
Merrion Capital Investment Funds plc

An open-ended investment company with variable capital incorporated in Ireland with registered number 427248 established as an umbrella fund with segregated liability between Funds.

PROSPECTUS

22 February 2017

McCann FitzGerald
Solicitors
Riverside One
Sir John Rogerson's Quay
Dublin 2
CFGG\1274745.37

IMPORTANT INFORMATION

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

The Company has been authorised by the Central Bank as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended. The authorisation of the Company by the Central Bank 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 authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.

Investors should note that since transferable securities may depreciate as well as appreciate in value, no assurance can be given by the Company or the Directors or any of the persons referred to in this Prospectus that the Company will attain its objectives. The price of Shares, in addition to the income therefrom, may decrease as well as increase. Accordingly, an investment should only be made where the investor is or would be in a position to sustain any loss on his or her investment. In addition investors should note that some Funds in the Company may invest in emerging markets, below investment grade securities and equity warrants and that, therefore, an investment in a Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The difference at any one time between the sale and repurchase price of the Shares of any Fund means that the investment should be regarded as medium to long term.

Subject to the requirements of the Central Bank some of the Funds may use financial derivative instruments for investment purposes. While the prudent use of such derivatives can be beneficial, derivatives also involve risks different from, and in certain cases, greater than, the risks presented by more traditional investments. Structured derivative transactions are complex and may involve a high degree of loss.

Investors' attention is drawn to the "General Risk Factors" set out on page 7. Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. Prospective investors should inform themselves as to: (a) the legal requirements within their own jurisdictions for the purchase, holding or disposal of Shares; (b) any applicable foreign exchange restrictions; and (c) any income and other taxes which may apply to their purchase, holding or disposal of Shares or payments in respect of Shares.

Shareholders should note that all or part of the management fee and expenses of a Fund may be charged to the capital of a Fund as set out in the applicable Supplement. This may have the effect of lowering the capital value of the Shareholder's investment. Thus on redemptions of holdings Shareholders may not receive back the full amount invested.

If investors are in any doubt regarding the action that should be taken, they should consult their stockbroker or other financial adviser. The distribution of this Prospectus and the offering of the Shares in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe any such restrictions. This Prospectus does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

This document may not be authorised or distributed in any jurisdiction unless it is accompanied by the Company's most recent annual or interim report (when available). Such reports and this document (and any Supplement attached hereto) together constitute the Prospectus for the issue of Shares in the Company.

DIRECTORY

Directors

Mr. Kevin Gallacher
Mr. Brian Hall
Mr. David Conlon
Mr. Ivan Fox

Registered Office

George's Court
54 - 62 Townsend Street
Dublin 2
Ireland

Investment Manager

Merrion Capital Investment Managers Limited
Guild House
Guild Street
I.F.S.C.
Dublin 1
D01 K2C5

Administrator, Registrar and Transfer Agent

Northern Trust International Fund Administration
Services (Ireland) Limited
George's Court
54 - 62 Townsend Street
Dublin 2
Ireland

Depository

Northern Trust Fiduciary Services (Ireland) Limited
George's Court
54 - 62 Townsend Street
Dublin 2
Ireland

Legal Advisers in Ireland

McCann FitzGerald
Riverside One
Sir John Rogerson's Quay
Dublin 2
Ireland

Distributor

Rabodirect (a registered business name in Ireland of
Cooperatieve Rabobank U.A.)
George's Dock House
International Financial Services Centre
Dublin 1
Ireland

Company Secretary of the Company

Northern Trust International Fund Administration
Services (Ireland) Limited
George's Court
54 - 62 Townsend Street
Dublin 2
Ireland

Auditors

KPMG
Chartered Accounts
1 Harbourmaster place
International Financial Services Centre
Dublin 1
Ireland

DEFINITIONS

The following definitions apply throughout this Prospectus unless the context requires otherwise:-

“Act”	means the Companies Act 2014 and every statute or other provision of law modifying, extending or re-enacting them or any of them;
“Administrator”	means Northern Trust International Fund Administration Services (Ireland) Limited or such other person or persons from time to time appointed by the Company as the administrator of the Company in accordance with the requirements of the Central Bank;
“Administration Agreement”	means the agreement dated 17 October 2006 entered into between the Company and the Administrator;
“Articles of Association”	means the articles of association of the Company;
“Business Day”	means unless determined by the Directors and notified in advance to Shareholders, a day excluding Saturday or Sunday on which banks are normally open for business in Dublin;
“Cash Deposits”	means deposits (i) that are repayable on demand; or have the right to be withdrawn; and (ii) which have a maturity date of no more than twelve months;
“Central Bank”	means the Central Bank of Ireland or any successor thereto;
“Central Bank UCITS Regulations”	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the Company and the Depositary.
“Closing Date”	means the closing date of the Initial Offer in respect of a Fund as set out in the applicable Supplement;
“Collective Investment Schemes”	means UCITS and/or Collective Investment Schemes other than UCITS in which the Funds may invest;
“Company”	means Merrion Capital Investment Funds plc;
“Current Funds”	means the Merrion Balanced Fund, the Merrion Growth Fund, the Merrion Irish Opportunities Fund, Merrion European Absolute Return Fund and the Merrion Global Equity Income Fund;
“Data Protection Legislation”	means the Data Protection Acts 1988 and 2003;
“Depositary”	means Northern Trust Fiduciary Services (Ireland)

Limited, or such other person or persons from time to time appointed by the Company as the Depositary of the Company with the prior approval of the Central Bank;

“Depositary Agreement”

means the agreement dated 13 October 2016 entered into between the Company and the Depositary (as may be amended from time to time);

“Directors”

means the board of directors of the Company, whose names appear on page (II) and who are collectively the responsible person for the purposes of the Central Bank UCITS Regulations;

“Distribution Share Classes”

means those share classes in respect of which it is proposed to pay dividends and which are identifiable by the use of the word “Distribution” in their title as set out in the applicable Supplement;

“Distribution Agreement”

means the agreement dated 12 October 2006 entered into between the Distributor and the Company;

“Distributor(s)”

means Rabodirect (a registered business name in Ireland of Cooperatieve Centrale Raiffeisen Boerenleenbank B.A.) or such other persons appointed by the Company or the Investment Manager on behalf of the Company ;

“Euro” or “€”

means the currency referred to in the second sentence of Article 2 of the Council Regulation (EC) No. 974/98 of 3 May 1998 and as adopted as the single currency of the participating Member States of the European Union;

“Exempt Irish Resident”

means:-

- (i) a pension scheme which is an exempt approved scheme within the meaning of section 774 of the Taxes Act, or a retirement annuity contract or a trust scheme to which section 784 or 785 of the Taxes Act applies which has made a Relevant Declaration which is in the possession of the Company prior to the occurrence of a chargeable event;
- (ii) a company carrying on a life business, within the meaning of section 706 of the Taxes Act which has made a Relevant Declaration which is in the possession of the Company prior to the occurrence of a chargeable event;
- (iii) an investment undertaking within the meaning of section 739B of the Taxes Act which has made a Relevant Declaration which is in the possession of the Company prior to the occurrence of a chargeable event;

- (iv) a special investment scheme within the meaning of section 737 of the Taxes Act which has made a Relevant Declaration which is in the possession of the Company prior to the occurrence of a chargeable event;
- (v) a unit trust, to which section 731(5)(a) of the Taxes Act applies which has made a Relevant Declaration which is in the possession of the Company prior to the occurrence of a chargeable event;
- (vi) a charity being a person referred to in section 739D(6)(f)(i) of the Taxes Act which has made a Relevant Declaration which is in the possession of the Company prior to the occurrence of a chargeable event;
- (vii) a qualifying management company within the meaning of section 734(1) of the Taxes Act which has made a Relevant Declaration which is in the possession of the Company prior to the occurrence of a chargeable event;
- (viii) a specified company within the meaning of section 734(1) of the Taxes Act which has made a Relevant Declaration which is in the possession of the Company prior to the occurrence of a chargeable event;
- (ix) a person exempt from income tax and capital gains tax by virtue of section 784A(2) of the Taxes Act, where the shares held are assets of an approved retirement fund or an approved minimum retirement fund and the “qualifying fund manager” (within the meaning of section 784A of the Taxes Act) has made a Relevant Declaration which is in the possession of the Company prior to the occurrence of a chargeable event;
- (x) a person exempt from income tax and capital gains tax by virtue of section 848E of the Taxes Act where the shares held are assets of a special savings incentive account and the “qualifying savings manager” (within the meaning of section 848B of the Taxes Act) has made a Relevant Declaration which is in the possession of the Company prior to the occurrence of a chargeable event;
- (xi) a person exempt from income tax and capital gains tax by virtue of section 787I of the Taxes Act where the shares held are assets of a Personal Retirement Savings Account (within the meaning of Chapter

2A of Part 30 of the Taxes Act) and the PRSA Administrator (within the meaning of Chapter 2A) has made a Relevant Declaration which is in the possession of the Company prior to the occurrence of a chargeable event;

- (xii) a credit union within the meaning of section 2 of the Credit Union Act 1997 which has made a Relevant Declaration which is in the possession of the Company prior to the occurrence of a chargeable event;
- (xiii) a company in respect of its investment in a money market fund within the meaning of Regulation (EC) No 2423/2001 of the European Central Bank of 22/11/2001, where such company is within the charge to corporation tax and has made a declaration to that effect to the Company and has supplied details of its corporation tax reference number to the Company;
- (xiv) a qualifying company within the meaning of section 110 of the Taxes Act that has provided details of its corporation tax reference number to the Company before the occurrence of a chargeable event;
- (xv) the National Asset Management Agency, which has made a declaration to that effect to the Company;
- (xvi) the National Treasury Management Agency or a fund investment vehicle (within the meaning section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner or the State acting through the National Treasury Management Agency and the National Treasury Management Agency has made a declaration to that effect to the Company;
- (xvii) an investment limited partnership within the meaning of section 739J of the Taxes Act and which has made a Relevant Declaration which is in the possession of the Company prior to the occurrence of a chargeable event; or
- (xviii) an Intermediary acting on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland for tax purposes or an Intermediary acting on behalf of Irish Resident persons listed above which has made a Relevant Declaration which is in the possession of

the Company prior to the occurrence of a chargeable event.

“Exempt Non-Resident Investor”	means in relation to any Investor that is a company that is not Resident in Ireland or in relation to any Investor that is not a company that is neither Resident in Ireland nor Ordinarily Resident in Ireland at the time of the chargeable event and either (i) the Company is in possession of a Relevant Declaration to that effect and is not in possession of any information that would suggest that the information contained therein is no longer materially correct or (ii) the Company is in possession of a written notice of approval from the Revenue Commissioners to the effect that section 739D(7) of the Taxes Act is deemed to have been complied with in respect of that Shareholder and that approval has not been withdrawn
“Fund(s)”	means the Current Funds or any further fund or funds to be established by the Company;
“Initial Offer”	means the initial offer of Shares in a Fund as set out in the applicable Supplement;
“Intermediary”	means a person who (a) carries on a business which consists of, or includes, the receipt of payment from an investment undertaking on behalf of other persons, or (b) holds units in an investment undertaking on behalf of other persons;
“Investment Grade”	means a rating of BBB- or higher as rated by S&P or Baa3 or higher as rated by Moody’s or an equivalent rating or, in the opinion of the Investment Manager, is of comparable quality;
“Investment Manager”	means Merrion Capital Investment Managers Limited or such other person or persons from time to time appointed by the Company as the Investment Manager of the Company in accordance with the requirements of the Central Bank;
“Investment Management Agreement”	means the agreement dated 17 October 2006 entered into between the Company and the Investment Manager as may be amended from time to time (or such other agreement appointing an Investment Manager in respect of a specific Fund, details of which shall be set out in the relevant Supplement for that Fund);
“Investor Monies”	means any unprocessed subscription monies received from investors, redemptions monies payable to investors and/or dividends due to investors;
“Ireland”	means the Republic of Ireland;
“Irish Resident”	means any person Resident or Ordinarily Resident in Ireland for tax purposes;

“Minimum Holding”	means the minimum holding, if any, in respect of any Fund as set out in the applicable Supplement;
“Minimum Redemption”	means the minimum redemption, if any, in respect of any Fund as set out in the applicable Supplement;
“Minimum Subscription”	means the minimum subscription, if any, in respect of any Fund as set out in the applicable Supplement;
“Money Market Instruments”	means instruments normally dealt in on the money market which:- <ul style="list-style-type: none"> (i) are liquid, i.e. capable of being converted to cash within seven Business Days at a price closely approximating their current value; and (ii) have a value which can be accurately determined at any time;
“Moody’s”	means Moody’s Investors Services and its successors;
“Net Asset Value”	means the net asset value of the Company or of a Fund or of a class of Shares of a Fund as more fully described in the section headed “Valuation” on page 23;
“OECD” and “OECD Member”	means the Organisation of Economic Co-operation and Development and any member country thereof, respectively;
“Ordinarily Resident in Ireland”	means an individual who has been Resident in Ireland for three consecutive tax years with effect from the commencement of the fourth tax year save that an individual who has been Ordinarily Resident in Ireland will continue to be Ordinarily Resident in Ireland until the commencement of the fourth consecutive tax year in which he/she is not Resident in Ireland;
“Participating Share”	means a participating share in the capital of the Company of no par value, issued subject to, and in accordance with the Act, the Regulations and the Memorandum and Articles of Association of the Company;
“Qualifying Company”	means a qualifying company within the meaning of Section 110 of the Taxes Act;
“Recognised Clearing System”	means any of the following clearing systems:- <ul style="list-style-type: none"> (i) Deutsche Bank AG, Depository and Clearing Centre; (ii) Central Moneymarkets Office; (iii) Clearstream Banking SA; (iv) Clearstream Banking AG; (v) CREST;

- (vi) Depository Trust Company of New York;
- (vii) Euroclear;
- (viii) Monte Titoli SPA;
- (ix) Netherlands Centraal Instituut voor Giraal Effectenverkeer BV;
- (x) National Securities Clearing System;
- (xi) Sicovam SA;
- (xii) SIS Sega Intersecttle AG;
- (xiii) The Canadian Depository for Securities Ltd;
- (xiv) VPC AB (Sweden);
- (xv) BNY Mellon Central Securities Depository SA/NV (BNY Mellon CSD);
- (xvi) Hong Kong Securities Clearing Company Limited; and
- (xvii) Any other system for clearing securities which is designated by the Revenue Commissioners as a recognised clearing system;

“Recognised Market”

means any regulated stock exchange or market which is provided for in the Articles of Association, details of which are set out in Appendix II to this Prospectus;

“Redemption Date”

means the relevant Business Day on which the Shares in a Fund can be redeemed as set out in the applicable Supplement;

“Regulations”

means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended;

“Relevant Declaration”

means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act;

“Relevant Period”

means in relation to a Share in a Fund, a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period for as long as the Shareholder holds the Share;

“Resident in Ireland”

means any person resident in Ireland for the purposes of Irish tax. The following is a summary of how different categories of persons/ entities may be treated as resident in Ireland for this purpose.

Company

A company will be regarded as resident in Ireland if its central management and control is exercised in Ireland irrespective of where it is incorporated unless it is also resident in a territory with which Ireland has a double tax treaty (a “treaty territory”) and under the terms of the treaty it is regarded as a resident of that territory and, not of Ireland. For Ireland to be treated as the location of central management and control this typically means that Ireland is the location where all fundamental policy decisions of the company are made.

A company which is incorporated in Ireland after 1 January 2015 will be regarded as resident in Ireland unless it is also resident in a treaty territory and, under the terms of the treaty, it is regarded as a resident of that territory and not of Ireland.

A company incorporated in Ireland prior to 1 January 2015 will be similarly treated for the purpose of ascertaining tax residency after 1 January 2020 or, if earlier, from the date of change of ownership of the company, where there has been both a change of ownership of the company and a major change in the nature or conduct of the business of the company post 1 January 2015 and the major change in the nature of the business occurred within one year before or 5 years after the change of ownership.

Otherwise, a company incorporated in Ireland prior to 1 January 2015 which does not have its central management and control located in Ireland will be regarded as resident in Ireland except where:-

- (a) the company or a related company (as described in section 23A of the Taxes Act) carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in a Member State or, resident in a treaty territory, and the company is not ultimately controlled by persons who are not so resident, or the principal class of shares of the company (or that of a related company) is substantially and regularly traded on one or more recognised stock exchanges in any Member State or treaty territory;

or

- (b) the company is regarded as a resident of a treaty territory and not of Ireland pursuant to the terms of the double taxation treaty between Ireland and the treaty territory.

Individual

An individual will be regarded as being resident in the Ireland for the purposes of Irish tax if for a particular tax year he or she:-

- (a) is present in Ireland for 183 days or more in that tax year;

or

- (b) 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 Ireland by an individual of less than 30 days in any tax year will not be reckoned for the purpose of applying this two-year test.

In determining the number of days present in Ireland, an individual is deemed to be present in Ireland if he/she is in the country at any time during the day.

Trust

A trust will be Resident in Ireland and Ordinarily Resident in Ireland for the purposes of Irish tax unless the general administration of the trust is ordinarily carried on outside Ireland and the trustees (being a single and continuing body of persons) or a majority of them for the time being are not Resident in Ireland or Ordinarily Resident in Ireland;

“S&P”	means Standard & Poor’s Corporation and its successors;
“Share(s)”	means the Participating Shares of no par value in the capital of the Company;
“Shareholder”	means a holder of Shares in the Company;
“Sterling” or “£”	means pounds sterling, the currency of the United Kingdom;
“Sub-Funds”	means the Current Funds;
“Subscriber Share”	means a subscriber share of €1.00 each in the capital of the Company;
“Subscription Date”	means the relevant Business Day on which Shares in a Fund can be purchased as set out in the applicable Supplement;
“Supplement”	means a supplement to this Prospectus containing information relating to a Fund(s);
“Taxes Act”	means the Taxes Consolidation Act 1997 (as amended) of Ireland;
“Transferable Securities”	means shares in companies and other securities equivalent to shares in companies, bonds and other forms of securitised debt, and any other negotiable securities which carry the right to acquire any such Transferable Securities by subscription or exchange other than techniques and instruments utilised for efficient portfolio management;
“UCITS”	means an undertaking the sole object of which is the collective investment in Transferable Securities and/or other liquid financial assets permitted under the Regulations of capital raised from the public and which operates on the principle of risk-spreading and the units/shares of which are at request of the holders repurchased or redeemed directly or indirectly out of those undertakings’ assets. Action taken by a UCITS to ensure that the stock exchange value of its units does not vary significantly from their net asset value shall be

regarded as equivalent to such repurchase or redemption. Other liquid financial assets include cash deposits, financial derivative instruments, other collective investment undertakings index tracking funds and Money Market Instruments;

“Valuation Date”

means the relevant Business Day on which the Net Asset Value of a Fund is calculated as set out in the applicable Supplement. For the avoidance of doubt, there will be a valuation date in respect of each Subscription Date and Redemption Date; and

“Valuation Point”

means the relevant time in respect of each Valuation Date at which the Net Asset Value of a Fund is calculated as set out in the applicable Supplement.

