

**If you are in any doubt about the contents of this prospectus (the "prospectus"), the risks involved in investing in the Company or the suitability for you of investment in the Company, you should consult your stock broker, bank manager, solicitor, accountant or other independent financial adviser. Prices for shares in the Company may fall as well as rise.**

The directors of the Company ("Directors") whose names appear on page 11 of this prospectus accept responsibility for the information contained in this prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

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## **AVI PARTNERS CAPITAL FUND PLC**

(an open-ended umbrella investment company with variable capital and with segregated liability between sub-funds incorporated with limited liability in Ireland with registration number 501463 and authorised by the Central Bank of Ireland as an investment company pursuant to Part 24 of the Companies Act, 2014).

## **P R O S P E C T U S**

**Asset Value Investors Limited  
(Investment Manager and AIFM)**

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The date of this prospectus is 15 November 2019.

## 1 IMPORTANT INFORMATION

This prospectus should be read in conjunction with section 3 titled "Definitions".

### 1.1 The prospectus

This prospectus describes AVI Partners Capital Fund plc ("Company"), an umbrella investment company with variable capital and with segregated liability between Funds incorporated with limited liability in Ireland on 21 July 2011 with registration number 501463 and authorised by the Central Bank of Ireland ("Central Bank") as an investment company pursuant to Part 24 of the Companies Act, 2014. The Company is a designated company pursuant to section 1395 of the Companies Act, 2014 and is a qualifying investor alternative investment fund pursuant to chapter 2 of the AIF Rulebook. The Investment Manager is an EEA Alternative Investment Fund Manager authorised in accordance with the AIFMD Rules. Each Fund will constitute a separate portfolio of assets maintained by the Company in accordance with its Articles. The liability between Funds is segregated pursuant to Irish company law. Funds may be established as open-ended, limited liquidity or closed-ended funds. The Company will invite subscriptions for Shares representing the capital of the Funds. Shares may be issued in different Classes and the Classes available for subscription will be set out in the relevant Supplement. Shares will have no par value and following issue their value will fluctuate in accordance with the Net Asset Value. The Directors may in their absolute discretion differentiate between Classes as to currency of denomination of a particular Class, voting rights, dividend policy, hedging strategies, if any, applied to the designated currency of a particular Class, fees and expenses, subscription or redemption procedures or the minimum subscription applicable. A separate pool of assets will not be maintained in respect of each Class except in accordance with the requirements of the Central Bank. The Directors have power to issue further Classes on prior notification and clearance by the Central Bank.

This prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. To the extent that there is any inconsistency between this prospectus and any Supplement, the relevant Supplement will prevail.

The latest published annual and half yearly reports of the Company will be supplied to Shareholders free of charge on request and will be available to the public as further described in section 5 of appendix III titled "Report and accounts".

### 1.2 Authorisation by the Central Bank of Ireland

**The Company is both authorised and supervised by the Central Bank. 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 the prospectus and the Supplements.**

**The Central Bank shall not be liable by virtue of its authorisation of the Company or by reason of its exercise of the functions conferred on it by legislation in relation to the Company for any default of the Company. Authorisation of the Company does not constitute a warranty by the Central Bank as to the credit worthiness or financial standing of the various parties to the Company.**

**The Company has been authorised by the Central Bank for marketing solely to Qualifying Investors. While the Company is authorised by the Central Bank, the Central Bank has not set any limits or other restrictions on the investment objectives, the investment policies or on the degree of leverage which may be employed by the Company.**

**The Company must comply with the aim of spreading investment risk in accordance with section 1386 of the Companies Act, 2014 Part 24.**

**The difference at any one time between the subscription and redemption price of Shares means that the investment should be viewed as medium to long term.**

### 1.3 Restrictions on distribution and sale of shares

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

The Directors may restrict the ownership of Shares by any person, firm or corporation where such ownership would be in breach of any regulatory or legal requirement or may affect the tax status of the Company. Any restrictions applicable to Shares or a particular Class will be specified in this prospectus. Any person who is holding Shares in contravention of the restrictions set out above or, by virtue of his holding, is in breach of the laws and regulations of any competent jurisdiction or whose holding could, in the opinion of the Directors, cause the Company or any Shareholder to incur any liability to taxation or to suffer any pecuniary disadvantage that any or all of them might not otherwise have incurred or sustained or otherwise in circumstances that the Directors believe might be prejudicial to the interests of the Shareholders, will indemnify the Company, the Investment Manager, the Depositary, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares.

The Directors have the power under the Articles to compulsorily redeem and/ or cancel any Shares held or beneficially owned in contravention of the restrictions imposed by them as described in this prospectus.

This prospectus has been drafted in accordance with Irish law only. While the Directors believe that the following statements are an accurate summary of the market restrictions as the date hereof there is no guarantee that they fully set out local restrictions or that they have not changed. These disclaimers and information are supplemental to and do not limit the general provision that this prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. The Directors have been advised of disclaimers and selling restriction language in certain markets and include information for those markets without accepting any responsibility for other markets.

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

This prospectus has been prepared solely for the information of the person to whom it has been delivered by or on behalf of the Company, and should not be reproduced or used for any other purpose.

The below information is for general guidance only, and it is the responsibility of any person or persons in possession of this prospectus and the relevant Supplement and wishing to make an application for Shares to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to legal requirements also applying and any applicable exchange control regulations and applicable taxes in the countries of their respective citizenship, residence or domicile.

Prospective Shareholders shall also be entitled to receive details of the latest available Net Asset Value of the applicable Fund, together with details of its historical performance, in each case in a form determined by the Investment Manager.

## **Marketing in the European Union:**

Within the European Union, the Company is authorised to be marketed solely to professional clients within the meaning of Annex II of the Directive 2004/39/EC unless the EU Member State in question permits, under the laws of that EU Member State, the Company to be sold to other types of investors (within the scope of the Qualifying Investor criteria).

Prior to undertaking any "marketing" (as such term is defined in AIFMD) towards Qualifying Investors domiciled in or with a registered office in the EEA, the Company will give written notification to the regulatory authorities of the relevant EEA member states pursuant to Article 32 of Part 2 of the AIFM Regulations of its intention to market the Shares in accordance with the AIFM Regulations and the rules of the respective regulatory authorities.

## **For the attention of residents of the United Kingdom:**

This prospectus and the Supplements are provided in the United Kingdom by the Investment Manager which is authorised by the FCA and are exempt from the general restriction in sections 21 and 238 of the Financial Services and Markets Act 2000 ("FSMA 2000") on the communications of invitations or inducements to engage in investment activity, on the grounds that they fall within an exemption under section 238 of FSMA 2000 and Chapter 4.12 of the FCA's Conduct of Business Sourcebook and are only made available to:

- (A) investment professionals (being persons having professional experience in matters relating to investments) within the meaning of paragraph 5 of Article 14 of the FSMA 2000 (Promotion of Collective Investment Schemes) (Exemptions) Order 2001 (the "CIS Exemptions Order");
- (B) high net worth companies, unincorporated associations or other entities listed in paragraph 2 of Article 22 of the CIS Exemptions Order;
- (C) certified sophisticated investors within the meaning of Article 23 of the CIS Exemptions Order (being a person who has a current certificate in writing or other legible form signed by a person authorised by the FCA to the effect that he is sufficiently knowledgeable to understand the risks associated with the investment in question, and who has signed within the last 12 months a statement complying with paragraph 1(b) of Article 23 of the CIS Exemptions Order); and
- (D) other persons to whom it lawfully may be communicated.

Any person falling into any one or more of the categories listed at (A) to (D) above is referred to herein as a "Relevant Person".

This prospectus and the Supplements must not be acted on or relied upon by any persons who are not Relevant Persons. Any investment or investment activity to which this prospectus and the Supplements relate is available only to Relevant Persons and will be engaged in only with Relevant Persons.

The Shares may not be offered in the United Kingdom in a manner which may result in an offer to the public in accordance with the provisions of FSMA. This prospectus and the Supplements will not be registered and published in any other member state of the European Economic Area and the Shares will only be offered or sold in any such member state in circumstances which do not require the publication of a prospectus pursuant to the provisions of Directive 2003/71/EC or any legislation that implements such Directive in any such member state.

Any individual who is in any doubt about the matters described herein should consult a person authorised by the FCA who specialises on advising on investments of the kind to which this prospectus and the Supplements relate. Reliance on this prospectus and the Supplements for the

purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested.

By accepting and retaining this prospectus, the recipient shall be deemed to have agreed to the foregoing.

**For the attention of residents of Switzerland:**

The Company has not been approved by the Swiss Financial Market Supervisory Authority (the "FINMA") as a foreign collective investment scheme pursuant to article 120 of the Swiss Collective Investment Schemes Act (the "CISA"). Accordingly, the Shares may not be distributed to non-qualified investors in Switzerland and neither this prospectus, the Supplements nor any other offering material relating to the Shares may be made available to such investors in Switzerland.

The Shares may be offered and this prospectus and the relevant Supplement made available in Switzerland exclusively to qualified investors (as defined in the CISA and its implementing regulations). Unless a representative and a paying agent are appointed in Switzerland, offering the Shares and/or the distribution of this prospectus and the Supplements shall be further restricted to supervised qualified investors and to other permitted investors (as provided in the CISA and its implementing regulations) from 1 March 2015.

**1.4 Redemption charge**

**The Directors are empowered under the Articles to levy a redemption charge up to a maximum of 5% of the Net Asset Value of Shares being redeemed. Details of the current redemption charges, if any, are disclosed in the relevant Supplement for each Fund.**

**1.5 Reliance on this prospectus**

Statements made in this prospectus and any Supplement are based on the law and practice in force in Ireland at the date of this prospectus or Supplement as the case may be, which may be subject to change. Neither the delivery of this prospectus nor the offer, issue or sale of Shares will under any circumstances constitute a representation that the affairs of the Company have not changed since the date hereof. This prospectus may be updated by the Company to take into account any material changes from time to time and any such amendments will be notified in advance to the Central Bank. Any information or representation not contained in this prospectus or given or made by any broker, salesperson or other person should be regarded as unauthorised and should accordingly not be relied on.

**1.6 Risk factors**

The attention of investors is drawn to the potential for above average risk associated with an investment in the Company. Accordingly, such investment should only be undertaken by people in a position to take such a risk. The price of the Shares as well as any income in the Company may fall as well as rise. The difference at any one time between the sale and repurchase price of Shares means that an investment in the Company should be viewed as medium to long term. **Investors should read and consider appendix I titled "Risk factors" before investing in the Company.**

**1.7 Translations**

This prospectus and any Supplements may also be translated into other languages. Any such translation will only contain the same information and have the same meaning as the English language prospectus and Supplements. To the extent that there is any inconsistency between the English language prospectus/ Supplements and the prospectus/ Supplements in another language, the English language prospectus/ Supplements will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an

action based on disclosure in a prospectus in a language other than English, the language of the prospectus/ Supplement on which such action is based will prevail.

**2 DIRECTORY**

<b>Registered Office</b>	32 Molesworth Street Dublin 2 Ireland
<b>Directors</b>	Philip McEnroe Kimberly Lau Fergus McKeon
<b>Investment manager and AIFM</b>	Asset Value Investors Limited 25 Bury Street London SW1Y 6AL United Kingdom
<b>Depository</b>	SEI Investments Trustee & Custodial Services (Ireland) Limited Styne House Upper Hatch Street Dublin 2
<b>Administrator, registrar and transfer agent</b>	SEI Investments - Global Fund Services Limited Styne House Upper Hatch Street Dublin 2
<b>Company secretary</b>	MFD Secretaries Limited 32 Molesworth Street Dublin 2
<b>Legal advisers in Ireland</b>	Maples and Calder 75 St. Stephen's Green Dublin 2
<b>Auditors</b>	Deloitte & Touche Earlsfort Terrace Dublin 2

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### 3 DEFINITIONS AND INTERPRETATION

#### 3.1 Definitions

In this prospectus the following words and phrases have the meanings set out below:

"Accounting Date" means 31 December in each year or such other date as the Directors may from time to time decide.

"Accounting Period" means a period ending on the Accounting Date and commencing, in the case of the first such period on the date of incorporation of the Company and, in subsequent such periods, on the day following expiry of the last Accounting Period.

"Accredited Investor" means an investor who has satisfied one of the following conditions:

- (a) the investor is an entity appointed to provide investment management or advisory services to the Company or any Fund;
- (b) the investor is a director of the Company or the AIFM or a director of a company appointed to provide investment management or advisory services to the Company; or
- (c) the investor is an employee of the Company or the AIFM or an employee of a company appointed to provide investment management or advisory services to the Company, where the employee is directly involved in the investment activities of the Company or is a senior employee of the Company or the AIFM and has experience in the provision of investment management services and the Company is satisfied that the investor falls within the criteria outlined;

and in each case certifies in writing to the Company to its satisfaction that (i) he/ she/ it is availing of the exemption from the minimum subscription requirement of €100,000 on the basis that he/ she/ it is an Accredited Investor as defined above; (ii) he/ she/ it is aware that each Fund is marketed solely to Qualifying Investors who are normally subject to a minimum subscription requirement of €100,000; (iii) he/ she/ it is aware of the risk involved in the proposed investment and; (iv) he/ she/ it is aware that inherent in such investment is the potential to lose all of the sum invested;

"Administrator" means SEI Investments - Global Fund Services Limited.

"Administration Agreement" means the amended and restated agreement among the Company, the Investment Manager and the Administrator, whereby the Administrator is appointed as administrator of the Company and the Funds.

"Advisers Act" means the United States Investment Advisers Act of 1940, as amended.

"Anti-Dilution Levy" means a provision for market spreads (the difference between the prices at which assets are valued and/ or bought or sold),

duties and charges and other dealing costs relating to the acquisition or disposal of a relevant Fund's assets in the event of receipt for processing of large subscription or redemption requests (as determined at the discretion of the Directors).

"AIF"	means an alternative investment fund as defined in the AIFM Regulations;
"AIF Rulebook"	means the Central Bank's Rulebook in relation to AIFs as amended, consolidated or substituted from time to time.
"AIFM"	means the alternative investment fund manager of the Company, which is the Investment Manager.
"AIFMD"	means Directive 2011/61/EU of the European Parliament and of the Council on Alternative Investment Fund Managers.
"AIFM Regulations"	means the European Communities (Alternative Investment Fund Managers Directive) Regulations (S.I. 257 of 2013).
"AIFMD Rules"	means the provisions of: (i) Commission Delegated Regulation (EU) No. 231/2013 supplementing AIFMD with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision; (ii) the provisions of the FCA Rules and any other applicable regulations implementing AIFMD in the United Kingdom; and (iii) The Alternative Investment Fund Managers Regulations 2013 of the United Kingdom.
"Application Form"	means any application form to be completed by subscribers for Shares as prescribed by the Company from time to time.
"Articles"	means the memorandum and articles of association of the Company.
"Auditors"	means Deloitte & Touche.
"Base Currency"	means the currency of account of a Fund as specified in the relevant Supplement relating to that Fund. A Class of Shares may be designated in a different currency to the Base Currency (see "Reference currency" below).
"Business Day"	means any day on which banks are open for business in Dublin and London and/ or such additional or alternative days as may be determined by the Directors at their absolute discretion. If the Directors wish to have different Business Days for particular Funds such day or days will be specified in the relevant Supplement for that Fund.
"CEA"	means the US Commodity Exchange Act of 1933, as amended.
"Central Bank"	means the Central Bank of Ireland.
"Class"	means a particular division of Shares in a Fund.
"Company"	means AVI Partners Capital Fund plc and references to the Company in this prospectus or a Supplement will include,

where the context so requires, corporate action taken on behalf of the Company by the Directors or their authorised delegates.

"Data Protection Legislation"	means, the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679).
"Dealing Day"	means in relation to a Fund such day or days as will be specified in the relevant Supplement for that Fund.
"Dealing Deadline"	means in relation to a Fund, such time in relation to any Dealing Day as will be specified in the relevant Supplement for that Fund before which applications for subscription, redemption or exchange of Shares should be received by the Administrator.
"Depository"	means SEI Investments Trustee & Custodial Services (Ireland) Limited.
"Depository Agreement"	means the agreement pursuant to which the Depository has been appointed as depository of the assets of the Company and each Fund.
"Directors"	means the directors of the Company or any duly authorised committee or delegate thereof.
"EEA"	means the European Economic Area, the current members at the date of this prospectus being the EU Member States, Iceland, Liechtenstein and Norway.
"EMIR"	means Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories and its implementing regulations, as the same may be amended, supplemented or replaced from time to time.
"ERISA"	means the United States Employee Retirement Income Security Act of 1974, as amended.
"EU"	means the European Union.
"EUR"	means the single currency of the European Union's Economic and Monetary Union.
"Extraordinary Resolution"	means a resolution proposed and passed as such by a majority consisting of seventy-five per cent or more of the total number of votes cast for and against such resolution.
"FATCA"	means: a) sections 1471 to 1474 of the US Internal Revenue Code of 1986 or any associated regulations or other official guidance; b) any intergovernmental agreement, treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; and / or

c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the US Internal Revenue Service, the US government or any Government Authority or taxation authority in any other jurisdiction.

