised Clearing and Settlement Systems following applicable procedures which are available from the

Relevant Stock Exchanges. Further details of the Relevant Stock Exchanges for each Fund are set out in the relevant Supplement.

#### **Intra-Day Portfolio Value ("iNAV")**

The Investment Manager may at its discretion make available, or may designate other persons to make available on its behalf, on each Business Day, an intra-day portfolio value or "iNAV" for one or more Funds. If the Investment Manager makes such information available on any Business Day, the iNAV will be calculated based upon information available during the trading day or any portion of the trading day, and will ordinarily be based upon the current value of the assets/exposures of the Fund in effect on such Business Day, together with any cash amount in the Fund as at the previous Business Day. The Investment Manager will make available an iNAV if this is required by any Relevant Stock Exchange.

An iNAV is not, and should not be taken to be or relied on as being, the value of a Share or the price at which Shares may be subscribed for or redeemed or purchased or sold on any Relevant Stock Exchange. In particular, any iNAV provided for any Fund where the constituents of the Reference Asset are not actively traded during the time of publication of such iNAV may not reflect the true value of a Share, may be misleading and should not be relied on. The inability of the Investment Manager or its designee to provide an iNAV, on a real-time basis, or for any period of time, will not in itself result in a halt in the trading of the Shares on a Relevant Stock Exchange, which will be determined by the rules of the Relevant Stock Exchange in the circumstances. Investors should be aware that the calculation and reporting of any iNAV may reflect time delays in the receipt of the relevant constituent securities prices in comparison to other calculated values based upon the same constituent securities including, for example, the Reference Asset itself or the iNAV of other exchange traded funds based on the same Reference Asset. Investors interested in subscribing for or repurchasing Shares on a Relevant Stock Exchange should not rely solely on iNAV which is made available in making investment decisions, but should also consider other market information and relevant economic and other factors (including, where relevant, information regarding the Reference Asset, the relevant constituent securities and financial instruments based on the Reference Asset corresponding to the relevant Fund). None of the Company, the Directors, the Investment Manager, the Depositary, the Administrator, any Authorised Participant and the other service providers shall be liable to any person who relies on the iNAV.

### 13 CALCULATION OF NET ASSET VALUE

The Net Asset Value of a Fund shall be expressed in the Base Currency of the relevant Fund and shall be calculated by the Administrator on each Dealing Day by ascertaining the value of the assets of the Fund and deducting from such amount the liabilities of the Fund on the Dealing Day.

The Net Asset Value per Share of each class shall be calculated on each Dealing Day by determining that proportion of the Net Asset Value of the relevant Fund which is attributable to such class and dividing the resulting sum by the number of Shares in issue in such class on the relevant Dealing Day. The Net Asset Value per Share of the relevant class is the resulting sum rounded to four decimal places of the unit of account of the relevant class(es)' currency.

The assets of a Fund shall be valued by reference to the close of business prices/values on the Business Day immediately preceding the relevant Dealing Day, unless specified otherwise in the Supplement for the relevant Fund, as follows:

- (a) any investment listed or dealt on a Recognised Exchange shall be calculated by reference to the last traded price as at the Valuation Point, provided that the value of any investment listed or traded on a Recognised Exchange but acquired or traded at a premium or at a discount outside or off the relevant Recognised Exchange may be valued taking into account the level of premium or discount as at the Valuation Point provided that the Depositary must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the investment. Such premia or discounts thereon above shall be provided by an independent broker or market maker or if such premia/discounts are unavailable, by the Investment Manager;
- (b) if an investment is listed on several Recognised Exchanges, the last traded price as at the Valuation Point on the Recognised Exchange which in the opinion of the Directors or their delegate, constitutes the main market for such investments will be used;
- (c) investments which are not listed or traded on a Recognised Exchange or which are listed or traded on a Recognised Exchange but in respect of which a last traded price is not available or in respect of which the available last traded price does not in the opinion of the Directors, or of a competent person, firm or corporation appointed by the Directors and who has been approved for the purpose by the Depositary, represent fair market value shall be valued at their probable realisation value estimated with care in good faith by (i) the Directors or (ii) a competent person, firm or entity appointed by the Directors and who has been approved for the purpose by the Depositary;
- (d) exchange traded derivative instruments dealt in on a Recognised Exchange shall be valued at the settlement price for such instruments on such market as at the Valuation Point provided that where such settlement price is not available for any reason as at a Valuation Point, such value shall be the probable realisation value estimated with care and in good faith by (i) the Directors or (ii) a competent person, firm or entity appointed by the Directors and who has been approved for the purpose by the Depositary. The value of any off-exchange traded derivative instruments shall be the valuation provided by the relevant counterparty at the Valuation Point and shall be valued weekly. The valuation shall be approved or verified at least monthly by a party independent of the counterparty appointed by the Directors and who has been approved for this purpose by the Depositary (and who may be the Investment Manager). Alternatively, an over-the-counter derivative contract may be valued daily on the basis of a quotation from an independent pricing vendor with adequate means to perform the valuation or other competent person, firm or corporation (which may include the Investment Manager) selected by the Directors and approved for the

purpose by the Depositary. The Company shall be satisfied that (i) the counterparty will value the contract with reasonable accuracy and on a reliable basis; and (ii) the derivative can be sold, liquidated or closed by an offsetting transaction at fair value, at any time at the initiative of the Company. The Company will not enter into the off-exchange traded derivative instruments if the aforementioned conditions cannot be satisfied. Where this alternative valuation is used the Company must follow international best practice and adhere to the principles on such valuations established by bodies such as the International Organisation of Securities Commissions and the Alternative Investment Management Association. Any such alternative valuation must be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these must be promptly investigated and explained. Forward foreign exchange contracts which are dealt in on a Recognised Exchange shall be valued by reference to freely available market quotations provided that if such price is not available, shall be valued as per off-exchange traded derivative instruments;