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THE COMPANY

Introduction

The Company was incorporated on 28 September 2006 with registered number 427248 as an open-ended umbrella-type investment company with variable capital. It is authorised in Ireland by the Central Bank as a UCITS pursuant to the Regulations. The liability of the members is limited.

The Company is organised in the form of an umbrella fund with segregated liability between Funds. The Articles of Association provide that the Company may offer separate classes of Shares each representing interests in a Fund. Details of the classes shall be set out in the applicable Supplement. Each Fund will have a distinct portfolio of investments, and more than one class of Shares may be issued in respect of any Fund with the prior approval of the Central Bank. The Company may from time to time create additional classes of Shares (details of which will be set out in the relevant Supplement) within a Fund in accordance with the requirements of the Central Bank. Separate books and records will be maintained for each Fund.

The Directors may, in their absolute discretion, differentiate between the rights attaching to the different classes of Shares within a particular Fund including, without limitation, the dividend policy, the level of management fees, the subscription charge and/or the redemption charge payable in respect of each class.

The Company may from time to time create such additional Funds as the Directors may deem appropriate and with the prior approval of the Central Bank. Details of any Fund or Funds created in the future shall be as set out in the applicable Supplement in accordance with the requirements of the Central Bank. The applicable Supplement shall form part of, and should be read in conjunction with, this Prospectus.

At the date hereof, the Funds of the Company are the Merrion Balanced Fund, the Merrion Growth Fund, the Merrion Irish Opportunities Fund, the Merrion European Absolute Return Fund and the Merrion Global Equity Income Fund. The Investment Manager will manage each Fund in a way which prudently reflects the risk implicit in a direct investment of a similar nature. The assets, liabilities, income and expenditure allocated to each Fund will be separate from those of the other Funds. However, the Company as a whole will remain liable to third parties for all of the liabilities of the Company that are not attributable to a particular Fund.

The Company is denominated in Euro.

Profile of a Typical Investor

Unless otherwise specified in a Supplement, a typical investor in the Fund may be an investor with a medium to long term investment horizon who considers an investment in the Funds a convenient way to achieve growth of capital through and exposure to a diversified portfolio and who will accept significant risk within their portfolio

Investment Objectives, Policies and Restrictions

The assets of each Fund will be invested in accordance with the investment objectives and policies of that Fund as set out in the applicable Supplement. The Company and its Directors, in consultation with the Investment Manager, are responsible for the formulation of the investment policy of each Fund and any subsequent change to that policy. Each Fund is subject to the investment and borrowing restrictions contained in the Regulations and the Central Bank UCITS Regulations, further details of which are set out in Appendix I. Additional restrictions (if any) relevant to each Fund will be as set out in the applicable Supplement. Any amendment to the investment objective and/or policy is the responsibility of the Directors who may change the investment objective and policy of each Fund provided that Shareholders are given reasonable notice of such change. Furthermore, any change in the investment objective or material change to the investment policy of a Fund will only be effected following a resolution of a majority of the voting Shareholders of that Fund

In the event that a Fund intended to utilise financial derivative instruments for efficient portfolio management purposes or otherwise, it will (i) ensure details of such financial derivative instruments will

be set out in the applicable Supplement which Supplement will be subject always to the submission to and clearance by the Central Bank in advance; and (ii) employ a risk management process which will enable it to accurately measure, monitor and manage the risks attached to such financial derivative instruments, and details of this process will be provided to, and approved by, the Central Bank in accordance with the Central Bank UCITS Regulations.

In circumstances where the Central Bank is satisfied with such risk management process, the Company may enter into a variety of derivative instruments including, but not limited to, foreign exchange forwards, futures, options, swaps, warrants, stocklending, repos and contracts for difference for the purposes of efficient portfolio management only, subject to the conditions and limits set out in the Central Bank UCITS Regulations and within any further limits laid down by the Central Bank from time to time. In particular, each Fund would engage in foreign exchange forwards to provide protection against exchange rate risks, including cross-currency hedging, and in order to hedge foreign currency exposure of the underlying assets of the Fund into the base currency of that Fund or into a currency institutionally linked to the base currency. The use of such forwards would reduce the currency risk in respect of each Fund and will better enable each Fund to manage its assets and liabilities. At the discretion of the Directors, the Funds or any Funds created in the future may use financial derivative instruments as a primary investment policy and details of the investment policy will be set out in the applicable Supplement in accordance with the requirements of the Central Bank.

The Investment Manager will not utilise derivative positions which have not been included in the risk management process until such time as a revised risk management process has been submitted and cleared by the Central Bank. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main investments of the Funds.

The Investment Manager will seek to achieve the investment objective of each Fund by investing in a range of instruments, as set out in the investment policies of that Fund and included in the applicable Supplement.

Such instruments may include:

- **Exchange Traded Funds (“ETFs”)**

Generally an ETF is a fund that tracks an index, but which can be traded in the same manner as a stock. ETFs typically bundle together the securities, commodities or other instruments that comprise an index. As ETFs are traded on stock exchanges, they can be bought and sold at any time during the day (unlike most mutual funds). Their price will fluctuate on a continuous basis, just like any other stock's price. ETFs are an efficient means of tracking an index as they have low operating and transaction costs associated with them. Certain Funds may invest in ETFs as is more particularly described in the Supplement of the applicable Fund.

- **Derivatives**

A derivative is a security whose price is dependent upon or derived from one or more underlying assets. For example, the value of a commodity-linked derivative investment typically is based upon the price movements of a physical commodity (such as, for example, energy, industrial metals and precious metals), a commodity futures contract or commodity index, or some other readily measurable economic variable dependent upon changes in the value of commodities or the commodities markets.

- **Futures Contracts**

A futures contract requires the seller to deliver at a specified date a specified quantity of an asset at a specified price. A Fund may use futures contracts to manage its exposure to changing interest rates, commodity prices, securities prices, and other economic variables as detailed in the applicable Supplement.

- **Forward Foreign Exchange Contracts**

A forward foreign exchange contract is an agreement to exchange two designated currencies at a specific time in the future for a pre-determined price. A Fund may invest in forward foreign exchange contracts to provide (i) protection against exchange rate risks on a Fund's assets and liabilities and/or (ii) foreign exchange exposure, in each case subject to the conditions and limitations set out in the

Central Bank UCITS Regulations. However, the use of forward foreign exchange contracts might reduce the gain on an investment that would otherwise result, for example, from a change in the relationship between the Euro and the foreign currency in which the investment is denominated. Forward foreign exchange contracts will be used in the manner, and subject to the limitations, described in the Supplement of the applicable Fund.

- **Options**

An option is an instrument that conveys the right, but not the obligation, to engage in a future transaction on some underlying security, or in a futures contract. A Fund may use options to manage its exposure to changing interest rates, commodity prices, securities prices and other economic variables. Options will be used in the manner, and subject to the limitations, described in the Supplement of the applicable Fund.

- **Swaps**

A swap is a derivative in which two counterparties exchange certain exposures to one set of assets for those another's. A Fund may enter into a variety of swaps as is set out in further detail in the applicable Supplement of the Fund. Such swaps may include:

- Total return swaps: provide exposure to the price risk of an underlying reference asset such as a portfolio of securities, index, futures contract or other economic variable. If the price of the underlying asset (i.e. the commodity, index, futures contract or economic variable) increases in value during the term of the swap, the Fund will receive the price appreciation. However, if the price of the asset declines in value during the term of the swap, the Fund will be required to pay to its counterparty the amount of the price depreciation. The amount of the price depreciation paid by the Fund to its counterparty would be in addition to the financing fee paid by the Fund to the same counterparty.
- Interest rate swap agreements: entail both interest rate risk and credit risk. There is a risk that, based on movements of interest rates in the future, the payments made by a Fund under a swap agreement will be greater than the payments it receives. Credit risk arises from the possibility that the counterparty may default. If the counterparty defaults, the Fund's loss will consist of the net amount of contractual interest payments that the Fund has not yet received. The Investment Manager will monitor the creditworthiness of counterparties to the Fund's interest rate swap transactions on an on-going basis.

Swaps will be used in the manner, and subject to the limitations, described in the Supplement of the applicable Fund.

- **Warrants**

A warrant is a security entitling the holder to buy a prescribed number of shares at some specified future date at a specified price, usually one higher than current market price. Warrants are traded as securities whose price reflects the value of the underlying shares. Warrants are like call options, but with much longer time spans.

- **Stocklending Agreements**

Stocklending is the temporary transfer of securities by a lender to a borrower for a fee, with agreement by the borrower to return equivalent securities to the lender at pre-agreed time. These agreements will generally be used to increase and enhance overall returns to the Fund through finance charges.

- **Contracts for Difference**

Contracts for difference may be used by the Fund, as unlike traditional share trading, no stamp duty is payable on the purchase of a contract for difference in addition to providing an opportunity for short term trading strategies. Contracts for difference allow the Investment Manager to gain exposure by a Fund to security price movements and to benefit from trading securities or indices, without the need for ownership of the securities or indices at a small percentage of the cost of owning the securities or indices. As contracts for difference are directly linked to the value of the underlying assets, they will fluctuate depending on the market of the assets represented in the contract. Contracts for difference

will only be used by the Fund to gain exposure to assets consistent with the investment policies of the Fund.

- **Repurchase Agreements and Reverse Repurchase Agreements**

These agreements provide for the sale and subsequent repurchase of a security. For the party selling the security (and agreeing to repurchase it in the future at a specified time and price) it is a repurchase agreement and will generally be used as a means of raising short-term finance and its economic effect is that of a secured loan as the party purchasing the security makes funds available to the seller and holds the security as collateral; for the party purchasing the security (and agreeing to sell the security in the future at a specified time and price) it is a reverse repurchase agreement and will generally be used as a short-term and secure investment through which additional income is generated through finance charges, as the difference between the sale and repurchase prices paid for the security represent interest on the loan.

- **Convertible Securities**

In addition, a Fund may hold long and short positions (using derivatives) in convertible securities which may embed derivatives. Convertible securities are debt securities that are convertible into an issuer's common stock. Convertible securities rank senior to common stock and therefore are subject to less risk than common stock in the case of an issuer's bankruptcy or liquidation. While some convertible securities are a form of debt security, in many cases their conversion feature causes them to be regarded by the Investment Manager more as "equity equivalents". As a result the rating assigned to a convertible security has less impact on the Investment Manager's decision to invest in the security than in the case of non-convertible fixed income securities. To determine whether convertible securities should be regarded as "equity equivalents", the Investment Manager examines the following factors: (i) whether, at the option of the investor, the security can be exchanged for a fixed number of common stock of the issuer; (ii) whether the issuer of the security has restated its earnings per share of common stock on a fully diluted basis (considering the effect of the conversion of the convertible securities); and (iii) the extent to which the convertible security may be a defensive "equity substitute," providing the ability to participate in any appreciation in the price of the issuer's stock.

Efficient Portfolio Management

As set out above, a Investment Manager may use derivatives for efficient portfolio management of any Fund. Any techniques or instruments used for efficient portfolio management purposes are subject to the conditions and limits laid down in the Regulations and the Central Bank UCITS Regulations. For the purpose of investing in the Funds, investors should note that efficient portfolio management is taken to mean an investment decision involving techniques and instruments which fulfil the following criteria:

- (i) they are economically appropriate in that they are realised in a cost-effective way;
- (ii) they are entered into for one or more of the following specific aims:
 - (a) a reduction of risk;
 - (b) a reduction of cost; or
 - (c) the generation of additional capital or income for a Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules as set out in the Regulations and the Central Bank UCITS Regulations and within any further limits laid down by the Central Bank from time to time;
- (iii) their risks are adequately captured by a risk management process in place for the relevant Fund; and
- (iv) they cannot result in a change to the Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in the Prospectus.

The policy in relation to efficient portfolio management is for any direct and indirect costs and fees arising from these investments to be borne by the Fund and to be paid to the relevant counterparty. Such costs and fees shall not include hidden revenue. The counterparties, the costs, fees paid, and whether the recipients of such fees are related to the Company or the Depositary, will be disclosed in the annual accounts of the Company.

The Directors will ensure that all revenues generated from the use of derivatives by a Fund for efficient portfolio management purposes, net of direct and indirect operational costs, will be returned to the relevant Fund.

Dividend Policy

Any dividend payment in respect of a Fund shall be made in accordance with the dividend policy of that Fund as set out in the applicable Supplement. It is currently intended that none of the Funds will pay dividends or otherwise make distributions to Shareholders. Should this intention not to pay dividends or otherwise make distributions change in relation to any of the Funds, Shareholders will be notified in advance and provided with the relevant updated Supplement.

Collateral Policy

In the context of efficient portfolio management techniques and/or the use of Financial Derivative Instruments (“FDI”) for hedging or investment purposes, collateral may be received from a counterparty for the benefit of the relevant Fund or posted to a counterparty by or on behalf of the relevant Fund. Any receipt or posting of collateral by the Fund will be conducted in accordance with the requirements of the Central Bank and the terms of the Company’s collateral policy outlined below. The types of collateral acceptable for a Fund shall include but not be limited to: (i) cash; (ii) government or other public securities; (iii) certificates of deposit issued by relevant institutions; (iv) bonds/commercial paper issued by relevant institutions or by non-bank issuers; and (v) equity securities traded on certain stock exchanges.

Collateral – Received by the Fund

Collateral posted by a counterparty for the benefit of a Fund may be taken into account as reducing the exposure to such counterparty. The Fund will require receipt of the necessary level of collateral so as to ensure counterparty exposure limits set out in the UCITS Regulations are not breached. Counterparty risk may be reduced by an amount equivalent to the value of the collateral received after taking into account appropriate discounts.

The Company or its delegate will liaise with the Depositary (and/or any other collateral management service provider as may be appointed from time to time) in order to manage all aspects of the counterparty collateral process. Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the Investment Manager’s risk management process. If the relevant Fund receives collateral for at least 30% of its Net Asset Value it will put in place an appropriate stress testing policy to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the relevant Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the following:

- (i) Design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- (ii) Empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- (iii) Reporting frequency and limit/loss tolerance thresholds; and
- (iv) Mitigation actions to reduce loss including haircut policy and gap risk protection.

All assets received by the relevant Fund in the context of stocklending/repurchase transactions shall be considered as collateral and must comply with the terms of the Company’s collateral policy.

Non-Cash Collateral

Non-Cash collateral received must, at all times, meet with the following criteria:

- (i) **Liquidity:** Collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations.

- (ii) Valuation: Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- (iii) Issuer credit quality: Collateral received should be of high quality.
- (iv) Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
- (v) Diversification (asset concentration): Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. In accordance with the Central Bank UCITS Regulations, invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or a related entity.
- (vi) Immediately available: Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
- (vii) Safe-keeping: Collateral received on a title transfer basis should be held by the Depositary or its agent. For other types of collateral arrangement, the collateral can be held by a third party Depositary which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
- (viii) Haircuts: The Company (or its delegate), on behalf of the Fund, shall apply suitably conservative haircuts or discounts to the market value of assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests performed as referred to above. The Company has determined that generally if issuer or issue credit quality of the collateral is not of a very high quality or the collateral carries a significant level of price volatility, a conservative haircut must be applied in accordance with the Company's haircut policy. However, the application of such a haircut will be determined on a case by case basis. The Company, in its discretion, may accept certain collateral with more conservative, less conservative or no haircuts applied in accordance with its haircut policy.

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

Cash Collateral

Cash collateral received by a Fund may not be invested other than in the following:

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

Collateral – Posted by a 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.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, a Fund may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of the Fund in accordance with normal market practice and the requirements outlined in the Central Bank UCITS Regulations.

General Risk Factors

Investors' attention is drawn to the following general risk factors which may relate to an investment in any Fund. In addition to the risks set out below, any risks specific to a particular Fund will be as set out in the applicable Supplement.

Market fluctuations

Potential investors should note that the investments of each Fund are subject to market fluctuations. There is no assurance that any appreciation in the value of investments will occur or that the investment objective of any Fund will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested. The difference between the cost of subscribing for Shares and the amount received on redemption means that any investment in the Company should be viewed as a medium to long-term investment. An investment should only be made by those who are able to sustain a loss on their investment.

Market Risk

Each Sub-Fund's investment approach is subject to various investment-related types of risks, including market risk. Market risk includes unexpected directional price movements, deviations from historical pricing relationships, changes in the regulatory environment, changes in market volatility, panicked or forced selling of riskier assets and contraction of available credit or other financing sources.

Currency risk

Each Fund's assets may, unless otherwise noted, be invested in securities denominated in currencies other than the relevant currency of such Fund and any income received by such Fund from its investments will be received in the currencies of such investments, some of which may fall in value against the relevant currency of such Fund. Each Fund will compute its Net Asset Value and make any distributions in the denomination of the Shares while each Fund may, from time to time, engage in forward foreign exchange transactions to provide protection against exchange-rate risk, there is no guarantee that this objective will be achieved and consequently there is therefore a currency exchange risk which may affect the value of the Shares to the extent that the Fund makes investments in currencies other than the relevant currency of the Fund.

Derivatives Risk

A Fund may employ various investment techniques, such as, but not limited to, forward foreign exchange contracts, currency futures, swaps, options and swaptions thereon, put and call options on securities, indices, stock index and interest rate futures and options thereon, stocklending, repurchase, reverse repurchase, warrants and contracts-for-difference (together "**derivatives**") in order to afford the protection of capital or the enhancement of investment returns. These derivative positions may be executed either on-exchange or over-the-counter. The primary risks associated with the use of such derivatives are (i) failure to predict accurately the direction of the market movements and (ii) market risks, for example, lack of liquidity or lack of correlation between the change in the value of the underlying asset and that of the value of a Fund's derivatives. These techniques may not always be possible or effective in enhancing returns or mitigating risk.