"FCA"	means the Financial Conduct Authority of the United Kingdom.
"FCA Rules"	the rules of the FCA.
"Fund"	means a sub-fund of the Company representing the designation by the Directors of a particular class of Shares as a sub-fund the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and policies applicable to such sub-fund and which is established by the Directors from time to time with the prior approval of the Central Bank. Funds may be established as open-ended, limited liquidity or closed-ended funds.
"GBP"	means the currency of the United Kingdom.
"Investment Management Agreement"	means the amended and restated agreement between the Company and the Investment Manager whereby the Investment Manager is appointed as the investment manager and AIFM in respect of the Company and the Funds.
"Investment Manager"	means Asset Value Investors Limited.
"Level 2 Regulation"	means Commission Delegated Regulation (EU) No. 231/2013.
"Member State"	means a member state of the European Union.
"Minimum Holding"	means the minimum number or value of Shares that must be held by Shareholders as specified in the relevant Supplement.
"Minimum Subscription"	means the minimum amount that may be subscribed for Shares in any Fund or Class as specified in the relevant Supplement provided that the minimum amount of such subscription will not be less than EUR100,000 or its equivalent in another currency and the aggregate of an investor's investments in one or more Funds or Classes may be taken into account for the purpose of satisfying the minimum subscription requirement.
"Net Asset Value"	means the net asset value of a Fund or attributable to a Class (as appropriate) calculated as referred to in this prospectus.
"Net Asset Value per Share"	means the Net Asset Value of a Fund divided by the number of Shares in issue in that Fund or the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class rounded to such number of decimal places as the Directors may determine.
"Qualifying Investor"	has the meaning required by the AIF Rulebook, which at the date of this prospectus means an investor who has certified in writing to the Company that it is:  (i) a professional client within the meaning of Annex II of Directive 2014/65/EU (Markets in Financial

Instruments Directive recast) ("MiFID"); or

- (b) an investor who receives an appraisal from an EU credit institution, a MiFID firm or a UCITS management company that the investor has the appropriate expertise, experience and knowledge to adequately understand the investment in the Company; or
- (c) an investor who certifies that it is an informed investor by providing confirmation (in writing) that (i) the investor has such knowledge of and experience in financial and business matters as would enable the investor properly to evaluate the merits and risks of the prospective investment; or (ii) the investor's business involves, whether for its own account or the account of others, the management, acquisition or disposal of property of the same kind as the property of the scheme.

Within the EU, a Fund once duly registered for sale may only be marketed to professional investors as defined in the AIFMD unless the Member State in question permits, under the laws of that Member State, a Fund to be sold to other categories of investors and this permission encompasses investors set out in categories (b) and (c) above.

"Reference Currency"		means the currency of account of a Class of Shares as specified in the relevant Supplement relating to that Fund.
"Relevant Law"		means any existing or future legislation enacted by any jurisdiction that provides for or is intended to secure the exchange of information (including, without limitation, under Sections 1471 to 1474 of FATCA, and any regulations made thereunder or associated therewith or any other jurisdiction's legislation which is similar in effect to FATCA), any official interpretations or guidance thereof, or any law or regulations implementing an intergovernmental approach thereto, or any agreements made pursuant to the implementation of the foregoing, in each case as enacted, made, amended or replaced from time to time.
"Relevant Law Deduction"		means a withholding or deduction required by Relevant Law and all associated interest, penalties and other losses, liabilities, costs (including, without limitation, compliance costs) or expenses provided for under, or otherwise arising in connection with, Relevant Law.
"Securities Transactions"	Financing	means repurchase agreements, reverse repurchase agreements, securities lending agreements, margin lending transactions and any other transactions within the scope of SFTR that a Fund is permitted to engage in.
"Series"		means a series of Shares issued in respect of a Class.
"SFT Regulations" or "SFTR"		means Regulation (EU) 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as may be amended, supplemented, consolidated,

substituted in any form or otherwise modified from time to time.

"Share"	a share or shares of whatsoever Class in the capital of the Company (other than Subscriber Shares) entitling holders to participate in the profits of the Company attributable to the relevant Class of the relevant Fund as described in the relevant Supplement.
"Shareholder"	means a person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of the Company.
"Subscriber Shares"	means the initial issued share capital of two Shares issued at €1 each for the purposes of incorporating the Company and initially designated as the subscriber shares.
"Supplement"	means a supplement to this prospectus specifying certain information in respect of a Fund and/ or one or more Classes.
"United Kingdom" and "UK"	the United Kingdom of Great Britain and Northern Ireland.
"United States" and "U.S."	the United States of America (including the 50 states, the District of Columbia and the Commonwealth of Puerto Rico) and each of its territories, possessions and other areas subject to its jurisdiction.
"USD"	means the currency of the United States.
"US Person"	means: <ul style="list-style-type: none"><li>(a) any natural person who is a citizen or a resident of the United States,</li><li>(b) any estate or trust, the executor, trustee or administrator of which is a US Person, or the income of which is subject to United States federal income taxation without regard to the source of its income, and</li><li>(c) a corporation, partnership or other entity incorporated or organised in, or under the laws of, or doing business in, the United States or that has a principal place of business in the United States.</li></ul> It also means: <ul style="list-style-type: none"><li>(a) any agency or branch of a foreign entity located in the United States, or the income of which is subject to US income tax, regardless of source,</li><li>(b) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person,</li><li>(c) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States,</li><li>(d) any partnership or corporation if:<ul style="list-style-type: none"><li>(i) organised or incorporated under the laws of any foreign jurisdiction; and</li></ul></li></ul>

- (ii) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D of the 1933 Act) who are not natural persons, estates or trusts, and
- (e) an entity organised principally for passive investment, such as a pool, investment company or other similar entity, in which units of participation in the entity held by a US Person under clauses (a), (b) or (c) above represent in the aggregate 10% or more of the beneficial interest in the entity, or that was formed principally for the purpose of facilitating investment by such persons in a pool with respect to which the commodity pool operator is exempt from certain requirements of Part 4 of the regulations of the CFTC by virtue of its participants being non-US Persons under the CFTC's regulations.

"US Tax-Exempt Investor" means a US Person that is exempt from taxation pursuant to Sections 401(a) or 501(a) of the US Internal Revenue Code of 1986.

"Valuation Point" means close of business on the relevant markets on the Business Day before the relevant Dealing Day or such other point in time as the Directors may determine provided that the Valuation Point shall always be after the Dealing Deadline for the relevant Dealing Day.

### 3.2 Principles of interpretation

In this prospectus, unless the contrary intention appears:

- (a) a reference to this prospectus or to any provision of it or schedule, appendix, supplement or annex to it, or to any agreement referred to in it, includes any variation or replacement, in accordance with the requirements of the Central Bank, of any of them;
- (b) a document is a reference to that document as modified from time to time;
- (c) a reference to a statute, ordinance, code or other law is, unless otherwise stated, to the statutes, ordinances, codes or other laws of Ireland and includes regulations, instruments and other subordinate legislation made or other things done under it whether before or after the date of this prospectus and consolidations, amendments, re-enactments or replacements of any of them from time to time whether before or after the date of this prospectus;
- (d) the masculine gender includes the feminine and neuter genders, and vice versa;
- (e) the singular includes the plural and vice versa;
- (f) the word "person" includes a government, a state, a state agency, a firm, a body corporate, a partnership, a joint venture, an unincorporated body or association, a trust or an authority and includes a reference to the person's executors, administrators, successors, substitutes (including any persons taking by novation) and assigns, where applicable, in accordance with the requirements of the Central Bank;

- (g) a reference to anything (including any amount) is a reference to the whole and each part of it and a reference to a group of persons is a reference to all of them collectively, to any two or more of them collectively and to each of them individually;
- (h) the words "including", "for example" or "such as" do not limit the meaning of the words to which the example relates to that example or examples of a similar kind;
- (i) a time of day is a reference to the time in Dublin, Ireland, unless a contrary indication appears; and
- (j) headings are inserted for convenience and do not affect the interpretation of this prospectus.

## **4 THE COMPANY**

### **4.1 Establishment and duration**

The Company is an umbrella investment company with variable capital, incorporated in Ireland on 21 July 2011 under the Companies Act, 2014 with registration number 501463. The Company has been authorised by the Central Bank as an investment company pursuant to Part 24 of the Companies Act, 2014. The Company is a designated company pursuant to section 1395 of the Companies Act, 2014 and is a qualifying investor alternative investment fund pursuant to chapter 2 of the AIF Rulebook.

Although the Company has an unlimited life, the Directors may, by giving not less than two weeks' notice to the Shareholders, expiring on a Dealing Day, redeem at the redemption price per Share prevailing on such Dealing Day all the Shares in any or all Classes then outstanding.

### **4.2 Structure**

The Company is structured as an umbrella fund, with segregated liability between sub-funds, consisting of different Funds each comprising one or more Classes of Shares.

The Shares issued in each Fund will rank pari passu with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, the level of fees and expenses to be charged to a Fund or Class, subscription or redemption procedures or the Minimum Subscription and Minimum Holding applicable. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. A separate portfolio of assets is not maintained for each Class except in accordance with the requirements of the Central Bank. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplement that forms part of and should be read in conjunction with this prospectus. The Base Currency of each Fund is specified in the relevant Supplement. At the date of this prospectus the Company has established the Funds and Classes with the respective currencies listed below.

<b>Sub-fund</b>
AVI Family Holding Companies Fund

Additional Funds in respect of which a Supplement or Supplements will be issued may be established by the Directors with the prior approval of the Central Bank. A list of all Funds is available on request. Additional Classes in respect of which a Supplement or Supplements will be issued may be established by the Directors and notified to and cleared in advance with the Central Bank or otherwise must be created in accordance with the requirements of the Central Bank. Such additional classes may be subject to higher, lower or no fees with the prior approval of the Central Bank. Information in relation to the fees applicable to other Classes is available from the Company on request.

### **4.3 Segregated liability of sub-funds**

The Company is an umbrella fund with segregated liability between Funds. As a result, as a matter of Irish company law, subject to very limited exceptions, any liability attributable to the Fund may only be discharged out of the assets of the Fund and the assets of other sub-funds of the Company may not be used to satisfy the liability. In addition, any contract entered into by the Company in respect of the Fund will, by operation of Irish law, include an implied term to the effect that the counterparty to the contract may not have any recourse to assets of any other sub-fund other than the sub-fund in respect of which the contract was entered into. There is no guarantee that legal systems outside of Ireland will recognise the principle of segregation.

#### 4.4 **Liquidity of sub-funds**

Funds may be established as open-ended, limited liquidity or closed-ended funds. The Dealings Days and notice periods for each Fund will be set out in the relevant Supplement.

#### 4.5 **Investment objective and policies**

The specific investment objective and policies of each Fund will be set out in the relevant Supplement to this prospectus and will be formulated by the Directors at the time of creation of the relevant Fund.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Fund's assets may be invested in money market instruments, including certificates of deposit, floating rate notes and fixed or variable rate commercial paper and in cash deposits denominated in such currency or currencies as the Company may determine having consulted with the Investment Manager.

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

#### 4.6 **Investment restrictions**

Investment of the assets of each Fund must comply with the requirements of the Central Bank. The Directors may impose further restrictions in respect of any Fund. The specific investment and borrowing restrictions applicable to each Fund will be set out in the relevant Supplement and will be formulated by the Directors in consultation with the Investment Manager at the time of establishment of the relevant Fund.

The following investment restrictions will apply to all Funds unless specifically disapplied in the relevant Supplement:

- (a) the Company, in respect of a Fund, will not take legal or management control of any of the issuers.
- (b) the Company, in respect of a Fund, may not, nor shall it appoint an AIFM which would, acquire any shares carrying voting rights that would enable it to exercise significant influence over the management of an issuing body.
- (c) the Company, in respect of a Fund, may not grant loans or act as a guarantor on behalf of third parties.
- (d) the Company, in respect of a Fund, will not invest in real property or physical commodities.
- (e) the Company, in respect of a Fund, will not invest more than 50% of its Net Asset Value in any one unregulated fund and will not invest more than 50% of its Net Asset Value in another fund which itself invests more than 50% of its net assets in another investment fund.
- (f) where the Company, in respect of a Fund, invests in the shares of any other collective investment scheme managed by the Investment Manager or an associated entity, the Investment Manager or the associated entity, as applicable, will waive any preliminary

charge, redemption charge or exchange charge that would otherwise be payable in connection with the investment in that other collective investment scheme.

- (g) the Company, in respect of a Fund, will not raise capital from the public through the issue of debt securities. This investment restriction does not operate to prevent the issue of notes by the Company, in respect of a Fund, on a private basis, to a lending institution to facilitate financing arrangements. Details of any such notes issued by the Company, in respect of a Fund, will be clearly provided in the relevant Supplement.

Any additional investment restrictions applicable to a specific Fund will be set out in the relevant Supplement.

The Funds' investment restrictions apply at time of purchase of investments. If the investment restrictions are subsequently exceeded for reasons beyond control of the Company or as a result of the exercise of subscription rights, the Company will adopt as a priority objective the remedying of that situation taking due account of the interests of Shareholders.

#### **4.7 Borrowing, Leverage and Rehypothecation of Assets**

Subject to any limits imposed by the Act and the limits laid down by the Central Bank, the Directors and/or the Investment Manager pursuant to the Investment Management Agreement may at any time in such circumstances where they deem it appropriate to do so, make and vary arrangements for borrowing or leverage by the Company for the account of a Fund from bankers, brokerage firms and other financial institutions and may charge or instruct the Depositary to charge the assets of a Fund as security for the debts or obligations of that Fund. Borrowing may take a number of forms including (but not limited to) through borrowing cash, margin lending agreements, repurchase agreements, securities lending transactions, and the use of futures, forward contracts, contracts for difference, options and other derivative instruments. The Directors may make and vary arrangements for the account of the relevant Fund to acquire foreign currency by means of a back-to-back loan and such back-to-back loan shall not count as borrowing. Any agreements in relation to, or to facilitate, the exercise of investment powers hereunder, including with regard to borrowings or any prime brokerage or other related arrangement may be entered into by the Company or its authorised delegates or nominees. Borrowings may be effected for a number of purposes, including to increase investment capacity, pay operating expenses, make redemption or distribution payments or for clearance of transactions and the amount of leverage utilised may be significant.

Leverage may be obtained on a secured or unsecured, collateralised or uncollateralised basis. Leverage obtained through borrowing is obtained from the relevant lender. Leverage obtained through the use of derivatives and other non-fully funded instruments is obtained from the relevant counterparty.

The borrowing and leverage limits (if any) for each Fund (and the details of any collateral arrangements to secure borrowings) are set out in the relevant Supplement. The amount of leverage employed may vary and will depend on the Investment Manager's view of contemporary and expected market volatility and the scope of opportunities identified by the Investment Manager. As such, leverage may fluctuate materially over time.

The Investment Manager will, in accordance with the AIFMD Rules, disclose to Shareholders in the applicable Fund the total amount of leverage calculated in accordance with the AIFMD Rules as well as any changes to the maximum level of leverage.

For the purpose of providing margin or collateral in respect of a Fund's investment activities, the Investment Manager, in respect of a Fund, may authorise a transfer, mortgage, charge or encumber any assets or cash forming part of its assets. The Investment Manager, in respect of a Fund, may also charge, pledge, mortgage or otherwise encumber assets of the Fund or any part thereof as security for the relevant Fund's borrowings.

The Investment Manager, in respect of the Fund, may, where provided for in the relevant Supplement, engage the services of prime broker in respect of a Fund whereby such prime broker may hold collateral and other assets of the relevant Fund on a full title transfer basis and be granted the right to rehypothecate the assets of the Fund that it holds.

#### **4.8 Cross-Investment**

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

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

#### **4.9 Indemnities**

The Company has agreed to indemnify certain parties out of the assets of the Company in return for the provision of services and advice. The authority of the Directors to grant indemnities is set out in the Articles and the summaries of the material contracts in section 12 of appendix III titled "Material contracts" outline the indemnity provisions with key service providers.

#### **4.10 Changes to investment and borrowing restrictions**

The investment objective of a Fund shall not be altered, nor a material change in the investment policies of a Fund made, without prior approval of Shareholders on the basis of (a) a majority of votes cast at a meeting of the Shareholders of the particular Fund entitled to vote duly convened and held or (b) with the prior written approval of all Shareholders entitled to vote of the relevant Fund. In the event of a change of the investment objective and/ or a material change in the investment policy of a Fund, Shareholders in the relevant Fund will be given reasonable notice of such change to enable them to repurchase their Shares prior to implementation of such a change. A non-material amendment to the investment policy of a Fund may be made on the basis of notification to the Shareholders of the relevant Fund.

#### **4.11 Efficient portfolio management**

The Company may, on behalf of each Fund, employ (subject to the conditions laid down by the Central Bank) techniques and instruments for efficient portfolio management purposes. Such techniques and instruments may include foreign exchange transactions that alter the currency characteristics of transferable securities held by the Company. The Company may also (subject to the conditions laid down by the Central Bank) employ techniques and instruments intended to provide protection against exchange risks in the context of the management of its assets and liabilities of a Fund. For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Company may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund.

#### **4.12 Hedged classes**

The Company may (but is not obliged to) enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class into the currency of denomination of the relevant Class for the purposes of efficient portfolio management. Any financial instruments used to implement such strategies with respect to one or more Classes will be assets/ liabilities of a Fund as a whole but will be attributable to the relevant Class(es) and

the gains/ losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. While not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of the Investment Manager. Classes may be leveraged as a result of currency hedging transactions. The intention of the Investment Manager is that over-hedged positions will generally not be permitted to exceed 105% of the Net asset Value of a Class, however, this is not an absolute limit. Details of leverage will be disclosed in periodic reporting to Shareholders and the annual report of the Funds.

#### 4.13 **Dividend policy**

Under the Articles, the Directors are entitled to declare distributions out of the profits of any Fund or Class being: (a) the revenues of the relevant Fund (consisting of all revenue accrued including interest and distributions) and/or (b) realised and unrealised capital gains on the disposal/ valuation of Investments and other funds of the relevant Fund. The Directors may also declare dividends out of the capital of the relevant Fund, subject to disclosure of this possibility in the relevant Supplement. The potential impact of the payment of dividends out of capital is a diminution of the relevant Fund's Net Asset Value.