- (e) units or shares in collective investment schemes shall be valued at the last available net asset value per unit or share as at the Valuation Point as advised by the collective investment scheme or its manager;
- (f) assets denominated in a currency other than in the Base Currency of a Fund shall be converted into that Base Currency at the rate (whether official or otherwise) which the Directors or such competent person appointed by the Directors and approved for such purpose by the Depositary deems appropriate in the circumstances;
- (g) the value of any investment which is a commodity, shall be determined by to reference to the price quoted by the market in question, or where no price is currently available or the current price does not, in the opinion of the Directors, represent fair market value, it shall be the probable realisation value thereof estimated with care and good faith by the Directors or by a competent person appointed by the Directors which may be an adviser to the Company, in each case approved for such purpose by the Depositary. In determining the probable realisation value of any such investment, a certified valuation thereof provided by a competent independent person, or in the absence of any independent person, the Investment Manager who in each case shall have been approved for such purposes by the Depositary, shall be sufficient.
- (h) the value of any cash in hand or on deposit, prepaid expenses, cash dividends and interest declared or accrued and not yet received as at the Valuation Point will be valued at its face value plus accrued interest, where applicable, as at the Valuation Point (unless in any case the Directors or their delegate are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors or their delegate may consider appropriate in such case to reflect the true value thereof);
- (i) certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable investments should each be valued at each Valuation Point at the latest traded price on the market in which these investments are traded or admitted for trading (being the market which is the sole market or in the opinion of the Directors or their delegate is the principal market on which the investments in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired. The value of any certificate of deposit or treasury bill which is not listed or admitted for trading shall be the probable realisation thereof estimated with care and good faith by the Directors or another competent person appointed by the Directors, provided that the Directors or such other competent person has been approved for such purpose by the Depositary;

- (j) the Directors or their delegate may, where a Fund is a money market type Fund use the amortised cost method of valuation in accordance with the requirements of the Central Bank;
- (k) the Directors or their delegate may, where a Fund invests in money market instruments, value those instruments using amortised cost, in accordance with the requirements of the Central Bank;
- (l) the Directors or their delegate may adjust the value of any investment if, having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof as at any Valuation Point; and
- (m) if in any case a particular value is not ascertainable as provided from paragraphs (a) to (i) above or if the Directors or their delegate shall consider that some other method of valuation better reflects the probable realisation value of the relevant investment, then in such case the method of valuation of the relevant investment shall be such as the Directors or other competent person appointed by the Directors shall determine, such method of valuation to be approved by the Depositary.

In valuing the assets of each Fund, the Directors or their delegate may, in their sole discretion, permit any other method of valuation to be used if it considers that such method of valuation better reflects value and is in accordance with accepted accounting practice, provided that such alternative method of valuation is approved by the Depositary.

The Company has delegated to the Administrator the calculation of the Net Asset Value.

Notwithstanding the above provisions applicable to the rounding of calculations, in the case of a redemption application for the redemption of the entire Net Asset Value of a particular Share class, the Administrator will calculate a Net Asset Value per Share which rateably allocates the entire Net Asset Value of the Share class to the Shareholders making the redemption.

### **13.2 Suspension of Calculation of Net Asset Value**

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the issue, redemption and conversion of Shares and the payment of redemption proceeds during:

- (i) any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the relevant Fund from time to time are quoted is closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended; or
- (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders of the relevant Fund or if, in the opinion of the Directors the Net Asset Value of the Fund cannot be fairly calculated; or
- (iii) any breakdown in the means of communication normally employed in determining the price of a substantial portion of any of the investments of the relevant Fund or when for any other reason the current prices on any market or stock exchange of any of the investments of the relevant Fund cannot be promptly and accurately ascertained; or

- (iv) any period during which any transfer of funds involved in the realisation or acquisition of investments of the relevant Fund cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or
- (v) any period during which the Directors are unable to repatriate funds required for the purpose of making payments due on redemption of Shares in the relevant Fund; or
- (vi) any period when the Directors consider it to be in the best interest of the Company. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Any suspension in the calculation of the Net Asset Value will be notified to the Central Bank and to the Euronext Dublin immediately and in any event within the same working day on which such suspension occurs.

The Administrator shall be entitled, without verification, further enquiry or liability on the Administrator's part, to rely on pricing information in relation to specified investments held by the relevant Fund which is provided by price sources set out in the Company's pricing policy agreed by the Company with the Administrator and/or this document or, in the absence of any such stipulated price sources, any price sources on which the Administrator may choose to rely (provided that, in such a case, the Administrator exercises reasonable care in its choice of sources upon which to rely). Without prejudice to the generality of the foregoing, the Administrator shall not be responsible or liable to any person for the valuation or pricing of any assets or liabilities of the Company (save as provided in the Services set out in the Administration Agreement) or for any inaccuracy, error or delay in pricing information supplied to the Administrator.

Without prejudice to the generality of the foregoing, the Administrator shall not be responsible or liable to any person for the valuation or pricing of any assets or liabilities of the Company (save as provided for in the Administration Agreement) or for any inaccuracy, error or delay in pricing information supplied to the Administrator.

The Administrator will use reasonable endeavours to independently verify the price of any such assets or liabilities of the Company using its network of automated pricing services, brokers, market makers, intermediaries or other third parties.

In the absence of readily available independent pricing sources, the Administrator may rely solely upon any valuation or pricing information (including, without limitation, fair value pricing information) about any such assets or liabilities of the Company (including, without limitation, private equity investments) which is provided to it by: (i) the Company, (ii) the Company's Board of Directors (or other governing body) or the Investment Manager; and/or (iii) any valuer, third party valuation agent, intermediary or other third party which in each such case is appointed or authorised by the Company, the Company's Board of Directors (or other governing body) or the Investment Manager to provide valuations or pricing information of the Company's assets or liabilities to the Administrator.

### **13.3 Error in the Calculation of the Net Asset Value**

Shareholders will be notified of and compensated out of the assets of the relevant Fund for any material error, as determined by the Directors in their absolute discretion, in the calculation of the Net Asset Value for the Company or relevant Fund.

## 14 CHARGES AND EXPENSES

A Preliminary Charge of up to 5 per cent of the Initial Issue Price (inclusive of VAT, if any) or the Net Asset Value per Share (inclusive of VAT, if any) as the case may be may be charged by the Company for payment on the issue of Shares to the relevant Distributor but it is the intention of the Directors that any such Preliminary Charge should not, until further notice, exceed such amount as is set out in the Supplement for the relevant Fund.

