

Dated 18 May 2021

India Opportunities Fund

(the **Trust**)

KBA Consulting Management Limited

(a private limited company incorporated under the laws of Ireland)

(the **Manager**)

PROSPECTUS

An Open-Ended Umbrella Unit Trust with segregated liability between sub-funds established under the laws of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended.

The Directors of the Manager whose names appear in the section entitled **Directors of the Manager** below accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Defined terms used in this Prospectus shall have the meanings attributed to them in the **Definitions** section below.

1 INTRODUCTION

- 1.1 If Applicants are in any doubt about the contents of this Prospectus and the relevant Supplement Applicants should consult a stockbroker, bank manager, solicitor, accountant or other financial adviser.
- 1.2 The Trust is an open-ended umbrella unit trust, constituted by a Trust Deed governed by the laws of Ireland and authorised in Ireland as a UCITS pursuant to the Regulations as may be amended, supplemented or consolidated from time to time. This authorisation however, does not constitute a warranty by the Central Bank as to the performance of the Trust and the Central Bank shall not be liable for the performance or default of the Trust. The authorisation of the Trust is not an endorsement or guarantee of the Trust by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus and the Supplements.
- 1.3 The difference at any one time between the sale and repurchase price of Units means that an investment in Units should be viewed as medium to long term. There can be no guarantee that the investment objectives of the Trust or any of the Funds will be achieved and investment results may vary substantially over time. Prospective investors should carefully consider whether an investment in Units is suitable for them in light of their circumstances and financial resources and should carefully review this Prospectus and the relevant Supplement, including the sections entitled Risk Factors and Portfolio Transactions and Conflicts of Interest, before investing in a Fund. No application has been made for the Units to be listed on any stock exchange. However, the Manager may consider seeking one or more listings of the Units in the future.
- 1.4 Unitholders should note that all or part of fees and expenses may be charged to the capital of the Funds where disclosed in the relevant Supplement. This will have the effect of lowering the capital value of your investment.
- 1.5 The Trust is structured as an open-ended umbrella unit trust. Units representing interests in different Funds may be issued from time to time by the Manager. Units of more than one class may be issued in relation to each Fund. All Units of each class will rank *pari passu* save as provided for in the relevant Supplement. On the introduction of any new class of Units (which must be issued in accordance with the requirements of the Central Bank and notified to and cleared in advance by the Central Bank), the Manager will issue a new or updated Supplement setting out the relevant details of each such class of Units. A separate portfolio of assets will be maintained for each Fund (and accordingly not for each class of Units) and will be invested in accordance with the investment objective and policies applicable to such Fund. Particulars relating to the Funds and the classes of Units are provided for in the relevant Supplement. Any amendments to the Prospectus or any Supplement must be cleared in advance by the Central Bank. Any liability incurred on behalf of or attributable to a Fund shall be discharged solely out of the assets of that Fund.
- 1.6 The Manager has not registered, and will not register, the offerings of the Units under the U.S. Securities Act of 1933, as amended (the **1933 Act**). The Units of the Funds may not be offered or sold, directly or indirectly, in the United States or to, or for the benefit of, any U.S. person, as defined in Regulation S under the 1933 Act. This Prospectus is not to be distributed in the United States or to any U.S. person, as so defined. The Manager may waive this condition at its sole discretion, subject to complying with all applicable laws and regulations. This Prospectus is not an offer to sell, or a solicitation of offers to buy, any security either in the United States or directed to any U.S. person, as so defined. The Manager has not registered, and will not register, the Trust, under the United States Investment Company Act of 1940, as amended. The Manager has not been registered under the United States Investment Advisers Act of 1940.
- 1.7 This Prospectus may be translated into other languages. Any such translation shall only contain the same information and have the same meanings as this English language document. To the extent that there is any inconsistency between this English language document and the document in another language, this English language document shall prevail except to the extent (but only to the extent) required by the laws

of any jurisdiction where the Units are sold so that in an action based upon disclosure in a document of a language other than English, the language of the document on which such action is based shall prevail.

- 1.8 **Potential subscribers and purchasers of Units should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Units.**
- 1.9 **Applicants should read this Prospectus, the relevant Supplement and key investor information document (KIID) and after publication of the annual report and audited accounts of the Trust for the period up to 30 September 2021, a copy of such report and accounts (or the then latest published semi-annual report and audited accounts, if more recent) before investing in the Trust.**
- 1.10 **The value of and income from Units in a Fund may go up or down and Applicants may not get back the amount they have invested in a Fund. Each Fund and the Units constituting the relevant Fund are described in a Supplement to this Prospectus for each such Fund, each of which is an integral part of this Prospectus and is incorporated herein by reference with respect to the relevant Fund. Prospective investors should refer to the relevant Supplement which sets out the specific terms and conditions applicable to each Fund, as well as risk factors and other information specific to each Fund and other information which complements, supplements or modifies the information contained in the Prospectus. Your attention is drawn to the section entitled Risk Factors below.**
- 1.11 **Details of any applicable Subscription Charge, of up to 5%, or Redemption Charge, of up to 3%, will be disclosed in the Supplement for a Fund. In the event that such charges are imposed, the difference at any time between the sale and repurchase price of Units means that any investment in the relevant Fund should be viewed as medium to long term.**
- 1.12 **Unitholders should note that where there is not sufficient income or capital gains to cover the fees and expenses of the Fund that all/part of such fees and expenses (including management fees if applicable) may be charged to the capital of the Fund. This will have the effect of lowering the capital value of your investment so that income will be achieved by foregoing the potential for future capital growth and capital may be eroded.**
- 1.13 **As distributions may be made out of the capital of the Trust, there is a greater risk that capital will be eroded and 'income' will be achieved by foregoing the potential for future capital growth of your investment and the value of future returns may also be diminished. This cycle may continue until all capital is depleted. Please note that distributions out of capital may have different tax implications to distributions of income and you are recommended to seek advice in this regard.**
- 1.14 **Any information given, or representations made, by any dealer, salesman or other person which are not contained in this Prospectus or the relevant Supplement or KIID or in any reports and accounts of the Trust forming part hereof must be regarded as unauthorised and accordingly must not be relied upon. Neither the delivery of this Prospectus or the relevant Supplement or KIID nor the offer, issue or sale of Units shall under any circumstances constitute a representation that the information contained in this Prospectus or the relevant Supplement or KIID is correct as of any time subsequent to the date of this Prospectus or the relevant Supplement or KIID. This Prospectus or the relevant Supplement may from time to time be updated and intending subscribers should enquire of the Investment Manager or the Administrator as to the issue of any later Prospectus or as to the issue of any reports and accounts of the relevant Fund.**
- 1.15 **The contents of this Prospectus are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters. Each prospective investor must rely upon such investor's own advisors, as to legal, economic, tax and related aspects of the investment described herein and as to its suitability for such investor.**

- 1.16 All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Trust Deed, copies of which are available as mentioned herein. All potential Applicants should carefully read the Trust Deed before deciding to invest in Units.
- 1.17 The Trust is required to and will comply with the Central Bank UCITS Regulations and the Regulations (as defined herein).
- 1.18 This Prospectus and the relevant Supplement shall be governed by and construed in accordance with Irish law.
- 1.19 Each Unit represents one undivided Unit of the property of the relevant Fund and is a beneficial interest under the relevant Fund.

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2 DEFINITIONS

Accounting Period means a calendar year ending 30 September;

Accumulating Units means Units of a Fund carrying no right to any distribution of income;

Administration Agreement means the agreement dated 19 January 2021, between the Manager and the Administrator in respect of the Trust as amended, supplemented or otherwise modified from time to time;

Administrator means HSBC Securities Services (Ireland) DAC or any successor thereto duly appointed in accordance with the requirements of the Central Bank as the administrator of the Trust;

AIF means an alternative investment fund as defined in Regulation 5(1) of the Alternative Investment Fund Managers Regulations;

Applicant means any person who completes and submits the Application Form to the Administrator in accordance with the manner set out in the Prospectus and any Supplement;

Application Form means the agreement pursuant to the provisions of which an Applicant agrees to purchase Units in and become a Unitholder of the Trust;

Associated Person means a person who is associated with a Director if, and only if, he or she is:

- (a) that Director's spouse, parent, brother, sister or child;
- (b) a person acting in his capacity as the trustee of any trust, the principal beneficiaries of which are the Director, his spouse or any of his children or any body corporate which he controls; and
- (c) a partner of that Director;

A company will be deemed to be associated with a Director if it is controlled by that Director;

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

Business Day means in relation to any Fund such day or days as is or are specified in the Supplement for the relevant Fund;

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

Central Bank UCITS Regulations means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertaking for Collective Investment in Transferable Securities) Regulations 2019 and related guidance issued by the Central Bank as amended, supplemented, consolidated or otherwise modified from time to time;

CIS an open ended collective investment scheme within the meaning of Regulation 4(3) of the Regulations and which is prohibited from investing more than 10% of its assets in other such collective investment schemes;

Connected Person means the persons defined as such in the section headed Portfolio Transactions and Conflicts of Interest;

Currency Unit Class means a class of Units denominated in a currency other than the Base Currency of the relevant Fund;

Data Protection Legislation means the GDPR and all binding EU and national legislation, guidance and decisions with respect to data protection and information privacy;

Dealing Day means in respect of each Fund such Business Day or Business Days as is or are specified in the Supplement for the relevant Fund provided that there shall be at least two Dealing Days in every month;

Dealing Deadline means in relation to applications for subscription or redemption in a Fund, the day and time specified in the Supplement for the relevant Fund;

Directors means the directors of the Manager, each a **Director**;

Distributing Units means Units in a Fund in respect of which the distributions may be declared in accordance with the section headed Dividend Policy below;

EEA means the Member States together with Iceland, Liechtenstein and Norway;

EEA Member State means a member state of the EEA;

EU means the European Union;

Euro, EUR or € means the lawful currency of Ireland or any successor currency;

FATCA means the US Foreign Account Tax Compliance Act, as set forth in Sections 1471 through 1474 of, and other amendments to, the US Internal Revenue Code of 1986 (including any intergovernmental agreement entered into in connection with the implementation of such sections and any regulatory legislation adopted pursuant to such intergovernmental agreement), as amended, and the relevant regulations, notices and announcements issued thereunder;

Foreign Person means a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the Manager with the appropriate declaration under Schedule 2B TCA and:

- (a) the Manager is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect; or
- (b) the Manager is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with in respect of that person or class of unitholder to which that person belongs, and that approval has not been withdrawn and any conditions to which that approval is subject have been satisfied;

FPI means Foreign Portfolio Investor as defined in the FPI Regulations;

FPI Regulations means Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019;

Fund means a separate portfolio of assets held upon trust constituted by the Trust Deed which is invested in accordance with the investment objective and policies as set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such portfolio shall be applied and charged and **Funds** means all or some of the Funds as the context requires or any other funds as may be established by the Manager from time to time with the prior approval of the Central Bank and each Fund is constituted as a separate trust;

GDPR means Regulation (EU) 2016/679, known as the General Data Protection Regulation;

Hedged Currency Unit Class means a Currency Unit Class whose denominated currency is hedged against the Base Currency of the relevant Fund where the benefits and costs of such hedging transactions will accrue solely to holders of Units of such class, and which may be a Hedged Currency Unit Class;

Initial Issue Price means the price per Unit at which Units are initially offered in a Fund during the Initial Offer Period as specified in the Supplement for the relevant Fund;

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

Investment Management Agreement means the investment management agreement dated 19 January 2021 between the Manager and the Investment Manager in respect of the Trust as substituted, amended, supplemented, novated or otherwise modified from time to time in accordance with the requirements of the Central Bank;

Investment Manager means ICICI Prudential Asset Management Company Limited or any successor or any addition thereto duly appointed in accordance with the requirements of the Central Bank and/or as specified in the Prospectus or relevant Fund Supplement as the investment manager for the Trust or Fund;

Issue Price means the Net Asset Value per Unit as at the Valuation Point;

KIID means a key investor information document as issued in relation to a class of Units of any Fund from time to time;

Manager means KBA Consulting Management Limited or any successor thereto duly appointed in accordance with the requirements of the Central Bank;

Member State means a member state of the EU;

Minimum Fund Size means such amount as the Directors decide for each Fund and as set out in the Supplement for the relevant Fund;

Minimum Initial Investment Amount means such amount (if any) as the Manager may from time to time determine as the minimum initial investment amount required by each Unitholder for Units of each class in a Fund is specified in the Supplement for the relevant Fund;

Minimum Unitholding means such value of Units of any class (if any) as specified in the Supplement for the relevant Fund;

month means a calendar month;

Net Asset Value or **Net Asset Value per Unit** means in respect of the assets of a Fund or the Units in a Fund, the amount determined in accordance with the principles set out in the section entitled **Calculation of Net Asset Value/Valuation of Assets** below as the Net Asset Value of a Fund or the Net Asset Value per Unit;

Non-Member State means a state which is not a Member State;

OECD means the Organisation for European Co-operation and Development;

Personal Data means any data relating to a living individual who can be identified directly from that data or indirectly in conjunction with other information;

RBI means Reserve Bank of India;

Redemption Charge means in respect of a Fund the charge payable (if any) on a redemption of Units as is specified in the Supplement for the relevant Fund;

Redemption Price means the Net Asset Value per Unit as at the Valuation Point;

Redemption Proceeds means the amount due on the redemption of Units;

Regulated Market means any exchange or market on which a Fund may invest and which is regulated, recognised, open to the public and operating regularly and which is set out in Schedule 2 hereto;

Regulations means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016, S.I. No. 143 of 2016, as may be amended, supplemented or consolidated from time to time including any conditions that may from time to time be imposed thereunder by the Competent Authority;

Related Companies has the meaning assigned thereto in Section 599 of the Companies Act 2014, as amended from time to time. In general this states that companies are related where 50% of the paid-up share capital of, or 50% of the voting rights in, one company are owned directly or indirectly by another company;

Securities Financing Transaction means (i) a repurchase or reverse repurchase transaction; or (ii) securities lending, each as defined in the SFTR;

SFTR means Regulation (EU) No 2015/2365 of 25 November 2015 which was published in the Official Journal of the EU on 23 December 2015 and took effect as of 12 January 2016 and known as the Securities Financing Transactions Regulation, as amended;

SEBI means Securities and Exchange Board of India;

SEC means U.S. Securities and Exchange Commission;

Settlement Date means, in respect of receipt of monies for subscription for Units or dispatch of monies for the redemption of Units, the date specified in the Supplement for the relevant Fund. In the case of redemptions, this date will be no more than ten Business Days after the relevant Dealing Deadline, or if later, the receipt of customer identification and payment documentation;

Supplement means any supplement to the Prospectus issued in relation to a Fund from time to time;

Taxable Irish Person means any person, other than:

- (i) a Foreign Person;
- (ii) an intermediary, including a nominee, for a Foreign Person;
- (iii) a qualifying management company within the meaning of section 739B TCA;
- (iv) a specified company within the meaning of section 734 TCA;
- (v) an investment undertaking within the meaning of section 739B of the TCA;
- (vi) an investment limited partnership within the meaning of section 739J of the TCA;
- (vii) an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 TCA;

- (viii) a company carrying on life business within the meaning of section 706 TCA;
- (ix) a special investment scheme within the meaning of section 737 TCA;
- (x) a unit trust to which section 731(5)(a) TCA applies;
- (xi) a charity entitled to an exemption from income tax or corporation tax under section 207(1)(b) TCA;
- (xii) a person entitled to exemption from income tax and capital gains tax under section 784A(2) TCA, section 787I TCA or section 848E TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal retirement savings account (as defined in section 787A TCA);
- (xiii) the Courts Service;
- (xiv) a Credit Union;
- (xv) a company within the charge to corporation tax under section 739G(2) TCA, but only where the fund is a money market fund;
- (xvi) a company within the charge to corporation tax under section 110(2) TCA;
- (xvii) the National Asset Management Agency;
- (xviii) the National Treasury Management Agency or a fund investment vehicle within the meaning of Section 739D(6)(kb) TCA;
- (xix) The National Pensions Reserve Fund Commission or a Commission investment vehicle (within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 as amended);
- (xx) the State acting through the National Pensions Reserve Fund Commission or a Commission investment vehicle within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 (as amended); and
- (xxi) any other person as may be approved by the Manager from time to time provided the holding of Units by such person does not result in a potential liability to tax arising to the Trust in respect of that Unitholder under Part 27 Chapter 1A of the TCA;

in respect of each of which the appropriate declaration set out in Schedule 2B TCA or otherwise and such other information evidencing such status is in the possession of the Manager on the appropriate date;

TCA means the Irish Taxes Consolidation Act, 1997, as amended from time to time;

Total Return Swap means a total return swap as defined in the Securities Financing Transactions Regulations;

Transferable Securities shall have the meaning prescribed in the Central Bank UCITS Regulations;

Trust means India Opportunities Fund and includes, where the context so requires, the Funds;

Trust Deed means the trust deed dated 19 January 2021 between the Manager and the Trustee in respect of the Trust as it may be amended and supplemented from time to time with the prior approval of the Central Bank;

Trustee means HSBC Continental Europe acting through its branch in Dublin, Ireland, or any successor thereto duly appointed in accordance with the requirements of the Central Bank;

UCITS means an undertaking for collective investment in Transferable Securities established pursuant to the UCITS Directive;

UCITS Directive means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directives 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) as regards depositary functions, remuneration policies and sanctions and as may be further amended from time to time;

Umbrella Cash Subscription and Redemptions Account means the umbrella cash subscription and redemptions account in the name of the Trust;

Units means one undivided share in the assets of a Fund and includes any fraction of a Unit which shall represent the corresponding fraction of an undivided share in the assets of a Fund;

Unitholders means holders of Units, and each a **Unitholder**;

United Kingdom and **UK** means the United Kingdom of Great Britain and Northern Ireland;

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

US Dollars, USD, US\$, Dollars and **\$** means the lawful currency of the United States or any successor currency;

U.S. Person shall have the meaning prescribed in Regulation S under the United States Securities Act of 1933, as amended (the **Securities Act**) and thus shall include:

- (i) any natural person resident in the United States;
- (ii) any partnership or corporation organised or incorporated under the laws of the United States;
- (iii) any estate of which any executor or administrator is a U.S. Person;
- (iv) any trust of which any trustee is a U.S. Person;
- (v) any agency or branch of a foreign entity located in the United States;
- (vi) 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 U.S. Person;
- (vii) any discretionary account dealer or other fiduciary organised 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; and
- (viii) any partnership or corporation if (A) organised or incorporated under the laws of any foreign jurisdiction; and (B) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated, and owned by accredited investors (as defined in Rule 501(a) under the Securities Act) who are not natural persons, estates or trusts; and

Valuation Point means the point in time by reference to which the Net Asset Value of a Fund and the Net Asset Value per Unit are calculated as is specified in the Supplement for the relevant Fund.