Generally, the policy of the Company is to not make any distributions unless the Directors at such times as they think fit, decide to declare distributions of the relevant Fund or Class, in which case the following rules would apply:

- the Directors may distribute in kind among the Shareholders of such Fund by way of dividend or otherwise any of the assets of the relevant Fund provided that the Company shall if any Shareholder so requests sell any asset or assets proposed to be so distributed and distribute to such Shareholder the cash proceeds of such sale less the costs of any such sale which shall be borne by the relevant Shareholder;
- the Directors will be obliged and entitled to deduct an amount in respect of Irish taxation from any distribution payable to a Shareholder who is or is deemed to be an Irish Resident Shareholder and pay such sum to the Revenue Commissioners;
- subject to Section 623 of the Companies Act, 2014 any dividend unclaimed after six years from the date when it first became payable or on the winding up of the Company, if earlier, shall be forfeited automatically and shall revert to the relevant Fund, without the necessity for any declaration or other action by the Company; and
- distributions payable in cash to Shareholders will be paid by telegraphic transfer to the bank account designated by the Shareholder at the expense of the payee.

#### 4.14 **Securities Financing Transactions and Total Return Swaps**

In accordance with the requirements of SFTR, each Fund may use certain Securities Financing Transactions where provided for in the relevant Supplement. Such Securities Financing Transactions may be entered into for any purpose that is consistent with the investment objective of the relevant Fund, including to generate income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks. A general description of the types of Securities Financing Transactions a Fund may engage in is set out below or in the relevant Supplement.

Securities lending means transactions by which one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities. Repurchase agreements are a type of securities lending transaction in which one party sells a security to

the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.

Margin lending transactions are transactions in which a counterparty extends credit in connection with the purchase, sale, carrying or trading of securities, but not including other loans that are secured by collateral in the form of securities.

Total return swaps may be entered into for any purpose that is consistent with the investment objective of the relevant Fund, including efficient portfolio management (such as hedging purposes or the reduction of portfolio expenses), speculative purposes (in order to increase income and profits for the portfolio), or to gain exposure to certain markets. The reference obligation of a total return swap may be any security or other investment in which the relevant Fund is permitted to invest.

A Fund may enter total return swaps with a Prime Broker, banks or other financial counterparties which may take the form of swaps of any kind, including contracts for difference, portfolio swaps, index swaps, credit default swaps and variance and volatility swaps, any kind of option, warrant, forward and future transaction and any other kind of derivative in accordance with its investment objectives.

#### Overall data for each type of Securities Financing Transactions and Total Return Swaps for each Fund

Any type of assets that may be held by a Fund in accordance with its investment objective and policies may be subject to such Securities Financing Transactions. Where provided for in the relevant Supplement, the Fund may also use total Return Swaps. Subject to the Fund's investment objective and policies, there is no limit on the proportion of assets that may be subject to Securities Financing Transactions and total return swaps and therefore the maximum proportion of a Fund's assets that can be subject to Securities Financing Transactions or total return swaps can be as much as 100%, i.e. all of the assets of the relevant Fund but is expected to be 5% or lower for each Fund. In any case the most recent annual accounts of the Fund will express the amount of the relevant Fund's assets are subject to Securities Financing Transactions and total return swaps.

The type of assets that may be subject to Securities Financing Transactions or Total Return Swaps: Cash or government bonds (such as U.S. Treasuries) are normally provided as collateral to (or from) a counterparty under a Securities Financing Transaction or Total Return Swap (as margin to cover mark-to-market changes in valuation of the asset subject to the Securities Financing Transaction or Total Return Swap), although other types of securities may be used as agreed between a Fund and the counterparty from time to time.

#### Criteria used for the selection of counterparties to Securities Financing Transactions or Total Return Swaps

While the AIFM will conduct appropriate due diligence in the selection of counterparties, including consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), it is noted that the AIF Rulebook does not prescribe any pre trade eligibility criteria for counterparties to a Fund's Securities Financing Transactions.

#### 4.15 Acceptable collateral

Subject to liquidity provisions applicable for the relevant Fund and EMIR regarding collateral requirements for OTC derivative transactions, the Funds are not currently subject to any

regulatory rules in respect of collateral. Collateral received by the Fund will consist of such collateral as is agreed with a counterparty from time to time and may include cash in any currency, cash equivalents, equity or debt securities and any other kind of security or other instrument in which a Fund is permitted to invest. Factors such as the type of securities that are being financed and market practice are taken into account when determining acceptable collateral received or provided, including the application of any haircuts. The value of collateral received should not display a high correlation with the performance of the counterparty. There are no restrictions on maturity or issuer provided the collateral is sufficiently liquid, as determined at the discretion of the AIFM.

Collateral posted: Collateral provided to a counterparty by a Fund will consist of such collateral as is agreed with the counterparty from time to time and may include any or all types of assets held by the relevant Fund.

#### Collateral valuation

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

#### Risk management

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

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

Risks related to a counterparty's right of re-use of any collateral include that, upon the exercise of such right of re-use, such assets will no longer belong to the relevant Fund and the Fund will only have a contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty, the Fund shall rank as an unsecured creditor and may not recover its assets from the counterparty. More broadly, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which the relevant Fund or its delegates will not have any visibility or control.

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

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

Margin lending: In the context of prime brokerage and other credit facilities that a Fund may utilise, it may be difficult to identify whether a particular transaction falls within the definition of Securities Financing Transaction or not.

#### Safekeeping of assets

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

#### Specification of any restrictions on the reuse of collateral

- 4.16 The Fund is not subject to any restrictions on the reuse of collateral.

#### Policy on sharing of returns generated by Securities Financing Transactions and Total Return Swaps

All the revenues arising from Securities Financing Transactions and any other efficient portfolio management techniques shall be returned to the relevant Fund following the deduction of any direct and indirect operational costs and fees arising. Such direct and indirect operational costs and fees (which are all fully transparent), which shall not include hidden revenue, shall include fees and expenses payable to repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by a Fund from time to time. Such fees and expenses of any repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by a Fund, which will be at normal commercial rates together with VAT, if any, thereon, will be borne by the Company or the relevant Fund in respect of which the relevant party has been engaged. Details of the relevant Fund revenues arising and attendant direct and indirect operational costs and fees as well as the identity of any specific repurchase/reverse repurchase agreements counterparties and/or securities lending agents engaged by the relevant Fund from time to time shall be included in the Company's annual report.

## **5 MANAGEMENT AND ADMINISTRATION**

### **5.1 Directors**

The Company will be managed and its affairs supervised by the Directors. The Directors are:

**Philip McEnroe** is a director of GRS Capital Partners Limited which is authorised under MiFID and provides management, promotion and distribution services to investors and collective investment schemes including UCITS and non-UCITS funds. Mr. McEnroe has over 20 years' investment and portfolio management experience, specialising in multi asset and real estate strategies. He has been approved by the Central Bank to act as a director of regulated investment business firms since 1999, and Irish regulated collective investment schemes. Mr. McEnroe holds a Masters of Business Studies Degree (Finance) and a Bachelor of Commerce Degree (Finance) from University College Dublin. He is a lecturer to the Institute of Bankers in Ireland and is a Member of the Institute of Directors in Ireland.

**Kimberly Lau** has been business development director at the Investment Manager since October 2003 where she is responsible for the firm's various asset gathering strategies, working closely with the managers of the client portfolios. Ms. Lau has spent seven years in sales and research specialising in emerging markets with Commerzbank and Wood & Company. Prior to that, she was a management consultant in Central Europe. Ms. Lau has a degree in finance and economics from Oregon State University.

**Fergus McKeon**, an Irish resident, holds an Honours Business Studies degree from Trinity College, Dublin and is a Fellow of the Association of Chartered Certified Accountants. Mr McKeon has worked in the global funds industry for over 35 years gaining experience in operations; general and executive management; product and business development across multiple fund structures and domiciles, investment strategies and instruments, and distribution channels. Mr. McKeon has previously held executive roles at Maples and Calder; BNY Mellon; PNC Global Investment Services; Swiss Bank and Irish Life Assurance. Mr McKeon is an independent non-executive director to numerous Central Bank regulated UCITS and alternative investment fund structures.

## 5.2 **Company secretary**

The Company's secretary is MFD Secretaries Limited and its registered office is at 32 Molesworth Street, Dublin 2, Ireland.

## 5.3 **Investment manager**

### (a) General

The Company has appointed Asset Value Investors Limited as investment manager of the Company and each Fund. The Investment Manager will act as the alternative investment fund manager ("**AIFM**") in respect of the Funds for the purposes of the AIFMD Rules and is authorised by the FCA.

The Investment Manager is a limited liability company incorporated in England and Wales in January 1985 with registered number 1881101. It is authorised and regulated by the FCA and is a registered investment adviser with the Securities and Exchange Commission of the United States. As at 30 September 2019 it had over GBP1 billion under management. The Investment Manager's principal business is investment management.

### (b) Delegation

Pursuant to the Investment Management Agreement, the Company has delegated to the Investment Manager, subject to its supervision and directions, all of its powers and discretions in relation to investment of the assets of the Funds including any hedging and borrowing powers upon the terms and conditions contained in the Investment Management Agreement.

The Investment Manager shall, subject to applicable law and the investment restrictions set out in the applicable Supplement, have discretionary authority over the assets of the Funds, and in particular shall be responsible for the following duties:

- (i) discretionary management of the assets of the Funds (including portfolio and/or risk management as regards these assets), it being understood that the Investment Manager may delegate such duties; and
- (ii) marketing and distribution of Shares in the Funds, it being understood that the Investment Manager has appointed third party distributor(s) and may appoint further third party distributors.

The Investment Manager has not currently delegated any of its investment management functions with respect to the Funds. As such, there are no conflicts of interest that are required to be disclosed in connection with any such delegation. The Investment Manager may only delegate

functions, powers and duties connected with the management of the Funds and the exercise of investment discretion in accordance with the AIFMD Rules.

The rights and duties of the Investment Manager are governed by the AIFMD Rules and the Investment Management Agreement. The Investment Manager will be remunerated by each Fund through the payment of a management fee, further details of which are set out in the applicable Supplement. A summary of the terms of the Investment Management Agreement is set out in section 12 of appendix III titled "Material contracts".

Pursuant to the Investment Management Agreement, as required by the AIFMD Rules, the Investment Manager also has responsibility to the proper valuation of the assets of the Funds.

The Investment Manager may act as an investment manager to other pooled investment vehicles and managed accounts whose investment objectives and strategies may be substantially similar to those of the Company and the Funds.

In the event that a sub-investment manager is appointed in respect of one or more Funds, the details of the arrangements with that sub-investment manager will be set out in the relevant Supplement.

(c) Risk Management

The Investment Manager will maintain an adequate and documented risk management policy that seeks to identify all relevant risks to which the Funds are or may be exposed. This policy will include such procedures as are necessary to enable the Investment Manager to assess the exposure of the Funds to market, liquidity, counterparty and operational risks as well as to all other relevant material risks.

The risk profile of the relevant Funds will be disclosed to the relevant Shareholders in accordance with the AIFMD Rules, including: (i) the measures taken to assess the sensitivity of each Fund's portfolio to the most relevant risks to which such Fund is or could be exposed; and (ii) a description of the circumstances where the risk limits, if any, set by the Investment Manager have been exceeded (or are likely to be exceeded) and the remedial measures taken. The Investment Manager will make this information available to all relevant Shareholders, to the extent not already made through this prospectus or a Supplement, through periodic disclosures as required by the AIFMD Rules.

(d) Liquidity Management

The Investment Manager will employ appropriate liquidity management procedures which enable it to monitor the liquidity risk of each Fund. The Investment Manager aims to ensure that the investment policy, liquidity profile and redemption policy of each Fund are consistent with the relevant Fund's liquidity needs. The Investment Manager will regularly conduct stress tests, under normal and exceptional liquidity conditions, which enable it to assess the liquidity risk of the relevant Fund and monitor the liquidity risk of that Fund accordingly. The Investment Manager intends to review its liquidity management policies on an annual basis and will notify Shareholders of any material changes to its liquidity management systems and procedures.

(e) Remuneration Policy of the Investment Manager

The Investment Manager has in place a remuneration policy to ensure that the interests of the Investment Manager and the Shareholders are aligned. This remuneration policy imposes remuneration rules on staff and senior management within the Investment Manager whose activities have a material impact on the risk profile of the Funds.

The Investment Manager will ensure that its remuneration policies and practices are consistent with sound and effective risk management, will not encourage risk-taking which is inconsistent with

the risk profile of the Funds and the Articles and will be consistent with the remuneration guidelines in AIFMD and the European Securities and Market Authority's remuneration guidelines.

The Investment Manager will ensure that the remuneration policy is at all times consistent with the business strategy, objectives, values and interests of the Company and the Shareholders and includes measures to ensure that all relevant conflicts of interest may be managed appropriately at all times.

(f) AIFM professional liability risk cover

The Investment Manager will cover its professional liability risks resulting from activities which the Investment Manager may carry out on behalf of the Company through the use of suitable professional insurance. These professional liability risks shall include, without being limited to, risks of (a) loss of documents evidencing title of assets of the Company; (b) misrepresentations or misleading statements made to the Company or its Shareholders; (c) acts, errors or omissions resulting in a breach of legal and regulatory obligations, the duty of skill and care towards the Company and the Shareholders, fiduciary duties, obligations of confidentiality, the Investment Management Agreement (including the of appointment of the Investment Manager); (d) failure to establish, implement and maintain appropriate procedures to prevent dishonest, fraudulent or malicious acts; (e) improperly carried out valuation of assets or calculation of Net Asset Value; and (f) losses arising from business disruption, system failures, failure of transaction processing or process management.

#### 5.4 **Administrator**

SEI Investments - Global Fund Services Limited acts as administrator of the Company. The Administrator is responsible, under the supervision of the Directors, for providing administrative services required in connection with the Company's operations, including maintaining the financial records of the Company calculating and publishing the Net Asset Value, providing registrar and transfer agent services in connection with the issue, transfer and redemption of Shares, collecting subscription payments and disbursing redemption payments.

The Administrator was incorporated in Ireland on 16 December 1995 and is ultimately a wholly owned subsidiary of SEI Investments Company, a US corporation organised under the laws of the State of Pennsylvania.

A summary of the terms of the Administration Agreement is set out in section 12 of appendix III titled "Material contracts".

#### 5.5 **Depositary**

(a) General

SEI Investments Trustee & Custodial Services (Ireland) Limited acts as depositary to the Company including maintaining operating bank accounts, safekeeping of assets and trustee duties. The Depositary is the depositary to each of the Funds for the purposes of the AIFMD Rules.

The Depositary is a private limited liability company incorporated in Ireland on 18 November 1999 under registration number 315393 and carries on the business of providing trustee and custodial and related services to collective investment schemes and investment funds such as the Company.

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

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

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

(b) Summary of Fiduciary and Oversight Obligations

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

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

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

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

In accordance with the Depositary Agreement, neither the Depositary nor any other sub-custodian shall be permitted to re-use the assets of the Funds without the prior written consent of the Investment Manager and subject to any conditions that may be agreed with the Investment Manager and any restrictions or limitations set out in this prospectus or the AIFMD Rules.

The Depositary Agreement permits contractual discharge of the liability of the Depositary. Notwithstanding that the Depositary exercises its power to use sub-custodians pursuant to the Depositary Agreement, the Depositary does not currently discharge its liability to any third party. Any changes to the liability of the Depositary in its role as depositary under the AIFMD Rules will be disclosed to Shareholders without delay.

If the Investment Manager, on behalf of a Fund, invests in markets where the law of a third country requires that certain financial instruments are held in custody by a local entity and there are no local entities that satisfy the delegation requirements set out in Regulation 11(b)(iv)(II) of the AIFMD Regulations, the Depositary may delegate its functions to such a local entity (only to the extent required by the law of the third country) provided that the requirements of Regulation 14 of the AIFMD Regulations and the Articles in respect of such delegation are met. The investors in the relevant Fund must be duly informed that such delegation is required due to legal constraints in the law of the third country and of the circumstances justifying the delegation, prior to their investment in the relevant Fund.

A summary of the terms of the Depositary Agreement is set out in section 12 of appendix III titled "Material contracts".

## **5.6 Legal Advisers**

Maples and Calder is counsel to the Company with respect to matters of Irish law. Maples and Calder may also act as counsel to other funds managed by the Investment Manager or its Associates now or in the future and Maples and Calder may act as counsel to the Investment Manager. Conflicts could arise due to these multiple representations. Maples and Calder does not represent the investors in the Company. Potential investors are urged to consult their own counsel.

As counsel to the Company, Maples and Calder is not involved in, and neither has discretion with respect to, the Company's business, investments, management or operations, such as responsibility for the Company's compliance with Applicable Law. In giving advice in connection with the preparation of this prospectus, Maples and Calder advised solely in a professional capacity and each has relied on information furnished to it by the parties set out in the Directory and/ or their respective affiliates and advisers.

## **5.7 Auditor**

Deloitte has been appointed to act as the auditor for the Company. The responsibility of the auditor is to audit and express an opinion on the financial statements of the Company in accordance with Irish law and IFRS. Those standards require the auditor to comply with the Auditing Practices Board's Ethical Standards for Auditors.

The auditor opines on whether the financial statements give a true and fair view, in accordance with IFRS, of the state of the Company's affairs and of its profit and cash flows for the year then ended and whether they have been properly prepared in accordance with the requirements of the Companies Act 2014.

## **5.8 Other Service Providers**

The Company may appoint additional or replacement service providers, including prime brokers, brokers and trading counterparties, to one or more Funds as may be specified in the relevant Supplement.

## 6 CONFLICTS OF INTEREST

### 6.1 General

The Directors, the Investment Manager, the Administrator, the Depositary any other service provider or adviser to the Company and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the "Parties") are, or may be, involved in other financial, investment and professional activities that may on occasion cause a conflict of interest with the management of the Company, a Fund and/ or their respective roles with respect to the Company. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Company may invest. In particular, the Investment Manager may advise or manage other collective investment schemes that have similar or overlapping investment objectives to or with the Company or its Funds.