The use of cross-currency hedging in order to hedge foreign currency exposure of the underlying assets of a Fund on behalf of a Share class into the base currency of that Fund or into a currency institutionally linked to the base currency may adversely affect the Net Asset Value of Share classes in the respective Fund.

A Fund's investments in over-the-counter derivatives are subject to the risk of counterparty default. In addition, a Fund may have to transact with counterparties on standard terms which it may not be able to negotiate.

Price movements of forward contracts, futures contracts, options, contracts for difference and other derivative contracts in which a Fund's assets may be invested are influenced by among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly those in currencies and interest rate-related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. Moreover, since there is generally less government supervision and regulation of emerging market stock exchanges and clearing houses than in more developed markets, a Fund may also be subject to the risk of the failure of the exchanges on which its positions trade or of their clearing houses, and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

Financial derivative instruments shall not be employed by the Company until such time that a risk management process has been submitted to and cleared by the Central Bank. The Company will not utilise derivative positions which have not been included in the risk management process until such time as a revised risk management process has been submitted and approved by the Central Bank.

Governmental Intervention

The global financial markets have recently undergone pervasive and fundamental disruptions which have led to extensive and unprecedented governmental intervention. Such intervention has, in certain cases, been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition—as one would expect given the complexities of the financial markets and the limited time frame within which governments have felt compelled to take action—these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. The Sub-Funds may incur major losses in the event of disrupted markets and other extraordinary events in which historical pricing relationships become materially distorted.

Emerging Markets Risk

Shareholders should note that where a Sub-Fund invests in emerging markets these investments may carry risks with failed or delayed settlement and with registration and custody of securities. Companies in emerging markets may not be subject to accounting, auditing and financial reporting standards or be subject to the same level of government supervision and regulation as in more developed markets. Exposure to an emerging market may also include an exposure to Russia. Although exposure to Russian securities is not the principal focus of any Sub-Fund and may only constitute an element of any Sub-Fund's anticipated exposures, a Sub-Fund may be exposed to more Russian securities than securities from any other single emerging market if the Investment Manager identifies more investment opportunities in Russia than in other emerging markets. Nevertheless, exposure to Russian securities will not constitute a major element of any Sub-Fund's investment strategy.

Investments in emerging markets may give rise to the following issues associated with investment in emerging markets and Russia which require consideration of matters not usually associated with investing in securities of issuers in developed capital markets. Emerging markets and Russia may present different economic and political conditions from those in western markets, and less social, political and economic stability. The absence, until relatively recently, of any move towards capital markets structures or to a free market economy mean that exposure to emerging markets is more risky than investing in western markets.

The Net Asset Value of the Sub-Fund may be affected by uncertainties such as political or diplomatic developments, social instability and religious differences, changes in government policies, taxation and interest rates, currency conversion and repatriation and other political and economic developments in law or regulations in emerging markets and Russia, in particular, the risks of expropriation, nationalisation, confiscation or other taking of assets, debt moratoria and/or debt defaults and changes in legislation relating to the level of foreign ownership in certain sectors of the economy.

There are also other risks associated with exposure to emerging markets and Russia. Such risks include a potentially low level of investor protection; poor or opaque corporate governance; legislative risk

(that laws may be changed with retrospective and/or immediate effect); and political risk (that the interpretation or method of enforcement of laws may be changed with a consequent and adverse effect on the Net Asset Value of a Sub-Fund).

In particular, it should be appreciated that the legislation, regulations, foreign exchange controls, and tax laws applicable to holders of emerging market countries securities and Russian securities, and their interpretation and application by the relevant authorities, is evolving and may change in the future, and that political or economic change and instability may be more likely to occur and have greater effect on the economics and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other expropriation, nationalisation or other confiscation could also result in a loss to the Sub-Fund.

By comparison with more developed securities markets, most emerging countries securities markets are comparatively small, less liquid and more volatile. In addition settlement, clearing and registration procedures may be under-developed enhancing the risks of error, fraud and/or default. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply to major markets.

The emerging markets to which the Sub-Fund will be exposed are less regulated than many of the world's leading securities markets. In addition, market practices in relation to settlement of securities transactions and custody of assets in such countries can provide increased risk to the Sub-Fund.

The Sub-Fund may be exposed to markets where custodial and/or settlement systems are not fully developed.

Accounting, auditing requirements and financial reporting standards in emerging market jurisdictions may differ from those generally accepted in the international capital markets and consequently information available to investors in developed capital markets is not always obtainable in respect of companies in such markets.

The Sub-Fund may be exposed to securities denominated in foreign currencies. The Net Asset Value of the Sub-Fund and its income may be affected by fluctuations in currency rates and exchange control regulations.

Leverage Risk

Leverage, through the use of margin and other forms of debt to finance portfolio purchases, increases returns to the investors if the Sub-Fund earns a greater return on leveraged investments than a Sub-Fund's cost of such leverage. However, the use of leverage exposes a Sub-Fund to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had a Sub-Fund not borrowed to make the investments, (ii) margin calls or changes in margin requirements may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds a Sub-Fund's cost of leverage related to such investments. In the event of a sudden, precipitous drop in value of the Sub-Fund's assets, a Sub-Fund might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by a Sub-Fund.

Liquidity Risk

Liquidity is the ability to sell the investments that a Sub-fund holds within a reasonable amount of time at approximately the price at which the Sub-Fund has valued the investments, which relies on the willingness of market participants to buy and sell investments. Certain investments may be difficult to purchase and sell, particularly during adverse market conditions, because there is a limited market for the investment or there are restrictions on resale. If a Sub-Fund holds illiquid securities, it may be unable to take advantage of market opportunities or it may be forced to sell other, more desirable, liquid securities or sell illiquid securities at a loss if it is required to raise cash to satisfy redemption requests.

The Investment Manager will monitor the liquidity of the investments held by a Sub-Fund and will seek to ensure that, together with the use of borrowing and redemption deferrals (as set out in greater detail below at the section entitled "Deferral of Redemptions"), if these are deemed necessary, redemption requests are always capable of being met as they fall due.

Counterparty and Broker Credit Risk

A Fund will be exposed to the credit risk of the counterparties or the brokers and dealers and exchanges through which, it deals, whether it engages in exchange-traded or off-exchange transactions. A Fund may be subject to risk of loss of its assets held by a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of a Fund, or the bankruptcy of an exchange clearing house.

Cross liability between funds

The Company is established as a segregated portfolio company. As a matter of Irish law, the assets of one Fund will not be available to satisfy the liabilities of another. However, the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There is no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability associated with segregated portfolio companies nor is there any guarantee that the creditors of one Fund will not seek to enforce such Fund's obligations against another Fund.

Risks relating to the Investment Manager

All decisions with respect to the investment activities of the Sub-Funds will be made by the Investment Manager. Investors will not have the opportunity to evaluate fully for themselves the relevant economic, financial, and other information regarding any Sub-Fund's investments. Shareholders will be dependent on the Investment Manager's judgment and abilities in selecting investments. There is no assurance that the Investment Manager will be successful. Accordingly, no subscriber should purchase any Shares unless it is willing to entrust all aspects of the selected Sub-Fund's investment activities to the Investment Manager.

Substantial redemptions

Substantial redemptions by Shareholders could require a Sub-Fund to liquidate its positions more rapidly than would otherwise be desirable to raise the necessary cash to fund redemptions and achieve a market position appropriately reflecting a smaller asset base. Under these circumstances, the Company also may defer redemptions in accordance with the provisions of the Prospectus. These factors could adversely affect the Net Asset Value per Share of the Shares redeemed and those remaining outstanding, and could also adversely affect future trading decisions, which could in turn adversely affect future results. The obligation to provide for periodic redemptions may require the Investment Manager to trade a Sub-Fund's portfolio differently than if it was not subject to such redemption right, which may adversely affect the performance of such Sub-Fund.

Expenses Charged to Capital

Income generated by Fund assets may be insufficient to discharge all of the fees and expenses of the Fund and therefore Shareholders should note that all or part of the management fees and expense of a Fund may be charged to the capital of a Fund as set out in the applicable Supplement. Thus, on redemption Shareholders may not receive back the full amount invested. This will have the effect of lowering the capital value of the Shareholder's investment.

Taxation

Any change in the Company's tax status or in legislation could affect the value of investments held by the Company and affect the Company's ability to provide a return to investors. Potential investors and Shareholders should note that the statements on taxation, which are set out herein and in each Supplement, are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus and each Supplement. As is the case with any investment, there can be no guarantee that a tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely. The attention of potential investors is drawn to the tax risks associated with investing in the Company, particularly the section headed "Taxation" starting on page 31.

Temporary suspension

Investors are reminded that in certain circumstances their right to redeem or convert Shares may be temporarily suspended as set out in more detail in the section headed “Suspension of Valuation” on page 27.

Political and/or regulatory risks

The value of a Fund’s assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions in foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investments may be made.

Controlling Shareholder

There is no restriction on the percentage of the Company’s Shares that may be owned by one person or a number of connected persons. It is possible, therefore, that one person, including a person or entity related to the Investment Manager, or, a collective investment scheme managed by the Investment Manager, may obtain control of the Company or of a Fund.

Cyber Security Risk

Cyber security breaches may occur allowing an unauthorised party to gain access to assets of the Funds, Shareholder data, or proprietary information, or may cause the Company, the Administrator or the Depositary to suffer data corruption or lose operational functionality.

The Funds may be affected by intentional cyber security breaches which include unauthorised access to systems, networks, or devices (such as through “hacking” activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cyber security breach could result in the loss or theft of Shareholder data (including information in relation to identity) or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the Company, the Administrator, the Depositary, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Consequently, such incidents could have a material adverse effect on a Fund. In addition, such incidents could affect issuers in which a Fund invests, and thereby cause a Fund’s investments to lose value, as a result of which investors, including the relevant Fund and its Shareholders, could potentially lose all or a portion of their investment with that issuer.

Risks Associated with Umbrella Fund Cash Accounts

An umbrella fund cash account will operate in respect of the Company rather than of the Funds and the segregation of Investor Monies from the liabilities of Funds other than the relevant Fund to which the Investor Monies relate is dependent upon, among other things, the correct recording of the assets and liabilities attributable to individual Funds by or on behalf of the Company.

In the event of an insolvency of a Fund, there is no guarantee that the Fund will have sufficient monies to pay unsecured creditors (including the investors entitled to Investor Monies) in full.

Monies attributable to any other Funds may also be held in the umbrella fund cash accounts. In the event of the insolvency of a Fund (an “Insolvent Sub-Fund”), the recovery of any amounts to which another Fund (the “Beneficiary Sub-Fund”) is entitled, but which may have transferred in error to the Insolvent Sub-Fund as a result of the operation of the umbrella fund cash account, will be subject to applicable law and the operational procedures for the umbrella fund cash account. There may be delays in effecting, and/or disputes as to the recovery of, such amounts, and the Insolvent Sub-Fund may have insufficient funds to repay amounts due to the Beneficiary Sub-Fund.

In the event that an investor fails to provide the subscription monies and all requisite documentation associated with its subscription application within the timeframe stipulated in the applicable Supplement, the investor will be required to indemnify the relevant Fund against the liabilities that may be incurred by it. The Company may cancel any Shares that have been issued to the investor and charge the investor interest and other expenses incurred by the relevant Fund. In the event that the Company is unable to recoup such amounts from the defaulting investor, the relevant Fund may incur losses or expenses in anticipation of receiving such amounts, for which the relevant Fund, and consequently its Shareholders, may be subject.

It is not expected that any interest will be paid on the amounts held in the umbrella fund cash account. However, any interest earned on the monies in the umbrella fund cash account will be for the benefit of the relevant Fund and will be allocated to that Fund on a periodic basis for the benefit of the Shareholders at the time of the allocation.

The Central Bank's guidance titled "*Umbrella funds- cash accounts holding subscription, redemption and dividend monies*" is new and, as a result, may be subject to change and further clarification. Therefore, the structure of any umbrella fund cash account maintained may differ materially from that outlined in this Prospectus.

MANAGEMENT AND ADMINISTRATION

The Directors of the Company

The Directors of the Company are responsible, *inter alia*, for establishing the investment objectives and policies of the Company and each Fund, for monitoring the Company's performance and for the overall management and control of the Company.

The following are the Directors of the Company:-

Mr Kevin Gallacher

Kevin Gallacher has over 20 years investment experience gained with a number of global investment management firms. Kevin joined Merrion Capital Investment Managers Limited (formerly Oppenheim Investment Managers Limited) in 2001 and was joint Managing Director of the firm from 2004 until 2009. Kevin has an MA (Hons) in English from Aberdeen University and an MSc in Investment Analysis from Stirling University. He is an Associate of the CFA Society of the United Kingdom and a Fellow of the UK Chartered Institute of Marketing.

Mr Brian Hall

Brian Hall is Finance Director at Merrion Capital Investment Managers Limited, with responsibility for finance and investment administration. After graduating with an M.A. in Economics from UCD, he worked with Ernst & Young and qualified as a Chartered Accountant in 1995. He is a member of the Institute of Chartered Accountants in Ireland and a director of the Irish Association of Investment Managers. He joined Merrion Capital Investment Managers Limited (formerly Oppenheim Investment Managers Limited) in 1998.

Mr David Conlan

David Conlan is CEO and CIO at Merrion Capital Investment Managers Limited. David has over 15 years experience in the investment industry gained in a number of senior equity fund manager and analyst roles in Anglo Irish Bank, Merrion Capital Investment Managers Limited and NCB Stockbrokers. David joined Merrion Investment Managers Limited in March 2011. David has a first class honours degree in Actuarial and Financial Studies from UCD, is a CFA Charter Holder and a member of the UK Society of Technical Analysts.

Mr Ivan Fox

Ivan Fox is the Chairman of Merrion Capital Investment Managers Limited. Ivan is a Non-Executive Director at Merrion Stockbrokers Limited, Merrion Capital Group Limited and Principal at Elysium Family Office. Ivan was previously employed as the Head of Irish Equities with Bank of Ireland Asset Management. Ivan qualified with a BA and MBA in Finance from University College Dublin. He is a Non-Executive Director of Merrion Fund Management Limited, a Non-UCITS management company within the Merrion Capital Group Limited.

The Investment Manager

The Company has appointed Merrion Capital Investment Managers Limited to act as investment manager pursuant to the Investment Management Agreement. The Investment Manager will also act as promoter of the Company. The Investment Manager was incorporated as a limited liability company on 11 July 1985 and is authorised as an alternative investment fund manager and regulated by the Central Bank. The Investment Manager is a wholly-owned subsidiary of Merrion Capital Group Limited. As of 31 December 2015, the Investment Manager had approximately €825 million of funds under management.

The Investment Manager may, from time to time, appoint investment advisers (who will be paid out of the Investment Manager's fee) in accordance with the requirements of the Central Bank. Details of any such investment adviser will be provided to Shareholders on request and will be disclosed in the periodic reports and in the applicable Supplement.

The Distributor

The Company has appointed Rabodirect (a registered business name in Ireland of Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A.) to act as distributor of the Shares of Merrion Balanced Fund, Merrion Growth Fund and Merrion Irish Opportunities Fund pursuant to the Distribution Agreement between the Company and the Distributor.

The Investment Manager may appoint distributors to act as distributors of the Shares in any of the Funds.

The Administrator

The Company appointed Northern Trust International Fund Administration Services (Ireland) Limited, as administrator pursuant to the Administration Agreement.

The Administrator is a private limited liability company incorporated in Ireland on January 1990. Its main activity is the provision of administration services to collective investment schemes. The Administrator is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 September 2016 the Northern Trust Group's assets under custody totalled in excess of US\$6.4 trillion.

The administration duties and functions of the Administrator will include, inter alia, the calculation and publication of the Net Asset Value, the provision of facilities for the confirmation and registration of Shares, the keeping of all relevant records and accounts of the Company and assisting with compliance by the Company with the reporting requirements of the Central Bank. The Administrator may, with the prior consent of the Directors and in accordance with the requirements of the Central Bank, delegate some or all of its duties to an affiliate.

The Administrator will also act as registrar and transfer agent of the Company.

The Depositary

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

Up-to-date information on the identity of the Depositary, a description of the Depositary's duties; a description of any conflicts of interest that may arise; and, where safekeeping functions have been delegated by the Depositary, a description of such delegated activities, the list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation, will be made available to Shareholders upon request.

Paying Agents/Representatives/Sub-Distributors

Local laws/regulations in EEA Member States may require the appointment of paying agents/representatives/sub-distributors/correspondent banks ("**Paying Agents**") and maintenance of accounts by such Agents through which subscription redemption monies or dividends may be paid. Shareholders who choose or obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to the Depositary (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary for the account of the Company or the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses of Paying Agents appointed by the Company or a Fund which will be at normal commercial rates will be borne by the Company or the Fund in respect of which a Paying Agent has been appointed.

Country Supplements dealing with matters pertaining to Shareholders in jurisdictions in which Paying Agents are appointed may be prepared for circulation to such Shareholders and, if so, a summary of the material provisions of the agreements appointing the Paying Agents will be included in the relevant Country Supplements.

All Shareholders of the Company or the Fund on whose behalf a Paying Agent is appointed may avail of the services provided by Paying Agents appointed by or on behalf of the Company

Conflicts of Interest

Due to the operations which are or may be undertaken by the Investment Manager, the Administrator, the Depositary, the Directors and the Company and their respective holding companies, subsidiaries, affiliates and directors (each an “**interested party**”), conflicts of interest may arise. While these conflicts are typical of many UCITS funds, the Company wishes to bring the attention of prospective investors’ to them.

In the event that a conflict of interest does arise, the Company will endeavour to ensure that any such conflict is resolved fairly and in the best interests of the Shareholders.

Other Activities/Clients

The interested parties may invest, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets that may also be purchased or sold by the Investment Manager. In particular, the Investment Manager and its affiliates directly advise numerous clients on a discretionary and non-discretionary basis. Neither the Investment Manager nor any of its affiliates is under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to inform or account to the Company in respect of any such transaction or any benefit received by any of them from any such transaction. However, such other funds or accounts will compete for the time and attention of such parties and might create other conflicts of interest. The agreements with such parties do not require them to devote any particular amount of time to the Company or any Fund.