3 **TRUST**

3.1 The Trust is structured as an umbrella fund in that different Funds may be established from time to time by the Manager with the prior approval of the Central Bank. On the introduction of any new Fund, the Manager will issue documentation setting out the relevant details of each such Fund. A separate portfolio of assets will be maintained for each Fund. Separate records will also be maintained for each Fund with assets and liabilities allocated to the relevant Fund and each Fund will be invested in accordance with the investment objective applicable to such Fund. Particulars relating to each Fund are set out in a Supplement to the Prospectus.

3.2 Units will be issued in relation to each Fund. Different classes of Units may also be issued in relation to any Fund subject to notifying and clearing in advance with the Central Bank of the creation of each class of Units and the different classes of Units available for issue in each Fund will be set out in a Supplement for the relevant Fund. The different classes of Units in a Fund may have the following distinguishing features: different charging structures; designation of Units in different currencies; gains/losses on and costs of different financial instruments employed for currency hedging between the Base Currency of a Fund and the designated currency of the relevant class of Units and/or against the Base Currency and the currency of the assets of the Fund; and different Minimum Initial Investment Amount.

3.3 The liability of each Unitholder shall be limited to the Issue Price of the Units for which the Unitholder has agreed to subscribe. All Unitholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of, the Trust Deed, copies of which are available as mentioned herein.

3.4 **Investment Objective and Policies**

3.4.1 The investment objective and policies of each Fund will be formulated by the Manager at the time of the creation of that Fund. Details of the investment objective and policies for each Fund of the Trust appear in the Supplement for the relevant Fund.

3.4.2 The list of Regulated Markets on which a Fund's investments in securities and FDI, other than permitted investments in unlisted securities and OTC derivatives, will be listed or traded is set out in Schedule 2.

3.4.3 Any change in the investment objective of a Fund or a material change in the investment policies of a Fund will be subject to the approval of an ordinary resolution of the Unitholders of that Fund or by prior written consent of all the Unitholders of the Fund. Subject and without prejudice to the preceding sentence of this clause, in the event of a change of investment objective and/or policies of a Fund on the basis of an ordinary resolution passed at a general meeting of the Unitholders of the Fund, a reasonable notification period must be given to each Unitholder of a Fund to enable a Unitholder to have its Units repurchased prior to the implementation of such change.

3.4.4 Details of the investment objectives and policies of each Fund appear in the Supplement for the relevant Fund. There can be no assurance that each Fund will achieve its investment objective.

3.5 **Investment restrictions**

3.5.1 The investment restrictions for each Fund will be formulated by the Directors at the time of the creation of the Fund. The Trust Deed provides that investments may only be made as permitted by the Trust Deed and the Regulations. In any event, each Fund will comply with the Central Bank UCITS Regulations.

- 3.5.2 The investment restrictions set out in Schedule 1 apply to each Fund save to the extent that such restrictions are expressly or implicitly disappplied in accordance with the requirements of the Central Bank by investment policies and restrictions contained in the Supplement for the relevant Fund and any additional restrictions specified therein.

3.6 Financial Derivative Instruments for Investment and Efficient Portfolio Management

- 3.6.1 The following is a description of the types of FDI which may be used by a Fund (FDIs used by a Fund will be referred to in the relevant Supplement):

(i) Currency Swaps

A currency swap is an agreement between parties to exchange sequences of cash flows over a period in the future. The cash flows that the counterparties make are tied to the value of foreign currencies.

(ii) Equity Swaps

An equity swap contract which gives the holder the economic benefits of a notional holding of an underlying security or basket of securities, in exchange for an interest stream representing the financing cost for the notional value of that security or basket of securities. A swap can be a 'long' exposure, where the holder is receiving the economic benefits of the underlying security from the other party or a 'short' exposure where the holder is paying the economic benefits of the underlying security to the other party. A Fund may enter into equity swaps to achieve both long and short exposure.

(iii) Futures

Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures contracts allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Frequently using futures to achieve a particular strategy instead of using the underlying or related security or index, or index sector or basket of debt securities results in lower transaction costs being incurred. For example, a Fund may enter into interest rate or bond futures in order to seek to reduce the interest rate exposure of fixed rate bonds. Futures may also be used to equitise cash balances, both pending investment of a cash flow and with respect to fixed cash targets.

(iv) Options

There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) to the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option at a specified price. Options may also be cash settled. A Fund may be a seller or buyer of put and call options (including index equity options). A Fund may purchase or sell these instruments either individually or in combinations. This would allow that Fund to benefit from any upside in the performance, while limiting its overall exposure to the original premium paid by the Fund. Currency options may be used to express positional views on the direction of currency movements and volatility. Bond options may be used to express similar positional views as would be the case as buying or selling the underlying bond or alternatively to express the Investment Manager's view on the

bond's volatility. A Fund may also enter into options on interest rate or bond futures to reflect its view that interest rate risk may change in a particular way or alternatively, to reflect its view on interest rate volatility. The Investment Manager may also buy put options on equity indices or equity exchange traded funds for hedging purposes.

(v) Forward Foreign Exchange Contracts

(A) A Fund may also enter into forward foreign exchange contracts. A forward contract locks-in the price at which an index or asset may be purchased or sold on a future date. In currency forward contracts, the contract holders are obligated to buy or sell the currency at a specified price, at a specified quantity and on a specified future date.

(B) Forward foreign exchange contracts may be used to hedge, at the discretion of the Investment Manager, any currency exposure back to the Base Currency. They may also be used to change the currency compositions all or part of a Fund without necessarily hedging back to the Base Currency.

(vi) Put Options

(A) The Investment Manager may buy put options on equity indices for hedging purposes. A Fund may purchase or sell these instruments either individually or in combinations.

(vii) Interest Rate Futures

(A) An interest rate future is a contract between the buyer and seller agreeing to the future delivery of any interest-bearing asset. The interest rate future allows the buyer and seller to lock in the price of the interest-bearing asset for a future date.

(B) Interest rate futures contracts allow a Fund to hedge against interest rate risk. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date.

3.6.2 Each Fund may use techniques and instruments relating to Transferable Securities subject to the conditions and limits set out from time to time by the Central Bank and such techniques and instruments may be used for investment purposes and/or efficient portfolio management. Each Fund may also employ techniques and instruments intended to provide protection against exchange risks in the context of the management of its assets and liabilities. The specific techniques and instruments to be utilised by each Fund (if any) are set out in the Supplement for the relevant Fund.

3.6.3 Techniques and instruments utilised for the purposes of efficient portfolio management may only be used in accordance with the investment strategy of the relevant Fund. Such techniques may involve the lending of portfolio securities by a Fund, but such lending must be secured by adequate collateral as described in the section entitled **Collateral Policy** below and will be subject to the conditions and limits set out in the Central Bank UCITS Regulations and SFTR. Such techniques may also include repurchase agreements and reverse repurchase agreements which are permitted subject to the conditions and within the limits set out in the Central Bank UCITS Regulations and SFTR for efficient portfolio management purposes only.

3.6.4 Any revenues arising from securities lending or repurchase and reverse repurchase agreements, after deduction of any expenses and fees, be returned to the relevant Fund. These direct and indirect operational costs will not contain any hidden revenue. Direct and indirect operational

costs and/or fees arising from the use of techniques and instruments for efficient portfolio management purposes on behalf of a Fund may be deducted from the revenue delivered to the relevant Fund. These costs and/or fees will be charged at normal commercial rates and will not include hidden revenue.

- 3.6.5 The entities to which such direct and indirect operational costs and/or fees have been paid during the annual period to the relevant accounting year end of the Fund (including whether such entities are related to the Manager or Trustee) will be disclosed in the annual report for such period.
- 3.6.6 Any such technique or instrument should be reasonably believed by the Investment Manager to be economically appropriate to the efficient portfolio management of the relevant Fund, i.e., the use of such a technique or instrument may only be undertaken for the purpose of one or more of the following:
- (a) a reduction in risk;
 - (b) a reduction in cost; or
 - (c) an increase in capital or income returns to a Fund with a level of risk which is consistent with the risk profile of the Fund.
- 3.6.7 Before utilising any FDI on behalf of a Fund, a suitable risk management process report must be being submitted to the Central Bank, which specifies for that purpose, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in any FDI applicable to a Fund. The Trust will not employ any instruments that are not included in the existing risk management process which has been submitted to the Central Bank. Prior to investing in financial derivative instruments which are not included in the existing risk management process, a revised risk management process report will be prepared and submitted to the Central Bank in accordance with the Central Bank requirements.
- 3.6.8 The Manager will on request provide supplementary information to Unitholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in respect of the relevant Funds.

3.7 Securities Financing Transaction Regulations

While the Trust may be authorised to enter into Securities Financing Transactions (**SFTs**) and Total Return Swaps, unless otherwise set out in the Supplement for the relevant Fund, it is not anticipated that the Trust will enter into any SFTs or Total Return Swaps. However, in the event that the Trust contemplates entering into such transactions where not previously disclosed to investors, investors will be provided with further details of the structure and use of such transactions, together with any other information required to be disclosed to investors in accordance with Articles 13 and 14 of the SFTR by updating this Prospectus or the relevant Supplement in advance of entering into any such transactions.

3.8 Collateral policy - Permitted types of collateral

Where a Fund may accept collateral, the types of collateral that a Fund will accept will be disclosed in the relevant Supplement for that Fund. Collateral must meet with the following requirements.

3.8.1 ***Non-cash collateral***

- (a) Non-cash collateral for the Funds must at all times meet with the following requirements:

- (i) Liquidity: Non-cash collateral should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations;
 - (ii) Valuation: Collateral must be capable of being valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
 - (iii) Issuer credit quality: Collateral received should be of high quality, issuers being rated BBB – to AAA by Standard and Poor's or equivalent by any other recognised rating agency. A Fund's counterparties for securities financing transactions are regulated financial institutions headquartered in OECD countries which have, either directly or at parent-level, an investment grade rating from at least two of the three main credit rating agencies;
 - (iv) Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;
 - (v) Diversification (asset concentration): Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value of the relevant Fund. When Funds are exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. A Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong, provided that the Fund receives securities from at least 6 different issues, with securities from any one issue not exceeding 30% of the Net Asset Value of the Fund. Please see section 2.12 in Schedule 1 for individual issuers;
 - (vi) Immediately available: Collateral received should be capable of being fully enforced by the Manager on behalf of the relevant Fund at any time without reference to or approval from the relevant counterparty; and
 - (vii) Non-cash collateral received cannot be sold, pledged or reinvested by the Manager on behalf of the relevant Fund.
- (b) The market value of securities comprising the collateral is calculated on a daily mark-to-market basis. The assets comprising collateral will have a maturity at issuance of at least one year.

3.8.2 **Cash collateral**

- (a) Reinvestment of cash collateral must at all times meet with the following requirements:
 - (i) Cash received as collateral may only be invested in the following:
 - (A) deposits with an EU credit institution, a bank authorised in the remaining Member States of the European Economic Area (EEA) (Norway, Iceland, Liechtenstein), a bank authorised by a signatory state, other than an EU Member State or a Member State of EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States, United Kingdom) or a credit institution

authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand (the **Relevant Institutions**);

(B) high quality government bonds;

(C) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Manager on behalf of the relevant Fund is able to recall at any time the full amount of cash on an accrued basis; and

(D) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049);

(ii) Invested cash collateral must be diversified in accordance with the requirements in section 1.1.1(v) above, where applicable; and

(iii) Invested cash collateral may not be placed on deposit with the counterparty or a related entity.

(b) Please see the sections entitled **Risk Factors** for details of the risks involved in entering into repurchase agreements and securities lending agreements.

3.9 **Level of collateral required**

The level of collateral required for all efficient portfolio management techniques and OTC derivatives will, subject to the minimum transfer amount and threshold provisions, be at least 100% of the exposure to the relevant counterparty.

3.10 **Haircut policy**

3.10.1 In advance of entering into OTC derivative transactions and repurchase and reverse repurchase agreements, the Investment Manager will determine what haircut is acceptable for each class of asset received as collateral and will be set out in the agreement with the relevant counterparty or otherwise documented at the time of entering into such agreement. Such haircut will take into account the characteristics of the asset such as the credit standing, remaining maturity or price volatility of the assets received as collateral as well as the outcome of any stress test performance in accordance with the Central Bank's requirements.

3.10.2 In the event that a Fund may enter into a securities lending transaction, the Investment Manager does not apply a haircut to the non-cash assets received as collateral but instead, in accordance with market practice, operates a policy of over-collateralisation whereby collateral is marked to market on an on-going basis. Counterparties may be required to post additional collateral from time to time.

3.11 **Borrowing and Lending Powers**

3.11.1 The Manager may borrow up to 10% of a Fund's Net Asset Value at any time provided such borrowing is only for temporary purposes and not for speculative purposes.

3.11.2 The Manager may not sell any investments of a Fund when such investments are not in the ownership of the Trustee on behalf of the relevant Fund.

3.11.3 The Manager may acquire foreign currency by means of a back to back loan agreement(s). Foreign currency obtained in this manner is not classed as borrowings for the purposes of the borrowing restrictions set out above provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding. Where borrowings exceed the value of a back to back deposit that excess shall be treated as borrowing for the purposes of Regulation 103 of the

Regulations. Where the offsetting deposit is not denominated in the Base Currency of the relevant Fund, changes in the exchange rate between the Base Currency and the currency of the offsetting deposit may lead to a depreciation of the value of the offsetting deposit as expressed in the Base Currency.

3.12 Unit class hedging

- 3.12.1 The Investment Manager 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 Unit Class for the purposes of efficient portfolio management. In addition, a Currency Unit Class may be hedged against exchange rate fluctuation risks between the denominated currency of the Currency Unit Class and the Base Currency of the Fund in which that Class of Units is issued. Alternatively, the currency exposure of the currency(ies) of a Fund's underlying assets may be hedged in order to mitigate the effect of fluctuations in the exchange rate between the currency(ies) of the Fund's underlying assets and the currency of the Unit Class. Any financial instruments used to implement such strategies with respect to one or more Hedged Currency Unit Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Hedged Currency Unit Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Hedged Currency Unit Class. Where a Unit Class is to be hedged this will be disclosed in the Supplement for the Fund in which such Unit Class is issued. Any currency exposure of a Hedged Currency Unit Class may not be combined with or offset against that of any other Unit Class of a Fund. The currency exposure of the assets attributable to a Hedged Currency Unit Class may not be allocated to other Unit Classes. Where the Investment Manager seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Investment Manager. However, over-hedged positions will not exceed 105% of the Net Asset Value of the relevant Unit Class and under-hedged positions will not fall short of 95% of the portion of the Net Asset Value of the relevant class which is to be hedged and hedged positions will be kept under review to ensure that positions materially in excess of 100% of the Net Asset Value will not be carried forward from month to month. To the extent that hedging is successful for a particular Hedged Currency Unit Class the performance of the Hedged Currency Unit Class is likely to move in line with the performance of the underlying assets with the result that Unitholders in that Hedged Currency Unit Class will not gain if the Hedged Currency Unit Class currency falls against the Base Currency and/or the currency in which the assets of the particular Fund are denominated. A Hedged Currency Unit Class will not be leveraged as a result of such currency hedging transactions.
- 3.12.2 In the case of an unhedged Currency Unit Class a currency conversion will take place on subscriptions, redemptions, switches and distributions at prevailing exchange rates. The value of the Unit expressed in the Unit Class currency will be subject to exchange rate risk in relation to the Base Currency.

3.13 Dividend policy

- 3.13.1 The Manager may decide the dividend policy and arrangements relating to each Fund and details are set out where applicable in the Supplement for the relevant Fund. Under the Trust Deed, the Manager is entitled to declare dividends out of the profits of the relevant Fund being: (i) the accumulated revenue (consisting of all revenue accrued including interest and dividends) net of expenses; and (ii) realised capital gains on the disposal / valuation of investments and other funds less realised and unrealised accumulated capital losses of the relevant Fund. The Manager may satisfy any dividend due to Unitholders in whole or in part by distributing to them in specie any of the assets of the relevant Fund, and in particular any investments to which the relevant Fund is entitled provided that such distribution would not be prejudicial to the interests of Unitholders and subject to the approval by the Trustee of such asset allocation. The Manager will be obliged and entitled to deduct an amount in respect of Irish taxation from any dividend

payable to a Unitholder in any Fund who is or is deemed to be a Taxable Irish Person and pay such sum to the Irish tax authorities. Dividends made out of capital and paid during the life of a Fund should be understood as a type of capital reimbursement.

3.13.2 Dividends not claimed within six years from their due date will lapse and revert to the relevant Fund.

3.13.3 Dividends payable in cash to Unitholders will be paid by electronic transfer to the bank account designated by the Unitholder and at the risk and expense of the payee. However, no dividends payable in cash will be paid to a Unitholder until such time as the Administrator has received that Unitholder's original Application Form and is satisfied that all necessary anti-money laundering checks have been completed as required by applicable laws. Instead, the dividend shall be used to purchase additional Units for the account of the Unitholder on the Dealing Day following the relevant dividend payment date. If on any dividend payment date the value of dividend due to any Unitholder is below €20 (or the equivalent in the base currency of the relevant Fund) the dividend will not be paid to the Unitholder and shall instead be used to purchase additional Units for the Unitholder on the Dealing Day following the relevant dividend payment date.

4 RISK FACTORS

An investment in a Fund is a speculative investment and is not intended as a complete investment program. Such investment is designed for sophisticated persons who are able to bear a high degree of risk of an investment in the Fund. Investors may lose all or a portion of their investment. There is no assurance that a Fund will be profitable or achieve their investment objectives. Some adverse events may be more likely than others and the consequences of some adverse events may be greater than others. No attempt has been made to rank risks in the order of their likelihood or potential harm. Prior to making an investment in a Fund, prospective investors should carefully consider all the information set forth in this section, in addition to the matters set out in any Supplement and in this Prospectus generally, prior to investing in the Units, and should evaluate the risk factors outlined below which, individually or in the aggregate, could have a material adverse effect on a Fund. As a result of these risk factors, as well as other risks inherent in any investment, there can be no assurance that a Fund will meet its investment objectives or will otherwise be able to carry out its investment programs successfully or return any or all of the capital contributions made by investors to a Fund.

4.1 General risk

4.1.1 The Funds will be investing in assets selected by the Investment Manager in accordance with the investment objectives and policies. The value of investments and the income from them, and therefore the value of and income from Units relating to each Fund, will therefore be closely linked to the performance of such investments. Investments made by the Investment Manager will be speculative and an investment in a Fund, therefore, involves a degree of risk. There is no guarantee that the investment objective of a Fund, or its risk monitoring, will be achieved and results may vary substantially over time. A Fund's investment strategy may carry considerable risks. The value of investments and the income from them, and therefore the value of and income from Units relating to each Fund, can go down as well as up and a Unitholder may not get back the original amount he invested or any amount at all. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase.

4.1.2 The income and gains of a Fund from its assets may suffer withholding tax which may or may not be reclaimable in the countries where such income and gains arise. If the position changes in the future and either the application of a higher or lower rate results in an additional payment of tax or a repayment to the relevant Fund respectively, the Net Asset Value will not be re-stated and the benefit or the cost will be allocated to the existing Unitholders of the relevant Fund rateably at the time of the adjustment.