The Investment Manager may be consulted by the Administrator in relation to the calculation of values of investments that are not listed, quoted or dealt in on an exchange. There is a conflict of interest between any involvement of the Investment Manager in this valuation process and with the Investment Manager's entitlement to any proportion of a management fee or performance fee that are calculated on the basis of the Net Asset Value.

Each of the Parties will use its reasonable endeavours to ensure that the performance of its respective duties will not be impaired by any such involvement it may have and that any conflicts that may arise will be resolved fairly.

There is no prohibition on transactions with the Company or a Fund by the Parties including holding, disposing or otherwise dealing with Shares issued by or property of the Company and none of them will have any obligation to account to the Company for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions must be in the best interests of Shareholders and dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis and:

- (a) a person approved by the Depositary (or the Directors in the case of transactions involving the Depositary), as independent and competent certifies the price at which the relevant transaction is effected is fair; or
- (b) the relevant transaction is executed on best terms reasonably obtainable on an organised investment exchange or other regulated market in accordance with the rules of such exchange or market; or
- (c) where the conditions set out in (a) and (b) above are not practical, the relevant transaction is executed on terms that the Depositary is (or in the case of a transaction involving the Depositary, the Directors are) satisfied conform with normal commercial terms negotiated at arm's length.

The Investment Manager or an associated company of the Investment Manager may invest in Shares so that a Fund or Class may have a viable minimum size or is able to operate more efficiently. In such circumstances the Investment Manager or its associated company may hold a high proportion of the Shares of a Fund or Class in issue.

Kimberly Lau is a director of the Investment Manager and also a director of the Company. She has a conflict of interest in managing the Company for the benefit of the Shareholders and in any fees the Investment Manager may receive. She also has a conflict of interest in determining whether to declare distributions in her role as a Director as the Investment Manager's share of fees

is based on Net Assets Value and it will accordingly increase as the amount of a Fund's total Net Assets increases.

Fergus McKeon is a former employee of the Company's legal adviser.

From time to time, any of the parties providing services to the Company may assist the Company in raising additional money from investors. In addition, from time to time, an investor may request that the Investment Manager direct brokerage to a broker affiliated with an adviser to the investor who had recommended that the investor invest in the Company. Subject to its obligation to seek best execution, the Investment Manager may consider referrals of investors to the Company, and requests by investors to direct brokerage, in determining its selection of brokers. However, the Investment Manager will not commit to an investor or broker to allocate a particular amount of brokerage in any such situation. Disclosure of such arrangements will be made in the periodic reports of the Company.

There is a potential conflict of interest between the involvement of the Investment Manager in the valuation process and the entitlement of the Investment Manager to receive a Management Fee and a Performance Fee, each of which is based on the performance of the applicable Fund, as each will increase as the Net Asset Value, and, therefore, the Net Asset Value per Share, increases. The Administrator, which has been appointed to calculate the Net Asset Value also faces a similar potential conflict of interest because its fee is based on the Net Asset Value.

The Depositary, an affiliate of the Administrator, performs oversight functions with respect to certain tasks performed by the Administrator. Therefore, there is a potential conflict of interest in relation to the oversight functions performed by the Depositary.

## **6.2 Soft commissions**

The Investment Manager, when effecting transactions with or through the agency of another person, does not enter into arrangements under which that person would provide to or procure for the Investment Manager and/ or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software (commonly known as "soft commissions").

## **6.3 Commission rebates and fee sharing**

Where the Investment Manager, or any of its delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/ or sale of securities, permitted derivative instruments or techniques and instruments for the Company, the rebated commission will be paid to the Company as the case may be. The Investment Manager or its delegates may be reimbursed out of the assets of the Company for reasonable properly vouched costs and expenses directly incurred by the Investment Manager or its delegates in this regard.

## **7 FEES AND EXPENSES**

### **7.1 Allocation of fees and expenses to the sub-funds**

In accordance with the Articles, each Fund will keep separate books and records in which all transactions relating to the relevant Fund will be recorded and all fees, expenses and liabilities attributable to a particular Fund will be allocated to that Fund and within such Fund to the Classes in respect of which they were incurred. As a result, details on fees and expenses attributable to a particular Fund will be detailed in the relevant Supplement for that Fund. Where an expense is not considered by the Directors to be attributable to any one Fund, the expense will normally be allocated to all Funds in proportion to the Net Asset Value of the Funds or otherwise on such basis as the Directors deem fair and equitable in accordance with the Articles. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees or expenses on an estimated figure for yearly or other periods in advance and accrue them in equal proportions over any period. The following disclosures relate to fees and expenses that are generally borne by the Company as a whole being attributable to one or more Funds and applied and a pro rata basis by the Directors in their discretion and in accordance with the Articles.

### **7.2 Fees of the administrator, depositary and investment manager**

The Company will pay to the Administrator, the Depositary and the Investment Manager fees and expenses out of the assets of the relevant Fund as disclosed in each Supplement.

### **7.3 Dealing fees**

Details of any subscription, redemption and conversion fees, if applicable, will be set out in the relevant Supplement for each Fund.

### **7.4 Establishment expenses**

All fees and expenses relating to the establishment and organisation of the Company and the Funds including the fees of the Company's professional advisers, listing and registration fees were previously borne by the Company and paid out of the assets of the relevant Fund. Establishment expenses were amortised over the first five Accounting Periods of the Company's existence and recorded in the annual audited accounts in accordance with International Financial Reporting Standards ("IFRS").

### **7.5 Operating expenses and fees**

The Company pays out of its assets all fees, costs and expenses of or incurred by the Investment Manager, the Administrator and the Depositary in connection with the ongoing management, administration and operation of the Company and each Fund. Such fees, costs expenses and disbursements payable by the Company include:

- (a) auditors' and accountants' fees;
- (b) lawyers' fees;
- (c) commissions, fees and reasonable and properly vouched out-of-pocket expenses payable to any placing agent, structuring agent, paying agent, correspondent bank or distributor of the Shares;
- (d) merchant banking, stock broking or corporate finance fees including interest on borrowings, index calculation, performance attribution, risk control and similar services' fees and expenses, fees and charges of clearing agents and interest on debit balances and other bank charges;

- (e) taxes or duties imposed by any fiscal or regulatory authority, including the annual fees of the Central Bank;
- (f) costs of preparation, translation and distribution of all prospectuses, reports, certificates (if any), confirmations of purchase of Shares and notices to Shareholders;
- (g) fees and expenses incurred in connection with the listing of Shares on any recognised market and in complying with the listing rules thereof;
- (h) expenses of Shareholders' meetings;
- (i) insurance premia;
- (j) custody and transfer expenses;
- (k) any other expenses, including clerical costs of issue or redemption of Shares;
- (l) the cost of preparing, translating, printing and/ or filing in any language the Articles and all other documents relating to the Fund including registration statements, prospectuses, listing particulars, explanatory memoranda, annual, half-yearly and extraordinary reports with all authorities (including local securities dealers associations) having jurisdiction over the Fund or the offer of Shares and the cost of delivering any of the foregoing to the Shareholders;
- (m) advertising expenses relating to the distribution of Shares;
- (n) the cost of publication of notices in local newspapers in any relevant jurisdiction;
- (o) the total costs of any amalgamation or reconstruction relating to the Company;
- (p) all fees payable in respect of investments in collective investment schemes including, without limitation, subscription, redemption, management, performance, distribution, administration and/ or custody fees in respect of each collective investment fund in which the Fund invests, except where this is not permitted by the Central Bank; and
- (q) any pro rata fees, costs or expenses of the Fund attributed in accordance with the Articles;

in each case plus any applicable taxes.

#### **7.6 Directors' fees**

The Directors who are not associated with the Investment Manager or its affiliates will be entitled to remuneration for their services as directors provided however that the aggregate emoluments of each such Director will not exceed EUR12,500 (plus any applicable taxes) or such other amount as may be approved by a resolution of the Directors or the Shareholders in general meeting. The Directors' fees will be reviewed annually. In addition, all of the Directors will be entitled to be reimbursed out of the assets of each Fund for their reasonable out of pocket expenses incurred in discharging their duties as Directors.

#### **7.7 Company secretary fees**

The Company Secretary will receive a fee of EUR7,500 per annum (plus disbursements and any applicable taxes) out of the assets of the Company in respect of its company secretarial services to the Company.

#### **7.8 Fee changes**

The rates of fees for the provision of services to any Fund or Class may be changed provided that written notice is given to affected Shareholders and they are provided with at least one opportunity (e.g. on a Dealing Day) to redeem their Shares prior to the new fees becoming effective.

## **8 THE SHARES AND SUBSCRIPTIONS**

### **8.1 General**

Shares may be issued on any Dealing Day. Shares issued in a Fund or Class will be in registered form and denominated in the Base Currency specified in the relevant Supplement for the relevant Fund or a currency attributable to the particular Class. Shares will have no par value and will first be issued on the first Dealing Day after expiry of the initial offer period specified in the relevant Supplement at the initial offer price as specified in the relevant Supplement. Thereafter Shares will be issued at the Net Asset Value per Share. Subscription prices are available to Shareholders on request. None of the Company, the Investment Manager, the Administrator or the Depositary or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of instructions from Shareholders reasonably believed to be genuine and will not be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorised or fraudulent instructions. The Company will make the issue and redemption prices of Shares available promptly to Shareholders on request.

### **8.2 Registered shares**

Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and the Directors do not intend that certificates will be issued. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions from the relevant Shareholder.

### **8.3 Voting rights**

Unless otherwise disclosed in a Supplement, Shares will be issued as voting shares and the voting rights attributable to each Class are summarised in section 3 of appendix III titled "Voting rights".

### **8.4 Subscription procedure**

Details of the Dealing Days, offer and notice periods, fees and related information relevant to the subscription of Shares in a particular Fund will be set out in the relevant Supplement. The information in the Supplement will take precedence, however, the general procedure to be followed in making applications of all Shares is similar and can be summarised as follows.

Applications for Shares may be made by completing the Application Form. Applications received by the Administrator prior to the relevant Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any applications received after the Subscription Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Company in its absolute discretion otherwise determines to accept one or more applications received after the Subscription Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

Applicants will be required to certify in writing that they meet the criteria to be a Qualifying Investor or an Accredited Investor and that they are aware of the risks involved in the proposed investment and of the fact that inherent in such investment is the potential to lose the entire sum invested.

Initial applications should be made using an Application Form obtained from the Administrator but may, if the Company so determines, be made by fax subject to prompt transmission to the Administrator of the original signed application form and such other papers (such as documentation relating to money laundering prevention checks) as may be required by the Administrator. No redemptions will be paid until the original Application Form and such other papers as may be required by the Company and the Administrator have been received and all anti-money laundering procedures have been completed. Subsequent applications to purchase Shares following the initial subscription may be made to the Administrator by fax and such applications should contain such information as may be specified from time to time by the Directors or their

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

Once completed applications have been received by the Administrator, they are irrevocable except with the consent of the Company. The Administrator will issue a written confirmation on behalf of the Company to successful applicants for Shares as soon as possible confirming acceptance of their application, and on issue of the Shares, will issue a written confirmation of ownership.

#### **8.5 Liability statement**

None of the Company, the Investment Manager, the Administrator or the Depositary or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of subscription or related instructions from Shareholders reasonably believed to be genuine and will not be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorised or fraudulent instructions.

#### **8.6 Fractions**

Subscription money representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription money for Shares represents less than the subscription price for one Share, provided however, that fractions will not be less than .01 of a Share. Subscription money, representing less than .01 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs.

#### **8.7 Method of payment**

Subscription payments net of all bank charges should be wired to the bank account specified in the Application Form. Other methods of payment are subject to the prior approval of the Company. No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

#### **8.8 Currency of payment**

Subscription money is payable in the Reference Currency of a Share Class. The Depositary can only accept receipt of the class currency subscription money into the respective bank accounts i.e. for a USD class currency a specific USD subscription bank account will be established which can only receive USD. The Depositary does not handle any FX transactions.

#### **8.9 Timing of payment**

Payment in respect of subscriptions must be received in cleared funds into the bank accounts within a reasonable time, which is the Business Day prior to the relevant Dealing Day. All payments will be checked before clearance by the Administrator in accordance with its internal procedures, including the corresponding Application Form, anti-money laundering requirements issues and any other issue the Administrator deems appropriate. In all cases the Company and its delegate reserve the right to defer the issue of Shares until proper receipt and clearance of funds by the Company. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Company or its delegate may (and in the event of non-clearance of funds, will) cancel the allotment. The Company may waive the relevant cut off time provided cleared funds are received prior to the Valuation Point.

#### **8.10 "In specie" subscriptions**

The Company or its delegate (including the Administrator) may on any Dealing Day allot Shares in any Class on terms that settlement will be made by the vesting in the Company, to be attributed to the relevant Fund, of assets of the type in which the subscription money for the relevant Shares

may be invested in accordance with the investment objective policy and restrictions of the relevant Fund and otherwise on such terms as the Company may think fit provided that:

- (a) no Shares will be issued until the assets or property have been vested or arrangements are made to vest the assets or property with the Depositary or its sub-custodian to the Depositary's satisfaction;
- (b) any such exchange will be effected on terms that the number of Shares to be issued will be the number (including, at the Company's discretion, fractions of Shares) that would have been issued at the subscription price per Share for a cash amount equal to the value of the assets or property as calculated in accordance with Net Asset Value provisions of the Company including such sum as the Directors may consider represents an appropriate provision for duties and charges arising in connection with the vesting of the assets or property;
- (c) the assets or property to be transferred to the Company will be valued by applying the rules relating to valuation of investments contained in this prospectus;
- (d) there may be paid to the incoming Shareholder out of the assets or property of the relevant Fund a sum in cash equal to the value at the current price of any fraction of a Share excluded from the calculation aforesaid; and
- (e) the Depositary will be satisfied that the terms of such exchange will not be such as are likely to result in any material prejudice to the existing Shareholders.

#### **8.11 Abusive trading practices/ market timing**

The Directors generally encourage investors to invest in the Funds as part of a long-term investment strategy and discourages excessive or short term or abusive trading practices. Such activities, sometimes referred to as "market timing", may have a detrimental effect on the Funds and Shareholders. For example, depending on various factors such as the size of the Fund and the amount of its assets maintained in cash, short-term or excessive trading by Shareholders may interfere with the efficient management of the Fund's portfolio, increased transaction costs and taxes and may harm the performance of the Fund.

There can be no assurances that abusive trading practices can be mitigated or eliminated. For example, nominee accounts in which purchases and sales of Shares by multiple investors may be aggregated for dealing with the Fund on a net basis, conceal the identity of underlying investors in a Fund that makes it more difficult for the Directors and their delegates to identify abusive trading practices.

#### **8.12 Suspension**

The Directors may declare a suspension of the issue of the Shares in certain circumstances as described in section 10.2 titled "Suspension of valuation of assets". Shares will not be issued during any such period of suspension.

#### **8.13 Anti-money laundering measures**

The Administrator, SEI Investments – Global Fund Services, Limited, is regulated by the Central Bank of Ireland, and must comply with the measures provided for in the *Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2018*, which is aimed towards the prevention of money laundering. In order to comply with these anti-money laundering regulations, the Administrator will require from any subscriber or shareholder a detailed verification of the identity of such subscriber or shareholder, the identity of the beneficial owners of such subscriber or shareholder, the source of funds used to subscribe for Shares, or other additional information which may be requested from any subscriber or shareholder for such purposes from time to time.

The Administrator reserves the right to request such information as is necessary to verify the identity of an applicant.

The Subscriber recognises that the Administrator, in accordance with its anti-money laundering ("AML") procedures reserves the right to prohibit the movement of any money if all due diligence requirements have not been met, or, if for any reason feels that the origin of the funds or the parties involved are suspicious. In the event that the movement of any money is withheld in accordance with SEI Dublin's AML procedures, SEI Dublin will strictly adhere to all applicable laws, and shall notify the Fund as soon as professional discretion allows or as otherwise permitted by law.

#### 8.14 **Anti-Dilution Levy**

In calculating the Net Asset Value per Share, the Directors may, where there are net subscriptions, adjust the Net Asset Value per Share by adding an Anti-Dilution Levy of up to 1% of the Net Asset Value per Share for retention as part of the assets of the relevant Fund, further details of which will be set out in the relevant Supplement. This Anti-Dilution Levy will cover dealing costs and preserve the value of the assets of the relevant Fund. No Anti-Dilution Levy will be charged unless it is set out in the Supplement of the relevant Fund.