The Investment Manager or its affiliates may give advice or take action with respect to clients other than the Funds that differs from the advice given or action taken with respect to the Funds. In addition, the Investment Manager or its affiliates may have financial or other incentives to favour certain accounts over the Funds. Such other clients may have investment objectives or may implement investment strategies similar to those of the Funds. Accordingly, the Funds and such other clients may co-invest in many of the same securities and issuers, including the same assets. Any such other products may also make continuous offerings of securities contemporaneously with the offerings of the Funds, and the Investment Manager and its affiliates have discretion as to whether investors are offered Shares in a Fund or such other products. Any other fund or account of the Investment Manager or its affiliates, including other Funds, may outperform any particular Fund for a variety of reasons.

Transactions and dealings in the assets of any Fund may take place with entities related to the Depositary or the Investment Manager provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm’s length and in the best interests of the Shareholders.

Dealings will be deemed to have been effected on normal commercial terms negotiated at arm's length if:

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

The Depositary (or in the case of a transaction involving the Depositary, by the Directors) shall document how it complies with paragraphs (a), (b) and (c) above. Where transactions are conducted in

accordance with paragraph (c) above, the Depositary (or in the case of a transaction involving the Depositary, by the Directors) shall document its rationale for being satisfied that the transaction complies with the requirements set out at paragraph (c) above.

Allocation of Investment Opportunities

The Investment Manager and its affiliates have discretion to allocate investment opportunities and dispositions fairly among all clients or funds.

To the extent a particular investment is suitable for one or more of the Sub-Funds and other Investment Manager clients, the Investment Manager generally will allocate such investment among the Sub-Funds and its other clients *pro rata* based on assets under management or in some other manner which the Investment Manager determine is fair and equitable under the circumstances to all clients, including each of the Sub-Funds. However, the Investment Manager may determine that an investment opportunity is appropriate for a particular fund or account that it manages, or for itself, or its officers or employees, but not for a Sub-Fund. Situations may arise in which clients or funds that the Investment Manager advises, or officers or employees of the Investment Manager, have made investments that would have been suitable for a particular Sub-Fund but, for various reasons, were not pursued by, or available to, the Sub-Fund. In particular, the Investment Manager may not make allocations of certain investments on a *pro rata* basis among the Sub-Funds and other funds or accounts that the Investment Manager advises. As a result, the Investment Manager may have conflicts of interest in allocating investments among the Sub-Funds and other of its clients.

Circumstances may occur in which an allocation of an investment could have adverse effects on a Sub-Fund or another client to which the Investment Manager or its affiliates has allocated that investment. To the extent that the Investment Manager, its affiliates, their officers or employees, or another advisory client invests in any assets, the ability of a Sub-Fund to invest in the same assets may be adversely affected by any limitation on availability of the investment. The Investment Manager, its affiliates, or accounts (other than the Sub-Funds) advised by the Investment Manager may invest in assets on terms more favourable than those available to the Sub-Funds, and, as investors in those assets, may act in ways adverse to the interests of the Shareholders.

Client and Non-Client Shareholders

It is anticipated that certain of the underlying Shareholders in any Sub-Fund will separately be clients of the Investment Manager and its affiliates. Permitting different investor populations to participate in the same underlying portfolios increases both the conflicts of interest and the potential risks to which the Shareholders are subject. Under certain circumstances, the potentially disparate interests of the underlying Shareholders who are not themselves clients of Investment Manager and its affiliates, on the one hand, and underlying Shareholders who are clients of the Investment Manager and its affiliates, on the other hand, could materially adversely affect one or both groups of investors. The Investment Manager and its affiliates may also face similar conflicts of interest in redeeming or voting any Shares in a Sub-Fund held by a underlying Shareholder client (including another Sub-Fund), which the Investment Manager or its affiliates often may redeem or vote in their discretion, which conflicts are particularly relevant given the more complete information the Investment Manager and its affiliates may have regarding a Sub-Fund's investments.

Variation in Terms and Fair Treatment of Shareholders

The Company will treat all Shareholders within share classes equally and fairly and all Shareholders in different share classes fairly.

The Investment Manager and its affiliates and their principals or employees, or funds or accounts advised by them other than the Sub-Funds, may invest in assets on terms more favourable than those available to the Sub-Funds, and, as investors in such assets, may act in ways adverse to the interests of the Sub-Funds. The other Shareholders will have no recourse against any Sub-Fund, the Investment Manager and/or any of their affiliates in the event that certain Shareholders receive additional and/or different rights and/or terms as a result of such arrangements.

Soft Commissions

The Investment Manager may pay trade commissions on trading securities, depending on the size,

nature, execution venue and other considerations relating to the execution of the trade order. An element of this trade commission may be allocated for the purposes of receiving investment research. The purpose of this research is to enhance the quality of the service to the Company.

Remuneration Policy of the Company

The Directors of the Company have implemented a remuneration policy which is consistent with the requirements set out in UCITS Directive. Details of the policy relating to how remuneration and benefits are calculated, the people responsible for awarding the remuneration and benefits and the composition of the remuneration committee (where such a committee exists) are available at www.merrion-investments.ie. A paper copy of the full policy is available to investors and prospective investors free of charge upon request from the Investment Manager.

SUBSCRIPTIONS, TRANSFERS AND REDEMPTIONS

Subscriptions

The Directors shall, before the Initial Offer of Shares in any Fund, determine the terms on which such Shares will be issued, details of which will be as set out in the applicable Supplement.

After the relevant Closing Date for each Fund, the Company may offer Shares in each Fund on each Subscription Date at an issue price equal to the Net Asset Value per Share of the relevant Fund on each Valuation Date. During any period of net subscriptions, a charge may be added, at the discretion of the Directors, to the purchase price per Share and deducted directly from the subscription proceeds, to cover the dealing costs involved in purchasing investments in the underlying investments of the relevant Fund as set out in the applicable Supplement. The charge is intended to protect existing and continuing Shareholders against the dilution of the value of their investment on account of these charges.

In addition, the Directors may in their absolute discretion charge a subscription fee, payable to the Investment Manager, of up to 4 per cent. of the aggregate investment amount subscribed. This fee may be paid in full or in part by the Investment Manager to introducing agents and intermediaries. Where the amount subscribed for Shares is not equivalent to an exact number of Shares, fractions of Shares may be issued and will be rounded to the fourth decimal place.

All initial applications for Shares must be received by post, delivery or fax (with the signed original to follow as soon as possible after) by the Administrator at its respective addresses no later than 4.00pm (Dublin time) respectively on the relevant Subscription Date.

The procedure for subscribing for Shares, the Minimum Subscription amount applicable and details of any subscription charges for each Fund will be as set out in the applicable Supplement.

Before subscribing for Shares, an applicant who is not an Irish Resident or is an Exempt Irish Resident will be required to complete a declaration in a form prescribed by the Revenue Commissioners of Ireland. Such declaration will be included in the application form, which is available from the Administrator.

Each Shareholder must notify the Administrator in writing of any change in the information contained in the application form and furnish the Administrator with whatever additional documents relating to such change as it may request.

Measures aimed at the prevention of money laundering may require an applicant to provide verification of identity, verification of address and source of funds to the Administrator.

The Administrator reserves the right to request such information as is necessary to verify the identity, address and source of funds of the applicant. This information may also include details as to the tax residency of an applicant pursuant to the requirements of the EU Savings Directive together with relevant documentary evidence. Depending on the circumstances of each application, a detailed verification of the 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 institution 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 regulations or satisfies other applicable conditions. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator or the Directors may refuse to accept the application and all subscription monies. The Administrator may also refuse to process a redemption if any requested information is not received.

The Administrator, working in conjunction with the designated anti-money laundering reporting officer of the Company, will notify applicants if additional proof of identity is required. By way of example, an individual may be required to produce a copy of a current passport or identification card together with two pieces of evidence of the applicant's address, such as a utility bill or bank statement. In the case of corporate applicants, this may require production of a certified copy of the certificate of incorporation (and any change of name), bye-laws, memorandum and articles of association (or equivalent), and the names and addresses of all directors and beneficial owners. Detailed verification of directors' and substantial beneficial owners' identity and address may also be required.

Shares will not be issued until such time as the Administrator has received and is satisfied with all the information and documentation required to verify the identity, address and source of funds of the applicant. This may result in Shares being issued on a Subscription Date subsequent to the Subscription Date on which an applicant initially wished to have Shares issued to him/her. It is further acknowledged that the Administrator shall be held harmless by the applicant against any loss arising as a result of the failure to process the subscription if such information as has been requested by the Administrator has not been provided by the applicant.

Shares will be issued in registered form. Contract notes will normally be issued within two Business Days of the determination of the Net Asset Value in respect of the relevant Subscription Date on which the application is being processed. Share certificates will not be issued. Investors will not be entered onto the register of Shareholders if they subscribe for less than the Minimum Subscription (or such other amount as the Directors have in their absolute discretion determined).

Shares will be issued upon: (i) fulfilment of the conditions for acceptable subscriptions; (ii) the provision of all relevant money laundering documentation; and (iii) receipt of cleared funds by the Company and the Administrator within three Business Days of the relevant Subscription Date and in accordance with the terms and conditions of the Prospectus and Supplements in force at the time of the subscription. Failure by the Company to receive cleared funds within three Business Days of the relevant Subscription Date will result in the cancellation of the allotted Shares. The Administrator will normally issue a contract note after the Shares have been issued and this will constitute a written confirmation of ownership of the Shares. Any gains or losses incurred by the Company as a result of any such cancellation shall be for the account of the relevant Fund. The Directors have discretion to accept settlement after the Closing Date, in the case of Shares allotted pursuant to the Initial Offer, and after the relevant Valuation Date, in the case of Shares allotted on a subsequent Subscription Date, in order to deal with any contingencies which may arise in the transfer of subscription monies.

Investors will be required to agree to indemnify and hold harmless the Company, the Directors, the Investment Manager, the Administrator and the Depositary for any losses, costs or expenses incurred by them as a result of the failure or default of the investor to transmit subscription monies in immediately available funds to the account of the Company within the time specified in the applicable Supplement. Payment in respect of subscriptions which are received in advance of the relevant Subscription Date will be held as an asset of the Company and the investor will rank as a general creditor of the Company in respect of such payment until the relevant Subscription Date, at which time the Shares will be issued and the investor will become a Shareholder in the Company.

In addition, the Directors or the Administrator will refuse to process a redemption request until proper information has been provided including any relevant money laundering documentation. The Company or the Administrator will refuse to remit the redemption proceeds where there is any delay whatsoever by the Shareholder in producing the requested information. In such circumstances, the proceeds of that redemption, or any dividends payable to the Shareholder, shall remain an asset of the Company and the Shareholder will rank as a general creditor of the Company until such time as the Company or the Administrator has verified the Shareholder's identity to its satisfaction, following which redemption proceeds, or any dividends payable to the Shareholder, will be released.

The Directors may, in their absolute discretion, accept payment for Shares by a transfer *in specie* of assets, the nature of which would qualify as investments of a Fund in accordance with the investment policy and restrictions of the relevant Fund and the value of which (including the Net Asset Value per Share, thereof) shall be determined by the Administrator, having consulted with the Investment Manager and the Depositary, in accordance with the valuation principles governing the Company and applicable law. The Directors and the Depositary will also ensure that the number of Shares issued in respect of any such *in specie* transfer will be the same amount which would have fallen to be allotted for settlement in cash. Any prospective investor wishing to subscribe for Shares by a transfer *in specie* of assets will be required to comply with any administrative and other arrangements (including any warranties to the Company in relation to the title of such assets being passed to the Depositary, if applicable) for the transfer specified by the Depositary and the Administrator. In addition, the Directors must ensure that any assets transferred will be vested with the Depositary on behalf of the Company. The Directors and the Depositary must be satisfied that any such *in specie* transfer will not result in any material prejudice to existing Shareholders.

The Directors may, in their absolute discretion, reject any application for Shares in full or in part. Amounts paid to the Company in respect of subscription applications which are rejected (or, in the case of applications which are not accepted in full, the balance of the amount paid) will be returned to the applicant at his/her own risk and expense without interest.

The Company may temporarily borrow an amount equal to a subscription, subject to a Fund's borrowing limits, and invest the amount borrowed in accordance with the investment objective and policies of a Fund. Once the required subscription monies have been received, the Company will use this to repay the borrowings. In the event of any delay in the settlement of the investor's subscription monies, the Company reserves the right to charge that Shareholder for any interest or other costs incurred by the Company as a result of this borrowing. If the Shareholder fails to reimburse the Company for those charges, the Company will have the right to sell all or part of the investor's holdings of Shares in the Fund in order to meet those charges and/or to pursue that Shareholder for such charges.

Transfers

The transferor shall be deemed to remain the holder of any Shares that it proposes to transfer until the name of the transferee is entered in the Company's register of members in respect of those Shares. In respect of the Shares, each transferee will be required to provide the same information, representations and warranties to the Company and the Administrator as are required from any applicant for Shares.

The Company will be required to account for tax on the value of the Shares transferred at the applicable rate unless it has received from the transferor a declaration in the prescribed form confirming that the Shareholder transferring its Shares is not an Irish Resident or is an Exempt Irish Resident. The Company and the Administrator reserve the right to redeem such number of Shares held by a transferor as may be necessary to discharge the tax liability arising. The Company and the Administrator reserve the right to refuse to register a transfer of Shares until it receives a declaration as to the transferee's status and residency in the form prescribed by the Revenue Commissioners of Ireland.

Redemptions

After the relevant Closing Date for each Fund, the Company may accept requests for redemptions on each Redemption Date at a price equal to the Net Asset Value per Share of the relevant Fund on such Redemption Date.

Requests for redemption may be made by post, delivery or fax to the Administrator for on a completed redemption request (which is available on request from the Administrator) so as to be received by no later than 4.00pm (Dublin time) on the relevant Redemption Date on which the Shares are to be redeemed. Redemption requests must be sent to the Administrator to be received no later than 4.00pm.

During any period of net redemptions, the redemption price per Share may be reduced, at the discretion of the Directors, by a charge in respect of each Fund to cover the dealing costs involved in redeeming investments in the underlying investments of the relevant Fund as set out in the applicable Supplement. The charge is intended to protect existing and continuing Shareholders against the dilution of the value of their investment on account of these charges.

The procedure for redeeming Shares and details of any redemption charges will be as set out in the applicable Supplement.

Redemption requests may be sent by post or facsimile but redemption proceeds will not be remitted until the Administrator has received the original application form in respect of an applicant's first investment and all relevant money laundering documentation and supporting documentation. Redemption requests will only be processed where payment is made to a bank account on record. In addition, the Administrator or the Directors will refuse to process a redemption request until proper information has been provided. Any amendments to a Shareholder's registration details or payment instructions will only be effected upon receipt of original documentation by the Administrator.

The Company and the Administrator will be required to withhold tax on redemption monies at the applicable rate unless it has received from the Shareholder a declaration as to status and residency in the form prescribed by the Revenue Commissioners of Ireland confirming that the Shareholder is either (i) not an Irish Resident, or (ii) an Exempt Irish Resident, in each case in respect of whom it is not necessary to deduct tax.

The Directors have the power to pay redemption proceeds *in specie*, provided that the Directors and the Depositary are satisfied that the terms of any exchange shall not be such as are likely to result in any material prejudice to any remaining Shareholders. Subject to the agreement of the relevant

Shareholder, any such *in specie* redemption must be made on such terms and conditions as the Directors may specify, to such Shareholder of assets equalling the aggregate redemption price (or together with any such cash payment when aggregated with the value of the assets being redeemed are equal to such redemption price). Where redemption of Shares is to be satisfied by an *in specie* redemption of assets held by the Company, the Depositary shall transfer such assets as the Directors shall direct and the Depositary has approved to the Shareholder as soon as practicable after the relevant Subscription Date. All costs and risks of such redemption shall be borne by such Shareholders. Shares redeemed shall be deemed to cease to be in issue at the close of business on the relevant Redemption Date in respect of the redemption and such redeemed Shares shall be cancelled.

Conversion of Shares

With the consent of the Directors, a Shareholder may convert Shares of one Fund into Shares of another Fund or, Shares of one class within a Fund into Shares of another class within the same Fund on giving three days' notice to the Administrator in such form as the Administrator may require. The conversion is effected by arranging for the redemption of Shares of one Fund, converting the redemption proceeds into the currency of another Fund, and subscribing for the Shares of the other Fund with the proceeds of the currency conversion. No conversion fee will be levied. During the period between the determination of the Net Asset Value applicable to the Shares being redeemed and the subscription for Shares, the Shareholder will not be the owner of, or be eligible to receive dividends with respect to, either the Shares which have been redeemed or the Shares being acquired.

Conversion will take place in accordance with the following formula:-

$$\text{NSH} = \frac{\text{OSH} \times \text{RP}}{\text{SP}}$$

where:-

NSH = the number of Shares which will be issued in the new Fund;

OSH = the number of the Shares to be converted;

RP = the Net Asset Value of the Shares to be converted after deducting the redemption fee, if any; and

SP = the issue price of Shares in the new Fund on that Business Day after deducting the subscription fee, if any.

If NSH is not a whole number of Shares the Administrator reserves the right to issue fractional Shares in the new Fund or to return the surplus arising to the Shareholder seeking to convert the Shares.

A Shareholder is not required to submit a new application form for the purchase of Shares in connection with a conversion.

Deferral of Redemptions

The Directors may, in their absolute discretion, limit the number of Shares that can be redeemed on any one Redemption Date to 10 per cent. of the Net Asset Value of the applicable Fund. In this event, the limitation will apply pro rata so that all Shareholders wishing to have their Shares redeemed on that Redemption Date redeem the same proportion of such Shares, and Shares not redeemed will be carried forward for redemption on the next Redemption Date and all following Redemption Dates (in relation to which the Company will carry out the same procedure as described herein, i.e. the Company shall treat the redemption requests as if they were received on each subsequent Redemption Date until all the Shares to which the original request related have been redeemed and the original request has been satisfied in full). If requests for redemption are so carried forward, the Administrator will inform the Shareholders affected. Redemption requests carried forward will be treated pro-rata with redemption requests received in respect of subsequent Redemption Dates.

Compulsory Redemptions

The Directors may compulsorily redeem or transfer any holding of Shares if it comes to their attention that those Shares are being held directly or beneficially by any person who he is not entitled to apply for Shares as described more fully in the section headed "Investor Restrictions" below. The Directors

also reserve the right to the compulsory redemption of all Shares held by a Shareholder if the aggregate Net Asset Value of the Shares held by the Shareholder is less than the Minimum Holding specified in the applicable Supplement. Prior to any compulsory redemption of Shares, the Directors will notify the Shareholder in writing and allow such Shareholder thirty days to purchase additional Shares to meet this minimum holding requirement.