4.2 **Taxation risk**

Potential Applicants' attention is drawn to the taxation risks associated with investing in a Fund and a Fund. See section headed **Taxation**.

4.3 **Late or Non-Payment of Subscriptions**

Any loss incurred by a Fund due to late or non-payment of subscription proceeds in respect of subscription applications received shall be borne by the relevant investor or, if not practical to recover such losses from the relevant investor, by a Fund.

4.4 **Effect of Subscription Charge and Redemption Charge**

Where a Subscription Charge or a Redemption Charge is imposed, a Unitholder who realises his Units after a short period may not (even in the absence of a fall in the value of the relevant investments) realise the amount originally invested. Therefore, the Units should be viewed as a medium to long term investment.

4.5 **Dilution adjustment**

Unitholders should note that in certain circumstances a dilution adjustment may be applied on the issue or sale and/or redemption or cancellation of Units. Where a dilution adjustment is not applied, the Trust in question may incur dilution which may constrain capital growth.

4.6 **Suspension of Dealings**

Unitholders are reminded that in certain circumstances their right to redeem Units, including a redemption by way of switching, may be suspended (see the section on **Suspension of Calculation of Net Asset Value**).

4.7 **Risk relating to Dividends paid out of Capital**

To the extent that the net distributable income generated by a Fund is insufficient to pay a distribution which is declared, the Directors may at their discretion determine such dividends may be paid from the capital of the Trust. This would require the Investment Manager to sell assets of a Fund to make such distributions as opposed to paying out net distributable income received by a Fund.

4.8 **Mandatory redemption risk**

4.8.1 The Trust may compulsorily redeem all of the Units of any Fund if the Net Asset Value of the relevant Fund is less than the Minimum Fund Size (if any) specified in the Supplement for the relevant Trust or otherwise notified to Unitholders.

4.8.2 The Trust Deeds gives powers to the Directors to impose restrictions on the holding of Units directly or indirectly by (and consequently to redeem Units held by), or the transfer of Units to any person or entity who, in the opinion of the Directors is or will hold Units for the benefit of a U.S. Person (unless the Directors determine (i) the transaction is permitted under an exemption from registration available under the securities laws of the United States and (ii) that the relevant Fund continue to be entitled to an exemption from registration as an investment company under the securities laws of the United States if such person holds Units), an individual under the age of 18 (or such other age as the Directors may think fit), a person or persons or an entity who breached or falsified representations on subscription documents (including as to its status under ERISA), who appears to be in breach of any law or requirement of any country or government authority or by virtue of which such person or persons or entity is not qualified to hold Units, or if the holding of the Units by any person or entity is unlawful or is less than the Minimum Unitholding set for that Class of Units by the Directors, or in circumstances which (whether directly or indirectly

affecting such person or entity, and whether taken alone or in conjunction with any other persons or entities, connected or not, or any other circumstances appearing to the Directors to be relevant), in the opinion of the Directors, might result in the relevant Fund incurring any liability to taxation or suffering any other pecuniary liability to taxation or suffering other pecuniary legal or material administrative disadvantage (including endeavouring to related code) or being in breach of any law or regulation which a Fund might not otherwise have incurred, suffered or breached or might result in that Fund being required to comply with registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply.

4.9 Political risks

The value of a Fund's assets may be affected by uncertainties such as political developments, changes in government policies, taxation, currency repatriation restrictions and restrictions on foreign investment in some of the countries in which the Funds may invest.

4.10 Currency risks

4.10.1 A Fund's investments may be acquired in a wide range of currencies and changes in exchange rates between currencies may cause the value of an investment in a Fund to fluctuate due to the fact that the currency positions held by a Fund may not correspond with the securities positions held. Each Fund may utilise financial instruments such as forward contracts to seek to hedge against fluctuations in the relative values of the Fund's portfolio positions as a result of changes in currency exchange rates. Where a class currency exposes Unitholders in that class to additional currency risk, such exposure may also be hedged. In such events, the exchange rate used for the purposes of hedging is likely to be the rate prevailing at the time the necessary currency hedging contracts are put in place and accordingly Unitholders in such classes will bear the risk of not benefiting from any potential rise in the exchange rate of the class currency against the Base Currency and/or other currencies in which the assets of a Fund are denominated between the time the hedging contracts are put in place and the time when such contracts settle. It may not be possible for a Fund to hedge against any exchange rate fluctuation that is so generally anticipated, a Fund is not able to enter into a hedging transaction at a price sufficient to protect that Fund from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

4.10.2 A Fund may issue classes denominated in a currency other than the Base Currency of that Fund and accordingly the value of a Unitholder's investment in such a class may be affected favourably or unfavourably by fluctuations in the rates of the two different currencies. For example, a Unitholder may not benefit if the class currency falls against the Base Currency and/or the currency in which the assets of a Fund are denominated.

4.11 Interest rate risk

Changes in interest rates can influence the value and returns of some of the Fund's investments. Declining interest rates may affect the return on available reinvestment opportunities. In the event of a general rise in interest rates, the value of certain investments that may be contained in the Fund's investment portfolio may fall, reducing the Net Asset Value of a Fund. Fluctuation in rates may affect interest rate spreads in a manner adverse to a Trust. Interest rates are highly sensitive to factors beyond a Fund's control, including, among others, government monetary and tax policies, and domestic and international economic and political conditions.

4.12 Concentration risk

There are no limits on the Investment Manager's investment discretion, subject to the Investment Restrictions applicable to each Fund. While the Investment Manager will regularly monitor the concentration of each Fund's exposure to related risk, at any given time a Fund's assets may become

highly concentrated within a particular region, country, company, industry, asset category, trading style or financial or economic market. In that event, the Fund's portfolio will be more susceptible to fluctuations in value resulting from adverse economic conditions affecting the performance of that particular company, industry, asset category, trading style or economic market, than a less concentrated portfolio would be. As a result, that Fund's investment portfolio could become concentrated and its aggregate return may be volatile and may be affected substantially by the performance of only one or a few holdings and, consequently, could have an adverse impact on a Fund's financial conditions and its ability to pay distributions. The Investment Manager is not obligated to hedge its positions and expects that a Trust will always be either net long or net short the market.

4.13 Sub-investment grade debt securities

Below investment grade debt securities are speculative and involve a greater risk of default and price changes due to changes in the issuer's creditworthiness. The market for these debt securities is significantly less liquid and their prices fluctuate more than for investment grade debt securities and may decline significantly in periods of general economic difficulty. The value of the Funds' assets may be affected by uncertainties such as international political developments, changes in government policies, taxation, currency repatriation restrictions and other developments in the law or regulations of the countries in which a Fund may invest. 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 generally would apply in major securities markets.

4.14 Emerging Market Risk

To the extent that a Fund invests in emerging markets, the following risks shall also apply:

- (i) The trading and settlement practices of some of the stock exchanges or markets on which a Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by a Fund. In addition, a Fund will be exposed to credit risk on parties with whom it trades and will bear the risk of settlement default.
- (ii) Currency fluctuations can be severe in developing countries that have both floating and fixed exchange rate regimes. The latter can undergo sharp one-time devaluations.
- (iii) Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed countries and there may be less publicly available information on the issuers than is published by or about issuers in such developed countries. Consequently some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of unitholder protection or information to investors as would generally apply in many developed countries. In particular, greater reliance may be placed by the auditors on representations from the management of a company and there may be less independent verification of information than would apply in many developed countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.
- (iv) The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. A Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.
- (v) Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances a Fund may not be able to recover or may encounter delays in the recovery of some of its assets. Such

circumstances may include uncertainty relating to, or the retroactive application of legislation, the imposition of exchange controls or improper registration of title. In some emerging market countries evidence of title to shares is maintained in book-entry form by an independent registrar who may not be subject to effective government supervision, which increases the risk of the registration of a Fund's holdings of shares in such markets being lost through fraud, negligence or mere oversight on the part of such independent registrars. The costs borne by a Fund in investing and holding investments in such markets will generally be higher than in organised securities markets.

- (vi) Prices of securities traded in emerging markets tend to be less liquid and more volatile.

4.15 Risks associated with Financial Derivative Instruments

- 4.15.1 While the prudent use of financial derivative instruments (**FDIs**) can be beneficial, FDIs also involve risks different from, and in certain cases greater than, the risks presented by more traditional investments. Each Fund may enter transactions in OTC markets that expose it to the credit of its counterparties and their ability to satisfy the terms of such contracts. Where a Fund enters into swap arrangements and derivatives, it will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract and may not settle a transaction. Delays in settlement may also result from disputes over the terms of the contract since the OTC markets may lack the established rules and procedures for swift settlement of disputes among market participants found in exchange-based markets. FDIs also involve legal risks. In the event of a bankruptcy or insolvency of a counterparty, the Funds could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the Manager, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated. In accordance with standard industry practice, it is the Manager's policy to net exposures of each Fund against its counterparties.
- 4.15.2 Since many FDIs have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the derivative itself. Certain FDIs have the potential for unlimited loss regardless of the size of the initial investment. If there is a default by the other party to any such transaction, there will be contractual remedies; however, exercising such contractual rights may involve delays or costs which could result in the value of the total assets of the related portfolio being less than if the transaction had not been entered. The swap market has grown substantially in recent years with a large number of banks and investment banking firms acting both as principals and as agents utilising standardised swap documentation. As a result, the swap market has become liquid but there can be no assurance that a liquid secondary market will exist at any specified time for any particular swap. Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the Manager's use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, the Manager's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the Manager that might in turn require, if there is insufficient cash available in the portfolio, the sale of the relevant Fund's investments under disadvantageous conditions.

4.16 Risks associated with Futures and Options

The Funds may from time to time use both exchange-traded and over the counter futures and options as part of its investment policy or for hedging purposes. These instruments are highly volatile, involve certain special risks and expose applicants to a high risk of loss. The low initial margin deposits normally required to establish a futures position permit a high degree of leverage. As a result, a relatively small movement in the price of a futures contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and may result in un-quantifiable further loss exceeding any margin

deposited. Further, when used for hedging purposes there may be an imperfect correlation between these instruments and the investments or market sectors being hedged. Transactions in OTC derivatives may involve additional risk as there is no exchange or market on which to close out an open position. It may be impossible to liquidate an existing position, to assess or value a position or to assess the exposure to risk.

4.17 **Correlation risk**

Forward contracts and currency options seek to hedge against fluctuations in the relative values of a Fund's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that it is not possible to enter into a hedging transaction at a price sufficient to afford protection from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

4.18 **Securities lending / stock lending risk**

4.18.1 Securities lending, as applicable for a Fund, involves lending for a fee portfolio securities held by a Fund for asset period of time to willing, qualified borrowers who have posted collateral. In lending its securities, a Fund is subject to the risk that the borrower may not fulfill its obligations or go bankrupt leaving that Fund holding collateral worth less than the securities it has lent, resulting in a loss to the Fund.

4.18.2 As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. However, a Fund could experience delays and costs in recovering the securities loaned or in gaining access to the collateral. The collateral will typically be maintained at a value of at least equal to the market value of any securities loaned. However in the event of a sudden market movement there is a risk that the value of the collateral may fall below the value of the securities transferred.

4.18.3 Securities lending made with connected persons of the Trustee must be made on arm's length commercial terms and the Trustee's written consent is required. Please see the **Portfolio Transactions and Conflicts of Interest** section below.

4.19 **Repurchase agreements**

A Fund may enter into repurchase agreements. If the other party to a repurchase agreement should default, the Trust might suffer a loss to the extent that the proceeds from the sale of the underlying securities and other collateral held by that Fund in connection with the reputed repurchase agreement are less than the repurchase price. In addition, in the event of bankruptcy or similar proceedings of the other party to the repurchase agreement or its failure to repurchase the securities as agreed, a Fund could suffer losses, including loss of interest on or principal of the security and costs associated with delay and enforcement of the purchase agreement.

4.20 **Liquidity of Investments**

Investors often describe the speed and ease with which an asset can be sold and converted into cash as its liquidity. Most of the investments owned by a Fund can usually be sold promptly at a fair price and therefore can be described as relatively liquid. But a Fund may also hold investments that are illiquid, which means they can't be sold quickly or easily. Some investments are illiquid because of legal restrictions, the

nature of the investment itself, settlement terms, or for other reasons. Sometimes, there may simply be a shortage of buyers. A Fund that has trouble selling an investment can lose value or incur extra costs. In addition, illiquid investments may be more difficult to value accurately and may experience larger price changes. This can cause greater fluctuations in a Fund's value.

4.21 Counterparty risk

The Funds may enter into transactions in OTC markets, which will expose the Funds to the credit worthiness of their counterparties and their ability to satisfy the terms of such contracts. In the event of a bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which that Fund seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that these arrangements may be terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

4.22 Collateral risk

Cash received as collateral may be invested in other eligible securities, including units of a short term money market fund in accordance with the requirements of the Central Bank. Investing this cash subjects that investment, as well as the securities loaned, to market appreciation or depreciation and the risks associated with such investments, such as failure or default of the issuer of the relevant security.

4.23 Availability of Suitable Investment Opportunities

4.23.1 The Funds will compete with other potential investors to acquire assets. Certain of the Fund's competitors may have greater financial and other resources and may have better access to suitable investment opportunities here can be no assurance that the Investment Manager will be able to locate and complete investments which satisfy a particular Fund's rate of return objectives or that a Fund will be able to invest fully its committed capital. If no suitable investments can be made then cash will be held by such Fund and this will reduce returns to Unitholders. Whether or not suitable investment opportunities are available to a Fund, Unitholders will bear the cost of management fees and other Fund expenses.

4.23.2 In the event that a Fund is terminated or the Funds are wound up, and to the extent that the assets may be realised, any such realisation may not be at full market value and will be subject to deductions for any expenses for the termination of such Fund or the liquidation of the Fund.

4.24 Limited recourse

A Unitholder will solely be entitled to look to the assets of the relevant Fund in respect of all payments in respect of its Units. If the realised net assets of the relevant Fund are insufficient to pay any amounts payable in respect of the Units, the Unitholder will have no further right of payment in respect of such Units nor any claim against or recourse to any of the assets of any other Fund or any other asset of the Fund.

4.25 Material, non-public information

By reason of their responsibilities in connection with a Fund and other activities, personnel of the Investment Manager may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. In such circumstances the Investment Manager will not be free to act upon any such information. Due to these restrictions, a Fund may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

4.26 Legal and Regulatory Risks

Legal and regulatory (including taxation) changes could adversely affect the Funds. Regulation (including taxation) of investment vehicles such as the Funds is still evolving and therefore subject to change. In addition, many governmental agencies, self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future legal or regulatory (including taxation) change on the Funds is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Unitholders.

4.27 Reliance on the Manager and Investment Manager

The Unitholders will have no right to participate in the management of a Fund or in the control of its business. Accordingly no person should purchase any Units unless he is willing to entrust all aspects of management of that Fund to the Manager and all aspects of selection and management of the Fund's investments to the Investment Manager. A Fund's performance depends on, amongst other things, the expertise and investment decisions of the Investment Manager. The Investment Manager's opinion about the intrinsic worth of a company or security may be incorrect, the Fund's investment objective may not be achieved and the market may continue to undervalue the securities held by the Fund.

4.28 Underlying funds

4.28.1 Some of the Funds may invest in other CIS selected by the Investment Manager in accordance with the respective investment objectives and policies. The value of investments and the income from them, and therefore the value of and income from Units relating to each Fund, will therefore be closely linked to the performance of such CIS. These CIS' investment programmes may be speculative and an investment in a Trust, therefore, involves a high degree of risk. There is no guarantee that the investment objective of a CIS or its risk monitoring will be achieved and results may vary substantially over time. A CIS' investment strategy may carry considerable risks. Unitholders should recognize that investing in a CIS allocation is not structured as a complete investment programme. The Manager or the Investment Manager will not have control over the activities of any CIS invested in by a Fund. Managers of CIS in which a Fund may invest may manage such funds in a manner not anticipated by the Manager or the Investment Manager.

4.28.2 As a unitholder of another collective investment scheme, a Fund would bear, along with other unitholders, its *pro rata* portion of the expenses of the other CIS, including management and/or other fees. These fees would be in addition to the management fees and other expenses which a Fund bears directly in connection with its own operations.

4.29 Restricted Valuation of Assets

Assets in which a Fund invests may be valued on a less frequent basis than the Fund. Further, a CIS in which a Fund invests may be subject to suspension of calculation of net asset value for various reasons. Accordingly there is a risk that (i) the valuations of a Fund may not reflect the true value of assets held by a Fund at a specific time which could result in losses or inaccurate pricing for a Fund and/or (ii) the valuations may not be available at the relevant Valuation Point so that some of the assets of a Fund may be valued at their probable realisation value as set out in the Prospectus.

4.30 Redemption of investments in specie

Underlying CIS may be subject to special provisions where a redemption request received from an applicant would result in interests representing a relatively significant part of that fund's net asset value. Such special provisions may provide that the respective fund may satisfy the redemption request by a redemption of investments of the relevant fund in specie. A Fund may, where possible, request the CIS to sell the investments and pay the proceeds of sale to the Fund. In this event, the relevant Fund may

become holder of in specie investments or may, under the Trust Deed, be conferred the option of satisfying the redemption request by redeeming those investments in specie. Please see **Limitations on Redemptions** below.

4.31 **Custody risk**

4.31.1 A substantial part of a Fund's assets as well as the assets provided to a Funds as collateral are held in custody by the Trustee or, as the case may be, third party depositaries and sub-custodians. This exposes a Fund to custody risk. This means that a Fund is exposed to the risk of loss of these assets as a result of insolvency, negligence or fraudulent trading by the Trustee and these third parties. The Funds are also exposed to the risk of loss of these assets as a result of fire and other natural disasters.

4.31.2 Where a Fund's assets as well as the assets provided to a Fund as collateral are held by the Trustee or third party depositaries and sub-custodians in emerging market jurisdictions, a Fund is exposed to greater custody risk due to the fact that emerging markets are by definition **in transformation** and are therefore exposed to the risk of swift political change and economic downturn. In recent years, many emerging market countries have undergone significant political, economic and social change. In many cases, political concerns have resulted in significant economic and social tensions and in some cases both political and economic instability has occurred. Political or economic instability may adversely affect the safe custody of a Fund's assets.

4.32 **Operations**

4.32.1 The Funds operations (including administration, investment management and distribution) are carried out by several service providers some of whom are described in the section headed **Management of the Trust**. The Funds follow a rigorous due diligence process in selecting service providers; nevertheless operational risk can occur and have a negative effect on a Fund's operations, and it can manifest itself in various ways, including business interruption, poor performance, information systems malfunctions or failures, regulatory or contractual breaches, human error, negligent execution, employee misconduct, fraud or other criminal acts.