#### 8.15 **Limitations on subscriptions**

The Application Form requires each prospective applicant for Shares to represent and warrant that he/ she/ it is not an "Ineligible Applicant" and is able to acquire and hold Shares without violating applicable laws. Specifically, the Shares may not be offered, issued or transferred to any person who in the opinion of the Directors is an "Ineligible Applicant". An Ineligible Applicant is a person:

- (a) who or which is not a Qualifying Investor or an Accredited Investor;
- (b) where such applicant is a US Person, who or which is not a US Tax-Exempt Investor;
- (c) where such applicant is a US Person, who or which is not an "accredited investor as defined under the 1933 Act and a "qualified purchaser" as defined under the 1940 Act;
- (d) whose holding of Shares would result in a violation by the Company of the 1933 Act or the securities laws of any of the states of the United States;
- (e) whose holding of Shares would require the Company to register under the 1940 Act or to file a prospectus with the CFTC or the US National Futures Association pursuant to regulations under the CEA;
- (f) whose holding of Shares would cause any assets of the Company to be "plan assets" for the purposes of ERISA;
- (g) whose holding of Shares would require the Investment Manager to register under the Advisers Act;
- (h) who is an individual under the age of 18 (or such other age as the Directors may think fit);
- (i) who or which is a person or entity that breached or falsified representations on subscription documents or who or which appears to be in breach of any law or requirement of any country or government authority or by virtue of which such person or entity is not qualified to hold Shares including without limitation any exchange control regulations;
- (j) who or which does not, or would not lawfully hold Shares;

- (k) who or which holds or would hold the Shares in circumstances which (whether directly or indirectly affecting such entity or entities, and whether taken alone or in conjunction with any other entity or entities, connected or not, or any other circumstances appearing to the Directors to be relevant), in the opinion of the Directors, may result in the Company, the Depositary, the Investment Manager, the Administrator or any Fund or its Shareholders incurring any liability to taxation or suffering any other regulatory, pecuniary, legal, taxation or material administrative disadvantage which the Company, the Depositary, the Directors, the Investment Manager, the Administrator, or the relevant Fund or its Shareholders might not otherwise have incurred or suffered or might result in the Company, the Depositary, the Investment Manager, the Administrator or the relevant Fund being required to comply with registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply or is otherwise prohibited by the Articles;
- (l) who, in the opinion of the Directors, causes or may cause the Company or a Fund to suffer a Relevant Law Deduction or be required to make a Relevant Law Deduction as a result of such Shareholder or related person not being compliant with Relevant Law or failing to provide in a timely manner such information as the Directors consider necessary or desirable for the Company, or the relevant Fund, or any authorised agent of the Company, to comply with Relevant Law; or
- (m) who or which would hold less than the Minimum Holding of the relevant Fund, Class of Shares or Series of Shares,

and the Directors may reject in their discretion any application for Shares by or any transfer of Shares to any persons who are so excluded from purchasing or holding Shares and pursuant to the Articles at any time repurchase or require the transfer of Shares held by Shareholders who are so excluded from purchasing or holding Shares.

#### 8.16 Data protection information

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

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

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

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

- that investors will provide the Company with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation;
- a description of the purposes and legal bases for which the personal data may be used;

- details on the transmission of personal data, including (if applicable) to entities located outside the EEA;
- details of data protection measures taken by the Company;
- an outline of the various data protection rights of individuals as data subjects under the Data Protection Legislation;
- information on the Company's policy for retention of personal data;
- contact details for further information on data protection matters.

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

### 8.17 Designated Investments

The Directors (or their delegate) may, in their discretion, determine that certain securities or other instruments held by a Fund lack a reliable or readily assessable market value or should be held until the resolution of a special event or circumstance. Following such determination or determinations, the relevant securities or instruments shall be designated by the Directors (or their delegate) to be designated investments (each a "Designated Investment").

Upon the designation of an investment as a Designated Investment, a pro rata portion of a Shareholder's Shares (except other Designated Class Shares) will be converted or exchanged by way of a compulsory redemption and reissue to a new Class of Shares representing the Fund's indirect interest in such Designated Investment (each, a "Designated Class Share"). Likewise, upon the Disposition of such Designated Investment, the associated Designated Class Shares held by such Shareholders will be converted to Shares of the original Class from which they were initially converted by way of a compulsory redemption and reissue unless all of a Shareholder's non-Designated Class Shares have been redeemed, in which case such Shareholder's Designated Class Shares will be redeemed directly. Unless the context otherwise requires, the term "Shares" includes Designated Class Shares. This exchange of Shares for Designated Class Shares will be at the Net Asset Value per Share of the relevant Class as at the Valuation Point immediately preceding the designation of the investment as a Designated Investment, or at such other date as the Directors (or their delegate) reasonably determine.

Designated Class Shares are not redeemable at the option of the Shareholder thereof. The Directors (or their delegate) may, in their sole discretion, redeem Designated Class Shares in cash, in-kind or partially in-kind prior to the Disposition of the relevant Designated Investment (including through an in-kind distribution of an equity interest in one or more special purpose vehicles ("SPVs") which may have been created to hold such Designated Investment). In the event that Designated Class Shares are redeemed for cash prior to the Disposition of the relevant Designated Investment, a pro rata portion of non-Designated Class Shares held by Shareholders that hold the same Class of Designated Class Shares will be converted into Designated Class Shares by way of redemption and reissue, without the requirement for any notice to be served on such Shareholders. This will increase the illiquidity of the remaining Shareholders' investments by increasing their proportional participation in the associated Designated Investment.

The value of Designated Investments will be determined by the Directors in accordance with the principles set out in the Prospectus. Upon Disposition, Designated Investments will be valued at an amount equal to the net sale or Disposition proceeds received by the relevant Fund in respect of such Designated Investments or, when the Disposition occurs as a result of a determination by the Directors (or their delegate) that the Designated Investment is no longer illiquid or has a readily

ascertainable market value, the value thereof determined pursuant to the valuation methodology described in the Prospectus.

The value of Designated Investments will be included in the Net Asset Value of the relevant Fund (but will be solely attributable to Shareholders holding Designated Class Shares) and will be included in the calculation and payment of any management fees and incentive fee, if any, with respect to the applicable Designated Class Shares; provided that any incentive fees accrued on the Designated Investments shall not be paid until the Disposition of the applicable Designated Investments or upon a redemption of a Shareholder's Designated Class Shares. The Directors (or their delegate) may, in their absolute discretion, charge the portion of any management fee attributable to a particular Designated Investment to the non-Designated Class Shares held by Shareholders participating indirectly in such Designated Investment.

For so long as the relevant Fund continues to own or hold a Designated Investment, a Shareholder owning Designated Class Shares participating in such Designated Investment (A) will continue to receive its allocable share of the gains, losses and expenses related thereto, (B) will remain a Shareholder in the relevant Fund to the extent of its Designated Class Shares held in respect of such Designated Investment, even if such Shareholder has otherwise fully redeemed from the relevant Fund, and (C) upon the Disposition of the relevant Designated Investment, each Shareholder participating in such Designated Investment will be entitled to receive its allocable portion of the proceeds (if any) from the Disposition, less any expenses, management fees and incentive fee, if any, relating to such Designated Investment. Except where a Shareholder has redeemed all of its non-Designated Class Shares prior to the Disposition of the relevant Designated Investment and unless otherwise determined by the Directors (or their delegate), each Shareholder will receive its proceeds by way of the issue of additional non-Designated Class Shares out of the original Class from which they were initially converted, without the requirement for any notice to be served on such Shareholders. If a Shareholder has redeemed all of its non-Designated Class Shares, then, unless otherwise determined by the Directors (or their delegate), upon Disposition of the relevant Designated Investment such Shareholder's Designated Class Shares will be redeemed automatically, without notice, and the redemption proceeds (being a pro rata portion of the proceeds from the Disposition, if any, less expenses and accrued management fees, incentive fees and other fees) will be paid in accordance with the redemption terms of the Shares of the applicable Class from which such Designated Class Shares were initially converted. To the extent that any reserve maintained out of the proceeds of redemption of a Shareholder's non-Designated Class Shares is not applied in full in settlement of the relevant portion of management fees and expenses attributable to the Shareholder's corresponding Designated Class Shares, such excess shall be paid to the Shareholder as soon as practicable following the Disposition of the relevant Designated Investment. Shares issued after a Fund's direct or indirect acquisition of a Designated Investment are not entitled to participate in the gain, loss or income of such Designated Investment.

A "Disposition" includes a complete or partial disposition of a Designated Investment or an earlier determination by the Directors (or their delegate) or their delegate in their sole discretion that the Designated Investment will no longer be deemed a Designated Investment.

## **9 REDEMPTIONS AND CONVERSIONS**

### **9.1 Redemption of Shares**

Details of the Dealing Days, offer and notice periods, fees and related information relevant to the redemption or conversion of Shares in a particular Fund will be set out in the relevant Supplement. Redemption prices are available to Shareholders on request.

Investors should note that Funds can be established as open-ended, limited liquidity or closed-ended funds and their ability to redeem or switch Shares, if any, will be affected accordingly.

## 10 NET ASSET VALUE AND VALUATION OF ASSETS

### 10.1 General

The Investment Manager is responsible for ensuring that the Net Asset Value per Share is calculated and disclosed to Shareholders and the Investment Manager may delegate such duties as it sees fit in accordance with applicable law and regulation. Investments will be valued in accordance with rules which are set out in the prospectus. Any change in those rules will require confirmation from the Depositary that the proposed amendment will not, in the view of the Depositary, materially prejudice investors.

The Net Asset Value of each Fund or, if there are different Classes within a Fund, each Class will be calculated by the Administrator as at the Valuation Point on or with respect to each Dealing Day in accordance with the Articles. Under the AIFMD Rules, the Investment Manager is responsible for the proper valuation of the assets of the Funds. The Administrator has been appointed by the Company to perform certain administration services and to calculate the Net Asset Value and the Net Asset Value per Share. The Administrator and the Investment Manager have agreed that the Administrator will apply the Investment Manager's valuation and pricing policy when calculating the Net Asset Value and the Net Asset Value per Share.

The Net Asset Value of a Fund will be determined as at the Valuation Point for the relevant Dealing Day by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund (including a provision for duties and charges, accrued expenses and fees and other liabilities). The Net Asset Value attributable to a Class will be determined as at the Valuation Point for the relevant Dealing Day by calculating that portion of the Net Asset Value of the relevant Fund attributable to the relevant Class subject to adjustment to take account of assets and/ or liabilities attributable to the Class. The Net Asset Value of a Fund will be expressed in the Base Currency of the Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case.

The Net Asset Value per Share will be calculated as at the Valuation Point on or with respect to each Dealing Day by dividing the Net Asset Value of the relevant Fund or attributable to a Class by the total number of Shares in issue or deemed to be in issue in the Fund or Class at the relevant Valuation Point and rounding the resulting total to four decimal places.

In determining the Net Asset Value of the Company and each Fund:

- (a) securities that are quoted, listed or traded on an exchange except as provided at (d), (e), (f), (g), (h) and (i) will be valued at closing prices. Where a security is listed or dealt in on more than one exchange the relevant exchange or market will be the principal stock exchange or market on which the security is listed or dealt on or the exchange or market that the Investment Manager determines provides the fairest criteria in determining a value for the relevant investment. Investments listed or traded on an exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point;
- (b) the value of any security that is not quoted, listed or dealt in on an exchange or that is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value will be the probable realisation value as estimated with care and good faith by (i) the Investment Manager or (ii) a competent person, firm or corporation selected by the Investment Manager. Where reliable market quotations are not available for fixed income securities the value of such securities may be determined using matrix methodology compiled by the Investment Manager whereby such securities are valued by reference to the valuation of other securities that are comparable in rating, yield, due date and other characteristics;

- (c) cash on hand or on deposit will be valued at its nominal value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs;
- (d) derivative contracts traded on a regulated market will be valued at the settlement price as determined by the market. If the settlement price is not available, the value will be the probable realisation value estimated with care and in good faith by (i) the Investment Manager or (ii) a competent person firm or corporation selected by the Investment Manager. Derivative contracts that are not traded on a regulated market including swap contracts will be valued on the basis of a quotation provided at least weekly by the relevant counterparty and verified or approved at least monthly by a party independent of the counterparty, including the Investment Manager;
- (e) forward foreign exchange contracts will be valued in the same manner as derivatives contracts that are not traded in a regulated market or by reference to the price at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken;
- (f) despite paragraph (a) above units in collective investment schemes will be valued at the latest available net asset value per unit or bid price as published by the relevant collective investment scheme or, if listed or traded on an exchange, in accordance with (a) above;
- (g) in the case of a Fund that is a money market fund the Investment Manager may value any security with a known residual maturity of fifteen months or less using the amortised cost method of valuation whereby the security is valued at its acquisition cost adjusted for amortisation of premium or accretion of discount on the security. The Investment Manager or its delegate will review or cause a review to take place of deviations between the amortised method of valuation and the market value of investments in accordance with the Central Bank's guidelines;
- (h) the Investment Manager may value floating rate instruments using the amortised cost method of valuation where such floating rate instruments:
  - (i) have an annual or shorter reset date; and
  - (ii) are determined by the Investment Manager to have a market value that approximates the amortised cost valuation; and
  - (iii) have a residual value of two years or less or, in the case of high credit quality instruments, up to five years provided that procedures are adopted for instruments having a residual maturity of between two and five years to ensure that the valuation produced does not vary significantly from its true market value;
- (i) the Investment Manager may value securities having a residual maturity not exceeding six months using the amortised cost method of valuation;
- (j) the Investment Manager may adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof. The Investment Manager and the Administrator will use reasonable best efforts to establish fair value in accordance with accounting standards and in consultation with the Auditors;
- (k) any value expressed otherwise than in the Base Currency of the relevant Fund will be converted into the Base Currency of the relevant Fund at the exchange rate (whether official or otherwise) that the Directors will determine to be appropriate;

- (l) where the value of any investment is not ascertainable as described above, the value will be the probable realisation value estimated by the Investment Manager with care and in good faith or by a competent person;
- (m) if the Investment Manager deem it necessary a specific Investment may be valued under an alternative method of valuation.

There is a risk that the amount of cash that a particular investment could realise on the sale of that investment may be materially different to the valuation determined at the relevant time for that investment (an investment subject to such a risk, a "Hard to Value Investment"). Hard to Value Investment will be valued in accordance with the principles set out in the valuation policy of the Investment Manager.

The Company's annual audited financial statements will also detail the valuations used with regard to recognised audit and accounting standards.

## 10.2 **Suspension of valuation of assets**

The Directors may at any time and from time to time temporarily suspend the determination of the Net Asset Value of any Fund or attributable to a Class and the issue, conversion and redemption of Shares in any Fund or Class:

- (a) during any period during which one or more of the investments of the relevant Fund (including for such purpose a master fund in which the Fund invests) has suspended the determination of its or their Net Asset Value(s) and/or has suspended redemptions or withdrawals;
- (b) any period when for any reason the prices of a material portion of the investments of the relevant Fund cannot be reasonably, promptly or accurately ascertained;
- (c) any period when due to conditions of market turmoil or market illiquidity it is not possible, in the opinion of the Directors, to determine the fair value of the assets of the Fund;
- (d) any period when any exchange, other board of trade or over-the-counter market on which a substantial portion of the investments of the relevant Fund is quoted is closed, other than for ordinary holidays and weekends, or during periods in which dealings are restricted or suspended;
- (e) the existence of any state of affairs which, in the opinion of the Directors, constitutes an emergency as a result of which disposal of investments of the relevant Fund would not be reasonably practicable or would be seriously prejudicial to investors in the relevant Fund (or any Class thereof);
- (f) any breakdown in the means of communication normally employed in determining the price or value of any portion of the investments of the relevant Fund, or when for any other reason the prices or values of any of the investments of the relevant Fund cannot reasonably be promptly and accurately ascertained;
- (g) any period when the transfer of funds involved in the realisation or acquisition of any investments of the relevant Fund cannot, in the opinion of the Directors, be effected at normal rates of exchange;
- (h) any period when, in the opinion of the Directors, the effect of redemptions, including redemptions for which redemption requests have been received, would materially impair the relevant Fund's ability to operate in pursuit of its objectives, or any of the remaining Shareholders in the relevant Fund (or any Class thereof) would be unfairly and materially disadvantaged or the effect of redemptions would otherwise jeopardise the tax status of the relevant Fund (or any Class thereof);

- (i) any other such period when, in the opinion of the Directors disposal of part or all of the investments of the relevant Fund, or determination of the Net Asset Value of the relevant Fund (or one or more Classes thereof), would not be reasonable or practicable or would be prejudicial to the investors in the relevant Fund (or any Class thereof);
- (j) any period during which one or more of the counterparties or service providers to the relevant Fund are distressed, leading to uncertainty as to the value of any instruments or uncertainty regarding access to, or ownership of, assets;
- (k) any period during which the calculation of the net asset value of a master fund in which the relevant fund invests (or a sub-fund thereof) or the relevant units therein or the issue or redemption of such units is suspended; or
- (l) the period in which the relevant Fund or any master fund of such Fund is winding down its business.

Any suspension of valuation will be notified to the Central Bank, the Depositary and Shareholders as soon as reasonably practicable and will be published in a journal or through an exchange where required. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible. The Central Bank may also require that the Company temporarily suspends the determination of the Net Asset Value and the issue and redemption of Shares in a Fund if it decides that it is in the best interests of the general public and the Shareholders to do so.

### **10.3 Taxation on the occurrence of certain events**

The attention of investors is drawn to section 2 of appendix II titled "Irish taxation" and in particular the taxation liability arising on the occurrence of certain events such as the encashment, redemption or transfer of Shares by or payment of dividends to Shareholders who are resident or ordinarily resident in Ireland. If the Company becomes liable to account for tax including any interest or penalties thereon if an event giving rise to a tax liability occurs, the Company will be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as have a value sufficient after the deduction of any redemption charges to discharge any such liability. The relevant Shareholder will indemnify and keep the Company indemnified against any loss arising to the Company by reason of the Company becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

### **10.4 Publication of Net Asset Value per Share and Historical Performance**

The Net Asset Value per Share may be obtained from either the Investment Manager or the Administrator during normal business hours. The historical performance of each Fund will, where applicable, be available from the Administrator to investors before they invest in the relevant Fund.

## APPENDIX I – RISK FACTORS

### 1 GENERAL

1.1 The risks described in this prospectus should not be considered to be an exhaustive list of the risks that potential investors should consider before investing in a Fund and the relevance of such risks is dependent on the investment guidelines from the investment objective, policies and restrictions outlined in the relevant Supplement. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. Investment in the Company carries with it a degree of risk. Different risks may apply to different Funds and/ or Classes. Details of specific risks attaching to a particular Fund or Class that are additional to those described in this section will be disclosed in the relevant Supplement. Prospective investors should review this prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares. Prospective investors are advised that the value of Shares and the income from them may go down as well as up and, accordingly, an investor may not get back the full amount invested and an investment should only be made by persons who can sustain a loss on their investment. Past performance of the Company or any Fund should not be relied on as an indicator of future performance. The difference at any one time between the sale price (to which may be added a sales charge or commission) and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term. The attention of potential investors is drawn to the taxation risks associated with investing in the Company. Please refer to appendix II titled "Taxation of the Company". The securities and instruments in which the Company invests are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur. There can be no guarantee that the investment objective of a Fund will actually be achieved.