The Directors may require a Shareholder to pay a Redemption Fee (as set out in the Supplement for the relevant Fund, if any) in respect of each Share to be redeemed not exceeding 3% of the Net Asset Value per Share of the relevant class in the relevant Fund.

A conversion fee of up to 2% may be charged on applications to convert Shares of any class to Shares of another class.

Particulars of the fees (including performance fees, if any) payable to the Investment Manager, Administrator and the Depositary out of the assets of each Fund are set out in the Supplement for the relevant Fund.

Each Director will be entitled to remuneration for his services as a director out of the assets of each Fund, provided however that the aggregate emoluments of each Director in respect of any twelve month Accounting period out of the assets of the Company shall not exceed €20,000 or such higher amount as may be approved by the board of Directors. In addition, the Directors will be entitled to be reimbursed for their reasonable out of pocket expenses incurred in discharging their duties as Directors.

### 14.1 Remuneration Policy

The Company has in place a remuneration policy which is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds.

The Company's remuneration policy is in line with the business strategy, objectives, values and interests of the Company and the Funds and contains measures to avoid conflicts of interest to ensure that they can be managed appropriately at all times.

The Company does not have any direct employees. However, in accordance with the Regulations, the Company shall ensure that staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control.

#### (a) Total Expense Ratio ("TER")

The Company may pay the fees and expenses of each Fund which shall be expressed in the Supplement for each relevant Fund as a single flat fee, the TER. Fees and expenses paid out of the TER may include the fees and expenses of the Depositary, the Administrator, the Investment Manager, the Distributor, any sub distributor, sub-depositary and any local agent (each of these service providers may waive all or a portion of the fee it receives for any investor) and any Administrative Expenses incurred by the Fund.

The TER is paid to the Distributor, and the Distributor is then responsible for the payment of all other operational expenses of the Company. This includes, but is not limited to, fees and expenses of the Investment Manager, Depositary, Administrator, Auditors, and Company Secretary.

#### (b) Exceptional Expenses

The Company shall be liable for Exceptional Expenses including, without limitation, expenses relating to litigation costs and any tax, levy, duty or similar charge imposed on the Company or its assets that would otherwise not qualify as ordinary expenses.

Exceptional Expenses are allocated across each Class of Shares, according to their respective assets.

(c) **Setting Up Costs**

The cost of establishing the Company and the Funds (including fees in connection with the incorporation and registration of the Company, legal, regulatory and consultancy fees, listing the Funds on the Relevant Stock Exchanges and registering the Funds for sale in other jurisdictions) may be paid by the Company. The cost of establishing subsequent Funds may also be paid by the Company unless otherwise provided in the Supplement for the relevant Fund. Set up costs are not expected to exceed €50,000 and may be amortised over the first five years of the Company's operation. The cost of establishing each Fund will be reflected in the TER for the relevant Fund.

(d) **Miscellaneous Expenses**

Miscellaneous Expenses include but are not limited to; ongoing organisation and registration costs; licence fees payable to licence holders of an index; expenses for legal and auditing services, expenses in relation to the calculation of any iNAV, stamp duties, all taxes and VAT, company secretarial fees, any costs incurred in respect of meetings of Shareholders; marketing costs, investment transaction charges; costs incurred in respect of the distribution of income to Shareholders; any fees or expenses of any securities lending counterparty in respect of a Fund's security lending activities; the fees and expenses of any paying agent, clearing agent, settlement agent or representative appointed in compliance with the requirements of another jurisdiction; the fees and expenses of any consultant appointed to provide services to the Company, any amount payable under indemnity provisions contained in the Articles or any agreement with any appointee of the Company; cost of any proposed listings and maintaining such listings; all reasonable out-of-pocket expenses of the Board of Directors; foreign registration fees and fees relating to the maintenance of such registrations including translation costs and local legal costs and other expenses due to supervisory authorities in various jurisdictions and local representatives' remunerations in foreign jurisdictions; insurance; interest; the costs of printing and distributing this Prospectus and any costs incurred as a result of periodic updates of this Prospectus or the relevant Supplement, reports, accounts and any explanatory memoranda, any necessary translation fees, any fees in respect of circulating details of the Net Asset Value and such other information which is required to be published in the different jurisdictions, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) may also be paid out of the assets of the Company.

(e) **Transaction Fees**

Transaction Fees are any fees and expenses incurred in buying and selling securities or other investments held by a Fund, e.g., Transfer Taxes, brokerage costs and commissions and correspondence fees for transferring securities or investments or other interests, and custody transaction fees unless otherwise specified in the relevant Supplement.

Whilst it is anticipated that the TER borne by a Fund shall not exceed the TER set out in each relevant Supplement, during the life of the Fund such amounts may need to be increased from time to time. Any such increase will be subject to the prior approval of the Shareholders of the relevant Fund in accordance with the provisions of the Articles.

For the avoidance of doubt, details of the Preliminary Charge, Redemption Charge and any other charges including the Anti-Dilution Levy (if applicable) and the Exchange Charge payable on the exchange of Shares (if any) are set out in respect of the Shares of each Fund in the Supplement for the relevant Fund.

## 15 PORTFOLIO TRANSACTIONS AND CONFLICTS OF INTEREST

Subject to the provisions of this section, the Investment Manager, the Administrator, the Depositary, the Distributor any Shareholder and any of their respective subsidiaries, affiliates, associates, agents or delegates ("**Connected Persons**" and each a "**Connected Person**") may contract or enter into any financial, banking or other transaction with one another or with the Company including, without limitation, investment by the Company in securities of a Shareholder or investment by any Connected Persons in any company or bodies any of whose investments form part of the assets comprised in any Fund or be interested in any such contract or transactions and in particular, without limitation, they may invest in and deal with Shares relating to any Fund or any property of the kind included in the property of the Company for their respective individual accounts or for the account of someone else.