4.32.2 In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of Units) or other disruptions.

4.33 **Umbrella Cash Subscription and Redemption Account**

4.33.1 Subscription monies received in respect of a Fund in advance of the issue of Units will be held in the Umbrella Cash Subscriptions and Redemptions Account in the name of the Trust and will be treated as an asset of the relevant Fund. Investors will be unsecured creditors of the relevant Fund with respect to the amount subscribed and held by the Trust until Units are issued on the Dealing Day. As such, investors will not benefit from any appreciation in the Net Asset Value of the relevant Fund or any other Unitholder rights (including dividend entitlement) until such time as Units are issued on the relevant Dealing Day. In the event of an insolvency of a Fund or the Trust, there is no guarantee that the relevant Fund or Trust will have sufficient funds to pay unsecured creditors in full.

4.33.2 Payment of redemption proceeds and dividends in respect of a particular Fund is subject to receipt by the Administrator of original subscription documents and compliance with all necessary anti-money laundering procedures as required by applicable laws. Notwithstanding this, redeeming Unitholders will cease to be Unitholders, with regard to the redeemed Units, and will be unsecured creditors of the particular Fund, from the relevant Dealing Day. Pending redemptions and distributions, including blocked redemptions or distributions, will, pending

payment to the relevant Unitholder, be held in the Umbrella Cash Subscriptions and Redemptions Account in the name of the Trust. Redeeming Unitholders and Unitholders entitled to such distributions will be unsecured creditors of the relevant Fund, and will not benefit from any appreciation in the Net Asset Value of that Fund or any other Unitholder rights (including further dividend entitlement), with respect to the redemption or distribution amount held in the Umbrella Cash Subscriptions and Redemptions Account. In the event of an insolvency of the relevant Fund or the Trust, there is no guarantee that the relevant Fund or the Trust will have sufficient funds to pay unsecured creditors in full. Redeeming Unitholders and Unitholders entitled to distributions should ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Unitholder's own risk.

- 4.33.3 In the event of the insolvency of another Fund of the Trust (the **Insolvent Fund**), recovery of any amounts held in the Umbrella Cash Subscriptions and Redemptions Account to which another Fund is entitled (the **Entitled Fund**), but which may have transferred to the Insolvent Fund as a result of the operation of the Umbrella Cash Subscriptions and Redemptions Account, will be subject to the principles of Irish insolvency law and the terms of the operational procedures for the Umbrella Cash Subscriptions and Redemptions Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the Insolvent Fund may have insufficient funds to repay amounts due to the Entitled Fund.

4.34 Certain Risk Factors Concerning India

- 4.34.1 Where a Fund has an investment strategy focused on India, the success of the Fund will depend in large part on the general economic and business conditions in India. Risks associated with the investments in India, including but not limited to the risks described below, could adversely affect the performance of the Fund and result in substantial losses. No assurance can be given as to the ability of the Fund to achieve any return on its investments and, in turn, any return on an investor's investment in the Fund. Accordingly, in acquiring Units in the Fund, appropriate consideration should be given to the following factors:
- 4.34.2 **Indian Economic Factors:** A significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and in particular if new restrictions on the foreign portfolio investors are introduced or if existing restrictions, if any, are not relaxed over time. Notwithstanding current policies of economic liberalization, the roles of the Indian central and state governments in the Indian economy as producers, consumers and regulators have remained significant. There is, however, no assurance that these liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting taxation, foreign investment, currency exchange and other matters affecting the Fund's investments could change as well. In addition, laws and policies affecting the various investments held by the Fund could change, adversely affecting the values or liquidity of securities issued by those companies.
- 4.34.3 **Indian Political Factors:** The political and economic situation is however far less stable in many emerging market countries, such as India, than in the developed world. They are generally much more susceptible to the risks of rapid political change and economic setbacks. Political crises can affect purchaser confidence, which can as a consequence affect security prices. Armed conflicts can also impact on the supply and demand for certain securities. It is also possible for industrialised nations to impose embargos on imports and exports of goods and services.
- 4.34.4 **Indian Legal System:** An elaborate and extensive judicial and quasi-judicial system exists in India, with courts being the judicial authority and regulators like SEBI being one of the regulatory authority. A separate civil and criminal system exists in each state, with the highest court for each state being the High Court. Appeals from the High Courts are made to the Supreme Court of India, which is the country's highest judicial authority. A clear framework for arbitration, through the Arbitration and Conciliation Act of 1996, also exists and provides for minimum court

intervention in the arbitral process. Arbitration is generally preferred to courts as a means of dispute resolution, as the backlog of cases in courts often causes for delays.

4.35 Fund specific risk factors

- 4.35.1 Additional risk factors (if any) in respect of each Fund are set out in the Supplement for the relevant Fund.

4.36 Sustainability Risks impact on Fund Investments

- 4.36.1 Sustainability risks may arise in respect of an investee company/issuer itself, its affiliates or in its supply chain and/or apply to a particular economic sector, geographical or political region. Environmental sustainability risks, including risks arising from climate change, are associated with events or conditions affecting the natural environment. Social risks may be internal or external to an issuer and are associated with employees, local communities, customers or populations of companies or countries and regions. Governance risks are associated with the quality, effectiveness and process for the oversight of day to day management of companies and issuers.
- 4.36.2 Loss of investment value following a sustainability risk may occur in numerous ways. For investments in a corporate issuer, losses may result from damage to its reputation with a consequential fall in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. Laws, regulations and industry norms play a significant role in controlling the impact of sustainability factors on many industries, particularly in respect of environmental and social factors. Any changes in such measures, such as increasingly stringent environmental or health and safety laws, can have a material impact on the operations, costs and profitability of businesses. A corporate may also suffer the impact of fines and other regulatory sanctions. The time and resources of the corporate's management team may be diverted from furthering its business and be absorbed seeking to deal with the sustainability risk, including changes to business practices and dealing with investigations and litigation. Sustainability risks may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by businesses to which a Fund is exposed may also be adversely impacted by a sustainability risk. Further, certain industries face considerable scrutiny from regulatory authorities, non-governmental organisations and special interest groups in respect of their impact on sustainability which may cause affected industries to make material changes to their business practices which can increase costs and result in a material negative impact on the profitability of businesses. Such scrutiny may also materially impact the consumer demand for a business's products and services which may result in a material loss in value of an investment linked to such businesses.

4.37 Environmental Risks

4.37.1 Carbon Emissions Risk

Many economic sectors, regions and/or jurisdictions, including those in which a Fund may invest, are currently and/or in the future may be, subject to a general transition to a greener, lower carbon and less polluting economic model. Drivers of this transition include governmental and/or regulatory intervention, evolving consumer preferences and/or the influence of non-governmental organisations and special interest groups.

As the market appreciates tightening regulation and accounts for higher carbon prices, repricing of carbon-intensive sectors occurs, reducing the value of those securities. As carbon pricing continues to be a mechanism through which various policymakers seek to mitigate climate

change, companies may be impacted in different ways based on their sectors and region of operations.

Sectors, regions, businesses and technologies which are carbon-intensive, higher polluting or otherwise are not environmentally sustainable may suffer from a significant fall in demand and/or obsolescence, resulting in stranded assets the value of which is significantly reduced or entirely lost. Attempts by sectors, regions, businesses and technologies to adapt so as to improve sustainability may not be successful, may result in significant costs being incurred, and future ongoing profitability may be materially reduced.

4.37.2 *Climate Change Risk*

A Fund may have exposure to potential physical risks resulting from climate change. For example, the tail risk of significant damage due to increasing erratic and potentially catastrophic weather events such as droughts, wildfires, flooding and heavy precipitations, heat/coldwaves, landslides or storms.

As the frequency of extreme weather events increases, a Fund's assets exposure to these events increases too.

Alongside these acute physical risks, a Fund may be exposed to the chronic physical risks stemming from climate change, including amongst others, coastal flooding, coastal erosion, soil degradation and erosion, water stress, changing temperatures or changing wind or precipitation patterns.

Such risks may arise in respect of an issuer company itself, its affiliates or in its supply chain and/or apply to a particular economic sector, geographical or political region which would consequently affect a Fund.

4.37.3 *Natural Resource Depletion Risk*

The relationship between businesses and natural resources is becoming increasingly important due to the scarcity of fresh water, loss of biodiversity and risks arising from land use. Water is critical to agricultural, industrial, domestic, energy generation, recreational and environmental activities. Reduced supply or allocation of water and/or increased cost in supply and controls over its use may adversely impact the operations, revenue and expenses of certain industries in which a Fund may invest. Biodiversity underpins ecosystem services such as food, clean water, genetic resources, flood protection, nutrient cycling and climate regulation. A continued loss of biodiversity may adversely affect the operations, revenue and expenses of certain industries in which a Fund may invest, such as land users and marine industries, agriculture, the extractives industries (cement and aggregates, oil, gas and mining) forestry and tourism. Land use and land use management practices of the issuer companies could have a major impact on natural resources.

4.37.4 *Pollution and Waste Risk*

Pollution adversely affects the environment and may for example, result in negative impact on human health, damage to ecosystems and biodiversity and reduced crop harvests. Measures introduced by governments or regulators to reduce pollution and control and reduce waste may adversely impact the operations, revenue and expenses of industries in which a Fund may invest.

4.38 **Social Risks**

4.38.1 *Human Capital Risk*

Human capital offences, were they to occur, would give rise to negative consumer sentiment, fines and other regulatory sanctions and investigations and litigation in respect of entities in which a Fund may be invested. These could include human rights violations, lack of access to clean water, food and sanitary living environment, human trafficking, modern slavery, forced labour, inadequate health and safety, discrimination, breaches of employee rights and use of child labour. The profitability of a business which is reliant on adverse treatment of human capital may appear materially higher than if appropriate practices were followed and it may not appear to investors such as a Fund that such adverse treatment is occurring at the time.

4.38.2 *External Social Risk*

Were they to occur, restrictions on or abuse of the rights of consumers including consumer personal data, management of product safety, quality and liability, relationships with and infringements of rights of local communities and indigenous populations may, in particular, give rise to negative consumer sentiment, fines and other regulatory sanctions and/or investigations and litigation in respect of entities in which a Fund is invested.

4.38.3 *Megatrends*

Trends such as globalisation, automation and the use of artificial intelligence in manufacturing and service sectors, inequality and wealth creation, digital disruption and social media, changes to work, leisure time and education, changes to family structures and individual rights and responsibilities of family members, changing demographics including health and longevity and urbanisation are all examples of social trends that can have a material impact on businesses, sectors, geographical regions and the vulnerability and inability to adapt or take advantage of such trends may result in a material negative impact on a Fund's investments.

4.39 **Governance Risks**

4.39.1 *Bond Diversity and Structure Risk*

The absence of a diverse (in terms of age, gender, educational and professional background) and relevant skillset within a board or governing body of an entity in which a Fund is invested may result in increased risk of "group think". Further, the absence of independence among board members, particularly where roles are combined, may lead to a concentration of powers and hamper the board's ability to exercise its oversight responsibilities, challenge and discuss strategic planning and performance, input on issues such as succession planning and executive remuneration and otherwise set the board's agenda.

4.39.2 *Inadequate External or Internal Audit Risk*

Ineffective or otherwise inadequate internal and external audit functions of an entity in which a Fund is invested may increase the likelihood that fraud and other issues within such entity are not detected and/or that material information used as part of an entity's valuation and/or the Investment Manager's investment decision making is inaccurate.

4.39.3 *Fair Tax Strategy Risk*

The tax strategy employed by a company in which a Fund is invested may impact on the returns and performance of that company. Where an aggressive tax strategy is pursued by a company this may increase the tax risks associated with that company, which may have a negative impact on a Fund's investment in that company.

4.39.4 *Shareholders Rights Risk*

The extent to which rights of shareholders, and in particular minority shareholders (which may include a Fund) are appropriately respected within a company's formal decision making process may have an impact on the extent to which a company is managed in the best interest of its shareholders as a whole (rather than, for example, a small number of dominant shareholders) and therefore the value of an investment in it.

4.39.5 *Bribery and Corruption Risk*

The effectiveness of an issuer company's controls to detect and prevent bribery and corruption both within a company in which a Fund is invested and its governing body and also its suppliers, contractors and sub-contractors may have an impact on the extent to which a company is operated in furtherance of its business objectives. Lack of scrutiny of executive pay: failure to align levels of executive pay with performance and long-term corporate strategy in order to protect and create value may result in executives failing to act in the long-term interest of a company, which may have a negative impact on a Fund's investment in that company.

4.39.6 *IT Safeguards Risk*

The effectiveness of measures taken to protect personal data of employees and customers and, more broadly, IT and cyber security within a company in which a Fund is invested will affect such company's susceptibility to inadvertent data breaches and its resilience to "hacking", which may have a negative impact on a Fund's investment in that company.

4.39.7 *Employee Safeguards Risk*

The absence of appropriate and effective safeguards for employment related risks such as discriminatory employment practices, workplace harassment, discrimination and bullying, respect for rights of collective bargaining or trade unions, the health and safety of the workforce, protection for whistle-blowers and non-compliance with minimum wage or (where appropriate) living wage requirements may ultimately reduce the talent pool available to a company in which a Fund is invested, the wellbeing, productivity and overall quality of its workforce and may lead to increased employment and other business costs, which may have a negative impact on a Fund's investment in that company.

The above risk factors are not exhaustive and do not purport to be a complete explanation of all the risks and significant considerations involved in investing in a Fund.

5 **MANAGEMENT OF THE TRUST**

5.1 **Directors of the Manager**

The Directors of the Manager are described below:

Mike Kirby (Irish Resident) is the Managing Principal at KB Associates a firm which provides a range of advisory and project management services to the promoters of offshore mutual funds. He has previously held senior positions at Bank of New York (previously RBS Trust Bank) (1995 to 2000) where he was responsible for the establishment and ongoing management of its Dublin operations. He has also held senior positions in the custody and fund administration businesses of JP Morgan in London and Daiwa Securities in Dublin. Mr. Kirby holds a Bachelor of Commerce (Honours) Degree from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland.

Peadar De Barra (Irish Resident) is an executive director and Chief Operating Officer of KBA Consulting Management Limited with responsibility for risk, operations and compliance. Prior to his appointment to KBA Consulting Management Limited he was a senior consultant within KB Associates' consulting business where he was responsible for advising investment funds on a range of risk and compliance

matters. In this role he was responsible for developing risk management programmes for funds operating across a range of investment strategies. Mr. De Barra joined KB Associates in 2008. Prior to this Mr. De Barra was Vice-President at Citi Fund Services (Ireland) Ltd (formerly BISYS), where he was responsible for the Financial Administration team (2003 to 2007). Prior to this Mr. De Barra was an accountant and auditor with PricewaterhouseCoopers Dublin and Boston (1998 to 2002) and was an assistant manager at AIB/BNY Fund Management (Ireland) Ltd (2002 to 2003) with responsibilities for statutory reporting. In addition Mr. De Barra also acts as a director to a number of investment funds, investment managers and management companies.

Mr. De Barra holds a Bachelor of Commerce Degree from National University of Ireland Galway and is a Fellow of the Institute of Chartered Accountants in Ireland.

Samantha McConnell (Irish Resident) has over 20 years' experience in the financial and pensions industry covering administration, investment services, change and integration management as well as expert in devising solutions to complex issues. Ms. McConnell is an independent, non-executive director (INED) on the KBA board and is the Chair of the Independent Investment Committee within KBA Consulting Management Limited. The function of the Investment Committee is the formulation, approval and oversight of the implementation of each Fund's investment objectives and policies by the relevant investment manager. The Investment Committee also evaluates the market overview, each Fund's performance and any changes of investment objective of a Fund. Ms. McConnell is also an INED and interim Chair for another significant fund management company as well as INED on a self-managed fund company. Ms. McConnell is a director for Willis HC&B as well as non-executive director for CFA Ireland.

Ms. McConnell holds a first class honours degree in commerce from UCD and graduated first in Ireland in the ACCA exams. She is a CFA Charterholder, a holder of the Institute of Directors Diploma in Company Direction and was awarded the Graduate of Merit award from the Institute of Directors.

John Oppermann (Irish Resident) has been involved in the financial services industry since 1987, experience with international funds domiciled in various locations across a variety of asset classes and investment strategies. Since 2008, Mr. Oppermann acts as a consultant within the hedge fund industry providing fund consultancy, advisory, non-executive directorships, administration and accounting services to the international investment community. Mr. Oppermann is an INED on the KBA board and is the Chair of the Independent Risk Committee within KBA Consulting Management Limited. Mr. Oppermann served as General Manager of Olympia Capital Ireland Limited from 2004 to July 2008, a fund administration company based in Dublin. Previously he was Accounting Manager at RMB International in Dublin from 2003 to 2004 and a Fund Accounting Manager at International Fund Services in Dublin from 2001-2002. Prior to that role he established Capita's registrars operation in Ireland, Capita Registrars (Ireland) Limited, and was its Senior Country Manager from 1999 to 2001. He was a member of the senior management team at Mellon Fund Administration from 1995 to 1998. He also held a number of senior positions with The Prudential Corporation from 1987 to 1996 in London. Mr. Oppermann is a Fellow of the Association of Chartered Certified Accountants and holds a Masters of Business Administration from the Michael Smurfit Graduate Business School, University College Dublin. Mr. Oppermann has received the accreditation of Certified Investment Fund Director from the Institute of Banking School of Professional Finance. He is also a director for a number of companies.

Frank Connolly (Irish Resident) has been active in the mutual and hedge funds industry since 1997. He has particular expertise in the preparation and audit of financial statements for investment funds and in the regulatory and GAAP requirements applicable to the investment management industry. He also has expertise in the development of compliance programs for both AIFMD and UCITS funds as well as advising asset managers on the establishment and ongoing operation of both UCITS and non-UCITS funds. He is an executive director of KB Associates' AIFMD and UCITS authorised management company, KBA Consulting Management Limited. Prior to joining KB Associates, Frank was Senior Manager in the Investment Management Group at PricewaterhouseCoopers Dublin where he specialised in the audit of UCITS funds. Previously he had been with PricewaterhouseCoopers in the Cayman Islands where his responsibilities included the provision of audit services to a wide range of alternative asset managers.

Frank holds a Bachelor of Commerce Degree (Hons) from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland.

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

5.2 The Manager

- 5.2.1 The Manager, KBA Consulting Management Limited, is authorised by the Central Bank incorporated under the laws of Ireland as a limited liability company on 4 December 2006 under registration number 430897. Its principal business is acting as manager of investment funds. The Manager is the promoter of the Trust. The Manager is responsible for the administration, investment management and distribution of the Trust and may delegate all or any of its duties, powers or discretions pursuant to the terms of the Trust Deed.
- 5.2.2 The Manager has the right under the Trust Deed to retire on 3 months written notice to the Trustee in favour of some other corporation with prior notice to the Unitholders and the prior approval of the Central Bank.
- 5.2.3 The Manager shall be subject to removal by notice in writing given by the Trustee to the Manager forthwith if (1) the Manager goes into liquidation (except a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved by the Trustee) (2) a receiver is appointed in respect of any of the assets of the Manager; or (3) a Unitholder or Unitholders who hold 50 per cent or more of the Units in issue delivers or deliver to the Trustee in writing a request that the Manager should retire; and the Trustee shall by writing under its seal appoint some other corporation (approved by the Central Bank) to be the Manager of the Trust upon and subject to such corporation entering into such deed or deeds as the Trustee may be advised is or are necessary or desirable to be entered into by such corporation in order to secure the due performance of its duties as Manager.
- 5.2.4 The Trust Deed contains provisions governing the responsibilities of the Manager and providing for its indemnification in certain circumstances, subject to exclusions in the case of negligence, fraud, bad faith or wilful default on the part of the Manager in a material respect to comply with its obligations under the Trust Deed or the Regulations.
- 5.2.5 The Manager and/or any person appointed by the Manager for such purpose shall have the exclusive right to effect for the account of the Trust the issue of Units.