Suspension of Subscriptions, Transfers, Conversions and Redemptions

Subscriptions, transfers, conversions and redemptions for any Fund will be suspended for as long as the calculation of the Net Asset Value of that Fund is suspended as more fully described in the section headed "Valuation - Suspension of Valuation" on page 27.

Any applications for subscriptions, transfers, conversions and redemptions for a Fund will be considered on the first Subscription Date or Redemption Date, as applicable, following the termination of a suspension.

Investor Restrictions

Potential investors should note that restrictions apply regarding the types of persons to whom Shares may be issued and transferred for the purpose of ensuring that no Shares are held by any person or persons:-

- (i) in breach of the law or requirements of any country or governmental authority; or
- (iii) 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 circumstance appearing to the Directors and the Administrator to be relevant) where, in the opinion of the Directors and the Administrator, such holding might result in taxation, legal, pecuniary, regulatory or material administrative disadvantage to the Company or its Shareholders as a whole.

Abusive Trading Practices

Excessive, short-term (or market timing) or other abusive trading practices may disrupt portfolio management strategies and harm Fund performance. To minimise harm to a Fund and its Shareholders, the Directors, working in conjunction with the designated anti-money laundering reporting officer, reserves the right to reject any subscription (including any transfer) from any investor whom it believes has a history of abusive trading or whose trading, in its judgement, has been or may be disruptive to a Fund. In making this judgement, the Directors may consider trading done in multiple accounts under common ownership or control.

Investor Money

In connection with the processing of subscriptions, redemptions, distributions or other relevant payments to or from investors or Shareholders, there may established or operated by the Company one or more umbrella fund cash accounts. No investment or trading will be effected on behalf of the Company or any of its Funds in respect of the cash balances on such account(s). Any balances on any such account(s) shall belong to the Company or the relevant Fund and are not held on trust on behalf of any investors or Shareholders or any other persons.

Cash subscriptions received in advance of the relevant Subscription Date will be recorded as an asset of the relevant Fund represented by a cash balance on the umbrella fund cash account until the relevant Subscription Date, at which time the Shares will be issued and the investor will become a Shareholder in the relevant Fund and the relevant cash balance will transfer to the Fund's own cash account. In respect of such subscription proceeds received in advance of the relevant Subscription Date and until such time as the Shares have been issued to the investor, in the event of the Company or the relevant Fund becoming insolvent, the investor will rank as a general unsecured creditor of the relevant Fund in respect of such subscription proceeds.

Should the Company be unable to issue Shares to an investor who has paid the requisite subscription amount to the Company but has yet to provide the Company or the Administrator with all requisite information or documentation in order to verify the investor's identity, the Depositary shall ensure that

in the event that such subscription proceeds cannot be applied, it will return such subscription proceeds to the relevant investor within five working days.

The Company may temporarily borrow an amount equal to a subscription, subject to a Fund's borrowing limits, and invest the amount borrowed in accordance with the investment objective and policies of the Fund. Once the required subscription monies have been received, the Company will use this to repay the borrowings. In the event of any delay in the settlement of the investor's subscription monies, the Company reserves the right to charge that Shareholder for any interest or other costs incurred by the Company as a result of this borrowing. If the Shareholder fails to reimburse the Company for those charges, the Company will have the right to sell all or part of the investor's holdings of Shares in the Fund in order to meet those charges and/or to pursue that Shareholder for such charges.

In respect of a dividend declared and owing to a Shareholder that is unable to be paid for any reason whatsoever, such as, for example, if the relevant Shareholder has not provided the requisite information or documentation to the Company or the Administrator, such dividend amount will be held as an asset of the relevant Fund in cash in an umbrella fund cash account until such time as the reason for the Company or the Administrator being unable to pay the dividend amount to the relevant Shareholder has been addressed, at which point the Company or the Administrator shall pay the dividend amount to the Shareholder. In this regard, the relevant Shareholder should seek to promptly address the reason for the Company or the Administrator being unable to pay the dividend amount to the relevant Shareholder. In respect of such dividend amounts that are unable to be paid and until such time as such dividend amount has been paid to the Shareholder, in the event of the Company or the relevant Fund becoming insolvent, the Shareholder will rank as a general unsecured creditor of the Company or relevant Fund in respect of such a dividend amount.

In respect of a redemption request, the Company or the Administrator may refuse to remit the redemption proceeds until such time as the Shareholder has provided the requisite information or documentation to the Company or the Administrator, as requested by the Company or the Administrator from time to time. In such circumstances, the Administrator will process the redemption request received by the Shareholder, at which point in time the Shareholder will no longer be considered a Shareholder of the relevant Fund and the proceeds of that redemption shall be held as an asset of the relevant Fund in cash in an umbrella fund cash account until such time as the Company or the Administrator has received all requisite information or documentation and has verified the Shareholder's identity to its satisfaction, following which the redemption proceeds will be released. In this regard, the relevant Shareholder should seek to promptly address the reason for the Company or the Administrator being unable to pay the redemption proceeds to the relevant Shareholder. In respect of such redemption proceeds that are unable to be paid and until such time as the redemption proceeds have been released to the investor, in the event of the Company or the relevant Fund becoming insolvent, the investor will rank as a general unsecured creditor of the Company or relevant Fund in respect of such redemption proceeds.

VALUATION

Net Asset Value

The Net Asset Value of the Company and of each Fund or of each class of Shares, as the case may be, will be calculated by the Administrator at the relevant Valuation Point for each Valuation Date in accordance with the principles more fully described in the section headed "Valuation Principles" below.

The Net Asset Value of each Fund is, as at any Valuation Point, the aggregate value of the assets attributable to each Fund (including, without limitation, any unamortised expenses) less the aggregate liabilities attributable to each Fund (including, without limitation, its accrued expenses including any Performance Fee accrual and such amount in respect of contingent or projected expenses as the Directors consider fair and reasonable). The Net Asset Value per Share in each Fund will be calculated by dividing the Net Asset Value of such Fund by the number of Shares in issue in respect of that Fund.

Where a Fund is made up of more than one class of Shares, the Net Asset Value of each class of Shares will be calculated by determining that part of the Net Asset Value of each Fund attributable to each such class of Shares and dividing this value by the number of Shares of that class in issue to the nearest

four decimal places to give the Net Asset Value per Share. Any increase or decrease in the Net Asset Value of each Fund will be allocated between the Share classes based on their pro rata Net Asset Values. The Net Asset Value of Share classes denominated in currencies other than the base currency of a Fund will be calculated using the relevant exchange rate prevailing at the relevant Valuation Point.

Where classes of Shares denominated in different currencies are created within the Fund and currency hedging transactions are entered into in order to hedge any relevant currency exposure, such transactions will be clearly attributable to a specific Share class and any costs and gains/losses of the hedging transactions will accrue solely to the relevant class of Shares. Furthermore, no currency Share class may be leveraged as a result of using such currency hedging transactions. Any currency hedging will be limited to 100% of the Net Asset Value attributable to each class of Shares. The costs and gains/losses of the hedging transactions will accrue solely to the relevant class of Shares. This strategy may substantially limit Shareholders of the class of Shares from benefiting if the class currency falls against the base currency and/or the currency in which the assets of a Fund are denominated.

The Net Asset Value per Share will increase or decrease in accordance with profits earned or losses incurred by the Company.

Allocation of Assets and Liabilities

The Articles of Association require the Directors to establish separate Funds in the following manner:

- (a) the proceeds from the issue of each Share shall be applied in the books and records of a Fund established for that Share, and the assets less the liabilities plus income less expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles of Association;
- (b) where any asset is derived from another asset (whether cash or otherwise), the derived asset shall be applied to the same Fund as the assets from which it was derived and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund;
- (c) in the case of any asset which the Directors do not consider as attributable to a particular Fund, the Directors shall have discretion, subject to the approval of the Depositary, to determine the basis upon which any such asset shall be allocated between Funds and the Directors shall have the power at any time, subject to the approval of the Depositary, to vary such basis provided that the approval of the Depositary shall not be required in any such case where the asset is allocated between all Funds pro rata to their net asset values at the time when the allocation is made; and
- (d) the Directors shall have the discretion, subject to the approval of the Depositary, to determine the basis upon which any liability (which, without limitation, may include all operating expenses of the Company such as stamp duties, taxes, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors and legal advisers, the costs of printing and distributing reports, accounts and any Prospectus, publishing prices and any relevant registration fees, etc.) shall be allocated between Funds (including conditions as to the subsequent re-allocation thereof if circumstances so permit) and shall have the power at any time and from time to time to vary such basis, provided that the approval of the Depositary shall not be required in any such case where a liability is allocated between the Funds pro rata to their Net Asset Values.

Valuation Principles

The Net Asset Value for each class of Shares shall be determined separately by reference to the Fund appertaining to that class of Shares and to each such determination the following provisions shall apply:-

- (1) The Net Asset Value of each Fund shall be determined and shall be equal to the value as at the relevant Valuation Point of all the assets, less all the liabilities, of that Fund.
- (2) The assets of a Fund shall be deemed to include:-

- (a) all cash in hand, on loan or on deposit, or on call including any interest accrued thereon;
 - (b) all bills, demand notes, promissory notes and accounts receivable;
 - (c) all bonds, certificates of deposit, shares, stock, units in collective investment schemes, debentures, debentures stock, subscription rights, warrants, options and other investments and securities owned and contracted for, (other than rights and securities issued by it);
 - (d) all stock and cash dividends and cash distributions which the Directors consider will be received by the Company in respect of a Fund but which have not yet been received by it but have been declared payable to stockholders of record on a date before the day as of which the assets are being valued;
 - (e) all interest accrued on any interest-bearing securities forming part of a Fund; and
 - (f) all prepaid expenses including dividends receivable by the Company relating to that Fund and a proportion of any prepaid expenses relating to the Company generally, such prepaid expenses to be valued and defined from time to time by the Directors.
- (3) Any expense or liability of the Company may be amortised over such period as the Directors (with the approval of the Auditors) may determine (and the Directors may at any time and from time to time determine with the approval of the Auditors to lengthen or shorten any such period), and the unamortised amount thereof at any time shall also be deemed to be an asset of the Company.
- (4) Assets shall be valued as follows:-
- (a) deposits shall be valued at their principal amount plus accrued interest from the date on which the same was acquired or made;
 - (b) investments or assets listed, quoted or dealt in on a Recognised Market, save as otherwise herein provided, shall be valued at the Valuation Point in each case being the latest mid-market price (being the average of the bid and offer prices) on the Recognised Market on which these assets are traded or admitted for trading (being the Recognised Market which is the sole or in the opinion of the Directors the principal Recognised Market on which the investment in question is listed, quoted or dealt in). If, in the sole opinion of the Directors, the dealing price (which will be the latest mid-market price) for the assets, calculated as at the Valuation Point is not representative of the value of the assets, the value will be the probable realisation value, estimated with care and in good faith by such competent person as may be appointed by the Directors and approved for the purpose by the Depositary;
 - (c) exchange traded futures and options contracts (including index futures) shall be valued at the settlement price as determined by the market in question. If such market price is not available, the value shall be the probable realisation value estimated by an independent party appointed by the Directors and approved for the purpose by the Depositary. Off-exchange derivative contracts shall be valued by the counterparty on a daily basis. The valuation must be approved or verified weekly by a third party who is independent of the counterparty and who is appointed by the Directors and approved for the purpose by the Depositary. Forward exchange contracts shall be valued by reference to the price at which a new forward contract of the same size and maturity could be undertaken. As foreign exchange hedging may be utilised for the benefit of a particular type of Share within a Fund, its costs and related liabilities and/or benefits shall be for the account of that Share type only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share for Shares of any such type;
 - (d) securities quoted, listed or normally dealt in on more than one market, the Directors or their delegate shall adopt as the value thereof the relevant price on the market which, in their opinion, provides the principal market for such securities;

- (e) at any time when dealing prices are not available in respect of assets listed, quoted or dealt in on a Recognised Market in each case on the Recognised Market on which these assets are traded or admitted for trading (being the Recognised Market which is the sole or in the opinion of the Directors or their delegate the principal Recognised Market on which the investment in question is listed, quoted or dealt in), the value of the assets will be the probable realisation value estimated with care and in good faith by such competent person as may be appointed by the Directors and approved for the purpose by the Depositary;
 - (f) any investments or assets not listed, quoted or dealt in on a Recognised Market shall be valued at the probable realisation value as determined with care and in good faith by such competent persons as may be appointed by the Directors and approved for the purpose by the Depositary;
 - (g) securities listed or traded on a Recognised Market but acquired or traded at a premium or at a discount outside or off the relevant market may be valued, taking into account the level of premium or discount at the date of the valuation. The Depositary must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security;
 - (h) cash shall be valued at face value (together with accrued interest to the relevant Valuation Date) unless, in the opinion of the Directors, any adjustment should be made to reflect the value thereof in the context of currency, marketability, dealing costs and/or such other considerations as are deemed relevant;
 - (i) the value of units or shares or other similar participation in any Collective Investment Scheme shall be valued at the latest mid-market price or, if unavailable, the last available Net Asset Value as published by the Collective Investment Scheme; and
 - (j) notwithstanding the foregoing, the Directors may permit some other method of valuation to be used for any particular asset if they consider that such valuation better reflects the fair value of that asset, such other method to be approved by the Depositary and the rational/methodologies used are clearly documented.
- (5) Currencies or values in currencies other than in the currency of designation of a particular Fund shall unless the Directors determine otherwise be converted or translated at the rate which the Investment Manager after consulting with, or in accordance with, the method approved by the Depositary may consider appropriate having regard (*inter alia*) to any premium or discount which may be relevant and to costs of exchange into the currency of designation of that Fund.
- (6) For the purpose of valuing the Company's assets as aforesaid the Directors may rely upon the opinions of any person(s) who appear to them to be competent to value assets by reason of any appropriate professional qualification or of experience of any relevant market.
- (7) The liabilities of a Fund shall be deemed to include all liabilities (including charges incurred on the acquisition and realisation of investments) and such operating expenses (that the Directors consider to be attributable to a particular Fund, and such amount as the Directors determine to provide in respect of contingent liabilities) of whatsoever kind and nature except liabilities represented by Shares in the Company. In determining the amount of such liabilities the Directors may calculate any liabilities on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any such period. Where the Directors have created different classes of Shares within a Fund and have determined that each class will incur different levels of fees (the details of which shall be set out in the applicable Supplement for that Fund), the Administrator shall adjust the Net Asset Value per class in order to reflect such different levels of fees payable in respect of each class.
- (8) The Net Asset Value of each Fund may be certified by a Director of the Company or by any other person authorised to give such certificate by the Directors and any such certificate shall be binding and conclusive as to the Net Asset Value of such Fund in the absence of manifest error.

- (9) Any increase or decrease in the Net Asset Value of each Fund is attributed to the different classes of Shares within each Fund based on their respective pro-rata closing Net Asset Values. The Net Asset Value attributed to each class is then divided by the number of Shares of the relevant class in issue to give the Net Asset Value per Share of each class of Share of that Fund.

In calculating the Net Asset Value, the Administrator will not be responsible for the accuracy of financial data, opinions or advice furnished to it by the Investment Manager or its delegates, the Company, the Company's agents and delegates including an external valuer, market makers and/or independent third party pricing services. The Administrator may accept, use and rely on prices provided to it by the Company or its delegates or other agreed independent third party pricing services for the purposes of determining the Net Asset Value and is not liable to the Company, the Depositary, an external valuer, any Shareholder or any other person in so doing by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the Company, its delegates, an external valuer or other independent third party pricing services or its delegates that the Administrator is directed to use by the Company or an external valuer in accordance with the Company's valuation policy. The Administrator has not been retained to act as the Company's external valuer or independent valuation agent.

Suspension of Valuation

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of the Company or any Fund during:-

- (a) any period when any of the principal markets or stock exchanges on which a substantial part of the investments of the relevant Fund are quoted is closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended;
- (b) 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 part of the investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders in the relevant Fund or if, in the opinion of the Directors, the Net Asset Value of the relevant Fund cannot be fairly calculated; or
- (c) any breakdown in the means of communication normally employed in determining the value of the investments of the relevant Fund or when for any reason the current prices on any market of a substantial part of the investments of the relevant Fund cannot be promptly and accurately ascertained.

Any such suspension will be notified to the Central Bank (for each class of Shares) immediately and, where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Publication of the Net Asset Value

The Net Asset Value per Share of each Fund as calculated for each Valuation Point will be published daily on the Investment Manager's website www.merrion-capital.com and such other media as the Directors may from time to time determine. The Net Asset Value per Share will be available from the Administrator. Such information is published for information only; it is not an invitation to subscribe for, redeem or convert Shares at that Net Asset Value.

FEES AND EXPENSES

Investment Management and Distribution Fees

Under the provisions of the Investment Management Agreement and the Distribution Agreement, the Company will pay the Investment Manager and the Distributor such fees as set out in the relevant Supplement.

The fees will accrue daily and will be payable monthly in arrears (and pro rata for lesser periods). The Company will pay all out-of-pocket expenses incurred by the Investment Manager and the Distributor (including VAT thereon). Such out-of-pocket expenses may include transaction charges provided that they are charged at normal commercial rates and incurred by the Investment Manager and the Distributor in the performance of their duties under the Investment Management Agreement and the Distribution Agreement.

Depositary and Administration Fees

Under the provisions of the Depositary Agreement, each Fund or class of Shares will pay the Depositary a fee in respect of its duties as Depositary of that Fund or class of Shares. Such custodial fees will accrue on each Valuation Date and will be payable monthly in arrears. The Depositary will also be entitled to the payment of certain charges (at normal commercial rates) based on transactions undertaken by the Fund. The Depositary will also be entitled to be reimbursed for reasonable out-of-pocket expenses properly incurred by it including telephone and fax charges, stamp duties and registration fees. The Company will also reimburse the Depositary for all custody fees and handling charges of any sub-depositary charged at normal commercial rates.

Under the provisions of the Administration Agreement, each Fund or class of Shares will pay the Administrator a fee in respect of its duties as Administrator of that Fund or class of Shares. Such administration fees will accrue on each Valuation Date and will be payable monthly in arrears. The Administrator will also be entitled to the payment of fees for acting as Registrar and Transfer Agent and transaction charges (which are charged at normal commercial rates), which are based on transactions undertaken by the Fund, the number of subscriptions, redemptions, exchanges and transfer of Shares processed by the Administrator and time spent on company shareholder servicing duties and to the reimbursement of operating expenses. The Administrator will also be entitled to be repaid for all its out-of-pocket expenses incurred on behalf of a Fund, which will include reasonable legal fees, courier fees, telecommunications and expenses.