In addition, any cash of the Company may be deposited, subject to the provisions of the Central Bank Acts 1942 to 1998 as amended by the Central Bank and Financial Services Authority of Ireland Acts 2003 to 2004 with any Connected Person (being a banker or other financial institution) and such banker or other financial institution shall allow interest thereon in accordance with normal banking practice for deposits at a rate not lower than the prevailing rate for deposits of a similar size and duration.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments to or from the Company through or with any Connected Person. There will be no obligation on the part of any Connected Person to account to Shareholders for any benefits so arising and any such benefits may be retained by the relevant party, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length and are consistent with the best interests of Shareholders and

- (a) a certified valuation of such transaction by a person approved by the Depositary (or the Directors in the case of a transaction involving the Depositary) as independent and competent has been obtained; or
- (b) such transaction has been executed on best terms on an organised investment exchange under its rules; or
- (c) where (a) and (b) are not practicable such transaction has been executed on terms which the Depositary (or the Directors in the case of a transaction involving the Depositary) is satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length and are consistent with the best interests of Shareholders.

The Investment Manager may also, in the course of its business, have potential conflicts of interest with the Company in circumstances other than those referred to above. The Investment Manager will, however, have regard in such event to its obligations under the Investment Management Agreement and, in particular, to its obligations to act in the best interests of the Company so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise and will seek to resolve such conflicts fairly. In the event that a conflict of interest does arise the Investment Manager as the case may be will endeavour to ensure that such conflicts are resolved fairly.

The Investment Manager may subscribe for and deal in Shares in any Fund.

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

### **Soft Commissions**

The Investment Manager, the Distributor, the Depositary, and the Administrator and any of their respective subsidiaries, affiliates, associates, agents or delegates ("Connected Persons" and each a "Connected Person") may effect transactions through the agency of another person with whom the Connected Persons have an arrangement under which that party will from time to time provide or procure for the Connected Persons goods services or other benefits such as research and advisory services computer hardware associated with specialised software or research services and performance measures etc., the nature of which is such that their provision shall assist in the provision of investment services to a Fund as a whole and may contribute to an improvement in a Fund's performance and that of any Connected Person in providing services to a Fund and for which no direct payment is made but instead the Connected Person undertakes to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments. In any event the broker/counterparty will provide best execution of transactions and brokerage rates will not be in excess of customary institutional full-service brokerage rates. Details of any such soft commission arrangements will be disclosed in the periodic reports of the Funds.

## 16 TAXATION

### 16.1 General

The following statements on taxation are with regard to the law and practice in force in Ireland at the date of this document and do not constitute legal or tax advice to Shareholders or prospective Shareholders. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely, as the basis for and rates of taxation can fluctuate.

Prospective Shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and redemption of, Shares in the places of their citizenship, residence and domicile.

The Directors recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the Company and any investment returns from those Shares.

### 16.2 Ireland

#### (a) Taxation of the Company

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

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

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

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

A Chargeable Event includes:

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

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

A Chargeable Event does not include:

- (iv) any transaction in relation to Shares held in a recognised clearing system;
- (v) any exchange by a Shareholder effected by way of a bargain made at arm's length by the Company, of Shares in the Company for other Shares in the Company;
- (vi) certain transfers of Shares between spouses or civil partners and former spouses or former civil partners;
- (vii) an exchange of Shares arising on a qualifying amalgamation or reconstruction of the Company with another Irish investment undertaking; or
- (viii) the cancellation of Shares in the Company arising from an exchange in relation to a scheme of amalgamation (as defined in section 739HA TCA).

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

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

### **16.3 Taxation of Shareholders**

#### **(a) Non-Irish Resident Shareholders**

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

- (i) the Company is in possession of a completed Relevant Declaration to the effect that the Shareholder is not an Irish Resident, or
- (ii) the Company is in possession of written notice of approval from the Irish Tax Authorities to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn by the Irish Tax Authorities.

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

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

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

(b) **Exempt Irish Investors**

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

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

(c) **Irish Resident Shareholders**

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

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

Where the Irish Resident Shareholder is a company which is not an Exempt Irish Investor, and the payment is not taxable as trading income under Schedule D Case I, the amount received will be treated as the net amount of an annual payment chargeable to tax under Schedule D Case IV from the gross amount of which income tax has been deducted at 25%.

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

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

#### **16.4 Personal Portfolio Investment Undertaking**

An investment undertaking will be considered to be a personal portfolio investment undertaking (PPIU) in relation to a specific Irish Resident Shareholder where that Irish Resident Shareholder can influence the selection of some or all of the property of the undertaking. The undertaking will only be a PPIU in respect of those Irish Resident Shareholders who can influence the selection. A gain arising on a chargeable event in relation to a PPIU will be taxed at the rate of 60%. An undertaking will not be considered to be a PPIU where certain conditions are complied with as set out in section 739BA TCA.

#### **16.5 Currency Gains**

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

#### **16.6 Stamp Duty**

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

#### **16.7 Capital Acquisitions Tax**

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

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

#### **16.8 FATCA Implementation in Ireland**

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

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

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

The Company (and/or any of its duly appointed agents) shall be entitled to require Shareholders to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which the Company may have as a result of the

IGA or any legislation promulgated in connection with the IGA and Shareholders will be deemed, by their subscription for or holding of Shares to have authorised the automatic disclosure of such information by the Company or any other person to the relevant tax authorities.

## **16.9 OECD Common Reporting Standard**

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

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

Ireland and a number of other jurisdictions have entered or will enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the OECD. From 1 January 2016, the Company will be required to provide certain information to the Irish Tax Authorities about investors resident or established in jurisdictions which are party to CRS arrangements.

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

## **16.10 Certain Irish Tax Definitions**

### **(a) Residence – Company (which includes any body corporate, including an ICAV)**

A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. 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 is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country. In certain limited circumstances, companies incorporated in Ireland but managed and controlled outside of a double taxation treaty territory may not be regarded as resident in Ireland. Specific rules may apply to companies incorporated prior to 1 January 2015.

### **(b) Residence – Individual**

The Irish tax year operates on a calendar year basis.