5.3 Remuneration policy

- 5.3.1 The Manager has remuneration policies and practices in place consistent with the requirements of the Regulations and will also comply with the requirements of the ESMA guidelines on sound remuneration policies (ESMA/2016/411) (the **ESMA Guidelines**), as required and when applicable. The Manager will procure that any delegate, including the Investment Manager, to whom such requirements also apply pursuant to the ESMA Guidelines will have equivalent remuneration policies and practices in place as required and when applicable.
- 5.3.2 The remuneration policy reflects the Manager's objective for good corporate governance, promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Funds or the Trust Deed. The remuneration policy includes, but is not limited to, a description of the types of remuneration subject to the ESMA Guidelines and indicates that the policy is for the Manager to pay identified staff as defined in the Regulations and the ESMA Guidelines (i.e. those categories of staff of the Trust whose professional activities have a material impact on the risk profile of the Trust or the Funds) a fixed component with the potential for identified staff to receive a variable component where certain

requirements are applied and which will depend on a number of factors as set out in more detail in the policy. It is also aligned with the investment objectives of each Fund and includes measures to avoid conflicts of interest. For instance, payment of variable remuneration is not guaranteed and will be determined by the board of the Manager with the relevant affected director absenting himself from such discussions. The remuneration policy applies to staff whose professional activities have a material impact on the risk profile of the Trust or the Funds, and ensures that no individual will be involved in determining or approving their own remuneration. The remuneration policy indicates that the board of the Manager has determined that in light of the size of the Manager and of the funds under its management and the nature, scale and complexity of its operations that a remuneration committee is not required in accordance with the ESMA Guidelines. The remuneration policy will be reviewed on an annual basis (or more frequently, if required) by the Manager, to ensure that the overall remuneration system operates as intended and that the remuneration pay-outs are appropriate for each Fund. This review will also ensure that the policy reflects best practice guidelines and regulatory requirements, as may be amended from time to time.

- 5.3.3 Details of the up-to-date remuneration policy (which includes details of the persons responsible for awarding the remuneration and benefits and a description as to how these are calculated) and the details of any remuneration committee (where such a committee exists), will be available on www.kbassociates.ie. A paper copy will be made available to Unitholders free of charge upon request as soon as it becomes available.
- 5.3.4 Where the Manager delegates investment management functions in respect of any Fund of the Trust, it will ensure that:
 - (a) the entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Guidelines; or
 - (b) appropriate contractual arrangements are put in place to ensure that there is no circumvention of the remuneration rules set out in the ESMA Guidelines.

5.4 Investment Manager

- 5.4.1 The Manager has appointed ICICI Prudential Asset Management Company Limited, one of the leading asset management companies in India, as investment manager of the Trust pursuant to the terms of the Investment Management Agreement. The Investment Manager was incorporated in 1993 and is regulated by the Securities and Exchange Board of India.
- 5.4.2 Under the terms of the Investment Management Agreement, the Investment Manager provides, subject to the overall supervision and control of the Manager, investment management services to the Manager in respect of the Funds' portfolio of assets. Subject to the requirements of the Central Bank, the Investment Manager may delegate all or part of the investment management responsibilities to one or more sub-investment managers, may obtain the services of investment advisers on a non-discretionary basis and may obtain third party research advice with the fees in respect of any such delegation being paid by the Investment Manager out of its own fee.
- 5.4.3 The Manager may appoint additional investment managers from time to time in accordance with the requirements of the Central Bank, details of which will be set out in the Supplement for the relevant Fund. Details of any sub-investment managers not paid out of the assets of a Fund directly shall be available on request to unitholders.

5.5 Trustee

- 5.5.1 Pursuant to the Trust Deed, the Dublin branch of HSBC Continental Europe has been appointed as the Trustee of the Fund.
- 5.5.2 HSBC Continental Europe is a subsidiary of HSBC Holdings plc. It is incorporated under the laws of France as a société anonyme (registered number 775 670 284 RCS Paris), having its registered office at 38, Avenue Kléber, 75116 Paris, France.
- 5.5.3 HSBC Continental Europe is based in Paris and supervised by the European Central Bank (ECB), as part of the Single Supervisory Mechanism, the French Prudential Supervisory and Resolution Authority (l'Autorité de Contrôle Prudentiel et de Résolution) (ACPR) as the French National Competent Authority and the French Financial Markets Authority (l'Autorité des Marchés Financiers) (AMF) for the activities carried out over financial instruments or in financial markets. Further, HSBC Continental Europe is registered as an insurance broker with the French Organisation for the Registration of financial intermediaries (Organisme pour le Registre unique des Intermédiaires en Assurance, banque et finance – www.orias.fr) under nr.07005894. The Dublin branch of HSBC Continental Europe is also subject to the local supervision of the Central Bank of Ireland (CBI). The Dublin branch of HSBC Continental Europe is lawfully established in Ireland as a branch and is duly registered with the Companies Registration Office with number 908966. The Trustee provides depositary and custody services to collective investment schemes.
- 5.5.4 The Trustee shall provide such services as agreed in the Trust Deed and subject to such terms set out therein including:
- (a) safekeeping the Trust's assets in accordance with the Regulations, which includes (i) holding in custody all financial instruments that may be held in custody; and (ii) verifying the ownership of other assets and maintaining records accordingly;
 - (b) ensuring that the Trust's cash flows are properly monitored in accordance with the Regulations and that all payments made by or on behalf of applicants in respect of the subscriptions for Units have been received;
 - (c) carrying out its oversight functions and ensuring that issues, redemptions and cancellations and the valuation of the Units are calculated in accordance with the Regulations;
 - (d) carrying out the instructions of the Manager unless they conflict with the Regulations or the Trust Deed;
 - (e) ensuring that in transactions involving the Trust's assets any consideration is remitted to the Trust within the usual time limits;
 - (f) enquiring into the conduct of the Trust in each financial year and report thereon to the Unitholders. The Trustee's report shall state, amongst other things, whether in the Trustee's opinion the Trust has been managed in that period:
 - (i) in accordance with the limitations imposed on the investment and borrowing powers of the Trust and the Trustee by the Trust Deed and the Regulations; and
 - (ii) otherwise in accordance with the provisions of the Trust Deed and the Regulations.
 - (g) ensuring that the Trust's income is applied in accordance with the Regulations or Trust Deed.

- 5.5.5 The Trustee may delegate its safekeeping functions to one or more delegates in accordance with, and subject to the Regulations and on the terms set out in the Trust Deed. The performance of the safekeeping function of the Trustee in respect of certain of the Trust's assets has been delegated to the delegates and sub-delegates listed in Schedule 3. An up to date list of any such delegate(s) or sub-delegates is available from the Manager on request. The Trustee will have certain tax information-gathering, reporting and withholding obligations relating to payments arising in respect of assets held by the Trustee or a delegate on its behalf.
- 5.5.6 Subject to the paragraph below, and pursuant to the Trust Deed, the Trustee will be liable to the Trust for the loss of a financial instrument of the Trust which is entrusted to the Trustee for safekeeping. The Trustee shall also be liable for all other losses suffered by the Trust as a result of its negligence or intentional failure to properly fulfil its obligations under the Regulations.
- 5.5.7 The liability of the Trustee will not be affected by the fact that it has delegated safekeeping to a third party.
- 5.5.8 The Trustee shall not be liable for the loss of a financial instrument held in custody by the Trustee where the loss of the financial instrument arises as a result of an external event beyond the reasonable control of the Trustee, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Trustee shall not be liable for any indirect, special or consequential loss.
- 5.5.9 The Manager out of the assets of the Trust shall indemnify the Trustee, every delegate and their respective officers, agents and employees (**Indemnified Persons**) on an after-tax basis in respect of any and all Liabilities (as defined in the Trust Deed) brought against, suffered or incurred by that Indemnified Person as a result of or in connection with:
- (a) the appointment of the Trustee under the Trust Deed or the performance by the Trustee of the services set out in the Trust Deed;
 - (b) any breach by the Manager of Applicable Law (as defined in the Trust Deed), the Trust Deed, this Prospectus or fraud, negligence or wilful default of the Manager to disclose to the Unitholders any information required by the Trust Deed or the Regulations, or to provide to the Trustee with any information required by the Trustee in order to provide the services listed in the Trust Deed;
 - (c) any Identified Custody Risk or any Identified Segregation Risk (as defined in the Trust Deed);
 - (d) the registration of Financial Instruments and Other Assets in the name of the Trustee or any delegate or Settlement System (as defined in the Trust Deed);
 - (e) any breach of or default under any of the representations, warranties, covenants, undertakings or agreements made by the Trustee, a delegate or sub-delegate of a delegate (or a nominee of the Trustee, a delegate or sub-delegate of a delegate) on behalf of the Trust in connection with any subscription agreements, application forms, Unitholder questionnaires, purchase agreements, related documentation or similar materials relating to the Trust's investment in any collective investment scheme, managed account, investment company or similar pooled investment vehicle on behalf of the Trust, provided that such indemnity shall not apply to any Liabilities (as defined in the Trust Deed) arising out of the negligence, fraud or wilful default of the Indemnified Person or to the extent that such indemnity would require the Manager out of the assets of the Trust to indemnify the Trustee for any loss for which the Trustee is liable to the Trust under the Regulations.

- 5.5.10 The Trustee's liability to Unitholders may be invoked directly or indirectly though the Manager provided this does not lead to duplication of redress or to unequal treatment of Unitholders.
- 5.5.11 The appointment of the Trustee under the Trust Deed may be terminated without cause by not less than (90) days written notice provided that the Trust Deed does not terminate until a replacement Trustee appointed (with such appointment to be approved in advance by the Central Bank) or until the authorisation of the Trust has been revoked.
- 5.5.12 The Trustee in no way acts as guarantor or offeror of the Trusts Units or any underlying investment. The Trustee is a service provider to the Trust and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the Trust. Save as required by the Regulations, the Trustee is not responsible for, and accepts no responsibility or liability for, any losses suffered by the Trust or any Unitholders, as a result of any failure by the Manager or the Investment Manager to adhere to the Trusts investment objectives, policy, investment restrictions, borrowing restrictions or operating guidelines.
- 5.5.13 The Trustee is a service provider to the Trust and is not responsible for the preparation of this document or for the activities of the Trust and therefore accepts no responsibility for any information contained, or incorporated by reference, in this document.
- 5.5.14 Up-to-date information regarding the following is available to Unitholders upon request: (i) the identity of the Trustee (or replacement trustee) of the Trust; (ii) a description of the Trustee's duties; (iii) a description of the conflicts of interest that may arise concerning the Trustee; and (iv) a description of any safekeeping functions delegated by the Trustee, the list of any such delegates or sub-delegates and any conflicts of interest that may arise from such delegation.

5.6 Administrator

- 5.6.1 Pursuant to the Administration Agreement, HSBC Securities Services (Ireland) DAC has been appointed as the Administrator of the Trust.
- 5.6.2 The Administrator is responsible for, inter alia, the general administration of the Trust, which includes keeping the register of unitholders of the Trust, applying the Trust's anti-money laundering and tax due diligence procedures, the proper book-keeping of the Trust, arranging for the issue and redemption of units of the Trust and calculating net asset valuations of the units of the Trust.
- 5.6.3 The Administrator was incorporated in Ireland as a limited liability company on 29 November 1991 and is authorised by the Central Bank of Ireland to act as an administrator of funds. The Administrator is an indirect wholly owned subsidiary of HSBC Holdings plc, a public limited company incorporated in England and Wales. The Administrator provides administration and transfer agency services to collective investment schemes.
- 5.6.4 The Administrator will use reasonable endeavours to independently verify the price of any such assets or liabilities of the Trust using its network of automated pricing services, brokers, market makers, intermediaries or using other pricing sources or pricing models provided by any person.
- 5.6.5 In the absence of readily available independent pricing sources, the Administrator may rely solely upon any valuation or pricing information (including, without limitation, fair value pricing information) about any such assets or liabilities of the Trust which is processed by it or provided to it by: (i) the Manager, on behalf of the Trust, or the Investment Manager; and/or (ii) third parties including, but not limited to, any valuer, third party valuation agent, intermediary or other third party, including but not limited to those appointed or authorised by the Manager or the Investment Manager to provide pricing or valuation information in respect of the Trust's assets or liabilities to the Administrator.

- 5.6.6 The Administrator in no way acts as guarantor or offeror of the Trust's Units or any underlying investment. The Administrator is a service provider to the Trust and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the Trust. The Administrator is not responsible for, and accepts no responsibility or liability for any losses suffered by the Trust or any investors in the Trust as a result of any failure by the Trust or the Investment Manager to adhere to the investment objective, policy, investment restrictions, borrowing restrictions or operating guidelines. The Administrator will not participate in transactions or activities or make any payments denominated in US dollars, which, if carried out by a US person, would be subject to OFAC sanctions.
- 5.6.7 Under the terms of the Administration Agreement, the Administrator is able to delegate certain of its functions and duties to a member of the HSBC Group.
- 5.6.8 The Administrator is a service provider to the Trust and is not responsible for the preparation of this document or for the activities of the Trust and therefore accepts no responsibility for any information contained in this document.

5.7 Portfolio Transactions and Conflicts of Interest

- 5.7.1 The Trust may invest some or all of their assets in one or more other funds which may or may not be managed by the Investment Manager or one of its affiliates.
- 5.7.2 Subject to the provisions of this section, the Manager, the Investment Manager, the Administrator, the Trustee, any Unitholder and any of their respective subsidiaries, affiliates, associates, agents or delegates (each a **Connected Person**) may contract or enter into any financial, banking or other transaction with one another or with the Manager. This includes, without limitation, investment by the Manager in securities of any Connected Person or investment by any Connected Persons in any company or bodies any of whose investments form part of the assets comprised in any Fund or be interested in any such contract or transactions. In addition, any Connected Person may invest in and deal in Units relating to any Fund and or any property of the kind included in the property of any Fund for their respective individual accounts or for the account of someone else. In the event of a conflict arising, each Connected Person shall ensure that the conflict will be resolved fairly.
- 5.7.3 Each Connected Person is or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Trust and/or their respective roles with respect to a Fund. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of securities (in circumstances in which fees 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 a Fund may invest.
- 5.7.4 In particular, the Manager and/or the Investment Manager may be involved in advising or managing other investment funds which have similar or overlapping investment objectives to or with a Fund. Each Connected Person will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly and in the best interests of Unitholders. The Investment Manager will endeavour to ensure a fair allocation of investments among each of its clients.
- 5.7.5 Any cash of the Trust may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 2017, as amended, with any Connected Person or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected Person.

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

- (a) a certified valuation of such transaction by a person appointed by the Manager and approved by the Trustee (or in the case of any such transaction entered into by the Trustee, the Manager) as independent and competent has been obtained; or
- (b) such transaction has been executed on best terms reasonably obtainable on an organised investment exchange under its rules; or
- (c) where (a) and (b) are not reasonably practical, such transaction has been executed on terms which the Trustee is (or in the case of any such transaction entered into by the Trustee, the Manager is) satisfied conforms with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length and consistent with the best interests of Unitholders.

The Trustee or Manager, in the case of transactions entered into by the Trustee, will document how it complied with paragraphs (a), (b) and (c) and where transactions are carried out in accordance with paragraph (c), the Trustee or Manager, in the case of transactions entered into by the Trustee, will document its rationale for being satisfied that the transaction conformed to the principles outlined.

5.7.7 The Investment Manager may also, in the course of its business, have potential conflicts of interest with the Trustee in circumstances other than those referred to above. The Investment Manager will, however, have regard in such event to its obligations under the Investment Management Agreement and, in particular, to its obligations to act in the best interests of the Trustee so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise and will ensure that such conflicts are resolved fairly as between the Manager, the Trust and other clients. The Investment Manager will ensure that investment opportunities are allocated on a fair and equitable basis between the Trustee and its other clients. In the event that a conflict of interest does arise Investment Manager will endeavour to ensure that such conflicts are resolved fairly.

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

5.7.9 From time to time actual or potential conflicts of interest may arise between the Trustee and its delegates, for example, and without prejudice to the generality of the foregoing, where an appointed delegate is an affiliated group company and is providing a product or service to the Trust and has a financial or business interest in such product or service, or receives remuneration for other related products or services it provides to the Trust. The Trustee maintains a conflict of interest policy to address this.

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

its delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Trust. In the event of any potential conflict of interest which may arise during the normal course of business, the Trustee will have regard to the applicable laws.

- 5.7.11 Where a conflict or potential conflict of interest arises, the Trustee will have regard to its obligations to the Trust and will treat the Trust and the other funds for which it acts fairly and such that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the Trust than if the conflict or potential conflict had not existed.

5.8 **Paying Agents/Correspondent Banks**

- 5.8.1 Local laws/regulations in EEA Member States may require the appointment of paying agents/representatives/distributors/correspondent banks (**Paying Agent(s)**) and maintenance of accounts by such agents through which subscription and redemption monies or dividends may be paid. Unitholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to the Trustee (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to **Error! Reference source not found.** subscription monies prior to the transmission of such monies to the account of the Trust or the relevant Fund and **Error! Reference source not found.** redemption monies payable by such intermediate entity to the relevant Unitholder.
- 5.8.2 The Manager may, in accordance with the requirements of the Central Bank, appoint Paying Agents in one or more countries. Where a Paying Agent is appointed in a particular country it will maintain facilities whereby Unitholders who are resident in the relevant country can obtain payment of dividends and redemption proceeds, examine and receive copies of the Trust Deed and periodic reports and notices of the Trust and make complaints if and when appropriate which shall be forwarded to the Manager's registered office for consideration.

6 **UNIT DEALINGS**

6.1 **Subscription for units**

6.1.1 ***Purchases of Units***

- (a) Issues of Units will normally be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. The Dealing Deadline relating to each Fund is set out in the Supplement for the relevant Fund. The Manager may nominate additional Dealing Days in its sole and absolute discretion after consultation with the Investment Manager and the Administrator and Unitholders shall be notified in advance.
- (b) Applications for the initial issue of Units in any Fund should be submitted by completing the Application Form, and supporting documentation as described in the Application Form which should be posted or sent by email or facsimile (with the original signed documents to follow promptly by post) to the Administrator before the time specified in the relevant Supplement, on or prior to the relevant Dealing Deadline. Incomplete applications will not be accepted, and the requested transactions will not be processed until all outstanding information required has been provided in a form that is satisfactory to the Investment Manager and the Administrator. Applications for the initial issue of Units received after the Dealing Deadline for the relevant Dealing Day shall be deemed to have been received for the next Dealing Deadline. The Manager may, in consultation with the Investment Manager, in its sole and absolute discretion in exceptional circumstances accept applications for initial Units received after the Dealing Deadline provided they are received prior to the Valuation Point for the relevant Dealing Day.