Pursuant to the Administration Agreement and the Depositary Agreement, the Company will pay the Administrator and Depositary an aggregate fee of up to 0.30% per annum of the Net Asset Value of the relevant Fund unless otherwise disclosed in any relevant Supplement.

Directors' Remuneration

The Directors shall be entitled to a fee in remuneration for their services at a rate to be determined from time to time by the Directors, but so that the aggregate amount of Directors' remuneration in any one year shall not exceed €75,000. The Directors may also be paid all travelling, hotel and other expenses, properly incurred by them, in attending and returning from meetings of the Directors or general meetings of the Company or in connection with the business of the Company. The Directors may in addition to such remuneration as aforesaid grant special remuneration to any Director who, being called upon, shall perform any special or extra services to or at the request of the Company and such remuneration will be at normal commercial rates.

Establishment Expenses

The fees and expenses incurred in connection with the establishment of the Company were amortised on a straight-line basis in the accounts of the Company over the first 60 months of the Company's operations or such shorter period as the Directors may determine. While this is not in accordance with applicable accounting standards generally accepted in Ireland and the UK and may result in the audit opinion on the annual report being qualified in this regard, the Directors believe that such amortisation is fair and equitable to investors. Details of the establishment expenses relating to Funds created in the future, if any, will be set out in the applicable Supplement.

Other Expenses

The Company will also pay the following costs and expenses:-

- (i) all out-of-pocket expenses payable to the Investment Manager, the Administrator and the Depositary (including VAT thereon). Such out-of-pocket expenses may include transaction charges provided that they are charged at normal commercial rates. Any expenses incurred in relation to a particular Fund will be applied to that Fund. Expenses incurred in relation to more than one Fund will be applied pro-rata across the relevant Funds;
- (ii) all stamp duty (other than any payable by an applicant for Shares or by a Shareholder) or other tax or duty which may be levied or payable from time to time on or in respect of the Company or on creation or issue of Shares or arising in any other circumstance;
- (iii) all fiscal and purchase or fiscal and sale charges arising on any acquisition or disposal of investments;
- (iv) all expenses incurred in relation to the registration of any investments into and transfer of any investments out of the name of the Company or its nominees or the holding of any investment or the custody of investments and/or any Prospectus or title thereto (including bank charges, insurance of documents of title against loss in shipment, transit or otherwise);
- (v) all expenses incurred in the collection of income of the Company;
- (vi) all costs and expenses of and incidental to preparing resolutions of Shareholders for the purpose of securing that the Company conforms to legislation coming into force after the date of the incorporation of the Company (including costs and expenses incurred in the holding of a meeting of Shareholders, where necessary);
- (vii) all taxation payable in respect of the holding of or dealings with or income from the Company relating to the Company's property and in respect of allocation and distribution of income to Shareholders other than tax of Shareholders or tax withheld on account of Shareholders' tax liability;
- (viii) all commissions, stamp duty, value added tax and other costs and expenses of or incidental to any acquisition, holding, realisation or other dealing in investments, foreign exchange options, financial futures, contracts for differences or any other derivative instruments or the provision of cover or margin therefore or in respect thereof or in connection therewith;
- (ix) all stationery, printing and postage costs in connection with the preparation and distribution of cheques, warrants, tax certificates, statements, accounts and reports made, issued or despatched pursuant to the Articles of Association;
- (x) the fees and expenses of the auditors, tax and legal advisers, translators and other professional advisers of the Company;
- (xi) all fees and expenses in connection with the marketing and advertising of the Company;
- (xii) any fees payable by the Company to any regulatory authority in any other country or territory, the costs and expenses (including legal, accountancy and other professional charges and printing costs) incurred in meeting on a continuing basis the notification, registration and other requirements of each such regulatory authority, and any fees and expenses of representatives or facilities agents in any such other country or territory;
- (xii) all fees and costs relating to the listing or de-listing of Shares in the Company on any stock exchange;
- (xiii) all fees and costs relating to a scheme of reconstruction and amalgamation (to the extent it has not been agreed that such expenses should be borne by other parties) under which the Company acquires investments;
- (xiv) all other costs and expenses incurred by the Company and any of its appointees which are permitted by the Articles of Association; and

(xv) fees in respect of company secretarial services.

The foregoing expenses will be properly vouched for or, if not vouched for, shall be charged to the Company at normal commercial rates.

TAXATION

The taxation of income and capital gains of the Company and of the Shareholders is subject to the fiscal laws and practices of Ireland, of the countries in which the Company invests and of the jurisdictions in which Shareholders are resident or otherwise subject to tax.

The following summary of certain relevant taxation provisions is based on current law and practice and does not constitute legal or tax advice. It does not purport to deal with all the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. Shareholders and potential investors are advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in light of their particular circumstances.

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

EACH POTENTIAL INVESTOR SHOULD CONSULT WITH AND MUST RELY UPON HIS OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF INVESTING IN THE COMPANY. THIS DISCUSSION IS PROVIDED ONLY TO ASSIST THE POTENTIAL INVESTOR IN EVALUATING THE EXPECTED TAX CONSEQUENCES AND LIABILITIES RELATED TO AN INVESTMENT IN THE COMPANY. A COMPLETE DISCUSSION OF ALL TAX ASPECTS OF AN INVESTMENT IN THE COMPANY IS BEYOND THE SCOPE OF THIS PROSPECTUS. NO REPRESENTATIONS ARE MADE REGARDING THE PARTICULAR TAX CONSEQUENCES OR LIABILITIES RELATED TO AN INVESTMENT IN THE COMPANY BY ANY PROSPECTIVE INVESTOR. MOREOVER, THIS DISCUSSION IS NOT INTENDED TO PROVIDE TAX OR OTHER LEGAL ADVICE TO ANY POTENTIAL INVESTOR.

Ireland

Taxation Outside of Ireland

Dividends and interest and capital gains on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not benefit from a reduction in the rate of withholding tax by virtue of the double taxation agreements in operation between Ireland and other countries. Consequently, the Company may not be able to reclaim withholding tax suffered by it in particular countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company, the Net Asset Value will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

Taxation in Ireland

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

As an investment undertaking within the meaning of section 739B (1) of the Taxes Act, the Company is exempt from Irish tax on its income and gains. However, tax can arise on the happening of a chargeable event.

A chargeable event includes any distribution payments to a Shareholder or any encashment, repurchase, redemption, cancellation or transfer of Shares (including the appropriation or cancellation of Shares for the purpose of discharging the tax arising on certain chargeable events that do not involve the making of a payment to a Shareholder) and the ending of a Relevant Period. The tax arising will be deducted at the time of the chargeable event. However, a chargeable event does not include:

- (a) any transaction in relation to Shares held in a Recognised Clearing System; or
- (b) a transfer by a Shareholder of the entitlement to Shares where the transfer is between spouses or civil partners and former spouses or civil partners, subject to certain conditions; the

transferee spouse or civil partner is treated as having acquired the Shares at their original cost to the transferring spouse or civil partner; or

- (c) an exchange, effected by way of an arm's length bargain, of Shares for Shares in another class; or
- (d) the cancellation of Shares arising on a "scheme of reconstruction or amalgamation" (within the meaning of section 739H of the Taxes Act) or a "scheme of amalgamation" (within the meaning of Section 739HA of the Taxes Act), subject to certain conditions being fulfilled.

Where a chargeable event arises in respect of a particular Shareholder, the Company shall be entitled to repurchase and/or cancel Shares held by such Shareholder and to use the proceeds of such repurchase to pay the tax due on the chargeable event.

Exemption from Irish tax arising on chargeable events

The Company will be exempt from the obligation to account for tax on chargeable events in certain circumstances. These circumstances include:

1. a chargeable event in respect of a Shareholder who is:
 - (a) an Exempt Non-Resident Investor; or
 - (b) an Exempt Irish Residentat the time of the chargeable event.
2. the ending of a Relevant Period if:
 - (a) immediately before the ending of the Relevant Period, Shareholders who are described at 1(a) and 1(b) above, beneficially own Shares that represent more than 90% of the Net Asset Value of the Company; and
 - (b) the Company has made an election to the Revenue Commissioners, that it will make, within the specified time limit, in respect of each year of assessment, a statement in the prescribed format which specifies in respect of any Shareholder that is not exempt from Irish tax on the chargeable event:
 - (i) the name and address of the Shareholder;
 - (ii) the value, at the end of the year of assessment, of the Shares to which the Shareholder is beneficially entitled at that time; and
 - (iii) such other information as the Revenue Commissioners may require.

Where such an election is made, the Company is obliged to notify Shareholders who are not Shareholders described at 1(a) and 1(b) above, that it is not obliged to account for tax on the ending of a Relevant Period in accordance with the provisions outlined above at 2 above and accordingly those Shareholders are obliged to include details of gains arising, if any, in their tax return for the relevant year of assessment.

3. a chargeable event where the chargeable event occurs solely on account of an exchange of Shares arising on a scheme of amalgamation within the meaning of section 739D(8C) of the Taxes Act, subject to certain conditions being fulfilled;
4. a chargeable event where the chargeable event occurs solely on account of an exchange of Shares arising on a scheme of migration and amalgamation within the meaning of section 739D(8D) of the Taxes Act, subject to certain conditions being fulfilled; or
5. a chargeable event where the chargeable event occurs solely on account of a scheme of migration within the meaning of section 739D(8E) of the Taxes Act, subject to certain conditions being fulfilled.

Tax payable

Where none of the relieving provisions outlined above have application, the Company is liable to account for Irish income tax on gains arising on chargeable events as follows:

- (a) where the chargeable event relates to a Share held by a Shareholder that is a company and that company has made a declaration to the Company that it is a company and that declaration contains the Irish corporation tax reference number with respect to the company, at a rate of 25%; and
- (b) where (a) above does not apply, Irish tax is payable at the rate of 41%.

To the extent that any tax is paid on a chargeable event that occurs solely as a consequence of the ending of a Relevant Period such tax will be allowed as a credit or paid by the Company to the Shareholder on the happening of a subsequent chargeable event in accordance with the provisions of section 739E of the Taxes Act.

The relevant Shareholder shall indemnify the Company against any loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no appropriation, cancellation or deduction is made.

Taxation of Shareholders

For the purpose of determining the Irish tax liability of any Shareholder, payments made by the Company to a Shareholder who holds Shares which are held in a Recognised Clearing System will be deemed to be payments from which tax has not been deducted.

Taxable corporate Shareholder who is Resident in Ireland

The Irish tax position of a taxable corporate Shareholder will depend on whether the Shareholder is trading in the Shares or whether they are held as an investment:-

Shares held as stock in trade

A taxable corporate Shareholder whose Shares are held in connection with a trade or who is a Qualifying Company will be taxable on any income or gains arising in connection with the Shares as profits of that trade (currently at a rate of 12.5%) or as profits of its business as a Qualifying Company, as the case may be (currently at a rate of 25%), with a set-off against corporation tax payable for any tax deducted by the Company.

Shares held as an investment

The tax position of a taxable corporate Shareholder whose Shares are not held as part of a share dealing trade will depend on whether or not tax is withheld by the Company :-

Tax withheld by the Company

Taxable corporate Shareholders who receive distributions in respect of Shares from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the Taxes Act from which tax at the rate of 25% has been deducted.

Taxable corporate Shareholders who receive payments in respect of Shares from which tax has been deducted will not be subject to further Irish tax on the payments received. However, where the Shares are not denominated in euro, such Shareholders may also be liable to corporation tax on foreign currency gains upon the cancellation, redemption, repurchase or transfer of Shares.

Tax not withheld by the Company

Corporate Shareholders who receive payments in respect of Shares from which tax has not been deducted will be chargeable to tax under Case IV of Schedule D. Accordingly a 25% rate of corporation tax applies. However where the payment is in respect of the cancellation, redemption, repurchase or transfer of Shares, such payment shall be reduced by the amount of the consideration in

money or money's worth given by the Shareholder for the acquisition of the Shares. In addition, where the Shares are not denominated in euro, such Shareholders may also be liable to corporation tax on foreign currency gains upon the cancellation, redemption, repurchase or transfer of Shares.

Non-Corporate Shareholder who is Resident in Ireland or Ordinarily Resident in Ireland

The tax position of a non-corporate Shareholder will depend on whether tax is withheld by the Company:-

Tax withheld by the Company

In general, a non-corporate Shareholder who is Resident in Ireland or Ordinarily Resident in Ireland will not be subject to further Irish tax on income from the Shares or gains made on disposal of the Shares where tax has been deducted by the Company on payments made to it. However, where the Shares are not denominated in euro, such Shareholders may also be liable to capital gains tax on foreign currency gains upon the cancellation, redemption, repurchase or transfer of Shares.

Tax not withheld by the Company

Where a non-corporate Shareholder who is an Irish Resident receives a payment in respect of Shares from which tax has not been deducted, the payment in respect of Shares will be subject to tax at the rate of 41%. However, where the payment is in respect of the cancellation, redemption, repurchase or transfer of Shares, such taxable income shall be reduced by the amount of the consideration in money or money's worth given by the Shareholder for the acquisition of the Shares.

Where a currency gain is made by a Shareholder on a disposal of Shares, such Shareholders may be liable to capital gains tax in the years of assessment in which the Shares are disposed.

Exempt Irish Residents

The Company will not be obliged to deduct tax on the occasion of a chargeable event if a Shareholder is an Exempt Irish Resident and such Shareholder has made a Relevant Declaration to the Company where such declaration is required. In the absence of such a Relevant Declaration the Company will be obliged to deduct income tax at the rate of 25% or 41%, as outlined in the above section, on the happening of a chargeable event notwithstanding that a Shareholder is an Exempt Irish Resident.

Exempt Irish Residents will be exempt from any residual charge to Irish tax on income and gains from their Shares provided they are otherwise exempt from Irish tax under the provisions of the Taxes Act. Corporate Shareholders who are not exempt from Irish tax, will remain liable to Irish corporation tax in accordance with the statements above, notwithstanding that they may receive payments in respect of Shares from the Company free from withholding tax.

Investors not Resident in Ireland or Ordinarily Resident in Ireland

The Company will not be obliged to deduct tax on the occasion of a chargeable event if a Shareholder is an Exempt Non-Resident Investor.

Shareholders who are Exempt Non-Resident Investors are generally not subject to Irish tax on income from their Shares or gains made on the disposal of their Shares. However, if the Shares are held in connection with a trade or business carried on in Ireland by the Shareholder through a branch or agency any income may be within the charge to corporation tax and accordingly where the Shares are not denominated in Euro, such Shareholders may also be liable to corporation tax on foreign currency gains upon the cancellation, redemption, repurchase or transfer of the Shares.

Refunds of Tax Withheld

Where tax is withheld by the Company on the basis that a Relevant Declaration has not been filed with the Company by the Shareholder, Irish legislation does not provide for a refund of tax other than in the following circumstances:

- (a) the appropriate tax has been correctly returned by the Company and within one year of the making of the return the Company can prove to the satisfaction of the Revenue

Commissioners that it is just and reasonable for such tax which has been paid to be repaid to the Company; or

- (b) the Shareholder is entitled to claim exemption from income tax pursuant to section 189, 189A or 192 of the Taxes Act (relieving provisions relating to incapacitated persons, trusts in relation thereto and persons incapacitated as a result of drugs containing thalidomide). In such circumstances, the Shareholder is treated as having received a net amount of income from the gross amount of which tax has been deducted, and that gross amount is treated as an amount of income chargeable to tax under Case III of Schedule D.
- (c) Where Irish Resident Shareholders (other than Exempt Irish Residents) hold less than 15% of the Company (calculated by value of Shares) immediately before a chargeable event that occurs as a consequence of the ending of a Relevant Period and (i) a refund of tax arises (e.g. due to a subsequent loss on an actual disposal), (ii) the Company has made an appropriate election in accordance with Section 739E(1A)(b)(ii)(II) of the TCA and (iii) the Company has advised the relevant Shareholder accordingly in this regard, then, in such circumstances, the relevant Shareholder(s) must (if they wish to receive a refund of tax), seek to be refunded the amount of excess of the first tax over the “**second tax**” directly from the Revenue Shareholder).

Dividend withholding tax

Payments of distributions by the Company are not subject to dividend withholding tax provided that the Company continues to be a collective investment undertaking as defined in section 172A(1) of the Taxes Act (which definition includes an investment undertaking within the meaning of section 739B of the Taxes Act).

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, where the Company makes an appropriate declaration pursuant to paragraph 6, Schedule 2A of the Taxes Act, it will be entitled to receive such dividends without deduction of tax.

Stamp Duty

No stamp duty or other tax is payable in Ireland by the Company on the issue, subscription, holding, switching, redemption, cancellation, sale, or transfer of Shares. Where any subscription for, or redemption of Shares is satisfied by the in specie transfer of Irish securities or other Irish property, Irish stamp duty may arise on the transfer of such securities or property.

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

Capital Acquisitions Tax

The disposal of Shares by a Shareholder does not give rise to a liability for capital acquisitions tax provided that (i) at the date of the gift or inheritance, the donee or successor is neither domiciled in Ireland nor an Irish Resident and (ii) at the date of the disposition, the Shareholder disposing of the Shares is neither domiciled in Ireland nor an Irish Resident; and (iii) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the date of valuation.

For the purpose of Irish capital acquisitions tax only, a non-Irish domiciled person will not be treated as Resident in Ireland or Ordinarily Resident in Ireland except where that person has been resident in Ireland for 5 consecutive years of assessment immediately preceding the year of assessment in which the date of the gift or inheritance falls.

Shareholder Reporting

The Company is required to provide certain information in relation to certain Shareholders other than "excepted Shareholders" within the meaning of the relevant Regulations ("**Excepted Shareholders**") to the Revenue Commissioners in accordance with Section 891C of the Taxes Act and the Return of Values (Investment Undertakings) Regulations 2013. Exempt Irish Residents and Exempt Non-Resident Investors would be Excepted Shareholders for this purpose.

The information required includes:

- (a) the name, registered address, contact details and tax reference number of the Company;
- (b) the name, address, tax reference number and date of birth (if applicable) of Shareholders other than Excepted Shareholders; and
- (c) the investment number and the value of the investment held by Shareholders other than Excepted Shareholders.