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

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

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

(c) **Ordinary Residence – Individual**

The term "ordinary residence" as distinct from "residence", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

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

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which that individual is not resident in Ireland. Thus, an individual who is resident and ordinarily resident in Ireland in 2012 will remain ordinarily resident in Ireland until the end of the tax year 2015.

(d) **Intermediary**

means a person who:

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

## 17 REPORTS AND ACCOUNTS

The Company's year-end is 30 September, in each year. The annual report and audited accounts of the Company will be made available to Shareholders within four months after the conclusion of each accounting year and at least 21 days before the general meeting of the Company at which they are to be submitted for approval. The next annual report will be published within four months of 30 September 2018. The Company will also prepare unaudited semi-annual reports which will be made available to Shareholders within two months after 31 March in each year. The next semi-annual report will be published within two months of 31 March 2019.

Such reports and accounts will contain a statement of the Net Asset Value of each Fund and of the investments comprised therein as at the Company's year-end or the end of such semi-annual period and will be produced in accordance with International Financial Reporting Standards.

The Articles, the audited financial statements and where available any historical performance of the Company may be obtained by any Shareholder.

The Company will periodically disclose to Shareholder the following:

- (a) the percentage of the Company's assets which are subject to special arrangements arising from their illiquid nature;
- (b) any new arrangements for managing the liquidity of the Company; and/or
- (c) the current risk profile of the Company and the risk management system employed by the Company to manage these risks.

The Company will also disclose on a regular basis (where relevant) the following:

- (a) any changes to the maximum level of leverage which the company may employ on behalf of a relevant Fund as well as any right to re-use collateral or any guarantee granted under the leveraging arrangement;
- (b) the total amount of leverage employed by a relevant Fund.

## **18 FORM OF SHARES, SHARE CERTIFICATES AND TRANSFER OF SHARES**

Shares will be issued in registered form. The Directors recommend that applicants do not request a certificate because the holding of Shares in certificated form can cause delays in payment of redemption proceeds. Purchase contract notes will normally be issued within 24 hours after the allocation of Shares. Shares do not carry any right of pre-emption.

Shares in each Fund will be transferable by instrument in writing signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to or interest in the Shares registered in the names of such joint Shareholders.

Shares may not be transferred to a United States Person (unless permitted under certain exceptions under the laws of the United States) or to a minor or person of unsound mind. Registration of any transfer may be refused by the Directors if following the transfer:

- (a) either transferor or transferee would hold Shares having a value less than the Minimum Shareholding for the relevant class of Shares in the relevant Fund as specified in the Supplement for the relevant Fund;
- (b) any payment of taxation remains outstanding; or
- (c) the transferee holds Shares with a value of less than the Minimum Initial Investment Amount for the relevant class of Shares in the relevant Fund as specified in the Supplement for the relevant Fund.

## **19 NOTIFICATION OF PRICES**

The Net Asset Value per Share of each class of Share in each Fund will be available on request from the Administrator and will be notified to the Euronext Dublin without delay following calculation. The Net Asset Value of each Share class will be published daily on the Website.

Each month, the Company shall publish on the Website for the benefit of Shareholders, a statement with explanatory notes of the details, specified below, whereby the moment of compilation must be at least one week apart. The statement shall contain at least the following information:

- (a) the total value of the investments of the Company;
- (b) the number of Shares in issue; and
- (c) insofar as the Shares in the Company are redeemed at the Shareholders' request and redemption proceeds are paid directly out of the assets of the Company: the most recent NAV of the Shares, stating the moment at which the NAV was determined.

The Administrator shall also supply this information to Shareholders upon request, on payment of a fee not exceeding the cost price.

## 20 GENERAL INFORMATION

### 20.1 Incorporation and Share Capital

The Company was incorporated and registered in Ireland under the Act, as an investment company with variable capital on 27 February 2012 with registered number 510154.

At the date hereof, the authorised share capital of the Company is 1,000,000,000,000 shares of no par value initially designated as unclassified shares. The minimum issued share capital is €2 subscriber shares of €1 each (or its equivalent in any other currency) and the maximum issued share capital is €1,000,000,000,000 (or its equivalent in any other currency).

The unclassified shares are available for issue as Shares. The issue price is payable in full on acceptance.

### 20.2 Memorandum and Articles of Association

Clause 2 of the Memorandum of Association provides that the sole object of the Company is the collective investment of its funds in property with the aim of spreading risk and giving members of the Company the benefit of the results of management of its funds.

The Articles contain provisions to the following effect:

- (a) **Directors' Authority to Allot Shares.** The Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities, including fractions thereof, up to an amount equal to the authorised but as yet unissued share capital of the Company.
- (b) **Variation of rights.** The rights attached to any class may be varied or abrogated with the consent in writing of the holders of three-fourths in number of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one third of the issued shares of the class in question and the quorum at an adjourned meeting shall be one person holding shares of the class in question or his proxy.
- (c) **Voting Rights.** The Company may issue Voting Shares and Non-Voting Shares. The Non-Voting Shares carrying no right to notice of, attend or vote at general meetings of the Company or any Fund. In respect of the Voting Shares, subject to any rights or restrictions for the time being attached to any Class or Classes of Voting Shares, on a show of hands every holder who is present in person or by proxy shall have one vote and the holder(s) of subscriber shares present in person or by proxy shall have one vote in respect of all the subscriber shares in issue and on a poll every holder present in person or by proxy shall have one vote for every Voting Share of which he is the holder and every holder of a subscriber share present in person or by proxy shall have one vote in respect of his holding of subscriber shares. On a poll of all the holders of Shares in a Fund, where there is more than one Class of Shares in existence in that Fund, the voting rights of such holders may at the discretion of the Directors be adjusted in such manner, determined by the Directors, so as to reflect the most recently calculated price at which the Shares of each of the Classes in question may be redeemed by the Company. Holders who hold a fraction of a Voting Share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such fraction of a Voting Share. In accordance with the requirements of the Central Bank, the decision to subscribe for any Class of Shares in respect of which the voting rights are restricted shall be made solely by the investor and any Shareholder of Non-Voting

Shares shall have the right to switch their holding to Voting Shares without incurring any fee or charge on such exchange.