- (c) Applications for initial Units will be irrevocable unless the Manager in consultation with the Investment Manager otherwise agrees. In respect of applications for the additional issue of Units, original documentation is not required to follow by post and applications may be made by facsimile or telephone or by electronic means on such terms as the Manager may specify.
- (d) Any change to a Unitholder's payment details or payment instructions will only be made upon receipt of a written instruction. No redemption payment may be made to a Unitholder until the original Application Form has been received (including supporting documentation in relation to money laundering prevention checks as described in the Application Form) and all necessary anti-money laundering procedures have been completed, as required by applicable laws. Each Unitholder acknowledges that the Administrator, the relevant Fund, Trustee, Manager and the Investment Manager shall be held harmless against loss arising as a result of a failure to process a Unitholder's request to transfer/redeem if such information as requested by the Manager or the Administrator has not been provided on a timely basis.
- (e) The Minimum Initial Investment Amount for Units of each Fund that may be subscribed for by each Applicant on initial application and the Minimum Unitholding for Units of each Trust is set out in the Supplement for the relevant Fund.
- (f) Fractions of up to 4 decimal places of a Unit may be issued. Subscription moneys representing smaller fractions of Units will not be returned to the Applicant but will be retained as part of the assets of the relevant Fund.
- (g) Under the Trust Deed, the Manager has absolute discretion to accept or reject in whole or in part any applications for Units. The Manager may reject in its discretion without giving any reason any application for Units by any person as described under the section entitled **Mandatory Redemption**. The Application Form contains certain conditions regarding the application procedure for Units in the Trust and certain representations and indemnities in favour of the Manager, the Investment Manager, the Administrator, the Trustee and the other Unitholders for any loss suffered by them as a result of certain Applicants acquiring or holding Units.
- (h) If an application is rejected, the Administrator at the cost and risk of the Applicant will, subject to any applicable laws, return application monies or the balance thereof, without interest, by arranging an electronic or telegraphic transfer to the account from which it was received within 10 Business Days of the rejection.
- (i) Neither the Manager nor the Administrator shall be responsible for the transmission of the Application Form to the Administrator.
- (j) The Trust has established a subscriptions and redemptions account at umbrella level in the name of the Trust, the Umbrella Cash Subscription and Redemption Account, and has not established such accounts at Fund level. All subscriptions, redemptions and dividends or cash distributions payable to or from a Fund will be channelled and managed through the Umbrella Cash Subscriptions and Redemptions Account.
- (k) Following initial subscription, subsequent subscriptions may also be accepted electronically (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the Administrator and the Central Bank).

6.1.2 **Issue Price**

- (a) The Initial Issue Price for Units in the Funds shall be the amount set out in the Supplement for the relevant Fund. The price at which Units of any class of any Fund will be issued on a Dealing Day when Units are in issue after the Initial Offer Period is the Issue Price. Units will be available for subscription at the Issue Price on a forward pricing basis.
- (b) To preserve the value of the underlying assets, the Manager may on any Dealing Day apply a dilution adjustment to the subscription amount when there are net subscriptions which the Investment Manager considers represents an appropriate figure to cover dealing costs and to preserve the value of the underlying assets of the relevant Fund. Any such charge shall be retained for the benefit of the relevant Fund and the Manager reserves the right to waive such charge at any time.

6.1.3 **Payment for Units**

- (a) Payment in respect of the issue of Units must be made by the relevant Settlement Date by electronic or telegraphic transfer in cleared funds in the currency of the relevant Units. Payment will not be accepted in other currencies.
- (b) If payment in full has not been received by the Settlement Date, or in the event of non-clearance of funds, all or part of any allotment of Units made in respect of such application may, at the discretion of the Manager, be cancelled, or, alternatively, the Administrator may treat the application as an application for such number of Units as may be purchased with such payment on the Dealing Day next following receipt of payment in full or of cleared funds. In such cases the Manager may charge the Applicant for any resulting loss incurred by the relevant Fund. The Manager reserves the right to charge interest at a reasonable commercial rate on subscriptions which are settled late.

6.1.4 **In Specie Issues**

The Manager may at its absolute discretion in consultation with the Investment Manager and the Administrator, provided that the Trustee is satisfied that no material prejudice would result to any existing Unitholder in any Trust, allot Units in any Fund on receipt of investments which would form part of the assets of that Fund provided such investments would qualify as an investment of the relevant Fund in accordance with its investment objective, policies and restrictions and the assets must be vested in the Trustee. The number of Units to be issued in this way shall be the number which would on the day the investments are vested in the Trustee on behalf of a Fund have been issued for cash against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated by applying the valuation methods described under the section entitled **Calculation of Net Asset Value/ Valuation of Assets** below.

6.1.5 **Anti-Money Laundering Provisions**

- (a) Measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 and 2018, as amended, which are aimed towards the prevention of money laundering, require detailed verification of each Applicant's identity, address and source of funds and where applicable the beneficial owner on a risk sensitive basis and the ongoing monitoring of the business relationship with the Trust. In the case of corporate Applicants this will require production of a certified copy of the certificate of incorporation (and any change of name), constitution (or equivalent), the names, occupations, dates of birth and residential and business address of the directors of the company and details of persons with beneficial ownership of the corporate Applicant, who may also be required to verify their identity.

- (b) Politically exposed persons (“PEPs”), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family member, or persons known to be close associates of such persons, must also be identified.
- (c) Depending on the circumstances of each application, a detailed verification of source of funds might not be required where (i) the investor makes payment from an account held in the investor’s name at a recognised financial intermediary or (ii) the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above is located within a country recognised in Ireland as having equivalent anti-money laundering and counter terrorist financing regulations or satisfies other applicable conditions.
- (d) The Administrator reserves the right to request such information as is necessary to verify the identity of an Applicant. In the event of delay or failure by the Applicant to produce or update any information required for verification purposes, the Administrator may refuse to accept the application and, subject to applicable law, return all subscription monies at the cost and risk of the applicant or compulsorily redeem such Unitholder's Units and/or payment of Redemption Proceeds may be delayed and none of the Trust, the Directors, the Manager, the Investment Manager, the Trustee or the Administrator shall be liable to the Applicant or Unitholder where an application for Units is not processed or Units are compulsorily redeemed in such circumstances. If an application is rejected, the Administrator will return application monies or the balance thereof by telegraphic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the Applicant. The Administrator will refuse to pay Redemption Proceeds where the requisite information for verification purposes has not been produced by a Unitholder. Each Unitholder acknowledges that the Administrator, the Trust, Trustee, Manager and the Investment Manager shall be held harmless against any loss arising as a result of a failure to process such Unitholder's request to redeem if such information as requested by the Manager or the Administrator has not been provided on a timely basis.

6.1.6 ***Unit Certificates***

No certificates of ownership shall be issued and Units will be in non-certificated and registered form. Contract notes providing details of the trade will normally be issued with 10 Business Days of the relevant Dealing Day. Confirmation of ownership evidencing entry in the Register of Unitholders will normally be issued in written form within 30 Business Days of the relevant Dealing Day upon receipt of all original documentation required by the Administrator.

6.1.7 ***Data Protection Notice***

- (a) **Please read this privacy statement carefully to understand our use of your Personal Data.**
- (b) **Your right to object – Please note that you have a right to object to the processing of your Personal Data where that processing is carried out for our legitimate interests.**
- (c) The Manager, and/or its delegates or service providers, including the Administrator, may hold some or all of the following types of Personal Data in relation to investors and prospective investors in the Trust (and their officers, employees and beneficial owners); name, address/other contact details (telephone, email address), date/place of birth, gender, tax number, bank details, photographic ID, proofs of address (usually utility bills) as furnished by investors when completing the Application Form or to keep that information up to date. The Manager may also obtain further Personal Data on those individuals by way of PEP (Politically Exposed Person) checks, sanctions checks, negative news checks and screening checks. The Manager is obliged to verify the Personal Data and carry out ongoing

monitoring. Where existing and prospective investors have furnished Personal Data in respect of their officers, employees and beneficial owners to the Manager, those investors must furnish the information in this notice on data protection to them.

- (d) In the course of business, the Manager will collect, record, store, adapt, transfer and otherwise process Personal Data. The Manager is a data controller within the meaning of Data Protection Legislation and will hold any Personal Data provided by or in respect of investors in accordance with Data Protection Legislation and the Administrator is entitled to process such personal data, as a processor or controller, as set out herein.
- (e) The Manager and/or any of its delegates or service providers (the Administrator, Trustee, and Investment Manager) may process prospective investor's and investor's Personal Data for any one or more of the following purposes and on the following legal bases:
 - (i) to operate the Funds, including managing and administering a Unitholder's investment in the relevant Fund on an on-going basis which enables the Manager to satisfy its contractual duties and obligations to the Unitholder and any processing necessary for the preparation of the contract with the Unitholder);
 - (ii) to comply with any applicable legal, tax or regulatory obligations on the Manager or the relevant delegate or service provider (including but not limited to under anti-money laundering and counter-terrorism and tax legislation and fraud prevention, financial crime risk management and other activities);
 - (iii) for any other legitimate business interests' of the Manager or a third party to whom Personal Data is disclosed, where such interests are not overridden by the interests of the investor, including for statistical analysis, market research purposes and to perform financial and/or regulatory reporting; or
 - (iv) for any other specific purposes where investors have given their specific consent and where processing of Personal Data is based on consent, the investors will have the right to withdraw it at any time.
- (f) The Manager and/or any of its delegates or service providers may disclose or transfer Personal Data, whether in Ireland or elsewhere (including entities situated in countries outside of the EEA), to other delegates, duly appointed agents and service providers (and any of their respective related, associated or affiliated companies or sub-delegates) and to third parties including advisers, regulatory bodies, taxation authorities, auditors, technology providers for the purposes specified above.
- (g) The Manager will not keep Personal Data for longer than is necessary for the purpose(s) for which it was collected. In determining appropriate retention periods, the Manager shall have regard to the Statute of Limitations Act 1957, as amended, and any statutory obligations to retain information, including anti-money laundering, counter-terrorism, tax legislation. The Manager will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.
- (h) Where specific processing is based on an investor's consent, that investor has the right to withdraw it at any time. Investors have the right to request access to their Personal Data kept by Manager; and the right to rectification or erasure of their data; to restrict or object to processing of their data, and to data portability, subject to any restrictions imposed by Data Protection Legislation and any statutory obligations to retain information including anti money laundering, counter-terrorism, tax legislation.

- (i) The Manager and/or any of its delegates and service providers will not transfer Personal Data to a country outside of the EEA unless that country ensures an adequate level of data protection or appropriate safeguards are in place. The European Commission has prepared a list of countries that are deemed to provide an adequate level of data protection which, to date, includes Switzerland, Guernsey, Argentina, the Isle of Man, Faroe Islands, Jersey, Andorra, Israel, New Zealand and Uruguay. Further countries may be added to this list by the European Commission at any time. The US is also deemed to provide an adequate level of protection where the US recipient of the data is privacy shield-certified. If a third country does not provide an adequate level of data protection, then the Manager and/or any of its delegates and service providers will ensure it puts in place appropriate safeguards such as the model clauses (which are standardised contractual clauses, approved by the European Commission) or binding corporate rules, or relies on one of the derogations provided for in Data Protection Legislation. As at the date of this Prospectus the only countries outside of the EEA (that may not be deemed to provide an adequate level of investor protection) to which data may be transferred is the United States of America and India. The United Kingdom may fall outside of the EEA depending on the terms of its withdrawal from the European Union.
- (j) Where processing is carried out on behalf of the Manager, the Manager shall engage a data processor, within the meaning of Data Protection Legislation, which implements appropriate technical and organisational security measures in a manner that such processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of investors. The Manager will enter into a written contract with the data processor which will set out the data processor's specific mandatory obligations laid down in Data Protection Legislation, including to process Personal Data only in accordance with the documented instructions from the Manager.
- (k) As part of the Manager's business and ongoing monitoring, the Manager may from time to time carry out automated decision-making in relation to investors, including, for example, profiling of investors in the context of anti-money laundering reviews, and this may result in an investor being identified to the revenue authorities, law enforcement authorities and to other entities where required by law, and the Manager terminating its relationship with the investor.
- (l) Investors are required to provide their Personal Data for statutory and contractual purposes. Failure to provide the required Personal Data will result in the Manager being unable to permit, process, or release the investor's investment in the Funds and this may result in the Manager terminating its relationship with the investor. Investors have a right to lodge a complaint with the Data Protection Authority if they are unhappy with how the Manager is handling their Personal Data.
- (m) Any questions about the operation of the Manager's data protection policy should be referred in the first instance to the board of Directors of the Manager.

6.1.8 ***Limitations on Purchases***

Units may not be issued or sold by the Manager during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the section entitled **Suspension of Calculation of Net Asset Value** below. Applicants will be notified of such postponement and, unless withdrawn, their applications will be processed as at the next Dealing Day following the ending of such suspension.

6.2 **Redemption of units**

- 6.2.1 All requests for the redemption of Units should be made to the Administrator by the relevant Dealing Deadline. Applications for redemption of Units should be submitted in writing, by

telephone, or by facsimile to the Administrator or by electronic means on such terms as the Manager may specify in accordance with the requirements of the Administrator and Central Bank and must quote the relevant account number, the relevant Fund and class of Unit, and be signed by or on behalf of the Unitholder by a person with the ability to bind the Unitholder before payment of redemption proceeds can be made.

- 6.2.2 Redemption requests by facsimile will be treated as definite orders and will only be processed provided that the Unitholder name and account number, and the address and/or fax number to which the contract note is to be sent corresponds to that listed as the Unitholder of record registered with the Administrator. Should the Unitholder designate that the contract note be sent to a name and/or address which differs from that registered with the Administrator, written confirmation of this change must be submitted by the Unitholder and received by the Administrator before the order will be processed.
- 6.2.3 Redemption requests received after the Dealing Deadline for the relevant Dealing Day shall be deemed to have been received for the next Dealing Deadline. The Manager, in consultation with the Investment Manager, may in its sole and absolute discretion accept redemption requests received after the Dealing Deadline in exceptional circumstances provided they are received prior to the relevant Valuation Point for the relevant Dealing Day.
- 6.2.4 A redemption request may not be withdrawn after acceptance by the Administrator. Redemptions are also subject to all necessary anti-money laundering checks being completed before any redemption proceeds will be paid out.
- 6.2.5 The Manager may, in its absolute discretion and after consultation with the Investment Manager and the Administrator, nominate additional Dealing Days (with corresponding Valuation Points) for the redemption of Units relating to any Trust and Unitholders shall be notified in advance.
- 6.2.6 The Manager may decline to effect a redemption request which would have the effect of reducing the value of any holding of Units relating to any Fund below the Minimum Unitholding. Any redemption request having such an effect may be treated by the Manager as a request to redeem the Unitholder's entire holding of that class of Units.
- 6.2.7 The Administrator will not accept redemption requests, which are incomplete, until all the necessary information is obtained and the original Application Form has been received (including supporting documentation in relation to money laundering prevention checks as described in the Application Form). Each Unitholder acknowledges that the Administrator, the relevant Fund, Trustee, Manager and the Investment Manager shall be held harmless against loss arising as a result of a failure to process a Unitholder's request to transfer/redeem if such information as requested by the Manager or the Administrator has not been provided on a timely basis.
- 6.2.8 Redemption requests may also be accepted electronically (in such format or method as shall be agreed in writing in advance with the Administrator) and subject to and in accordance with the requirements of the Administrator and the Central Bank of Ireland. Redemption requests sent by fax or electronically may only be processed where payment is made to the account of record.
- 6.2.9 ***Redemption Price***
- (a) The price at which Units will be redeemed on a Dealing Day is the Net Asset Value per Unit of the relevant class on the relevant Dealing Day. The method of establishing the Net Asset Value of any Fund and the Net Asset Value per Unit of any class of Units in a Fund is set out in the Trust Deed as described herein under the section entitled **Calculation of Net Asset Value/Valuation of Assets** below. Units may be redeemed at the Redemption Price on a forward-pricing basis.

- (b) To preserve the value of the underlying assets, the Manager may on any Dealing Day apply a dilution adjustment to the Redemption Proceeds when there are net redemptions which the Investment Manager considers represents an appropriate figure to cover dealing costs and to preserve the value of the underlying assets of the Trust. Any such charge shall be retained for the benefit of the relevant Fund and the Manager reserves the right to waive such charge at any time.

6.2.10 **Payment of Redemption Proceeds**

- (a) Unitholders must notify the Administrator of applications for redemptions by the Dealing Deadline. The Manager, in consultation with the Investment Manager and the Administrator may, at its sole discretion, accept withdrawals on less notice, provided such notice is received prior to the Valuation Point. The Redemption Proceeds (minus any charge provided for above) will be paid subject to applicable bank charges (if any) at the Unitholder's risk and expense by electronic or telegraphic transfer to an account in the name of the Unitholder in the currency of the relevant Unit class by the Settlement Date. Payment of Redemption Proceeds will be made to the registered Unitholder. The Redemption Proceeds will only be paid on receipt by the Administrator of the original redemption form and all other documents and information.
- (b) No redemption payment may be made to a Unitholder until the original Application Form has been received from the Unitholder and all documentation required by the Administrator (including any documents in connection with anti-money laundering procedures) and the necessary anti-money laundering procedures have been completed as required by applicable laws. Each Unitholder acknowledges that the Administrator, the relevant Fund, Trustee, Manager and the Investment Manager shall be held harmless against loss arising as a result of a failure to process a Unitholder's request to redeem if such information as requested by the Manager or the Administrator has not been provided on a timely basis.
- (c) The Trust has established a subscriptions and redemptions account at umbrella level in the name of the Trust, the Umbrella Cash Subscription and Redemption Account, and has not established such accounts at a Fund level. All subscriptions, redemptions and dividends or cash distributions payable to or from a Fund will be channelled and managed through the Umbrella Cash Subscriptions and Redemptions Account

6.2.11 **Limitations on Redemption**

- (a) The Manager may not redeem Units of any Fund during any period when the calculation of the Net Asset Value of the Trust is suspended in the manner described under the section entitled **Suspension of Calculation of Net Asset Value** below. Unitholders requesting redemption of Units will be notified of such postponement and, unless withdrawn, their applications will be processed as at the next Dealing Day following the ending of such suspension.
- (b) The Manager may at its discretion limit the number of Units of any Fund redeemed on any Dealing Day to Units representing ten per cent of the total Net Asset Value of that Trust on that Dealing Day. In this event, the limitation will apply *pro rata* so that all Unitholders wishing to have Units of that Fund redeemed on that Dealing Day realise the same proportion of such Units. Units not redeemed, but which would otherwise have been redeemed, will be carried forward for redemption on the next Dealing Day. If requests for redemptions are so carried forward, the Administrator will inform the Unitholders affected.