Automatic Exchange of Information for Tax Purposes

Pursuant to the EU Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States were required to provide to the tax authorities of another Member State

details of payments of interest (or similar income which may include distributions by a company) paid by a person within its jurisdiction to an individual resident in that other Member State.

On 10 November 2015 the Council of the European Union adopted a Council Directive repealing the Savings Directive from 1 January 2017, in the case of Austria and from 1 January 2016, in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates).

This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU ("**DAC2**"). DAC2 provides for the implementation among EU member states (and certain third countries that have entered into information exchange agreements) of the automatic exchange of information in respect of various categories of income and capital and broadly encompasses the regime known as the Common Reporting Standard ("**CRS**") proposed by the OECD as a new global standard for the automatic exchange of information between tax authorities in participating jurisdictions. DAC2 is generally broader in scope than the Savings Directive, although it does not impose withholding taxes.

Under the CRS, governments of participating jurisdictions (currently more than 100 jurisdictions) are required to collect detailed information to be shared with other jurisdictions annually. A group of over 40 countries, including Ireland, have committed to the early adoption of the CRS from 1 January 2016 with the first data exchanges taking place in September 2017. All EU member states, except Austria, introduced the CRS from 1 January 2016. Austria will introduce CRS from 1 January 2017.

CRS is implemented in Ireland pursuant to the Returns of Certain Information by Reporting Financial Institutions Regulations 2015, S.I. 583 of 2015, made under Section 891F of the Taxes Act.

DAC2 is implemented in Ireland pursuant to the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations of 2015, S.I. No. 609 of 2015 made under Section 891G of the Taxes Act.

Pursuant to these Regulations, the Company is required to obtain and report to the Revenue Commissioners annually certain financial account and other information for all accountholders in respect of their Shares. The first returns must be submitted on or before 30 June 2017 with respect to the year ended 31 December 2016. The information will include amongst other things, details of the name, address, taxpayer identification number ("**TIN**"), place of residence and, in the case of accountholders who are individuals, the date and place of birth, together with details relating to payments made to accountholders and their holdings. This information may be shared with tax authorities in other EU member states (and in certain third countries subject to the terms of Information Exchange Agreements entered into with those countries) and jurisdictions which implement the CRS.

All Shareholders will be required to provide this information and documentation, if applicable, to the Company and each Shareholder will agree or will be deemed to agree by its subscription for Shares or, by its holding of Shares, to provide the requisite information and documentation, if applicable, to the Company, upon request by it or its service providers so that the Company can comply with its obligations under CRS.

FATCA Implementation in Ireland

The FATCA provisions of the US Hiring Incentives to Restore Employment Act were enacted to identify US persons either directly investing outside the US or indirectly earning income inside or outside the US by using foreign entities.

The obligations of Irish financial institutions under FATCA are covered by the provisions of the Ireland/US Intergovernmental Agreement ("**IGA**") (signed in December 2012), supporting Irish legislation/regulations including the Financial Accounts Reporting (United States of America) Regulations 2014 (as amended), and reporting rules and practices. Under the IGA, any Irish financial institutions as defined under the IGA will be required to report annually to the Revenue Commissioners details on its US account holders including the name, address and taxpayer identification number and certain other details. Such institutions were also required to amend their account on-boarding procedures in order to easily identify US new account holders and report this information to the Revenue Commissioners. The Company, in conjunction with assistance from its service providers

where necessary, will endeavour to ensure that it satisfies any obligations imposed on it under the IGA.

The Company's ability to satisfy its obligations under FATCA will depend on each Shareholder in the Company, providing the Company with any information, including information concerning the direct or indirect owners of such Shareholders, that the Company determines is necessary to satisfy such obligations. Each Shareholder will agree in its application form to provide such information upon request from the Manager. If the Company fails to satisfy its obligations under FATCA, it may, in certain circumstances, be treated as a Non-participating Financial Institution by the US Tax Authorities and therefore subject to a 30% withholding on its US source income and any proceeds from the sale of property that could give rise to US source income. Shareholders are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on their interest in the Company.

MATERIAL CONTRACTS

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

The Investment Management Agreement

The Company has appointed the Investment Manager under the terms of the Investment Management Agreement to provide investment management services to the Company.

The Investment Management Agreement provides, *inter alia*, that:-

- (i) the appointment of the Investment Manager shall continue and remain in force unless and until terminated upon (a) the Investment Manager ceasing to be permitted to act in its current capacity, (b) either party going into liquidation, (c) either party committing a material breach of the agreement or (d) following the appointment of a receiver or administrative receiver, *or* by either party giving to the other ninety days' notice in writing;
- (ii) The Investment Manager shall not be liable to the Company or any other party or otherwise for any loss caused to the Company or any other party by any error of judgement, by any reduction in the value of the Company or by any failure to increase that value or to secure any particular level of income therefrom unless such loss or losses arose from fraud, wilful default or negligence in the performance or non-performance of the Investment Manager's duties.

The Investment Manager shall indemnify and keep indemnified and hold harmless the Company (and each of their respective directors, officers, employees and agents) from and against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including legal fees and expenses) suffered or incurred by the Company arising directly or indirectly out of any failure by the Investment Manager to properly perform and fulfil its obligations hereunder provided that the Investment Manager shall not be liable for any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including legal fees and expenses) suffered or incurred by the Company arising directly or indirectly out of any error of judgement or oversight or mistake of the law on the part of the Investment Manager made or committed in good faith in the performance of its duties hereunder and the Investment Manager shall not in the absence of any negligence, bad faith, wilful default or fraud be responsible for any loss or damage which the Company may sustain or suffer as the result of or in the course of the discharge of its duties hereunder; and

- (iii) the Investment Manager is entitled to payment of fees for its services and reimbursement of expenses, as more fully described in the sections headed "Fees and Expenses - Investment Management and Distribution Fees" on page 28.

The Administration Agreement

The Company has appointed the Administrator under the terms of the Administration Agreement to carry on the general administration and accounting of the Company and to act as registrar and transfer agent to the Company.

The Administration Agreement provides, *inter alia*, that:

- (i) the appointment of the Administrator will continue in full force and effect until terminated immediately upon (a) the winding-up of or appointment of an administrator, examiner or receiver to either party, (b) either party committing a material breach of the Administration Agreement that is not remedied, if capable of remedy, within 30 days, (c) the continued performance of the Administration Agreement ceasing to be lawful or (d) the authorisation of the Company being revoked by the Central Bank, *or* by either party giving to the other not less than 90 days' written notice;
- (ii) the Company will hold harmless and indemnify the Administrator against all actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred directly by the Administrator by reason of its performance or non-performance of its

obligations and duties under the terms of the Administration Agreement (other than due to the Administrator's fraud, wilful default or negligence); and

- (iii) the Administrator is entitled to payment of fees for its services and reimbursement of expenses, as more fully described in the section headed "Fees and Expenses – Depository and Administration Fees" on page 28.

The Depository Agreement

The Company has appointed the Depository under the terms of the Depository Agreement to act as Depository of the Company's assets.

The Depository Agreement provides, *inter alia*, that:

- (i) the appointment of the Depository will continue in full force and effect until terminated immediately upon (a) the winding-up of or appointment of an administrator, examiner or receiver to either party, (b) either party committing a material breach of the Depository Agreement that is not remedied, if capable of remedy, within 30 days or (c) the continued performance of the Depository Agreement ceasing to be lawful, *or* by either party giving to the other not less than 120 days' written notice;
- (ii) the Depository shall be liable (i) in respect of a loss of a financial instrument held in its custody (or that of its duly appointed delegate) unless it can prove that the loss has arisen as a result of an external event beyond the Depository's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary, and (ii) in respect of all other losses as a result of the Depository's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations.
- (iii) the Company will hold harmless and indemnify, out of the assets of the relevant Fund, the Depository from and against any and all third party actions, proceedings, claims, costs, demands and expenses which may be brought against, suffered or incurred by the Depository by reason of its performance or non-performance of its obligations or duties under the terms of the Depository Agreement other than in circumstances where the Depository will be liable to the Company and the Shareholders for any loss suffered as set out in (ii) above; and
- (iv) the Depository is entitled to payment of fees for its services and reimbursement of expenses, as more fully described in the section headed "Fees and Expenses - Depository and Administration Fees" on page 28.

The Distribution Agreement

The Company has appointed the Distributor, as distributor of the Shares under the terms of the Distribution Agreement dated 12 October 2006.

The Distribution Agreement provides, *inter alia*, that:-

- (i) the appointment of the Distributor shall continue and remain in force unless and until terminated by either party; (a) going into liquidation; (b) committing a material breach of its obligations under the agreement; (c) becoming technically insolvent; or (d) by either party giving to the other ninety days' notice in writing;
- (ii) each party to the Distribution Agreement shall keep the other indemnified from and against all actions, proceedings, claims, losses, damages, liabilities, fees and expenses which may be suffered or incurred, whether directly or indirectly, by the other party under the Distribution Agreement except to the extent arising from wilful default, fraud or negligence by such other party; and
 - (i) the Distributor is entitled to payment of fees for its services and reimbursement of expenses, as more fully described in the section headed "Fees and Expenses – Investment Management and Distribution Fees" on page 28.

GENERAL INFORMATION

Share Capital

The Company was incorporated in Ireland as a public limited company on 28 September 2006 with registered number 427248 under the Act. It has an authorised capital of 100,000,300,000 divided into 100,000,000,000 Participating Shares of no par value and 300,000 Subscriber Shares of €1.00 each. As only Participating Shares can represent an interest in a Fund, the Subscriber Shares have no entitlement or interest in such a Fund. At the date of this Prospectus, the issued share capital of the Company is 2 Subscriber Shares issued for the purpose of the incorporation and authorisation of the Company.

Memorandum and Articles of Association

Clause (3) of the Memorandum and Articles of Association provides, *inter alia*, that the sole object of the Company is the collective investment in transferable securities and/or in other liquid financial assets as permitted by the Regulations of capital raised from the public, operating on the principle of risk spreading.

The Articles of Association contain provisions to the following effect:-

(a) *Issue of Shares*

The Directors are authorised to exercise all the powers of the Company to offer, allot or otherwise deal with or dispose of relevant securities within the meaning of the Act up to an amount equal to the authorised but as yet unissued share capital of the Company.

The price at which Shares shall be issued shall be determined by reference to the Net Asset Value of the relevant Fund calculated as at the relevant Valuation Point.

The Directors may, with the prior approval of the Central Bank, establish new Funds. The Directors have the power to issue different classes of Shares in each Fund.

(b) *Rights of Subscriber Shares*

As the Subscriber Shares are not Participating Shares (and as such do not represent any interest in a Fund) they do not entitle the holders thereof to participate in the dividends of any Fund.

Each holder of Subscriber Shares is entitled to attend and vote at any general meeting provided that any holder of Subscriber Shares shall not be entitled to vote at any such general meeting at any time that Shares in issue are held by two or more Shareholders. In the event of a winding-up or dissolution of the Company, the Subscriber Shares have the entitlements referred to under "Winding Up" below.

(c) *Variation of Rights*

The rights attached to any class of Share may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of 75 per cent. 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 that class. The provisions of the Articles of Association relating to general meetings shall apply to every such separate general meeting but the necessary quorum at any such meeting shall be two persons holding or representing by proxy at least one third of the issued Shares of the class in question. Any holder of Shares of the class in question present in person or by proxy may demand a poll.

(d) *Voting Rights of Shares*

Subject to disenfranchisement in the event of non-compliance with any notice requiring disclosure of the beneficial ownership of Shares, the Articles of Association provide that on a show of hands at a general meeting of the Company, at a meeting of holders of Shares in a particular Fund or at a meeting of holders of Shares of a particular class, every holder of Shares present in person or by proxy shall have one vote and on a poll every holder of Shares who is present in person or by proxy shall have one vote in respect of each whole Share held by him.

(e) *Change in Share Capital*

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

(f) *Directors' Interests*

A Director may hold any other office or place of profit under the Company in conjunction with his office of Director on such terms as to tenure of office, and otherwise as the Directors may determine.

No Director or intending Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company or in which the Company is interested, in which any Director is in any way interested be liable to 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. A Director who is in any way, whether directly or indirectly, interested in such a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest if his interest then exists, or in any other case at the first meeting of the Directors after he becomes so interested. A general notice given by a Director to the effect that he is a member of a specified company, society or firm and is to be regarded as interested in all transactions with such company, society or firm shall be a sufficient declaration of interest, and after such general notice it shall not be necessary to give any special notice relating to any subsequent transaction with such company or firm, provided that either the notice is given at a meeting of the Directors or the Director giving the notice takes reasonable steps to secure that it is brought up and read at the next meeting of the Directors after it is given.

Any Director may act by himself or through his firm in a professional capacity for the Company, and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

Any Director may continue to be or become a director, managing director, manager or other officer or member of any company promoted by the Company or in which the Company may be interested, and no such Director shall be accountable for any remuneration or other benefits received by him as a director, managing director, manager, or other officer or member of any such other company. The Directors may exercise the voting power conferred by the shares in any other company held or owned by the Company or exercisable by them as directors of such other company, in such manner in all respects as they think fit (including the exercise thereof in favour of any resolution appointing themselves or any of the directors, managing directors, managers or other officers of such company, or voting or providing for the payment of remuneration to directors, managing directors, managers or other officers of such company).

(g) *Borrowing Powers*

Subject to the Regulations and the Central Bank UCITS Regulations, the Directors may exercise all of the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and assets both present and future and uncalled capital or any part thereof, and to issue debentures, debenture stock or other securities, whether outright or as collateral security for any debt liability or obligation of the Company.

(h) *Retirement of Directors*

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

(i) *Transfer of Shares*

All transfers of Shares shall be effected by transfer in writing in any usual or common form or in any other form approved by the Directors but need not be under seal.

The Directors may decline to register any transfer of Shares in respect of which the Company has a lien or where the transfer would be in breach of the law or requirements mentioned in the Prospectus or the applicable Supplement. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine provided always that such registration shall not be suspended for more than 30 days in any year.

The Directors may decline to recognise any transfer of Shares unless the instrument of transfer is deposited at the Company's registered office or such other place as the Directors may reasonably require and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, and the instrument of transfer relates to Shares of one class only.

(j) *Dividends*

The Articles of Association permit the Directors to declare on the Shares or on any class of Shares such dividends, including interim dividends, as appear to the Directors to be justified. The Directors may, with the sanction of the Company in a general meeting, satisfy any dividend due to holders of the Shares, in whole or in part, by distributing to them in specie any of the assets of the Company and, in particular, any investments to which the Company is entitled provided that, where the share capital is divided into different classes of Shares, any such distributions to the holders of one class of Shares shall not materially prejudice the interests of the holders of the other classes of Shares. Alternatively, if a holder does not wish to receive a dividend by way of in specie distribution, it may require the Directors to realise such investments necessary in order to effect the relevant distribution.

Any dividend unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund.

(k) *Redemption of Shares*

If it shall come to the notice of the Directors that any Shares are owned directly or beneficially by any person 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 who belongs, or may belong to, or is comprised in, or may be comprised in, a class of persons designated by the Directors as above, the Directors may give notice to such person requiring him to transfer such Shares to a person who is qualified or entitled to own the same or to give a request in writing for the redemption of such Shares in accordance with paragraph (i) above. If any person upon whom such a notice is served does not within 30 days after such notice transfer his Shares to a person qualified to own the same or establish to the satisfaction of the Directors (whose judgement shall be final and binding) that he is qualified, entitled and permitted to own the Shares, he shall be deemed upon the expiration of 30 days to have given a request in writing for the redemption of all his Shares.

(l) *Winding Up*

The Articles contain provisions to the following effect:-

- (i) If the Company shall be wound up, the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims. The liquidator shall in relation to the assets available for distribution among the members make in the books of the Company such transfers thereof to and from Funds as may be necessary in order that the effective burden of such creditors' claims may be shared between the holders of Shares of different classes in such proportions as the liquidator in his absolute discretion may think equitable.
- (ii) The assets available for distribution among the Shareholders shall then be applied in the following priority:-
 - (a) first, in the payment to the holders of the Shares of each class of a sum in the currency in which that class is designated (or in any other currency selected by the

liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such class held by such holders respectively as at the date of commencement to wind up, provided that there are sufficient assets available in the relevant Fund to enable such payments to be made. In the event that, as regards any class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made, recourse shall be had:-

- first, to the assets of the Company not comprised within any of the Funds; and
 - second, to the assets remaining in the Funds for the other classes of Shares (after payment to the holders of the Shares of the classes to which they relate of the amounts to which they are respectively entitled under this paragraph (a)) pro rata to the total value of such assets remaining within each such Fund;
- (b) second, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any of the Funds remaining after any recourse thereto under paragraph (ii)(a) above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;
- (c) third, in the payment to the holders of each class of Shares of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Shares of that class held; and
- (d) fourth, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the number of Shares held.
- (iii) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court), then the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the members *in specie* the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the holders of different classes of Shares. The value of such assets will be the same amount that would be received by a member for settlement in cash. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders 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 liability. For the avoidance of doubt, if the special resolution above is passed, each member is entitled to elect on a winding-up whether or not he wishes to receive a distribution in specie or a cash distribution made in accordance with the provisions of paragraph (ii) above. However, in the absence of a member electing to receive a distribution in specie on winding-up, such member shall receive a cash distribution payment in accordance with the provisions of paragraph (ii) above.

Reports

The financial year-end of the Company is 30 September in each year. The annual report of the Company, incorporating audited financial statements in respect of each Fund, will be published within four months of the financial year end to which it relates. The first such year-end of the Company will be 30 September 2007. The financial statements of the Company will be maintained in Euro.

Unaudited interim financial reports for the Company will be made up to 31 March each year and will be published within two months of the date on which such report is made up. The first interim report will be made up to 31 March 2007.

The annual and interim financial reports will be sent to all Shareholders and to the Central Bank upon publication.

Inspection of Documents

Copies of the following documents are available for inspection and may be obtained, during normal business hours at the registered office of the Company:-

- (i) this Prospectus (and any Supplement attached thereto);
- (ii) the Memorandum and Articles of Association of the Company and any instrument amending the aforesaid document;
- (iii) the Simplified Prospectus;
- (iv) the most recently published annual or interim report;
- (v) the material contracts of the Company;
- (vi) the Regulations;
- (vii) the Central Bank UCITS Regulations; and
- (viii) a memorandum for each of the Directors detailing the names of all the companies and partnerships of which they have been a director or partner at any time in the last five years, together with an indication of whether or not they are still a director or partner.