### 1.2 Substantial charges

The Company and the Funds are subject to substantial charges, and must generate profits and income that exceed its fixed costs in order to avoid depletion of its assets. Funds are required to pay the service provider fees, expenses and commissions regardless of its performance.

### 1.3 Redemption risk

Large redemptions of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets.

### 1.4 Cross-contamination

As a matter of Irish company law, any liability attributable to the Fund may only be discharged out of the assets of the Fund and the assets of other sub-funds of the Company may not be used to satisfy the liability subject to very limited exceptions including fraud or misrepresentation. However, there is no guarantee that recourse between Funds will be restricted in every case or that such liabilities will be identified or capable of being solely attributable to a Fund. There is no guarantee that a person will not take proceedings against the Company claiming entitlement to the assets of one or more Funds. There is no guarantee that segregation of sub-funds under Irish law will be recognised in other jurisdictions.

### 1.5 Different Share Classes

Subject to compliance with the requirements of the Central Bank, each Fund may at any time issue different Classes of Shares, the terms and/or characteristics of which may differ to those of any previously issued Classes of Shares.

## 1.6 **Cross class liabilities**

Although the Articles require the establishment of separate Class accounts for each Class of Shares and the attribution of assets and liabilities to the relevant Class account, if the liabilities of a Class exceed its assets, creditors of the Company may seek to have recourse to the assets attributable to the other Classes. At the date of this document the Directors are not aware of any such existing or contingent liability.

## 1.7 **Lack of management control by Shareholders**

Shareholders have limited voting rights and do not participate in the management of the Company, the Funds or in the conduct of their business.

## 1.8 **Systems and operational risk**

The Company depends on the Investment Manager to develop the appropriate systems and procedures to control operational risk.

On behalf of a Fund, the Investment Manager may rely extensively on computer programs and systems to trade, clear and settle securities transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolios and net capital, and to generate risk management and other reports that are critical to the oversight of the Funds' activities. The Investment Manager, in respect of certain Funds, may employ investment strategies that are dependent upon various computer and telecommunications technologies (for example Funds whose strategies rely in whole or in part on certain algorithms). In addition, certain of the Company's and the Investment Manager's operations may interface with or depend on systems operated by third parties, including prime brokers and market counterparties and their sub-custodians and other service providers, and the Investment Manager may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain defects, failures or interruptions, including, but not limited to, those caused by computer "worms," viruses, telecommunications failures, power failures, software-related "system crashes" and fire or water damage. Any such defect or failure could have a material adverse effect on the Company and the Funds. For example, such failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the ability of the Investment Manager to maintain, modify, liquidate or monitor the relevant Fund's investment portfolios and monitor its risks.

Operational risks arising from mistakes made in the confirmation or settlement of transactions, from transactions not being properly booked, evaluated or accounted for or other similar disruption in the Company's or Funds' operations may cause a Fund to suffer financial loss, the disruption of its businesses, liability to clients or third parties, regulatory intervention or reputational damage.

The Company's businesses are highly dependent on the Investment Manager's ability to process, on a daily basis, transactions across numerous and diverse markets. Consequently the Company relies heavily on the Investment Manager's financial, accounting and other data processing systems. The ability of the Investment Manager's systems to accommodate an increasing volume of transactions could also constrain its ability to properly manage portfolios of one or more Funds.

## 1.9 **Contractual settlement**

Investors should note that if payment in full has not been received in respect of the issue of Shares by the relevant Subscription Settlement Date, or in the event of non-clearance of funds then, at the sole discretion of the Directors, all or part of any allotment of Shares made in respect of such application may be compulsorily redeemed at the next available Net Asset Value per Share. In such cases the Investment Manager may charge the applicant interest at such rate as may be conclusively determined by the Investment Manager from time to time and other losses, charges or expenses, determined by the Investment Manager in its sole discretion, suffered or incurred by the Company or the Investment Manager as a result of late payment or non-payment of

subscription money, including but not limited to, any decrease in the Net Asset Value per Share from the applicable Dealing Day to the day of such compulsory redemption.

Investors should specifically note that if the applicant fails to reimburse the Company and the relevant Fund for any such losses, charges or expenses, the Investment Manager shall have the right to sell all or part of the applicant's holdings of Shares, where applicable, in order to meet such losses, charges or expenses. If no such Shares exist, the Investment Manager may seek reimbursement of such losses, charges or expenses directly from the applicant. However, in the event that any such reimbursement is not obtained, the relevant Fund will bear such losses, charges and expenses.

#### **1.10 Liability and indemnification obligations**

Pursuant to the Articles and arrangements entered into with service providers, the Directors, agents, officers and service providers for the time being of the Company have certain rights to an indemnity from the Company. These obligations could require the relevant Fund to make substantial indemnification payments. The Company's service providers shall be liable to the Company only under extremely limited circumstances.

#### **1.11 Side letters**

The Investment Manager or the Company may enter into a side letter or similar agreement with a Shareholder (without the approval of, or disclosure to, any other party) to alter the terms of such Shareholder's investment in a Fund including, inter alia, the fees payable by such party through rebates or otherwise and, therefore, such party will be provided with a benefit that is not granted to parties who are not a party to the side letter. Any terms granted to a Shareholder under a side letter will not, as a matter of course, be available to any other Shareholder.

#### **1.12 Auditors' limitation of liability**

The auditors have severely limited their liability under the terms of their engagement the Company's rights of possible recourse against them are therefore limited.

#### **1.13 Compulsory redemption of Shares**

In accordance with this prospectus, the Directors may redeem all or part of the Shares of any Shareholder. This may result in loss to the relevant Shareholder or prevent it from benefiting from subsequent gains in respect of the relevant Shares.

#### **1.14 In specie distributions**

Although the Investment Manager expects to distribute only cash to the Shareholders, there can be no assurance that the Funds will meet this objective. In addition, if significant redemptions are requested, the Investment Manager may be unable to liquidate the relevant Fund's investments at the time such redemptions are requested or may be able to do so only at prices that the Investment Manager believes do not reflect the true value of such investments and that would adversely affect the Shareholders. Under these circumstances, or such other circumstances as the Investment Manager deems appropriate, the Shareholders may, to the extent permitted by applicable law, receive in specie distributions. Such securities and instruments may not be readily marketable or saleable and may have to be held by the Shareholders for an indefinite period of time. This may cause or exacerbate loss.

#### **1.15 Restrictions on redemptions**

In addition to the issues raised in relation to illiquidity of Shares above, prospective investors should note that Shares are redeemable at the option of the Shareholder only in the circumstances set out herein. The Company may require a Shareholder to redeem its Shares, or the Company may compulsorily redeem such Shares, in certain circumstances. Such mandatory redemption

may create adverse or economic or other consequences to the Shareholder depending on the timing thereof and the Shareholder's personal circumstances. The Directors may temporarily suspend calculations of the Net Asset Value of any Fund in certain circumstances. No issue or redemptions of Shares will take place during any period where calculations are so suspended and the Company reserves the right to withhold payments of redemption proceeds to persons whose Shares have been redeemed prior to such suspension until after the suspension is lifted. In order to meet redemptions, the Company may need to liquidate its underlying assets. If the Company is unable to do this, payment of redemption proceeds will not be possible. This could materially extend the period required for Shareholders to realise their investments in the Company.

#### **1.18 Potential conflicts of interest**

The Directors and the service providers to the Company may have actual and potential conflicts of interest in relation to their duties to the Company as set out in the section hereof entitled "Conflicts of Interest".

#### **1.19 Operating deficits**

The expenses of operating the Funds (including the fees payable to service providers) may exceed the relevant Fund's income. Any such operating deficits will be paid out of the Fund's capital, reducing the value of the Fund's investments and potential for profitability.

#### **1.20 Variation of safekeeping functions and Depositary liability depending on asset type**

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

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

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

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

## **2 INVESTMENT RISKS**

### **2.1 Dependence on key personnel**

The performance of the Funds is largely dependent on the services of a limited number of persons at the Investment Manager. If the services of all or a substantial number of such persons were to become unavailable, the result of such a loss of key management personnel could be substantial losses for the Funds.

### **2.2 No guarantee on investment model and discretionary management**

The Investment Manager makes discretionary trading decisions and in doing so it may rely on multiple quantitative and technical models. All trading decisions will be reflective of the judgment, experience, and expertise of personnel of the Investment Manager. Trading decisions informed by the use of statistical methods, trading models, and quantitative research tools depend on the accurate forecasting of major price moves or trends in some commodities. No assurance can be given of the accuracy of models, the forecasts or the existence of price moves.

### **2.3 Credit markets risk**

A Fund's performance may be affected by default or perceived credit impairment of any individual security or instrument and by general or sector-specific or rating class-specific credit spread movement.

### **2.4 Liquidity risk**

The Directors do not expect that an active secondary market will develop in the Shares. Not all securities or instruments invested in by the Funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity. In some circumstances, investments may be relatively illiquid making it difficult to acquire or dispose of them. Accordingly, a Fund's ability to respond to market movements may be impaired, and the Fund may experience adverse price movements on liquidation of its investments.

### **2.5 Concentration of investments**

A Fund may at certain times hold relatively few investments. A Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer or counterparty. Additionally, historical correlations may undergo dramatic change, thereby reducing expected diversification protection.

### **2.6 Market capitalisation risk**

The securities of small-to-medium-sized (by market capitalisation) companies, or financial instruments related to such securities, may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports.

### **2.7 Market risk**

Some of the markets and exchanges in which a Fund may invest may be less well-regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from

time to time. This may affect the price at which a Fund may liquidate positions to meet redemption requests or other funding requirements.

## **2.8 Exchange control and repatriation risk**

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

## **2.9 Emerging markets risk**

Certain Funds may invest in securities of companies in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalization, and social, political and economic instability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility, (iii) certain national policies that may restrict a Fund's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

## **2.10 Political, regulatory, settlement and sub-custodial risk**

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 on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. As some of the Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of a Fund that are traded in such markets and that have been entrusted to sub-custodians in such markets may be exposed to risk in circumstances in which the Depositary will have no liability.

## **2.11 Investing in fixed income securities**

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities that respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time. The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a Fund's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others that may affect portfolio liquidity.

## **2.12 Leverage; Interest Rates; Margin**

The Investment Manager may utilise leverage as the Investment Manager considers appropriate, primarily for investment purposes to increase investment positions or to make additional investments. Leverage may be employed by means of conventional margin arrangements, or through options, swaps, forwards and other derivative instruments.

While leverage (including the use of derivatives) presents opportunities for increasing a Fund's total return, it has the effect of potentially increasing losses as well. Accordingly, any event that adversely affects the value of an investment, either directly or indirectly could be magnified to the extent that leverage is employed. The effect of the use of leverage in a market that moves adversely to the investments of the entity employing the leverage, could result in a loss that would be greater than if leverage were not employed by it. In addition, to the extent that funds are borrowed, the interest cost at which it can borrow will affect its operating results.

The use of short-term margin borrowings may result in certain additional risks. For example, should the securities that are pledged to brokers to secure margin accounts decline in value, or should brokers increase their maintenance margin requirements (i.e., reduce the percentage of a position that can be financed), then a Fund could be subject to a "margin call," pursuant to which it must either deposit additional funds with the broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. The broker will typically have the right to liquidate a portfolio in certain circumstances. In the event of a precipitous drop in the value of the assets, it might not be able to liquidate assets quickly enough to pay off the margin debt and might suffer mandatory liquidation of positions in a declining market at relatively low prices. Similar risks may arise in connection with longer-term borrowings and certain derivative transactions.

Depending on market conditions, from time to time leverage, borrowing and margin may not be available or may not be available at a price the Investment Manager is willing to pay.

## 2.13 Derivatives and techniques and instruments risk

### (a) General

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, 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 markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities and (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption.

### (b) Credit default swaps

The use of credit default swaps can be subject to higher risk than direct investment in debt securities. The market for credit default swaps may from time to time be less liquid than debt securities markets. In relation to credit default swaps where the Fund sells protection the Fund is subject to the risk of a credit event occurring in relation to the reference issuer. Furthermore, in relation to credit default swaps where the Fund buys protection, the Fund is subject to the risk of the counterparty of the credit default swaps defaulting.

### (c) Liquidity of futures contracts

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has

increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

**(d) Forward trading**

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

**(e) Swap transactions**

A Fund may enter into transactions in the forward or other markets that could be characterized as swap transactions, and that may involve interest rates, currencies, securities interests, commodities, and other items. A swap transaction is an individually negotiated, non-standardized agreement between two parties to exchange cash flows measured by different interest rates, exchange rates, or prices, with payments calculated by reference to a principal ("notional") amount or quantity. Transactions in these markets present certain risks similar to those in the OTC forward and options markets: (i) the swap markets are generally not regulated; (ii) there are generally no limitations on daily price moves in swap transactions; (iii) speculative position limits are not applicable to swap transactions, although the counterparties may limit the size or duration of positions available as a consequence of credit considerations; (iv) participants in the swap markets are not required to make continuous markets in swap contracts; and (v) the swap markets are "principals' markets," in which performance with respect to a swap contract is the responsibility only of the counterparty with which the trader has entered into a contract (or its guarantor, if any), and not of any exchange or clearing corporation. As a result, a Fund will be subject to the risk of the inability of or refusal to perform with respect to such contracts by counterparties trading with a Fund.

**(f) Management risk**

Derivative products are highly specialized instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a derivative requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions.

**(g) Exposure risk**

Certain transactions may give rise to a form of exposure. Such transactions may include, among others, reverse repurchase agreements, and the use of when-issued, delayed delivery or forward commitment transactions. Although the use of derivatives may create an exposure risk, any exposure arising as a result of the use of derivatives will not exceed the Net Asset Value of the relevant Fund.

**(h) Lack of availability**

Because the markets for certain derivative instruments are relatively new and still developing, suitable derivatives transactions may not be available in all circumstances for risk management or other purposes. On the expiration of a particular contract, the Investment Manager may wish to retain the Fund's position in the derivative instrument by entering into a similar contract, but may be unable to do so if the counterparty to the original contract is unwilling to enter into the new contract and no other suitable counterparty can be found. There is no assurance that the Fund will

engage in derivatives transactions at any time or from time to time. The Fund's ability to use derivatives may also be limited by certain regulatory and tax considerations.

(i) **Risks related to contracts for differences**

Contracts for differences ("CFDs"), also known as synthetic swaps, are derivative contracts the object of which is to secure a profit or avoid a loss by reference to fluctuations in the value or price of equities or financial instruments or in an index of such financial instruments for example, an interest rate CFD is a derivative instrument designed to exchange periodic payments related to interest rates in a single currency and a currency CFD is designed to exchange streams of interest payments in different currencies for an agreed period of time and to exchange principal amounts in different currencies at a pre-agreed exchange rate at maturity. CFDs are leveraged transactions, so profits and losses can vary in direct proportion to the value of the underlying securities. Consequently, they are only suitable for experienced investors. CFDs are generally traded principal-to-principal with no centralised market quote. As such they are deemed to be off-exchange or over-the-counter ("OTC") products and are not specifically covered by any stock exchange rules. With CFDs, a Fund can buy ("go long") with the view that the underlying asset will increase in value or a Fund can sell ("go short") with the view that the underlying asset will decrease in value. To be used successfully, an investor in CFDs must have a clear view of an expected price movement and a well developed sense of the risk he is taking. In order to protect the integrity of the market, participants in CFD trading are required to post margin to cover potential liabilities arising from price movement. Margin is calculated on the underlying asset value for CFDs; it is expressed as a percentage of the value and the rate varies according to the volatility of the market or the individual asset. As a guideline only, an equity CFD will typically require a margin of 10% - 20%. Cleared funds in excess of the margin requirement are usually required prior to dealing.

### **3 COUNTERPARTY AND CREDIT RISK**

#### **3.1 Rights of secured parties versus shareholders**

The Company may enter into secured lending arrangements as part of its normal course of business and may transfer, mortgage, charge or encumber any assets or cash for the purpose of, among other things, providing margin or collateral in respect of permitted transactions. The Company may also grant security or permit security to be taken over its assets by entities providing services to the Company in order to, among other things, secure any fees or obligations owed by the Company to these entities. The claims of a secured party will rank ahead of the claim of any Shareholder for the return of assets or money from the Company, in particular, in the event of an insolvency or similar event.

#### **3.2 Counterparty risk**

The Company is subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. The Company may pass cash or other assets to its counterparties as margin or collateral to an unlimited extent. At any one time, the Company may be exposed to the creditworthiness of its counterparties in respect of all or part of such margin or collateral. In the event of the insolvency of a counterparty, the Company might not be able to recover cash or assets of equivalent value in full.

#### **3.3 Credit risk**

There can be no assurance that issuers of the securities or other instruments in which the Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. Funds will also be exposed to a credit risk in relation to the counterparties (including prime brokers and other financing counterparties) with whom they transact or place margin or collateral in respect of transactions in derivative instruments and may bear the risk of counterparty default.

## **4 VALUATION, CURRENCY AND REPORTING RISKS**

### **4.1 Amortised cost method**

Some or all of the investments of certain Funds may be valued at amortised cost. Investors' attention is drawn to section 10 titled "Net asset value and valuation of assets" for further information. In periods of declining short-term interest rates, the inflow of net new money to such Funds from the continuous issue of Shares will likely be invested in portfolio instruments producing lower yields than the balance of such Fund's portfolio, thereby reducing the current yield of the Fund. In periods of rising interest rates, the opposite can be true.