6.2.12 ***Redemptions In Specie***

The Manager may at its discretion with the consent of the Unitholder or at the request of the Unitholder satisfy a redemption request by a distribution of investments of the relevant Fund in specie provided that such a distribution would not be prejudicial to the interests of the remaining Unitholders of that Fund. In addition, the Trust Deed contains special provisions where a redemption request received from a Unitholder would result in Units representing more than five per cent of the Net Asset Value of any Fund being redeemed by the Manager on any Dealing Day. In such a case, the Manager may satisfy the redemption request by a distribution of investments of the relevant Fund in specie provided that such a distribution would not be prejudicial to the interests of the remaining Unitholders of that Fund. Where the Unitholder requesting such redemption receives notice of the Manager's intention to elect to satisfy the redemption request by such a distribution of assets that Unitholder may require the Manager, instead of transferring those assets, to arrange for their sale and the payment of the proceeds of sale to that Unitholder less any costs incurred in connection with such sale. The asset allocation is subject to approval by the Trustee.

6.2.13 ***Mandatory Redemptions***

- (a) The Manager may compulsorily redeem all of the Units of any Fund if the Net Asset Value of the relevant Fund is less than the Minimum Fund Size specified in the Supplement for the relevant Fund.
- (b) The Manager reserves the right to impose restrictions on the holding of Units directly or indirectly by (and consequently to redeem Units held by an entity who in the opinion of the Manager is) an entity who breached or falsified representations on the Application Form, appears to be in breach of any law or requirement of any country or government authority, has not provided the required tax documentation or supporting documentation for money laundering prevention checks, whose holding is less than the Minimum Unitholding set for the relevant class of Units by the Directors or whose circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Manager to be relevant) in the opinion of the Directors might result in a Fund incurring any liability to taxation, suffering other pecuniary legal or material administrative disadvantage which it might not otherwise have incurred or suffered, 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 Trust Deed.
- (c) If the Manager decides to terminate the Trust or a Fund, all of the Unitholders in the Trust or the relevant Fund will be so notified by the Manager and will be deemed to have requested within 30 days of the date of the notice that their Units be redeemed by the Manager in accordance with the redemption procedure set out in this Prospectus. The Manager may delay the payment of total Redemption Proceeds until all assets and receivables are liquidated and may make adjustments to the amount of Redemption Proceeds payable to Unitholders in order to reflect the final value of such assets and receivables upon termination.

6.2.14 ***Exchange of Units***

- (a) Unless otherwise determined by the Manager, Unitholders will be able to apply to exchange on any Dealing Day all or part of their holding of Units of any class in a Fund (the **Original Class**) for Units in another class in that Fund or another Fund which are being offered at that time (the **New Class**) provided that all the criteria for applying for Units in the New Class have been met and by giving notice to the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day. The Manager may however in its sole and absolute discretion

agree to accept requests for exchange received after the relevant Dealing Deadline in exceptional circumstances provided they are received prior to the relevant Valuation Point. The Manager may, in consultation with the Investment Manager, at its discretion nominate an additional Dealing Day to facilitate applications for exchange of Units which will be notified in advance to all Unitholders. The Investment Manager shall pay all costs associated with any such additional Dealing Days. The general provisions and procedures relating to the issue and redemption of Units will apply equally to exchanges save in relation to charges payable, details of which are set out below and in the relevant Supplement. When requesting the exchange of Units as an initial investment in a Fund, Unitholders should ensure that the value of the Units exchanged is equal to or exceeds the Minimum Initial Investment Amount for the relevant New Class specified in the Supplement for the relevant Fund. In the case of an exchange of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Unitholding for the Original Class.

- (b) To preserve the value of the underlying assets, the Manager may on any Dealing Day apply a dilution adjustment on an exchange of Units between Funds when there are net redemptions or subscriptions which the Investment Manager considers represents an appropriate figure to cover dealing costs and to preserve the value of the underlying assets of the relevant Fund. Any such charge will be retained for the benefit of the relevant Fund and the Manager reserves the right to waive such charge at any time.
- (c) The number of Units of the New Class to be issued will be calculated in accordance with the following formula:

$$S = \frac{(RP - DC)}{SP}$$

where:

- S** = the number of Units of the New Class to be issued;
- RP** = the Redemption Proceeds
- DC** = the dealing costs
- SP** = the Issue Price per Unit of the New Class as at the Valuation Point for the applicable Dealing Day.

6.2.15 **Limitations on Exchanges**

Units may not be exchanged for Units of a different class during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under the section entitled **Suspension of Calculation of Net Asset Value** below. Applicants for exchange of Units will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

6.2.16 **Dilution Adjustment**

- (a) As the assets of each Fund will be valued on a single pricing basis as provided for in the Trust Deed, the Manager may apply a dilution adjustment. Where a Fund buys or sells assets (such as equities or bonds), that Fund may be quoted two prices, namely an offer price for buying assets and a bid price for selling assets. The offer price is usually slightly higher than the bid price as it will include an amount in respect of certain costs including the broker's fee. When valuing the assets of a Fund on a single pricing basis, the value of the assets within each Fund are largely based on the latest available mid-market price of the

assets which is the average of the offer and bid prices. This is therefore reflected in the price of the Units of the Fund.

- (b) Where Units are bought or sold in a Fund on this basis, the cost of the spread between the bid and offer price of the investments concerned as well as any dealing costs incurred by that Fund through buying or selling the underlying investments in response to a request for the issue or redemption of Units are not covered. Such costs are met by that Fund and as a result, on-going Unitholders in that Fund could be adversely affected by other investors trading in and out of the Fund. This effect is known as dilution.
- (c) Although the buying and selling of assets is part of the wider investment strategy of each Fund, that takes into a consideration a range of factors (making quantification of dilution imprecise), there is no doubt that without a policy to mitigate the effects of dilution, it is a drag on performance and can lead to a reduction in Unitholders' returns. Therefore it is proposed that the Manager may apply a dilution adjustment (often referred to as **swing pricing**) to mitigate the effects of such dilution where there are net subscriptions or redemptions representing 3% or more of the total Net Asset Value of the relevant Fund. Instead of making a separate charge when Units are bought or sold in the Fund, the Manager may move (**swing**) the price at which Units are bought or sold on any given day by applying the adjustment. If the adjustment is applied, this means that the costs of dilution are therefore included in the (adjusted) unit price and is not disclosed separately.
- (d) If applied, in order to preserve the underlying assets of a Fund, the dilution adjustment for each Fund will be calculated by reference to the costs (or estimated costs) of dealing in the underlying assets of the Fund, including any market spreads, commission and transfer taxes including any stamp duty payable on purchases or sales of underlying assets. The cost of dealing in underlying investments can vary over time and as a result the amount of the adjustment will also vary over time. The need to apply the adjustment will depend on the volume of subscriptions or redemptions.

6.3 Calculation of net asset value/valuation of assets

- 6.3.1 The Net Asset Value of each Fund shall be calculated by the Administrator as at the Valuation Point for each Dealing Day by valuing the assets of that Fund and deducting therefrom the liabilities of the Fund. The Net Asset Value of a Fund divided by the number of Units of the relevant Fund in issue as at the relevant Valuation Point (where the resulting sum is rounded to 4 decimal places) is equal to the Net Asset Value of a Unit of the relevant Fund. Where there are more than one class in issue in a Fund, the Net Asset Value per Unit of the relevant class is calculated by determining that proportion of the Net Asset Value of the relevant Fund which is attributable to the relevant class at the Valuation Point and by dividing this sum by the total number of Units of the relevant class in issue at the relevant Valuation Point (which is set out in the Supplement for the relevant Fund). The price at which Units of any class will be issued or redeemed on a Dealing Day, after the initial issue, is based on the Net Asset Value per Unit or Net Asset Value per Unit of a relevant class (where there are more than one class in issue in a Fund). The Net Asset Value per Unit is the resulting sum rounded to 4 decimal places.
- 6.3.2 The assets of the Funds will be valued on a single pricing basis and the Trust Deed provides for the method of valuation of the assets and liabilities of each Fund and of the Net Asset Value of each Fund. The Manager has delegated the calculation of the Net Asset Value to the Administrator. The assets and liabilities of a Fund will be valued as follows:–
- 6.3.3 Any Investment listed and/or regularly traded on a Regulated Market and for which market quotations are readily available, save as hereinafter provided, shall be valued by reference to the latest available mid-market price as at the Valuation Point, provided that the value of any Investment listed or traded on a Regulated Market but acquired or traded at a premium or at a

discount outside or off the relevant Regulated Market may with the approval of the Trustee be valued taking into account the level of premium or discount as at the Valuation Point provided that the Trustee must ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the Investment;

- 6.3.4 If an Investment is listed on several Regulated Markets, the latest available mid-market price as at the Valuation Point on the Regulated Market which, in the opinion of the Manager, constitutes the main market for such investments will be used;
- 6.3.5 If for specific investments, the latest available mid-market price does not, in the opinion of the Manager or its delegate, reflect their fair value or are not available, the value shall be the probable realisation value estimated with care and in good faith by the Manager or by a competent person (being approved by the Trustee as a competent person appointed by the Manager for such purpose), with a view to establishing the probable realisation value for such assets as at the Valuation Point for the relevant Dealing Day;
- 6.3.6 Investments which are not listed or traded on a Regulated Market or which are listed or traded on a Regulated Market but in respect of which no price is currently available or in respect of which the current price does not in the opinion of the Manager represent fair market value in the context of currency, marketability, dealing costs and/or such other considerations as are deemed relevant, shall be valued at their probable realisation value estimated with care and in good faith by (i) the Manager or (ii) a competent person, firm or corporation appointed by the Manager and in each case approved for the purpose by the Trustee or (iii) any other means provided that the value is approved by the Trustee. In determining the probable realisation value of any such Investment, the Manager may accept a certified valuation from a competent independent person, or in the absence of any independent person, (notwithstanding that the Investment Manager has an interest in the valuation), the Investment Manager, who in each case shall be approved by the Trustee to value the relevant securities;
- 6.3.7 Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics. The matrix methodology will be compiled by the Manager or a competent person, firm or corporation appointed by the Manager and in each case approved for the purpose by the Trustee or any other means provided that the value is approved by the Trustee;
- 6.3.8 Exchange traded derivative instruments (including swaps, options and futures) dealt in on a Regulated Market shall be valued at the settlement price for such instruments on such market. In circumstances where the settlement price is not available the value shall be the probable realisation value estimated with care and in good faith by (i) the Manager or (ii) a competent person, firm or corporation appointed by the Manager and approved for the purpose by the Trustee or (iii) any other means provided that the value is approved by the Trustee;
- 6.3.9 Forward foreign exchange contracts shall be valued in the same manner as OTC derivative contracts or by freely available market quotations;
- 6.3.10 The value of any OTC derivative contracts shall be the quotation from the counterparty to such contracts at the Valuation Point and shall be valued daily. The valuation will be approved or verified weekly by a party independent of the counterparty who has been approved, for such purpose, by the Trustee. Alternatively, the value of any OTC derivative contract may be the quotation from an independent pricing vendor or that calculated by the Manager itself and shall be valued daily. Where an alternative valuation is used by the Manager, the Manager will follow international best practice and adhere to specific principles on such valuation by bodies such as IOSCO and AIMA. Any such alternative valuation not provided by the Manager must be provided by a competent person appointed by the Manager and approved for the purpose by the Trustee,

or a valuation by any other means provided that such value is approved by the Trustee. Any such alternative valuation must be reconciled to the counterparty valuation on a monthly basis. Where significant differences arise they must be promptly investigated and explained;

- 6.3.11 Units or shares in collective investment schemes not valued by the Manager as described above shall be valued by reference to the latest available net asset value of the units or share class of the relevant collective investment scheme at the Valuation Point for the relevant Dealing Day as published by the relevant collective investment scheme;
- 6.3.12 Investments denominated in a currency other than in the Base Currency of the relevant Fund (whether of any investment or cash) and any non-rate currency borrowing shall be converted into that Base Currency at the rate (whether official or otherwise) which the Manager or such competent person appointed by the Manager deems appropriate in the circumstances;
- 6.3.13 The value of any cash in hand or on deposit, pre-paid expenses, cash dividends and interest declared or accrued and not yet received or tax reclaims filed and not yet received as at a Valuation Point shall be deemed to be the face value plus accrued interest thereof unless in any case the Manager is of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Manager or its delegate with the approval of the Trustee may consider appropriate in such case to reflect the true value thereof as at the Valuation Point. Certificates of deposits, treasury bills, bank acceptances, trade bills and other negotiable investments shall be valued at each Valuation Point at the latest available mid-market price on the market in which these Investments are traded or admitted for trading (being the Regulated Market which is the sole Regulated Market or in the opinion of the Manager, the principal market on which the Investments in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired; and
- 6.3.14 Money Market Instruments in a non-money market Fund may be valued by the Manager or its delegate at their amortised cost, in accordance with the Central Bank's requirements.
- 6.3.15 The Manager may, with the approval of the Trustee, adjust the value of any Investment if, having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, applicable rates of interest, maturity, liquidity and/or any other relevant considerations as the Manager may deem relevant, it considers that such adjustment is required to reflect the fair value thereof as at any Valuation Point.
- 6.3.16 If in any case a particular value is not ascertainable as provided above or if the Manager shall consider that some other method of valuation better reflects the fair value of the relevant Investment, then in such case the method of valuation of the relevant Investment shall be such as the Manager or other competent person appointed by the Manager shall determine, such method of valuation to be approved by the Trustee.
- 6.3.17 Any value expressed otherwise than in the Base Currency of the relevant Fund (whether of any investment or cash) and any non-Base Currency borrowing shall be converted into the Base Currency at the rate at which the Administrator shall determine appropriate in the circumstances.
- 6.3.18 Valuation provisions specifically applicable to a particular Fund are set out in the Supplement for the relevant Fund.

6.4 Suspension of calculation of net asset value

- 6.4.1 The Manager may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the issue, redemption and exchange of Units and the payment of Redemption Proceeds during:

- (a) any period when dealing in the units/shares of any collective investment scheme in which a Fund may be invested are restricted or suspended; or
- (b) any period when any of the Regulated Markets on which a substantial portion of the investments of the relevant Fund from time to time are quoted, listed or dealt in is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or
- (c) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Manager, disposal or valuation of a substantial portion of the investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of Unitholders of the relevant Fund or if, in the opinion of the Manager, the Net Asset Value of that Fund cannot be fairly calculated; or
- (d) any breakdown in the means of communication normally employed in determining the price of a substantial portion of the investments of the relevant Fund or when for any other reason the current prices on any Regulated Market of any of the investments of the relevant Fund cannot be promptly and accurately ascertained; or
- (e) any period during which any transfer of funds involved in the realisation or acquisition of investments of the relevant Fund cannot, in the opinion of the Manager, be effected at normal prices or rates of exchange; or
- (f) any period when the relevant Fund is unable to repatriate funds required for the purpose of making payments due on the redemption of Units; or
- (g) upon mutual agreement between the Manager and the Trustee for the purpose of terminating any Fund;
- (h) any period when the Manager considers it to be in the best interests of the relevant Fund; or
- (i) any period when for any other reason it is impossible or impracticable to determine the value of a substantial portion of the assets of the Fund.

6.4.2 Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

6.4.3 Unitholders who have requested the issue or redemption of Units of any class or exchange of Units of one class to another will be notified of any such suspension in such manner as may be directed by the Manager and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first relevant Dealing Day after the suspension is lifted.

6.4.4 Any such suspension will be notified immediately to the Central Bank and will be communicated without delay to the competent authorities in any country in which the Units are marketed.

6.4.5 ***Transfer of Units***

- (a) Units in each Fund will be transferable by instrument in writing in common form or in any other form approved by the Directors and signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor. Transferees will be required to complete Application Form and provide any other documentation reasonably required by the Manager or the Administrator. In the case of the death of one of joint Unitholders, the survivor or survivors will be the only person or persons recognised by a Fund as having any title to or interest in the Units registered in the names of such joint Unitholders.

- (b) Units may not be transferred:
- (i) to a United States Person (except pursuant to an exemption available under U.S. securities laws);
 - (ii) to any individual under the age of 18;
 - (iii) to any person or persons in circumstances which in the opinion of the Directors might result in the relevant Fund incurring any liability to taxation or suffering any other pecuniary legal or material administrative disadvantages which the relevant Fund might not otherwise have incurred or suffered;
 - (iv) to any person who appears to be in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold Units;
 - (v) if, following the transfer, either the transferor would hold Units having a value less than the Minimum Unitholding for that class of Units specified in the Supplement for the relevant Fund or the transferee would have a holding of Units having a value less than the Minimum Unitholding or Minimum Initial Investment Amount for the relevant class of Units specified in the Supplement for the relevant Fund. The Directors may also refuse to register any transfer to or by a minor or person of unsound mind; or
 - (vi) if the transferor is or is deemed to be, or is acting on behalf of, a Taxable Irish Person. In this case the Manager is entitled to repurchase and cancel a sufficient portion of the transferor's Units as will enable the relevant Fund to pay the tax payable in respect of the transfer to the Revenue Commissioners in Ireland.
- (c) The Manager may impose such restrictions as it may think necessary for the purpose of ensuring that no Units are acquired or held directly or beneficially by (a) any person in breach of the law or requirements of any country or governmental authority by virtue of which such person is not qualified to hold Units including without limitation any exchange control regulations; (b) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Manager to be relevant) which in the opinion of the Manager may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for a Fund or its Unitholders as a whole; (c) any person, whose holding would cause or be likely to cause a Fund to be required to register as an investment company under the United States Investment Company Act of 1940 or to register a Fund or Class under the United States Securities Act or similar statute; (d) any person who does not supply any information or declarations required within 7 days of a request to do so by the Manager; or (e) any person who holds less than the Minimum Unitholding.
- (d) The Manager may reject in its discretion any application for Units by any persons who are so excluded from purchasing or holding Units and pursuant to the terms of the Trust Deed at any time repurchase Units held by Unitholders who are so excluded from purchasing or holding Units.
- (e) If it shall come to the notice of the Manager or if the Manager shall have reason to believe that any Units are owned directly or beneficially by any person or persons in breach of any restrictions imposed by the Manager, the Manager shall be entitled to (i) give notice (in such form as the Manager deems appropriate) to such person requiring him to request in writing the redemption of such Units in accordance with the Trust Deed and/or (ii) as appropriate, compulsorily redeem and/or cancel such number of Units held by such person and may apply the proceeds of such compulsory redemption in the discharge of any taxation or

withholding tax arising as a result of the holding or beneficial ownership of Units by such person including any interest or penalties payable thereon.

6.5 Notification of prices

The up to date Net Asset Value per Unit of each class of Units in each Fund will be available from the Administrator following calculation on each Valuation Point and on the website: www.iciciglobalinvestments.com. Such prices will be the prices applicable to the previous Dealing Day's trades and are therefore only indicative after the relevant Dealing Day.

7 FEES AND EXPENSES

7.1 Particulars of the fees and expenses (including performance fees, if any) payable to the Manager, the Investment Manager, the Administrator, the Trustee and any other service provider out of the assets of each Fund are set out in the relevant Supplement.