Copies of the documents listed in (i) to (iv) above are available free of charge at the registered office of the Company.

Data Protection Information

Prospective investors/investors should note that by completing the Application Form they are providing personal information to the Company, which may constitute personal data within the meaning of the Data Protection Legislation in Ireland. This data will be used for the purposes set out in detail below, including client identification, administration, transfer agency, statistical analysis, market research, to comply with any applicable legal or regulatory requirements, disclosure to the Company's delegates and agents and, if an applicant's consent is given, for direct marketing purposes.

Data may be disclosed to third parties including:

- (a) regulatory bodies, tax authorities; and
- (b) delegates, advisers and service providers of the Company and their or the Company's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including outside the EEA) for the purposes specified. For the avoidance of doubt, each service provider to the Company (including its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies) may exchange the personal data, or information about the prospective investors/investors in the Company, which is held by it with another service provider to the Company.

By signing the Application Form, prospective investors/investors acknowledge that they are providing their consent to the Company, its delegates (including the Administrator or any other service provider to the Company) and its or their duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the personal data for any one or more of the following purposes:

- (a) to manage and administer the investor's holding in the Company and any related accounts on an on-going basis;

- (b) client identification, administration, transfer agency, statistical analysis, market research, and, if an applicant's consent is given, for direct marketing purposes;
- (c) to comply with legal and regulatory obligations applicable to the investor and the Company including to satisfy any obligations imposed upon it in relation to FATCA and CRS (see sections headed "Automatic Exchange of Information for Tax Purposes" and "FATCA Implementation in Ireland");
- (d) for disclosure or transfer whether to Ireland or countries outside the EEA, including without limitation to the United States of America, which may not have data protection laws equivalent to those in Ireland, to third parties including financial advisers, regulatory bodies, auditors, technology providers or to the Company and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above;
- (e) for other legitimate business interests of the Company; or
- (f) for any other specific purposes where the prospective investor/investor has given specific consent.

A prospective investor/investor which is an institution and which provides personal data in connection with an investment in the Company must ensure that: (i) its employees, agents and sub-contractors are aware of the collection, processing, use and disclosure (as described in this section) of any such personal data provided, including the transfer of personal data to non-EEA countries; and (ii) it obtains and maintains all consents necessary in respect of such processing.

By signing the Application Form, prospective investors/investors consent to the recording of telephone calls made to and received from prospective investors/investors by the Company, its delegates, its duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

Any person has the right to obtain a copy of their personal data kept by the Company on payment of a fee and the right to rectify any inaccuracies in personal data held by the Company.

Miscellaneous

As at the date of this Prospectus:-

- (a) since incorporation, the Company has not been engaged in any litigation or arbitration and no litigation or claim is known to the Directors to be pending or threatened against it which may have a significant effect on the Company or its financial position;
- (b) the Company has no loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowing, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase commitments, guarantees or other contingent liabilities;
- (c) there are no existing or proposed Directors' service contracts;
- (d) none of the Directors, or their spouses, or any connected person has any interest in the share capital of the Company or any options in respect of such capital;
- (e) no Director nor any connected person has any interest, beneficial or non-beneficial, in the Shares of the Company nor any options in respect of such Shares;
- (f) Subject to the foregoing paragraph, a Director may vote in respect of any contract, appointment or arrangement in which he is interested and he shall be counted in the quorum present at the meeting; and

- (g) 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 of his assets; or (iii) been a director of any company which, while he was a director with an executive function or within twelve 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 arrangement 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 twelve 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; or (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.

APPENDICES

APPENDIX I

INVESTMENT AND BORROWING RESTRICTIONS

Each Fund of the Company will be subject to the investment and borrowing restrictions that are set out in the Regulations and the Central Bank UCITS Regulations. Additional restrictions (if any) relevant to a Fund will be set out in the applicable Supplement.

Investments of the Company are confined to:-

- (a) Transferable securities and Money Market Instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State;
- (b) recently issued Transferable Securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year;
- (c) Money Market Instruments other than those dealt on a regulated market;
- (d) units of UCITS;
- (e) units of AIFs;
- (f) deposits with credit institutions; and
- (g) financial derivative instruments.

Investment Restrictions

- (a) A Fund may invest no more than 10 per cent. of its Net Asset Value in Transferable Securities and Money Market Instruments other than those referred to in paragraph 1.
- (b) A Fund may invest no more than 10 per cent. of its Net Asset Value in recently issued Transferable Securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.(a)) within a year. This restriction will not apply in relation to investment by a Fund in certain US securities known as Rule 144A securities provided that:-
 - (i) the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
 - (ii) the securities are not illiquid securities i.e. they may be realised by a Fund within seven days at the price, or approximately at the price, at which they are valued on behalf of the Fund.
- (c) A Fund may invest no more than 10 per cent. of its Net Asset Value in Transferable Securities or Money Market Instruments issued by the same body provided that the total value of Transferable Securities and Money Market Instruments held in the issuing bodies in each of which it invests more than 5 per cent. is less than 40 per cent.
- (d) The limit of 10 per cent. (in (c)) is raised to 25 per cent. in the case of bonds that are issued by a credit institution which has its registered office in a Member State of the European Union and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5 per cent. of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80 per cent. of the Net Asset Value of the Fund and will require the prior approval of the Central Bank.
- (e) The limit of 10 per cent. (in (c)) is raised to 35 per cent. if the Transferable Securities or Money Market Instruments are issued or guaranteed by a Member State of the European

Union or its local authorities or by a non- Member State of the European Union or public international body of which one or more Member States of the European Union are members.

- (f) The Transferable Securities and Money Market Instruments referred to in (d) and (e) shall not be taken into account for the purpose of applying the limit of 40 per cent. referred to in (c).
- (g) A Fund may not invest more than 20 per cent. of its Net Asset Value in deposits made with the same credit institution.

Deposits with any one credit institution, other than

- a credit institution authorised in the EEA (European Union Member States, Norway, Iceland, Liechtenstein);
- a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
- a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand

held as ancillary liquidity, must not exceed 10% of net assets.

This limit may be raised to 20 per cent. in the case of deposits made with the Depositary.

- (h) The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5 per cent. of its Net Asset Value.

This limit is raised to 10 per cent. in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

- (i) Notwithstanding paragraphs (c), (g) and (h) above, a combination of the following issued by, or made or undertaken with, the same body may not exceed 20 per cent. of its Net Asset Value:-

- (i) investments in Transferable Securities or Money Market Instruments;
- (ii) deposits; and/or
- (iii) counterparty risk exposures arising from OTC derivatives transactions.

- (j) The limits referred to in (c), (d), (e), (g), (h) and (i) above may not be combined, so that exposure to a single body shall not exceed 35 per cent. of the relevant Fund's Net Asset Value.

- (k) Group companies are regarded as a single issuer for the purposes of (c), (d), (e), (g), (h) and (i). However, a limit of 20 per cent. of net assets may be applied to investment in Transferable Securities and Money Market Instruments within the same group.

- (l) A Fund may invest up to 100 per cent. of its Net Asset Value in different Transferable Securities and Money Market Instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international body of which one or more EU Member States are members.

The individual issuers will be drawn from the following list:-

- OECD Governments (provided the relevant issues are investment grade)
- Government of the People's Republic of China
- Government of Brazil (provided the issues are of investment grade)
- Government of India (provided the issues are of investment grade)

- Government of Singapore
- European Investment Bank
- European Bank for Reconstruction and Development
- International Finance Corporation
- International Monetary Fund
- Euratom
- The Asian Development Bank
- European Central Bank
- Council of Europe
- Eurofima
- African Development Bank
- International Bank for Reconstruction and Development (The World Bank)
- The Inter American Development Bank
- European Union, Federal National Mortgage Association (Fannie Mae)
- Federal Home Loan Mortgage Corporation (Freddie Mac)
- Government National Mortgage Association (Ginnie Mae)
- Student Loan Marketing Association (Sallie Mae)
- Federal Home Loan Bank, Federal Farm Credit Bank
- Tennessee Valley Authority
- Straight-A Funding LLC
- Export-Import Bank

A Fund must hold securities from at least six different issuers, with securities from any one issuer not exceeding 30 per cent. of its Net Asset Value.

(m) Deposits

Deposits with any single credit institution other than a credit institution specified in Regulation 7 of the Central Bank UCITS Regulations held as ancillary liquidity shall not exceed:

- (a) 10% of the Net Asset Value of the Fund; or
- (b) where the deposit is made with the Depositary 20% of the net assets of the Fund.

(n) Recently Issued Transferable Securities

(1) Subject to paragraph (2) the Company shall not invest any more than 10% of assets of a Fund in securities of the type to which Regulation 68(1)(d) of the Regulations apply.

(2) Paragraph (1) does not apply to an investment by a responsible person in US Securities known as “Rule 144 A securities” provided that;

(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and

(b) the securities are not illiquid securities i.e. they may be realised by the Company within 7 days at the price, or approximately at the price, which they are valued by the Company.

3. Investment in a Collective Investment Schemes (“CIS”)

- (a) A Fund may not invest more than 20% of net assets in any one CIS.
- (b) Investment in AIFs may not, in aggregate, exceed 30% of the Net Asset Value of a Fund.
- (c) A Fund is prohibited from investing in a CIS which can itself invest more than 10% of net assets in other open-ended CIS
- (d) When a Fund invests in the shares of other CIS that are managed, directly or by delegation, by the Company or the Investment Manager or by any other company with which the Company or Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not

charge subscription, conversion or redemption fees on account of the Funds investment in the shares of such other CIS.

- (e) Where by virtue of investment in units of another CIS, the Company, the Investment Manager or an investment advisor receives a commission on behalf of a Fund (including a rebated commission), the Company shall ensure that the relevant commission is paid into the property of the Fund.

4. Index Tracking Funds

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

5. General Provisions

- (a) An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- (b) A Fund may acquire no more than:-
 - (i) 10 per cent. of the non-voting shares of any single issuing body;
 - (ii) 10 per cent. of the debt securities of any single issuing body;
 - (iii) 25 per cent. of the shares of any single CIS; or
 - (iv) 10 per cent. of the Money Market Instruments of any single issuing body.

The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if, at that time, the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue cannot be calculated.

- (c) Paragraphs 5(a) and 5(b) above shall not be applicable to:-
 - (i) Transferable Securities and Money Market Instruments issued or guaranteed by an EU Member State or its local authorities;
 - (ii) Transferable Securities and Money Market Instruments issued or guaranteed by a non- EU Member State;
 - (iii) Transferable Securities and Money Market Instruments issued by public international bodies of which one or more EU Member States are members;
 - (iv) shares held by a Fund in the capital of a company incorporated in a non-EU Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that state, where under the legislation of that state such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that state. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in 2(c) to 2(k), 3(a), 3(b), 5(a), 5(b), 5(d), 5(e) and 5(f), and provided that where these limits are exceeded, paragraphs 5(e) and 5(f) below are observed; or
 - (v) shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of shares at shareholders' request exclusively on their behalf.

- (d) Funds need not comply with the investment restrictions herein when exercising subscription rights attaching to Transferable Securities or Money Market Instruments which form part of their assets.
- (e) The Central Bank may allow recently authorised Funds to derogate from the provisions of 2(c) to 2(l), 3(a), 3(b) 4(a) and 4(b) for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- (f) If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
- (g) The Company or Investment Manager may not carry out uncovered sales of:-
 - (i) Transferable Securities;
 - (ii) Money Market Instruments;
 - (iii) shares of CIS; or
 - (iv) financial derivative instruments.
- (h) A Fund may hold ancillary liquid assets.

6. Financial Derivative Instruments

- (a) A Fund's global exposure relating to Financial Derivative Instruments must not exceed its total net asset value.
- (b) Position exposure to the underlying assets of Financial Derivative Instruments, including embedded Financial Derivative Instruments in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
- (c) Funds may invest in Financial Derivative Instruments dealt in over-the-counter markets provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- (d) Investments in Financial Derivative Instruments are subject to the conditions and limits laid down by the Central Bank.

7. Borrowing Restriction

Each Fund may borrow amounts by way of short term loans not exceeding 10 per cent. of its net assets provided that such borrowing is on a temporary basis.

The Company may acquire foreign currency by means of a "back-to-back" loan. The Directors shall ensure that where the Company has foreign currency borrowings which exceed the value of a back-to-back deposit that the excess is treated as borrowings for the purpose of Regulation 103 of the Central Bank UCITS Regulations.

APPENDIX II

LIST OF RECOGNISED MARKETS¹

With the exception of permitted investments in unlisted securities, the Company's investments will be restricted to securities listed or traded on exchanges and markets listed below:-

1. All stock exchanges:-

- In a Member State:-

Austria	Denmark	Hungary	Malta	Spain
Belgium	Estonia	Ireland	Netherlands	Sweden
Bulgaria	Finland	Italy	Poland	Romania
Croatia	France	Latvia	Portugal	UK
Cyprus	Germany	Lithuania	Slovakia	
Czech Republic	Greece	Luxembourg	Slovenia	

- In a Member State of the European Economic Area (EEA) (excluding Iceland and Liechtenstein)

- In any of the following countries:-

US	Australia
Canada	New Zealand
Japan	Hong Kong
Switzerland	

2. Any stock exchange included on the following list:-

Argentina	Buenos Aires Stock Exchange; Mercado Abierto Electronico S.A.; Mercado De Valores de Buenas Aires S.A.; Mercado a Termino de Buenas Aires S.A.; Bolsa de Comercio de Cordoba, Mendoza, Rosario and La Plaxa Stock Exchange.
Bangladesh	Dhaka Stock Exchange.
Brazil	Bolsa de Valores de Sao Paulo; Rio de Janeiro Stock Exchange; Bahia Sergipe-Alagoas Stock Exchange; Extremo Sul Stock Exchange; Porto Alegre; Minas Esperito Santo Brasila Stock Exchange; Parana Stock Exchange; Curitiba, Pernambuco e Paraiba Stock Exchange; Regional Stock Exchange; Fortaleza; Santos Stock Exchange.
Chile	Santiago Stock Exchange; La Bolsa Electronica de Chile.
China	The stock exchanges in Shanghai and Shenzhen.
Colombia	Bogota Stock Exchange; Medellin Stock Exchange.
Egypt	The stock exchanges in Cairo and Alexandria.
India	National Stock Exchange; Mumbai Stock Exchange; Bangalore Stock Exchange; Calcutta Stock Exchange; Delhi Stock Exchange; Gauhati Stock Exchange; Hyderabad Stock Exchange; Ludhiana Stock Exchange; Madras Stock Exchange; Pune Stock Exchange; Uttar Pradesh Stock Exchange Association; Bombay Stock Exchange; Ahmedabad Stock Exchange; Cochin Stock Exchange; Magadh Stock Exchange.
Indonesia	Jakarta Stock Exchange and Surabaya Stock Exchange.
Israel	Tel Aviv Stock Exchange.
Jordan	The stock exchange in Amman.
Korea	Korea Exchange.
Malaysia	Bursa Malaysia Stock Exchange; Kuala Lumpur Stock Exchange.
Mauritius	Stock Exchange of Mauritius Ltd.
Mexico	Bolsa Mexicana de Valores, SA.de.cv.; Mexican Stock Exchange
Morocco	Casablanca Stock Exchange.
Pakistan	Karachi Stock Exchange; Lahore Stock Exchange.
Peru	Bolsa de Valores de Lima.
Philippines	Philippines Stock Exchange.
Russia	Moscow Exchange (solely in relation to equity securities that are traded on level 1 or level 2 of the relevant exchange).
Singapore	Stock Exchange of Singapore and Singapore International Monetary Exchange

¹ Northern Trust to confirm markets

	(SIMEX).
South Africa	Johannesburg Stock Exchange.
South Korea	Korea Stock Exchange.
Taiwan	Taiwan Stock Exchange.
Thailand	Stock Exchange of Thailand.
Turkey	Istanbul Stock Exchange.
Ukraine	Ukrainian Stock Exchange.
Venezuela	Caracus Stock Exchange, Maracaibo Stock Exchange.

3. The derivative markets approved in an EEA Member State (excluding Liechtenstein);
4. The following regulated derivatives markets:

American Stock Exchange;
 Montreal Stock Exchange;
 Australian Stock Exchange;
 New York Futures Exchange;
 Bolsa Mexicana de Valores;
 New York Mercantile Exchange;
 Chicago Board of Trade;
 New York Stock Exchange;
 Chicago Board Options Exchange;
 New Zealand Futures Exchange;
 Chicago Mercantile Exchange;
 OMLX The London Securities and Derivatives Exchange Ltd;
 Copenhagen Stock Exchange (including FUTOP);
 European Options Exchange;
 OM Stockholm AB;
 Eurex Deutschland;
 Osaka Securities Exchange;
 Financiele Termijnmarkt Amsterdam;
 Pacific Stock Exchange;
 Finnish Options Market;
 Philadelphia Board of Trade;
 Hong Kong Futures Exchange;
 Philadelphia Stock Exchange;
 International Securities Market Association;
 Singapore International Monetary Exchange;
 Irish Futures and Option Exchange (IFOX);
 South Africa Futures Exchange (SAFEX);
 Kansas City Board of Trade;
 Sydney Futures Exchange, Financial Futures and Options Exchange;
 The National Association of Securities Dealers Automated Quotations System (NASDAQ);
 Marche a Terme des International de France;
 Marche des options Negociables de Paris (MONEP);
 MEFF Renta Fija, Tokyo Stock Exchange;
 MEFF Renta Variable;
 Toronto Futures Exchange;
 Midwest Stock Exchange;
 Mexican Derivatives Exchange(MexDer).

5. The market organised by the members of the International Capital Market Association;
6. The market conducted by the 'listed money market institutions' as described in the Financial Services Authority publication 'The Regulation of Wholesale Cash and OTC Derivatives Markets' (The Grey Paper);
7. AIM – the Alternative Investment Market in the UK, currently regulated and operated by the London Stock Exchange;
8. The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
9. The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;
11. The over-the-counter market in the US regulated by the National Association of Securities Dealers Inc;

12. The French market for 'Titres de Creance Negotiable' (over-the-counter market in negotiable debt instruments);
13. NASDAQ Europe is a recently formed market and the general level of liquidity may not compare favourable to that found on more established exchanges; and
14. The over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada. These exchanges and markets are listed in the Articles of Association and in accordance with the requirements of the Central Bank, which does not issue a list of approved markets.

This list of Recognised Markets is listed in accordance with the requirements of the Central Bank, which does not issue a list of approved markets.