- (d) **Shareholder Meetings.** The Company shall hold in each year a general meeting as its annual general meetings. Not more than 15 months shall elapse between the date of the current general meeting and that of the next one. Directors may convene general meetings by way of resolution and extraordinary general meetings may also be convened by the Directors by way of resolution. Extraordinary general meetings may also be convened by shareholders holding not less than 10% of the shares in issue. 21 clear days' notice is required for the calling of an extraordinary general meeting that requires the passing of a special resolution and all other extraordinary general meetings shall be called by at least 14 days clear notice. Shorter notice periods for the calling of a general meeting of the Company may be permitted where the Auditors so agree.
- (e) **Change in Share Capital.** The Company may from time to time by ordinary resolution increase the share capital by such amount and/or number as the resolution may prescribe. The Company may also by ordinary resolution, consolidate and divide its share capital into shares of larger amount, subdivide its shares into shares of smaller amount or value or cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the shares so cancelled or redenominate the currency of any class of shares.
- (f) **Directors' Interests.** Provided that the nature and extent of his interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the Company nor shall any such contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

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

A Director shall not vote at a meeting of the Directors or a committee of the Directors on any resolution concerning a matter in which he has, directly or indirectly an interest which is material (other than an interest arising by virtue of his interest in shares or debentures or other securities or otherwise in or through the Company) or a duty which conflicts or may conflict with the interest of the Company. A Director shall not vote (or be counted in the quorum present) on any resolution in respect of his appointment (or the arrangement of the terms of appointment) to hold any office or place of profit with the Company.

A Director shall be entitled (in the absence of some other material interest than is indicated under "**Directors' Interests**" below) to vote and be counted in the quorum in respect of any resolutions concerning the following matters, namely:

- (i) the giving of any security, guarantee or indemnity to him in respect of money lent by him to the Company or any of its subsidiary or associated companies or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary or associated companies;

- (ii) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries or associated companies for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (iii) any proposal concerning any offer of shares or debentures or other securities of or by the Company or any of its subsidiary or associated companies for subscription, purchase or exchange in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer, shareholder or otherwise howsoever.

The Company by ordinary resolution may suspend or relax the provisions described above to any extent or ratify any transaction not duly authorised by reason of a contravention thereof.

- (g) **Borrowing Powers.** Subject to the Act, the Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and assets (both present and future) and uncalled capital or any part thereof and to issue debentures, debenture stock or other securities, whether outright or as collateral security for any debt, liability or obligation of the Company provided that all such borrowings shall be within the limits laid down by the Central Bank.
- (h) **Committees.** The Directors may delegate any of their powers to any committee whether or not consisting of Directors. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Articles of Association regulating the proceedings of Directors so far as they are capable of applying.
- (i) **Retirement of Directors.** The Directors shall not be required to retire by rotation or by virtue of their attaining a certain age.
- (j) **Directors' Remuneration.** Unless and until otherwise determined from time to time by the Company in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Any Director who holds any executive office (including for this purpose the office of chairman or deputy chairman) or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine. The Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Directors or committees established by the Directors or general meetings or separate meetings of the holders of any class of shares of the Company or otherwise in connection with the discharge of their duties.
- (k) **Transfer of Shares.** Subject as set out below, the Shares of any holder may be transferred by instrument in writing in any usual or common form or any other form which the Directors may approve. The Directors in their absolute discretion and without assigning any reason therefor may decline to register any transfer of a share to an Irish Resident, a US Person, any person who, by holding shares, would be in breach of any law or requirement of any country or governmental authority or might result in the Company, relevant Fund or Shareholders as a whole incurring any liability to taxation or suffering pecuniary or any material administrative disadvantages and

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

- (l) **Right of Redemption.** Holders have the right to request the Company to redeem their Shares in accordance with the provisions of the Articles of Association.
- (m) **Dividends.** The Articles of Association permit the Directors to declare such dividends on any class of shares as appears to the Directors to be justified by the profits of the relevant Fund. The Directors may, satisfy any dividend due to holders of shares in whole or in part by distributing to them in specie any of the assets of the relevant Fund, and in particular any investments to which the relevant Fund is entitled. Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund.
- (n) **Funds.** The Directors are required to establish a separate portfolio of assets for each Fund created by the Company from time to time, to which the following shall apply:
  - (i) the proceeds from the allotment and issue of shares of each class in the Fund shall be applied to the Fund established for that purpose, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;
  - (ii) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Fund, shall be applied in the books and records of the Company to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset shall be applied to the relevant Fund;
  - (iii) in the event that there are any assets of the Company which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall, with the approval of the Depositary, allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors shall have the power to and may from time to time, with the approval of the Depositary vary the basis in relation to assets previously allocated;
  - (iv) each fund shall be charged with the liabilities, expenses, costs, charges or reserves of the Company in respect of or attributable to that Fund and any such liabilities, expenses, costs, charges, or reserves of the Company not attributable to any particular Fund or Funds shall be allocated and charged by the Directors, with the approval of the Depositary, in such manner and on such basis as the Directors, in their sole and absolute discretion deem fair and equitable, and the Directors shall have the power to and may at any time and from time to time, with the approval of the Depositary, vary such basis including, where circumstances so permit, the re-allocation of such liabilities, expenses, costs, charges and reserves; and
  - (v) in the event that any Asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of Section 256E of the Act, shall apply.
- (o) **Fund Exchanges.** Subject to the provisions of the Articles of Association, a holder holding shares in any class in a Fund on any Dealing Day shall have the right from

time to time to exchange all or any of such shares for shares of another class (such class being either an existing class or a class agreed by the Directors to be brought into existence with effect from that Dealing Day).