### **4.2 Valuation risk**

A Fund may invest some of its assets in illiquid and/ or unquoted securities or instruments. Such investments or instruments will be valued by the Investment Manager or its delegate in accordance with the provisions set out in section 10 titled "Net asset value and valuation of assets". Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or "close-out" prices of such securities.

### **4.3 Accounting, auditing and financial reporting standards**

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

### **4.4 Currency risk**

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The Fund's Investment Manager may, but is not obliged to, mitigate this risk by using financial instruments. Funds may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. Neither spot transactions nor currency exchange forward contracts eliminate fluctuations in the prices of a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held. A Fund may enter into currency exchange transactions and/ or use techniques and instruments to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy that matches exactly the profile of the investments of any Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

### **4.5 Share currency designation risk**

A Class of Shares of a Fund may be designated in a currency other than the Base Currency of the Fund. Changes in the exchange rate between the Base Currency and such designated currency

may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Fund's Investment Manager may try but is not obliged to mitigate this risk by using financial instruments such as those described under the heading "Currency Risk". Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/ or the currency/ currencies in which the assets of the Fund are denominated. In such circumstances Shareholders of the relevant Class of Shares of the Fund may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains/ losses on and the costs of the relevant financial instruments. Financial instruments used to implement such strategies will be assets/ liabilities of the Fund as a whole. However, the gains/ losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class of Shares of the Fund.

#### 4.6 **Investment manager valuation risk**

The Administrator may consult the Investment Manager with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Funds.

### 5 **TAX RISKS**

#### 5.1 **Foreign Account Tax Compliance Act**

Pursuant to FATCA, a 30 per cent (30%). U.S. withholding tax will apply to (a) payments made on or after 1 July 2014, to the Company of U.S. source interest, dividends and certain other types of periodic income from sources inside the United States and (b) the gross proceeds from the disposition of property by the Company that could give rise to U.S. source interest or dividends (regardless of whether any gain or loss is recognised with respect to such disposition) made on or after 1 January 2017, unless, in general, the Company collects and reports the name, address and taxpayer identification number of certain United States persons that own, directly or indirectly, an interest in the Company, as well as certain other information relating to any such interest, pursuant to the terms of the intergovernmental agreement between the United States and Ireland (the "IGA") and the implementing legislation and regulations adopted by Ireland. Although the Company will use commercially reasonable efforts to comply with any requirements that are necessary to avoid the imposition of withholding taxes on payments to the Company pursuant to FATCA, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of FATCA, the return of all Shareholders may be materially affected.

Each Shareholder agrees to provide the Company at the time or times prescribed by applicable law and at such time or times reasonably requested by the Company such information and documentation prescribed by applicable law and such additional documentation reasonably requested by the Company as may be necessary for each of the Company to comply with their obligations under FATCA. Prospective Shareholders should consult with their tax advisers regarding the possible implications of FATCA on their investment in the Company.

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

Greater discussion of the taxation of the Company and Funds and the applicable risk factors is set out in Appendix II – Taxation.

### 6 **RISK FACTORS NOT EXHAUSTIVE**

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

## APPENDIX II – TAXATION OF THE COMPANY

### 1 General

The following is a summary of relevant Irish tax law. It does not purport to be a complete analysis of all tax considerations relating to the holding of Shares. These disclosures are for the purpose of providing general assistance only, are not intended to be a substitute for the advice of independent tax and legal advisers, and should not be interpreted as legal or tax advice. The income tax laws discussed below are subject to change, and any such changes might affect the tax considerations discussed below. Shareholders and potential investors must consult independent professional tax and legal advisers concerning possible taxation or other consequences of purchasing, holding, selling, exchanging or otherwise disposing of Shares under the laws of their country of incorporation, establishment, citizenship, residence, ordinary residence or domicile. No advance tax rulings have been sought from any jurisdictions in connection with the operations of the Company or the investment in Shares. There is no assurance that Irish or other tax authorities will agree with the statements described in this prospectus.

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction 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 in a Fund is made will endure indefinitely as the bases for, and rates of, taxation can fluctuate.

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

The receipt of dividends (if any) by Shareholders, the redemption, exchange or transfer of Shares, and any distribution on a winding-up of a Fund may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries that have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Company. The Directors, the Company (for and on behalf of each Fund), the Master Fund and each of the Company's and the Master Fund's agents will have no liability in respect of the individual tax affairs of Shareholders.

### 1 Ireland

#### *Definitions*

<b>"Exempt Irish Shareholder"</b>	(a)	a qualifying management company within the meaning of section 739B(1) TCA;
	(b)	a specified company within the meaning of section 734(1) TCA;
	(c)	an investment undertaking within the meaning of section 739B(1) TCA;
	(d)	an investment limited partnership within the meaning of section 739J TCA;
	(e)	a pension scheme which is an exempt approved scheme within the meaning of section 774 TCA, or a retirement annuity contract or a trust scheme to which section 784 or 785 TCA applies;
	(f)	a company carrying on life business within the meaning of section 706 TCA;
	(g)	a special investment scheme within the meaning of section 737 TCA;

- (h) a unit trust to which section 731(5)(a) TCA applies;
- (i) a charity being a person referred to in section 739D(6)(f)(i) TCA;
- (j) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 784A(2) TCA and the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (k) a qualifying fund manager within the meaning of section 784A TCA or a qualifying savings manager within the meaning of section 848B TCA, in respect of Shares which are assets of a special savings incentive account within the meaning of section 848C TCA;
- (l) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 787I TCA and the Shares held are assets of a personal retirement savings account as defined in section 787A TCA;
- (m) the National Pensions Reserve Fund Commission;
- (n) the National Asset Management Agency;
- (o) the Courts Service;
- (p) a credit union within the meaning of section 2 of the Credit Union Act 1997;
- (q) an Irish resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the fund is a money market fund;
- (r) a company which is within the charge to corporation tax in accordance with section 110(2) TCA in respect of payments made to it by the Company; and
- (s) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under Part 27, Chapter 1A TCA;

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

**"Intermediary"**

means a person who:

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

**"Irish Resident"**

any person resident in Ireland or ordinarily resident in Ireland other than an Exempt Irish Shareholder;

**"Ordinary Residence Individual"**

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

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

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which that individual is not resident in Ireland. Thus, an individual who is resident and ordinarily resident in Ireland in 2017 will remain ordinarily resident in Ireland until the end of the tax year 2020.

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

**"Residence - Company"** A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where:

- (a) the company or a related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in Member States or, in countries with which Ireland has a double taxation treaty (a "taxation treaty country"), or the company or a related company are quoted companies on a recognised stock exchange in the European Union or in a taxation treaty country provided that, in each case, the company is not managed and controlled in a jurisdiction which does not apply a residency test based on central management and control; or
- (b) the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

**"Residence - Individual"** The Irish tax year operates on a calendar year basis.

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

- (a) spends 183 days or more in Ireland 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 a tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any point in time during the particular day in question.

**"TCA"** the Irish Taxes Consolidation Act 1997, as amended.

### *Taxation of the Company*

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

The income and capital gains received by the Company from securities issued in countries other than Ireland or assets located in countries other than Ireland may be subject to taxes including withholding tax in the countries where such income and gains arise. The Company may not be able to benefit from reduced rates of withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries. The Directors will have sole discretion as to whether the Company will apply for such

benefits and may decide not to apply for such benefits if they determine that it may be administratively burdensome, cost prohibitive or otherwise impractical.

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

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

A Chargeable Event includes:

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

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

A Chargeable Event does not include:

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

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

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

#### *Taxation of Shareholders*

#### Non-Irish Resident Shareholders

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

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

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

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

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

#### Exempt Irish Shareholders

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

Exempt Irish Shareholders may be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares. It is the obligation of the Exempt Irish Shareholder to account for tax to the Revenue Commissioners.

#### Irish-Resident Shareholders

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

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

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

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

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

#### *Personal Portfolio Investment Undertaking*

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

#### *Currency Gains*

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

#### *Stamp Duty*

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

#### *Capital Acquisitions Tax*

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

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

## **2 Shareholders who are United Kingdom Resident or Ordinarily Resident**

### **2.1 Reporting fund**

The Company intends to apply for certification of the Funds as "reporting funds" when necessary, and therefore, to conduct the affairs of the Funds (in particular, by observing certain requirements in relation to the preparation of their accounts) and to implement the prescribed reporting practices to both Shareholders and HM Revenue & Customs so as to achieve, in so far as the Company is thereby able, such certification. However, no assurance can be given that the certification to continue to be treated as reporting funds will be obtained and none of the Company, Investment Manager, Administrator or Depository accept any liability for such certification not being successfully obtained each year.

### **2.2 Company not resident in the United Kingdom**

The Directors intend to conduct the affairs of the Company so that it should not become resident in the United Kingdom for the purposes of United Kingdom taxation. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a permanent establishment situated therein, or that any such trading transactions in the United Kingdom are carried out through a broker or investment manager acting as an agent of independent status in the ordinary course of its business, the Company should not be subject to United Kingdom corporation tax on its income and capital gains, and any United Kingdom tax liability should be limited to any withholding tax deducted from the Funds' United Kingdom source investment income.

**Investors are advised to seek their own specialist advice in relation how such certification will affect them.**

### 3 **FATCA**

Pursuant to FATCA, a 30% U.S. withholding tax will apply to (a) payments made on or after 1 July 2014, to the Company of U.S. source interest, dividends and certain other types of periodic income from sources inside the United States and (b) the gross proceeds from the disposition of property by the Company that could give rise to U.S. source interest or dividends (regardless of whether any gain or loss is recognised with respect to such disposition) made on or after 1 January 2017, unless, in general, the Company collects and reports the name, address and taxpayer identification number of certain United States persons that own, directly or indirectly, an interest in the Company, as well as certain other information relating to any such interest, pursuant to the terms of the IGA and the implementing legislation and regulations adopted by Ireland. Although the Company will use commercially reasonable efforts to comply with any requirements that are necessary to avoid the imposition of withholding taxes on payments to the Company pursuant to FATCA, the ability of the Company to satisfy such obligations will depend on receiving relevant information from Shareholders and the direct and indirect beneficial owners of the Shares. No assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of FATCA, the return of all Shareholders may be materially affected.

To mitigate the consequences for all Shareholders, where a Shareholder, or any related party, causes the Company to suffer a FATCA withholding or other financial penalty, cost, expense or liability, or the Company is required to make a FATCA withholding from such Shareholder, the Company may compulsorily redeem or transfer any Shares of such Shareholder and take any action required to ensure that the FATCA withholding or other financial penalty and associated costs, expenses and liabilities are economically borne by such Shareholder. Such action may (without limitation) include the Company reducing or refusing to make payment to such Shareholder of any redemption proceeds and/or dividends or other distributions, the compulsory exchange of such Shareholder's Shares for Shares of a separate Class or Series and a special allocation to such Shareholder of such FATCA Deduction and associated costs and requiring such Shareholder to pay an indemnity.

## APPENDIX III – GENERAL INFORMATION

### 1 Share capital

- (a) Clause 2 of the memorandum of association of the Company provides that the Company's sole object is the collective investment of its funds in property with the aim of spreading investment risk and giving members of the Company the benefit of the results of the management of its funds.
- (b) The authorised share capital of the Company is 500,000,000,000 Shares of no par value and EUR2 divided into two redeemable non-participating shares of EUR1.00 each. The minimum issued share capital of the Company is two redeemable non-participating shares of EUR1.00 each. The maximum issued share capital of the Company is two redeemable non-participating Shares of EUR1.00 each and 500,000,000,000 Shares of no par value. Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot shares in the capital of the Company on such terms and in such manner as they may think fit. There are two non-participating shares currently in issue that were taken by the subscribers to the Company and are held by nominees of the Company.
- (c) No share capital of the Company has been put under option nor has any share capital been agreed (conditionally or unconditionally) to be put under option.

### 2 Variation of share rights and pre-emption rights

- (a) The rights attaching to the Shares issued in any Class or Fund may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the Shareholders of three quarters of the issued Shares of that Class or Fund, or with the sanction of an ordinary resolution passed at a general meeting of the Shareholders of that Class or Fund.
- (b) A resolution in writing signed by all the Shareholders and holders of non-participating shares for the time being entitled to attend and vote on such resolution at a general meeting of the Company will be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and if described as a special resolution will be deemed to be a special resolution.
- (c) The rights attaching to the Shares will not be deemed to be varied by the creation, allotment or issue of any further Shares ranking pari passu with Shares already in issue.
- (d) There are no rights of pre-emption on the issue of Shares.

### 3 Voting rights

The following rules relating to voting rights apply:

- (a) The chairman of a general meeting of a Fund or Class or at least two members of a Fund or Class present in person or by proxy at a meeting of a Fund or Class may demand a poll. The chairman of a general meeting of the Company or at least two members present in person or by proxy or any Shareholder or Shareholders present in person or by proxy representing at least one tenth of the Shares in issue having the right to vote at such meeting may demand a poll.
- (b) Fractions of Shares do not carry voting rights.

- (c) On a poll every Shareholder present in person or by proxy and entitled to vote will be entitled to one vote in respect of each Share held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- (d) In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded will be entitled to a second or casting vote.
- (e) Any person (whether a Shareholder or not) may be appointed to act as a proxy to attend, speak and vote on his behalf; a Shareholder may appoint more than one proxy to attend on the same occasion.
- (f) The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority, shall be deposited at the registered office of the Company or sent to and received at such other place or by such other means as is specified for that purpose in the notice of meeting or in the instrument of proxy issued by the Company before the time appointed for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.
- (g) To be passed, ordinary resolutions of the Company or of the Shareholders of a particular Fund or Class will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the Company or of the Shareholders of a particular Fund or Class will require a majority of not less than 75% of the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles.

#### 4 Meetings

- (a) The Directors may convene extraordinary general meetings of the Company at any time. The Directors will convene an annual general meeting within six months of the end of each Accounting Period.
- (b) Not less than 21 days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and 14 days' notice must be given in the case of any other general meeting.
- (c) Subject to articles 5.04 and 20.02 of the Articles, two Members present either in person or by proxy will be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the Class rights of Shares will be two Shareholders holding or representing by proxy at least one third of the issued Shares of the relevant Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, will be dissolved. In any other case it will stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present will be a quorum. All general meetings will be held in Ireland.
- (d) A resolution in writing signed by all the Shareholders for the time being entitled to attend and vote on such resolution at a general meeting of the Company (or being bodies corporate by their duly appointed representatives) shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more Shareholders and if described as a special resolution shall be deemed to be a special resolution within the meaning of the Articles. In the case of a

corporation a resolution in writing may be signed on its behalf by a director or the secretary thereof or by its duly appointed attorney or duly authorised representative.

- (e) The foregoing provisions with respect to the convening and conduct of meetings will except as otherwise specified with respect to meetings of Funds or Classes and, subject to the Companies Act, 2014, have effect with respect to separate meetings of each Fund or Class at which a resolution varying the rights of Shareholders in such Fund or Class is tabled.

## 5 Reports and accounts

The Company and the AIFM will prepare an annual report and audited accounts as of 31 December in each year. The annual report and audited accounts will be published within six months of the Company's financial year end, in accordance with article 33 of the Articles, and will be filed with the Central Bank, offered to subscribers with the Application Form, in accordance with AIFMD, and supplied to Shareholders free of charge on request, in accordance with AIFMD, and will be available to the public at the office of the Administrator.

## 6 Communications and notices to shareholders

Communications and notices to Shareholders or the first named of joint Shareholders will be deemed to have been duly given as follows:

MEANS OF DISPATCH	DEEMED RECEIVED
Delivery by hand	The day of delivery or next following working day if delivered outside usual business hours.
Post	48 hours after posting.
Fax	The day on which a positive transmission receipt is received.
Electronically	The day on which the electronic transmission has been sent to the electronic information system designated by a Shareholder.
Through the exchange	The day on which the announcement or publication is released by the exchange.
Publication of notice or advertisement of notice	The day of publication in a daily newspaper circulating in the country or countries where shares are marketed.

## 7 Transfer of shares

- (a) Transfers of Shares may be effected in writing in any usual or common form, signed by or on behalf of the transferor and every transfer will state the full name and address of the transferor and transferee. The transfer request should also be signed by the transferee and where this results in the registration of a new shareholder (transferee) the transferee would also need to provide a signed application form.

No transfer of shares can be completed until the original Subscription Agreement and all AML verification documentation required have been received by the Administrator in respect of the transferor.

- (b) The Directors may from time to time specify a fee for the registration of instruments of transfer provided that the maximum fee may not exceed 5% of the Net Asset Value of the Shares subject to the transfer on the Dealing Day immediately preceding the date of the transfer.
- (c) The Directors may decline to register any transfer of Shares if:
  - (i) in consequence of such transfer the transferor or the transferee would hold a number of Shares less than the Minimum Holding;
  - (ii) all applicable taxes and/ or stamp duties have not been paid in respect of the instrument of transfer;
  - (iii) the instrument of transfer is not deposited at the registered office of the Company or such other place as the Directors may reasonably require, accompanied by such evidence of ownership as the Directors may reasonably require to show the right of the transferor to make the transfer, such relevant information and declarations as the Directors may reasonably require from the transferee including information and declarations of the type that may be requested from an applicant for Shares in the Company and such fee as may from time to time be specified by the Directors for the registration of any instrument of transfer; or
  - (iv) they are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares by a person in contravention of any restrictions on ownership as set out in this prospectus or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the Company or the relevant Fund or Class or Shareholders as a whole.
- (d) The registration of transfers may be suspended for such periods as the Directors may determine provided always that each registration may not be suspended for more than 30 days.

## 8 Directors

The following is a summary of the principal provisions in the Articles relating to the Directors:

- (a) Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors will not be less than two.
- (b) A Director need not be a Shareholder.
- (c) The Articles do not contain any provisions requiring Directors to retire on attaining a particular age or to retire on rotation.
- (d) A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the Company or any company in which the Company is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.
- (e) The Directors for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in this prospectus and may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the Company or the discharge of their duties and may be entitled to additional remuneration if called on to perform any special or extra services to or at the request of the Company.