- (p) **Winding up.** The Articles contain provisions to the following effect:
- (i) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Act, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund.
  - (ii) The assets available for distribution amongst the holders shall be applied as follows: first the proportion of the assets in a Fund attributable to each class of share shall be distributed to the holders of shares in the relevant class in the proportion that the number of shares held by each holder bears to the total number of shares relating to each such class of shares in issue as at the date of commencement to wind up and secondly, any balance then remaining and not attributable to any of the classes of shares shall be apportioned pro-rata as between the classes of shares based on the Net Asset Value of each class of shares as at the date of commencement to wind up and the amount so apportioned to a class shall be distributed to holders pro-rata to the number of shares in that class of shares held by them.
  - (iii) A Fund may be wound up pursuant to Section 1402 of the Companies Act and in such event the provisions in this paragraph apply mutatis mutandis in respect of that Fund.
  - (iv) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant holders and any other sanction required by the Companies Act, divide among the holders of shares of any class or classes within a Fund in specie the whole or any part of the assets of the Company relating to that Fund, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the holders of the Company or the holders of different classes of shares in the Fund. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of holders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no holder shall be compelled to accept any assets in respect of which there is a liability.
- (q) **Share Qualification.** The Articles do not contain a share qualification for Directors.
- (r) **Change of Name.** In the event that FinEx Investment Management LLP ceases to be Investment Manager of the Company, and a company within the Investment Manager's group is not appointed in its place as the Investment Manager of the Company, then, prior to or immediately following such termination becoming effective, the Directors will arrange to convene an extraordinary general meeting to propose that the name of the Company be changed to a name which will not reflect any involvement on the part of FinEx Investment Management LLP (or any of its Affiliates) with the Company. At any such extraordinary general meeting called to change the name, those Shareholders who (being individuals) are present in person or by proxy or (being corporations) are present by proxy or by a duly authorised representative and entitled to vote and who vote on a poll in favour of the resolution proposed to change the name of the Company shall collectively have such total number of votes

as is one or more than the number of votes which are required to be cast on such a poll for the said special resolution to be carried. Such a change of name shall take place in accordance with the provisions of the Companies Act and the requirements of the Central Bank.

### **20.3 Litigation and Arbitration**

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

### **20.4 Directors' Interests**

- (a) There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.
- (b) At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company and no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.
- (c) At the date of this Prospectus neither the Directors nor their spouses nor their infant children or any connected persons have any interest in the share capital of the Company or any options in respect of such capital.
- (d) Simon Luhr is a connected party to the Investment Manager.

### **20.5 Material Contracts**

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Company and are or may be material, details of any material contracts specific to a Fund will be contained in the Supplement for the relevant Fund:

- (a) the Depositary Agreement between the Company and the Depositary; this Agreement provides that the appointment of the Depositary will continue unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances the Depositary Agreement may be terminated forthwith by notice in writing by either party to the other. The Company may not terminate the appointment of the Depositary and the Depositary may not retire from its appointment unless and until a successor Depositary is appointed in accordance with the Articles and approved by the Central Bank in advance.

If no successor is appointed at the end of the 90 day notice period from the giving of such notice, an extraordinary general meeting of the Company will be convened at which a resolution to wind up the Company will be proposed so that Shares will be repurchased and a liquidator appointed. Following such winding up, the Directors shall apply in writing to the Central Bank for revocation of the Company's authorisation and the Depositary shall remain as the Depositary, notwithstanding the expiration of the notice period, until such time as the Central Bank has revoked the Company's authorisation.

The Depositary Agreement contains certain indemnities payable out of the assets of the Company, out of the assets of the relevant Fund, in favour of the Depositary which are restricted to exclude matters arising as a result of the Depositary's unjustifiable failure to perform its obligations, or the improper performance of them.

The Depositary Agreement contains limited recourse provisions under which the recourse against the Company of the Depositary in respect of any claims arising under or in relation to the Depositary Agreement is expressed to be limited to the Fund established in respect of the Shares to which such claims relate, and the Depositary will have no recourse to any other assets of the Company or any other Fund in respect of any such claims. If following the realisation of the assets of the relevant Fund (if any) and the application of such realisation proceeds in payment of all claims of the Depositary relating to the relevant Fund (if any) and all other liabilities (if any) of the Company ranking pari passu with or senior to such claims which have recourse to the relevant Fund (the "**Relevant Date**"), such claims are not paid in full, (a) the amount outstanding in respect of such claims will be automatically extinguished, (b) the Depositary will have no further right of payment in respect thereof and (c) the Depositary will not be able to petition for the winding-up of the Company or the termination of any other Fund as a consequence of any such shortfall provided however that (a) and (b) above shall not apply to any assets of the Fund that may be subsequently held or recouped by the Fund.

- (b) the Investment Management Agreement between the Company, the Investment Manager and the Distributor provides that the appointment of the Investment Manager will continue in force unless and until terminated by the Company giving not less than 30 days' written notice to the Investment Manager or by the Investment Manager giving not less than 90 days' written notice to the Company although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party; the Agreement contains certain indemnities in favour of the Company arising by reasons of the fraud, bad faith, negligence, wilful default or wilful misfeasance of the Investment Manager in the performance or non-performance of its duties;
- (c) the Distribution Agreement between the Company and the Distributor; this Agreement provide that the appointment of the Distributor will continue in force unless and until terminated by either party giving to the other not less than 90 days' notice in writing although in certain circumstances these Agreements may be terminated forthwith by notice in writing by either party to the other: the Agreement contain certain indemnities in favour of the Distributor which are restricted to exclude matters arising by reason of the fraud, bad faith, wilful default or negligence on the part of the Distributor, its servants or agents; and
- (d) the Administration Agreement between the Company, the Administrator and the Distributor; this Agreement provides that the appointment of the Administrator will continue unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances the Administration Agreement may be terminated forthwith by notice in writing by either party to the other.

The Administration Agreement contains certain indemnities payable by the Company, out of the assets of the relevant Fund, in favour of the Administrator which are restricted to exclude matters arising by reason of the fraud, negligence or wilful misconduct of the Administrator, its directors, officers, employees, servants or agents in the performance of its or their obligations.