- (f) A Director may hold any other office or place of profit under the Company, other than the office of Auditor, in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.
- (g) No Director will be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise, nor will any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor will any Director who is 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, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement that may thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made.
- (h) Save as provided in article 23.04 of the Articles, a Director shall not vote on any resolution or contract or arrangement or any proposal whatsoever in which he has any material interest or a duty which conflicts with the interests of the Company and unless otherwise resolved by the Directors a Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is not entitled to vote. A Director may vote and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5 per cent or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of shares or securities in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in respect of the purchase of directors' and officers' liability insurance.
- (i) The office of a Director will be vacated in any of the following events namely:
- (i) if he resigns his office by notice in writing signed by him and left at the registered office of the Company;
  - (ii) if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - (iii) if he becomes of unsound mind;
  - (iv) if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
  - (v) if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
  - (vi) if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
  - (vii) if he is removed from office by ordinary resolution of the Company.

## 9 Winding up

- (a) The Company or any one Fund may be wound up if:
- (i) at any time after the first anniversary of the incorporation of the Company, the total Net Asset Value of the Funds of the Company falls below EUR10,000,000 million on each Dealing Day for a period of six consecutive weeks and the Shareholders resolve by ordinary resolution to wind up the Company;
  - (ii) an event specified at article 3.08 of the Articles has occurred and the Shareholders resolve by Ordinary Resolution to wind up the Company;
  - (iii) the Shareholders resolve by ordinary resolution that the Company or a Fund by reason of its liabilities cannot continue its business and that it be wound up;
  - (iv) the Shareholders resolve by special resolution that the Company be wound up;
  - (v) in the case of the Company, the provisions of article 3.08 of the Articles apply;
  - (vi) the Company or any Fund ceases to be authorised or otherwise approved; or
  - (vii) the Directors have resolved that it is impracticable or inadvisable for the Company or a Fund to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders;

or otherwise in accordance with the Articles.

- (b) In the event of a winding up, the liquidator will apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims.
- (c) The liquidator shall apply the assets of each Fund in satisfaction of liabilities incurred on behalf of or attributable to such Fund and shall not apply the assets of any Fund in satisfaction of any liability incurred on behalf of or attributable to any other Fund.
- (d) The assets available for distribution among the Shareholders will be applied in the following priority:
- (i) firstly, in the payment to the Shareholders of each Class or Fund and the subscriber Shareholders of a sum in the Base Currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Class or Fund held by such Shareholders respectively as at the date of commencement of winding up;
  - (ii) secondly, in the payment to the Shareholders of each Class or Fund of any balance then remaining in the relevant Fund, in proportion to the number of Shares of the relevant Class or Fund held; and
  - (iii) thirdly, any balance then remaining and not attributable to any Fund or Class shall be apportioned between the Funds and Classes pro-rata to the Net Asset Value of each Fund or attributable to each Class immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that Fund or Class held by them.
- (e) The liquidator may, with the authority of an ordinary resolution of the Company, divide among the Shareholders (pro rata to the value of their respective shareholdings in the Company) in specie the whole or any part of the assets of the Company and whether or

not the assets will consist of property of a single kind provided that any Shareholder will be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale will be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees on such trusts for the benefit of Shareholders as the liquidator will think fit and the liquidation of the Company may be closed and the Company dissolved, provided that no Shareholder will be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the Company to a company or collective investment scheme (the "Transferee Company") on terms that Shareholders in the Company will receive from the Transferee Company shares or units in the Transferee Company of equivalent value to their shareholdings in the Company.

- (f) Despite any other provision contained in the Articles, should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to wind up the Company, the Secretary will immediately at the Directors' request convene an extraordinary general meeting of the Company at which there will be presented a proposal to appoint a liquidator to wind up the Company and if so appointed, the liquidator will distribute the assets of the Company in accordance with the Articles of.

## 10 Indemnities and insurance

The Directors (including alternates), Secretary and other officers of the Company and its former directors and officers will be indemnified by the Company against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, negligence or wilful default). The Company acting through the Directors is empowered under the Articles to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the Company insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

## 11 General

As at the date of this prospectus:

- (a) The Company does not have, nor has it had since incorporation, any employees.
- (b) The rights conferred on Shareholders by virtue of their shareholdings are governed by the Articles, the general law of Ireland and the Companies Act, 2014.
- (c) The Company is not engaged in any litigation or arbitration and no litigation or claim is known by the Directors to be pending or threatened against the Company.
- (d) Dividends that remain unclaimed for six years from the date on which they become payable will be forfeited. On forfeiture such dividends will become part of the assets of the Fund to which they relate. No dividend or other amount payable to any Shareholder will bear interest against the Company.
- (e) No person has any preferential right to subscribe for any authorised but unissued capital of the Company.

## 12 Material contracts

The following contracts that are or may be material have been entered into otherwise than in the ordinary course of business:

- (a) **Investment Management Agreement** – between the Company and the Investment Manager amended and restated on 31 October 2014 under which the Investment Manager

was appointed as investment manager and AIFM of the Company's assets subject to the overall supervision of the Company. The Investment Management Agreement may be terminated by either party on 90 days' written notice or immediately by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Investment Manager has the power to delegate its duties in accordance with the Central Bank's requirements and AIFMD. The Agreement provides that, in the absence of negligence, fraud, bad faith or wilful default on the part of the Investment Manager, the Company will hold harmless and indemnify out of the relevant Fund's assets the Investment Manager, its employees, delegates and agents from and against all or any actions, proceedings, losses, liabilities, damages, claims, costs, demands and expenses including legal and professional fees and expenses ("Loss") arising therefrom that may be brought against, suffered or incurred by the Investment Manager its employees, delegates and agents in the performance of its duties under this agreement otherwise than due to the negligence, fraud, bad faith or wilful default of the Investment Manager, its employees, delegates or agents in the performance of its obligations under this agreement and subject without prejudice to the foregoing, this protection and indemnity will extend to any Loss arising as a result of any loss, delay, mis-delivery or error in transmission of any cable or telegraphic communication or as a result of acting in good faith on any forged document or signature. The Investment Manager will hold harmless and indemnify the Company from and against all or any actions, proceedings, losses, liabilities, damages, claims, costs, demands and expenses (including reasonable legal and professional fees and expenses arising therefrom) that may be brought against, suffered or incurred by the Company due to the negligence, fraud, bad faith or wilful default of the Investment Manager, its employees, delegates or agents in the performance of its obligations under this agreement.

- (b) **Administration Agreement** – among the Company, the AIFM and the Administrator amended and restated on 31 October 2014 under which the latter was appointed as Administrator to provide administrative, registrar, transfer agency and accounting services, subject to the terms and conditions of the Administration Agreement and subject to the overall supervision of the Company. The Administration Agreement may be terminated by either party on 90 days' written notice or immediately by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. The Agreement provides that the Company will out of the relevant Fund's assets indemnify the Administrator and its delegates, agents and employees against and hold it harmless from any actions, proceedings, damages, claims, costs, demands and expenses including legal and professional expenses brought against or suffered or incurred by the Administrator in the performance of its duties other than due to the negligence that results in a material deprivation of the benefit of the services provided under the Administration Agreement, fraud, bad faith or wilful default of the Administrator in the performance of its obligations.
- (c) **Depository Agreement** –among the Company, the AIFM and the Depository amended and restated on 31 October 2014 under which the Depository was appointed as depository of the Company's assets subject to the overall supervision of the AIFM. The Depository Agreement may be terminated by either party on 90 days' written notice or immediately by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice provided that the Depository will continue to act as depository until a successor depository approved by the Central Bank is appointed by the Company or the Company's authorisation by the Central Bank is revoked. In accordance with clause 20.1, the Depository shall be liable to the Company, the Investment Manager and to the Shareholders for (a) any loss of financial instruments that can be held in custody by the Depository or a sub-custodian to whom the custody of financial instruments that can be held in custody as described in the Depository Agreement has been delegated (b) any loss (other than the loss of financial instruments that can be held in custody by the Depository, any sub-custodian or any delegate) suffered by them as a result of the Depository's negligent or intentional failure to properly fulfil its obligations pursuant to the AIFMD Rules. In the case of the loss of financial instruments that can be held in custody,

the Depositary shall return financial instruments of identical type or the corresponding amount to the Company or the Investment Manager on behalf of the Company without undue delay. The Depositary shall not be liable if it can prove that the loss of financial instruments that can be held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary's liability, as summarised above, shall not be affected by any delegation, provided however, that the Depositary may discharge itself of liability if the circumstances described in clause 5.5 of the Depositary Agreement are satisfied. The Company shall indemnify and keep indemnified and hold harmless the Depositary (and each of its directors, officers, servants, employees and agents) from and against any and all third party actions, proceedings, claims, demands, losses, liabilities, damages, costs and expenses (including legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or directly or indirectly suffered or incurred by the Depositary (or by any of its directors, officers, servants, employees or agents) arising out of or in connection with the proper performance or proper non-performance of the Depositary's duties and obligations hereunder other than as a result of (i) the Depositary's negligence, fraud, bad faith, wilful default or recklessness in the performance of those duties or (ii) any loss for which the Depositary is liable in accordance with clause 20.1 of the Depositary Agreement. The indemnification rights hereunder shall include the right to the Depositary to be indemnified in advance to its reasonable satisfaction in respect of legal expenses in the event of any pending or threatened litigation with respect to which indemnification hereunder may ultimately be merited. The Depositary shall not be required to take any legal action on behalf of the Company (including in relation to the collection of income for the account of the Company or any Fund) unless fully indemnified to its reasonable satisfaction for all costs and liabilities that may be incurred or suffered by the Depositary.

### 13 Documents available for inspection

Copies of the following documents, which are available for information only and do not form part of this document, may be inspected at the registered office of the Company during normal business hours on any Business Day:

- (a) the memorandum and articles of association of the Company;
- (b) the Companies Act, 2014 and the AIF Rulebook;
- (c) the material contracts detailed above;
- (d) once published, the latest annual reports of the Company; and
- (e) a list of the directorships and partnerships that the Directors of the Company have held in the last five years together with an indication as to whether they are still directors or partners.

Copies of the following documents, may also be obtained free of charge by Shareholders from the Administrator:

- (a) this prospectus;
- (b) the memorandum and articles of association of the Company; and
- (c) once published, the latest annual reports of the Company.

### 14 Legal Implications of investment in a Fund

The main legal implications of the contractual relationship entered into for the purpose of investment in a Fund are as follows:-

- (a) By submitting an Application Form the investor makes an offer to subscribe for Shares which, once it is accepted by the Company, has the effect of a binding contract. The terms of such contract are governed by the Application Form read together with this prospectus, the relevant Supplement and the Articles.
- (b) The Shareholder will be obliged to make representations and warranties, declarations, and certifications in the Application Form relating to its eligibility to invest in the Company and the relevant Fund its compliance with the applicable anti-money laundering laws and regulations. The relevant subscription agreement relieves the Company, the Investment Manager, the Administrator, their respective affiliates, or their respective principals, managers, members, partners, officers, directors, employees, equity holders, agents or other applicable representatives (Affiliated Persons) from liability in respect of actions taken by them in reliance on the information provided by an investor in the Application Form (and supporting documentation) and for discharging their obligations under applicable anti-money laundering laws and regulations, and Shareholders agree to indemnify the Company, the Investment Manager, the Administrator and their respective Affiliated Persons from any losses incurred by them in connection therewith.
- (c) On the issue of Shares, such investor becomes a Shareholder in respect of the relevant Fund and the memorandum and articles of association of the Company take effect as a contract between the Shareholders and the Company.
- (d) The Articles may only be amended by way of a special resolution in accordance with the Companies Acts and the Articles.
- (e) Subject to any other separate contractual arrangements agreed to by a Shareholder with the Company, a Shareholder's liability to the Company will generally be limited to the amount, if any, unpaid on the Shares held by such Shareholder.
- (f) The memorandum and articles of association of the Company are governed by, and construed in accordance with, the laws of Ireland. The Application Form in respect of each Fund is expressed to be governed by, and construed in accordance with, the laws of Ireland. Any legal action or proceedings arising out of or in connection with the memorandum and articles of association of the Company and/or the Application Form must be brought exclusively in the Irish courts.
- (g) The rights and restrictions that apply to a Shareholder's Shares may be modified and/or additional terms agreed by way of separate contractual arrangements (subject to such terms being consistent with the Articles). In certain cases these arrangements may be governed by the laws of a different jurisdiction. However, such arrangements may not contravene the memorandum and articles of association of the Company or Irish law generally.
- (h) In any proceedings taken in Ireland for the enforcement of a judgment obtained against the Company in the relevant courts of a foreign jurisdiction (a "Foreign Judgment"), the Foreign Judgment should be recognised and enforced by the courts of Ireland. To enforce such a Foreign Judgment in Ireland it would be necessary to obtain an order of the Irish courts. Such order should be granted on proper proof of the Foreign Judgment without any re-trial or examination of the merits of the case subject to the following qualifications: (i) that the foreign court had jurisdiction, according to the laws of Ireland; (ii) that the Foreign Judgment was not obtained by fraud; (iii) that the Foreign Judgment is not contrary to public policy or natural justice as understood in Irish law; (iv) that the Foreign Judgment is final and conclusive; (v) that the Foreign Judgment is for a definite sum of money; and (vi) that the procedural rules of the court giving the Foreign Judgment have been observed.

Under the laws of Ireland, absent a direct contractual relationship between a Shareholder and the relevant service provider, Shareholders generally have no direct rights against the relevant service provider and there are only limited circumstances in which a Shareholder may potentially bring a

claim against the relevant service provider. Instead, the proper claimant in an action in respect of which a wrongdoing is alleged to have been committed against the Company by the relevant service provider is, prima facie, the Company itself.

## 15 **Periodic and Regular Disclosures required by AIFMD**

In respect of each Fund, the following disclosures, together with any other disclosures required in accordance with the AIFMD Rules, will be made in the annual report of such Fund or via another form of reporting at such times, in each case determined by the Directors or the Investment Manager in their sole discretion (which may take the form of an update or supplement to this prospectus, a newsletter or due diligence documentation):

- (a) the percentage of the Fund's assets that are subject to special arrangements arising from their illiquid nature (including, but not limited to, deferrals of redemptions and suspensions);
- (b) any new arrangements for managing the liquidity of the Fund (including, but not limited to, any material changes to the liquidity management systems employed by the Investment Manager); and
- (c) the current risk profile of the Fund and the risk management systems employed by the Investment Manager to manage those risks.

In respect of each Fund, the following information will be provided by the Investment Manager to Shareholders without undue delay in accordance with the AIFMD Rules:

- (a) any changes to: (i) the maximum level of leverage that the Investment Manager may employ on behalf of the Fund; and (ii) any right of reuse of collateral or any guarantee granted under leverage arrangements; and
- (b) the total amount of leverage employed by the Fund.

## 16 **Fair Treatment of Investors**

As a general matter, it is the Directors (and not the Investment Manager) who owe certain fiduciary duties to the Company, which require them, among other things, to act in good faith, and in what they consider to be in the best interests of the Company and in doing so, the Directors act in a manner that ensures the fair treatment of Shareholders. In exercising their discretions (including in determining to cause the Company to enter into any side letters and/or other arrangements), the Directors will act in accordance with such fiduciary duties. This requires them to ensure that their actions (including, without limitation, in entering into side letters and/or other arrangements) do not result in the unfair treatment of Shareholders.

As a general matter of Irish law, the Investment Manager owes duties to the Company only and not directly to Shareholders.

Under the AIFMD Rules, the Investment Manager must treat all Shareholders fairly. The Investment Manager ensures the fair treatment of Shareholders through its decision-making process and organisational structure which (a) identify any preferential treatment, or the right thereto, accorded to Shareholders and (b) ensure that any such preferential treatment does not result in an overall material disadvantage to other Shareholders.

In addition, the Investment Manager monitors the terms of side letters and other arrangements entered into with Shareholders in relation to their investments in the Funds to seek to ensure fair treatment of Shareholders. In so doing, the Investment Manager takes into consideration whether such side letters and/or other arrangements are in accordance with side letters and/or other arrangements previously entered into.

## 17 **Preferential treatment of Shareholders**

Any Shareholder may be granted preferential treatment in relation to the terms of its investment in a Fund by the Company, the Investment Manager and/or any other service provider to the Company. Any changes to this approach that the Directors determine may have a material adverse effect on Shareholders may not be made without the consent of a special resolution of the Shareholders. Any other changes may be made by the Directors without the consent of, but will be notified to, Shareholders.

For the avoidance of doubt, it is not the policy of the Investment Manager and the Company to grant more favourable liquidity rights. The Investment Manager or the Directors may waive certain of their rights or certain obligations of Shareholders. Where such waivers are granted they may benefit some Shareholders but not others. The exercise of such discretion may or may not occur and may be exercised differently at different times and/or in relation to different Shareholders. This may operate to the benefit of some Shareholders and the detriment of others.

In addition, in response to questions and requests and in connection with due diligence meetings and other communications, the Company and the Investment Manager may provide additional information to certain investors and prospective investors that is not distributed to other investors and prospective investors in a Fund. Such information may affect a prospective investor's decision to invest in the Fund or an existing investor's decision to stay invested in that Fund. Each investor is responsible for asking questions as it believes are necessary to make its own investment decisions and must decide for itself whether the limited information provided by the Company and the Investment Manager is sufficient for its needs.

Further details on any preferential treatments granted to Shareholders will be set out in the relevant Supplement or made available to other applicable Shareholders through a suitable investor disclosure. By subscribing for Shares, prospective investors are deemed to have confirmed that this information has been made available to them prior to their investment in the Fund in accordance with the AIFMD Rules.