The Administration Agreement contains limited recourse provisions under which the recourse against the Company of the Administrator in respect of any claims arising under or in relation to the Administration Agreement is expressed to be limited to the assets of the Fund established in respect of the Shares to which such claims relate, and the Administrator will have no recourse to any other assets of the Company or any other Fund in respect of such claims. If following the realisation of the assets of the relevant Fund and the application of such realisation proceeds in payment of all

claims of the Administrator relating to the relevant Fund (if any) and all other liabilities (if any) of the Company ranking pari passu with or senior to such claims which have recourse to the relevant Fund (the "Relevant Date"), such claims are not paid in full, (a) the amount outstanding in respect of such claims will be automatically extinguished, (b) the Administrator will have no further right of payment in respect thereof and (c) the Administrator will not be able to petition for the winding-up of the Company or the termination of any other Fund as a consequence of any such shortfall provided however that (a) and (b) above shall not apply to any assets of the Fund that may be subsequently held or recouped by the Fund.

Please refer to the relevant Supplement for details of relevant material contracts in respect of a Fund.

## **20.6 Miscellaneous**

Save as disclosed under "Directors' Interests" above, no Director has any interest in the promotion of or in any property acquired or proposed to be acquired by the Company.

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

Save as disclosed in this Prospectus, no commissions, discounts, brokerages or other special terms have been paid or granted or are payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or loan capital of the Company.

## **20.7 Documents for Inspection**

Copies of the following documents may be inspected at the registered office of the Company during usual business hours on weekdays, except Saturdays and public holidays:

- (a) the Prospectus of the Company;
- (b) the Supplements of the Funds;
- (c) the PRIIPs key investor document, as relevant;
- (d) the Memorandum and Articles of Association of the Company (copies may be obtained from the Administrator free of charge); and
- (e) the latest available annual report and the latest available semi-annual report for the Company (copies may be obtained from the Administrator free of charge).

## **20.8 Complaints**

Shareholder complaints may be sent directly to the registered office of the Company or to the Central Bank itself.

## **20.9 Variation of Shareholder Rights**

Notwithstanding the provisions of the Memorandum and Articles of Association of the Company, should the Company seek to vary the terms and conditions of Shareholders' holdings in the Company or in a Fund details of any such proposed amendment along with any notice requirements in respect of any required shareholder meeting shall be published in a national Dutch daily newspaper. The Company shall also request the Investment Manager to publish notice of such changes on the Website. The Company shall issue a shareholder circular to shareholders containing full details of the proposed amendments.

## APPENDIX I

### 1 Markets

The exchanges/markets are set out below in accordance with the requirements of the Central Bank which does not issue a list of approved markets.

The following are the list of stock exchanges and regulated markets on which the assets of the Funds of the Company may be invested. With the exception of permitted investments in unlisted securities and units of open-ended collective investment schemes, investments will be restricted to the following stock exchanges and regulated markets:

- (a) (i) any stock or commodity exchange which is:
- located in any EU Member State; or
  - located in an EEA Member State (Norway, Iceland and Liechtenstein); or
  - located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States of America; or
- (ii) any stock exchange included in the following list:
- |   |   |
|---|---|
| Argentina   | - Bolsa de Comercio de Buenos Aires;                                    |
| Brazil  | - Bolsa de Valores de Sao Paulo and Bolsa de Valores de Rio de Janeiro; |
| Channel Islands<br>(Guernsey, Jersey,<br>Isle of Man) | - Channel Islands Stock Exchange;                                       |
| Chile   | - Santiago Stock Exchange and Valparaiso Stock Exchange;                |
| China   | - Shanghai Stock Exchange and Shenzhen Stock Exchange;                  |
| Colombia  | - Bolsa de Valores de Colombia;   |
| Croatia   | - Zagreb Stock Exchange;  |
| India   | - Mumbai Stock Exchange and the National Stock Exchange of India;       |
| Indonesia   | - Jakarta Stock Exchange;   |
| Israel  | - Tel Aviv Stock Exchange;  |
| Kazakhstan  | - Kazakhstan Stock Exchange;  |
| Malaysia  | - Kuala Lumpur Stock Exchange;  |
| Mexico  | - Bolsa Mexicana de Valores;  |
| Pakistan  | - Lahore Stock Exchange;  |
| Peru  | - Bolsa de Valores de Lima;   |

Philippines	- Philippines Stock Exchange;
Qatar	- Qatar Exchange ;
Russia	- Open Joint Stock Company «Moscow Exchange MICEX-RTS», Closed joint-stock company «MICEX Stock Exchange»
Singapore	- The Stock Exchange of Singapore;
South Africa	- Johannesburg Stock Exchange;
South Korea	- Korean Stock Exchange;
Sri Lanka	- Colombo Stock Exchange;
Taiwan	- Taipei Stock Exchange Corporation;
Thailand	- The Stock Exchange of Thailand;
Turkey	- Istanbul Stock Exchange;
Uruguay	- Montevideo Stock Exchange;
U.A.E.	- Abu Dhabi Stock Exchange;
U.A.E.	- Dubai Financial Markets;
U.A.E.	- NASDAQ Dubai;
Venezuela	- Caracas Stock Exchange;

(iii) any of the following over-the-counter markets:

The market organised by the International Securities Market Association;

The (1) market conducted by banks and other institutions regulated by the Financial Conduct Authority ("**FCA**") and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (2) market in non-investment products which is subject to the guidance contained in the Non-Investment Products Code drawn up by the participants in the London market, including the FCA and the Bank of England;

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

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

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

The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Dealers Association of Canada;

The French market for **Titres de Creance Negotiable** (over-the-counter market in negotiable debt instruments);

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

(iv) any of the following electronic exchanges:

KOSDAQ; (Korea)

NASDAQ;

SESDAQ; (Singapore)

TAISDAQ/Gretai Markets; (Taiwan)

(b) In relation to any exchange traded financial derivatives contract, any exchange or market which is regulated, operates regularly, is recognised and open to the public and which is (i) located in a Member State or (ii) located in an EEA Member State or (iii) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland or the United States or (iv) the Channel Islands Stock Exchange or (v) listed at (a)(iv) above or (vi) any of the following:

The Chicago Board of Trade;

The Chicago Mercantile Exchange;

The Chicago Board Options Exchange;

OMLX, The London Securities and Derivatives Exchange;

New York Mercantile Exchange;

New York Board of Trade;

New Zealand Futures and Options Exchange;

Hong Kong Futures Exchange;

Osaka Securities Exchange;

Singapore Commodity Exchange;

Tokyo International Financial Futures Exchange.