7.2 Unless otherwise disclosed in the relevant Supplement, the following provisions apply in respect of the Trust:

The Manager may pay out of the assets of each Fund the fees and expenses payable to the Investment Manager, Administrator, the Trustee, the fees and expenses of sub-custodians (which will be at normal commercial rates), the fees and expenses of any investment advisers, distributors or any other delegates of the Manager, any fees in respect of circulating details of the Net Asset Value, stamp duties, all taxes and value added tax (VAT), any costs incurred in respect of meetings of Unitholders, marketing and distribution costs, investment transaction charges (which will be at normal commercial rates), costs incurred in respect of the distribution of income to Unitholders, the fees and expenses of any paying agent, facilities agent or representative appointed in compliance with the requirements of another jurisdiction (which will be at normal commercial rates), any amount payable under indemnity provisions contained in the relevant Trust Deed or any agreement with any appointee of the Manager, all sums payable in respect of directors' and officers' liability insurance cover, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, tax and legal advisers and fees connected with registering any Fund for sale in other jurisdictions. The costs of printing and distributing this Prospectus and any Supplements, KIIDs, reports, accounts and any explanatory memoranda, any necessary translation fees, the costs of publishing prices and any costs incurred as a result of periodic updates of the Prospectus, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) may also be paid out of the assets of the relevant Fund. Such fee arrangements shall be disclosed in the Supplement for the relevant Fund.

7.3 Investments in other CIS

7.3.1 When a Fund invests in the shares of other UCITS or CIS or both and those other UCITS or CIS are managed directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager or other company shall not charge subscription or redemption fees on account of the investment of the Fund in the shares of such other UCITS or CIS or both, as the case may be.

7.3.2 If a Fund invests a substantial proportion of its net assets in other UCITS or CIS or both the maximum level of the management fees that may be charged in respect of the Fund and to the other UCITS or CIS or both, as the case may be, in which it intends to invest will be set out in the relevant Supplement. Details of such fees will also be contained in the Trust's annual report.

7.3.3 Where a commission (including a rebated commission) is received by the Manager/Investment Manager by virtue of an investment in the shares or units of another CIS, this commission must be paid into the property of the Fund.

7.3.4 A Fund may invest in another Fund of the Trust subject to the following additional provisions:

- (a) investment must not be made in a Fund which itself holds Units in another Fund within the Trust; and
- (b) the investing Fund may not charge an annual management fee in respect of that portion of its assets invested in other Funds within the Trust. This provision is also applicable to the annual fee charged by the Investment Manager where such fee is paid directly out of the assets of the Fund.

7.4 Establishment costs

The cost of establishing the Trust and the India Dynamic Fixed Income Fund, obtaining authorisation from any authority, filing fees, the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to the Trust are estimated not to exceed USD 200,000 and will be borne by the Trust and will be amortised over the following five years of the Trust's operation. The costs of establishing subsequent Funds will be borne by the relevant Fund, details of which will be set out in the relevant Supplement.

7.5 Other Fees and Expenses

Any other fees and expenses payable out of the assets of a Fund are set out in the relevant Supplement in the section entitled **Fees and Expenses**.

8 TAXATION

8.1 General

8.1.1 **The following statements are by way of a general guide to Unitholders and prospective Unitholders only and do not constitute tax advice. Unitholders and prospective Unitholders are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Units under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

8.1.2 Unitholders and prospective Unitholders should note that the following statements on taxation are based on advice received by the Manager 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 is made in the Trust will endure indefinitely as the bases for, and rates of, taxation can fluctuate.

8.2 Ireland

Tax on income and capital gains

8.2.1 ***The Trust***

- (a) On the basis that the Trust is a UCITS it is outside the scope of Part 27 Chapter 18 of the TCA dealing with Irish real estate funds.
- (b) The Manager has been advised that under current Irish law and practice, the Trust qualifies as an investment undertaking for the purposes of section 739B of the TCA so long as the Trust is resident in Ireland. Accordingly, the Trust will only be subject to tax on chargeable events in respect of Unitholders who are Taxable Irish Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes).

(c) A chargeable event occurs on:

- (i) a payment of any kind to a Unitholder by the Trust;
- (ii) a transfer of Units; and
- (iii) on the eighth anniversary of a Unitholder acquiring Units and every subsequent eighth anniversary;

but does not include any transaction in relation to Units held in a clearing system recognised by the Irish Revenue Commissioners, certain transfers arising as a result of an amalgamation or reconstruction of fund vehicles and certain transfers between spouses or former spouses.

(d) If a Unitholder is not a Taxable Irish Person at the time a chargeable event arises no Irish tax will be payable on that chargeable event in respect of that Unitholder.

(e) Where tax is payable on a chargeable event, subject to the comments below, it is a liability of the Trust which is recoverable by deduction or, in the case of a transfer and on the eight year rolling chargeable event by cancellation or appropriation of Units from the relevant Unitholders. In certain circumstances, and only after notification by the Trust to a Unitholder, the tax payable on the eight year rolling chargeable event can at the election of the Trust become a liability of the Unitholder rather than the Trust. In such circumstances the Unitholder must file an Irish tax return and pay the appropriate tax (at the rate set out below) to the Irish Revenue Commissioners.

(f) In the absence of the appropriate declaration being received by the Manager that a Unitholder is not a Taxable Irish Person or if the Manager has information that would reasonably suggest that a declaration is incorrect, and in the absence of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with (or following the withdrawal of, or failure to meet any conditions attaching to such approval), the Trust will be obliged to pay tax on the occasion of a chargeable event (even if, in fact, the Unitholder is neither resident nor ordinarily resident in Ireland). Where the chargeable event is an income distribution tax will be deducted at the rate of 41%, or at the rate of 25% where the Unitholder is a company, on the amount of the distribution. Where the chargeable event occurs on any other payment to a Unitholder, not being a company which has made the appropriate declaration, on a transfer of Units and on the eight year rolling chargeable event, tax will be deducted at the rate of 41% on the increase in value of the Units since their acquisition. Tax will be deducted at the rate of 25% on such transfers where the Unitholder is a company and the appropriate declaration has been made. In respect of the eight year rolling chargeable event, there is a mechanism for obtaining a refund of tax where the Units are subsequently disposed of for a lesser value.

(g) An anti-avoidance provision increases the 41% rate of tax to 60% (80% where the payment is not correctly included in the individual's tax return) if, under the terms of an investment in a fund, the investor or certain persons associated with the investor have an ability to influence the selection of the assets of the fund.

(h) Other than in the instances described above the Trust will have no liability to Irish taxation on income or chargeable gains.

8.2.2 **Unitholders**

- (a) Unitholders who are neither resident nor ordinarily resident in Ireland in respect of whom the appropriate declarations have been made (or in respect of whom written notice of approval from the Revenue Commissioners has been obtained by the Manager to the effect that the requirement to have been provided with such declaration from that Unitholders or class of unitholders to which the Unitholder belongs is deemed to have been complied with) will not be subject to tax on any distributions from the Trust or any gain arising on redemption, repurchase or transfer of their Units provided the Units are not held through a branch or agency in Ireland. No tax will be deducted from any payments made by the Trust to those Unitholders who are not Taxable Irish Persons.
- (b) Unitholders who are Irish resident or ordinarily resident or who hold their Units through a branch or agency in Ireland may have a liability under the self-assessment system to pay tax, or further tax, on any distribution or gain arising from their holdings of Units.
- (c) In particular where the Trust has elected to not deduct tax at the occasion of the eight year rolling chargeable event a Unitholder will have an obligation to file a self assessment tax return and pay the appropriate amount of tax to the Irish Revenue Commissioners.
- (d) Refunds of tax where a relevant declaration could be made but was not in place at the time of a chargeable event are generally not available except in the case of corporate Unitholders within the charge to Irish corporation tax.

8.2.3 **Stamp duty**

No Irish stamp duty will be payable on the subscription, transfer or redemption of Units provided that no application for Units or re-purchase or redemption of Units is satisfied by an in specie transfer of any Irish situated securities or other property.

8.2.4 **Capital acquisitions tax**

- (a) No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Units provided that:
 - (i) at the date of the disposition the transferor is neither domiciled nor ordinarily resident in Ireland and at the date of the gift or inheritance the transferee of the Units is neither domiciled nor ordinarily resident in Ireland; and
 - (ii) the Units are comprised in the disposition at the date of the gift or inheritance and the valuation date.

8.2.5 **Other tax matters**

The income and/or gains of the Trust from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. The Trust may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in repayment to the Trust, the Net Asset Value of the relevant Fund will not be restated and the benefit will be allocated to the existing Unitholders rateably at the time of repayment.

Certain Irish Tax Definitions

8.2.6 ***Residence – Company***

- (a) A company which has its central management and control in the Republic of Ireland (the **State**) is resident in the State irrespective of where it is incorporated. A company which does not have its central management and control in the Republic of Ireland but which is incorporated in the State is resident in the State except where:–
 - (i) the company or a related company carries on a trade in the State, and either the company is ultimately controlled by persons resident in EU Member States or, resident in countries with which the State has a double taxation treaty, or the company or a related company are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or
 - (ii) the company is regarded as not resident in the State under a double taxation treaty between the State and another country.
- (b) Prior to Finance Act 2014, company residence was determined with regard to the long-established common law rules based on central management and control. These rules were significantly revised in Finance Act 2014 to provide that a company incorporated in the State will be regarded as resident for tax purposes in the State, unless it is treated as resident in a treaty partner country by virtue of a double taxation treaty. While the common law rule based on central management and control remains in place, it is subject to the statutory rule for determining company residence based on incorporation in the State set out in the revised section 23A TCA 1997. It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions which are contained in section 23A Taxes Consolidation Act 1997.
- (c) The new incorporation rule for determining the tax residence of a company incorporated in the State will apply to companies incorporated on or after 1 January 2015. For companies incorporated in the State before this date, a transition period will apply until 31 December 2020. It should be further noted that the text of section 23A Taxes Consolidated Act 1997 was replaced in its entirety by section 43 Finance Act 2014. Consequently, the above mentioned tax residence rules have been substantially modified as regards Irish incorporated companies. The changes are relatively complex and we would recommend that any Irish incorporated company that considers it is not Irish tax resident seeks professional advice before asserting this in any tax declaration given to the Trust.

8.2.7 ***Residence – Individual***

- (a) An individual will be regarded as being resident in the State for a tax year if s/he:
 - (i) spends 183 days or more in the State in that tax year; or
 - (ii) has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year.
- (b) Presence in a tax year by an individual of not more than 30 days in the State will not be reckoned for the purpose of applying the two year test. Up to 31 December, 2008, presence in the State for a day means the personal presence of an individual at the end of the day (midnight). **From 1 January 2009, presence in the State for a day means the personal presence of an individual at any time during the day.**

8.2.8 **Ordinary Residence – Individual**

- (a) 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.
- (b) An individual who has been resident in the State for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.
- (c) An individual who has been ordinarily resident in the State ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, for example, an individual who is resident and ordinarily resident in the State in 2018 and departs from the State in that tax year will remain ordinarily resident up to the end of the tax year in 2021.

8.2.9 **Intermediary**

- (a) For Irish taxation purposes, this means a person who:
 - (i) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking resident in Ireland on behalf of other persons; or
 - (ii) holds units in an investment undertaking on behalf of other persons.

8.3 **Other jurisdictions**

The tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident as well as the jurisdiction that is the source of income from the investment. **Therefore the Directors strongly recommend that Unitholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Units in the Trust and any investment returns from those Units.** It is the Director's intention to manage the affairs of the Trust so that it does not become resident outside of Ireland for tax purposes.

8.4 **Automatic exchange of information**

Irish reporting financial institutions, which may include the Manager of the Trust, have reporting obligations in respect of certain investors under FATCA as implemented pursuant to the Ireland – US intergovernmental agreement and/or the OECD's Common Reporting Standard (see below).

8.5 **Information exchange and the implementation of FATCA in Ireland**

- 8.5.1 With effect from 1 July 2014, Irish reporting financial institutions are obliged to report certain information in respect of U.S. investors in the Trust to the Revenue. The Revenue will share that information with the U.S. tax authorities. FATCA imposes a 30% U.S. withholding tax on certain withholdable payments made on or after 1 July 2014 unless the payee enters into and complies with an agreement with the IRS to collect and provide to the IRS substantial information regarding direct and indirect owners and accountholders.
- 8.5.2 The Manager will be a foreign financial institution for FATCA purposes and will therefore be registered pursuant to the requirements of FATCA. On 21 December 2012 Ireland signed an Intergovernmental Agreement (the **IGA**) with the United States to improve international tax compliance and to implement FATCA. Under this agreement Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. persons in a broad category of Irish financial institutions and vice versa. Under the IGA and the Financial Accounts Reporting United States of America Regulations 2014) (as amended) (the

Irish Regulations) implementing the information disclosure obligations Irish financial institutions such as the Manager are required to report certain information with respect to U.S. account holders to the Revenue Commissioners. The Revenue Commissioners will automatically provide that information annually to the U.S. Internal Revenue Service (the **IRS**). The Manager (and/or the Administrator or Investment Manager on behalf of the Trust) must obtain the necessary information from investors required to satisfy the reporting requirements whether under the IGA, Irish Regulations or any other applicable legislation published in connection with FATCA and such information is being sought as part of the application process for Units in the Trust. It should be noted that the Irish Regulations require the collection of information and the filing of returns with the Revenue Commissioners regardless of whether the Trust holds any U.S. assets or has any U.S. investors. The main objective of the legislation is to require foreign financial institutions to identify and report the financial accounts of **Specified US Persons**, as defined by the IGA. In order to do so, the Manager may be required to collect information both from US investors and non-US investors entered on its register of Unitholders. As of 1 July 2014, the Manager reports the financial accounts held by Specified US Persons to the Revenue Commissioners, which then provides such information to the IRS. Investors refusing to provide the requisite information to the Manager are also reported. While the IGA and the Irish Regulations should serve to reduce the burden of compliance with FATCA, and accordingly the risk of a FATCA withholding on payments to the Trust in respect of its assets, no assurance can be given in this regard. Each prospective investor who is concerned about this should consult its own tax advisers regarding the requirements under FATCA with respect to its own situation. If a Unitholder causes the Trust to suffer a withholding for or on account of FATCA (a FATCA Deduction) or other financial penalty, cost, expense or liability, the Directors may compulsorily redeem any Units of such Unitholder and/or take any actions required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically born by such Unitholder.

8.6 Common reporting standard (crs)

- 8.6.1 The Common Reporting Standard (**CRS**) framework was first released by the OECD in February 2014. To date, more than 90 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the **Standard**) was published, involving the use of two main elements, the Competent Authority Agreement (**CAA**) and the CRS.
- 8.6.2 The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions (FIs) relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CAA and CRS, have used FATCA concepts and as such the Standard is broadly similar to the FATCA requirements, albeit with numerous alterations. It will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.
- 8.6.3 Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS while sections 891F and 891 G of the TCA contain measures necessary to implement the CRS internationally and across the European Union, respectively. Regulations, the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the **CRS Regulations**), gave effect to the CRS from 1 January 2016.
- 8.6.4 Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation (**DAC II**) implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis. Section 891 G of the TCA contained measures necessary to

implement the DAC II. Regulations, the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (together with the CRS Regulations, the **Regulations**), gave effect to DAC II from 1 January 2016.

- 8.6.5 Under the Regulations reporting financial institutions, are required to collect certain information on accountholders and on certain controlling persons in the case of the accountholder(s) being an entity, as defined for CRS purposes, (e.g. name, address, jurisdiction of residence, TIN, date and place of birth (as appropriate), the account number and the account balance or value at the end of each calendar year) to identify accounts which are reportable to the Irish tax authorities. The Irish tax authorities shall in turn exchange such information with their counterparts in participating jurisdictions. Further information in relation to CRS and DAC II can be found on the Automatic Exchange of Information (AEOI) webpage on www.revenue.ie

8.7 Indian Taxation

- 8.7.1 The following is a summary of certain relevant provisions of the Income-tax Act, 1961 (**ITA**), the Income-tax Rules, 1962 (the **Rules**), various circulars and notifications issued thereunder from time to time and the provisions of the Double Tax Avoidance Agreement (**DTAA**). This summary is not intended to constitute a complete analysis of the Indian income-tax implications as applicable and does not constitute legal, professional or tax advice. The relevant tax provisions are subject to change. This section has been prepared to give an overview of the expected Indian income-tax implications in connection with the income accruing to each Fund since each Fund is a Category I Foreign Portfolio Investor (**FPI**) registered in India.
- 8.7.2 The Indian tax provisions lack clarity on the determination of the legal status in case of an umbrella fund structure with several sub-funds investing in India on their own with their own set of specific assets and liabilities. It is uncertain whether the legal status of each sub-fund be treated as an 'Association of Persons' (AOP) on the premise that each sub-fund is formed for the purpose of fulfilling a common objective for a particular group of investors or the legal status may be treated as 'Trust' on the premise that the sub-funds are not separate legal entities in their home country and a part of the umbrella fund which is classified as a Trust.
- 8.7.3 This summary is prepared on the basis that each Fund will qualify as a separate taxable person (being a separate trust) under the ITA and will be regarded as a trust for the purposes of the ITA. However, there is a risk that the Indian tax authorities may take a view that each Fund, being a sub-fund of the Trust (including any future sub-funds of the Trust) is not a separate taxable person under the ITA and hence, the income earned by each Fund (including any future sub-funds of the Trust) can be assessed at a consolidated level in the hands of the Trust.
- 8.7.4 The ITA is amended every year by the Finance Act of the relevant year and this summary reflects the amendments made up to Finance Bill, 2020¹. The rates specified in this section are as applicable for the Financial Year 2020-21 under the ITA and are exclusive of surcharge and cess, if any, as currently leviable. The tax rates applicable pursuant to the DTAA will generally not be subject to surcharge or cess.
- 8.7.5 Basis Finance Bill, 2020², *the following surcharge rates shall be applicable to a Trust:*

<i>Taxable Income earned by FPI</i>	<i>Surcharge rate for</i>	<i>Surcharge rate for any other</i>
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¹ The Finance Bill 2020 needs to be passed by the two houses of Indian Parliament and on obtaining Presidential assent, it shall be enacted into the law. It is likely that the Bill shall be passed, and Presidential assent be obtained, on or before 1 April 2020.

² The surcharge rates for non-corporate FPIs (excluding firms) were increased by Finance (No. 2) Act, 2019. However, the Taxation Laws (Amendment) Act, 2019 has reduced the surcharge rates for an FPIs with respect to gains earned on transfer of any security.

<i>(in INR)</i>	<i>capital gains on transfer of securities</i>	<i>income</i>
<i>Up to 5 Mn</i>	<i>Nil</i>	<i>Nil</i>
<i>5 Mn to 10 Mn</i>	<i>10%</i>	<i>10%</i>
<i>10 Mn to 20 Mn</i>	<i>15%</i>	<i>15%</i>
<i>20 Mn to 50 Mn</i>	<i>15%</i>	<i>25%</i>
<i>More than 50 Mn</i>	<i>15%</i>	<i>37%</i>

General

8.7.6 The basis of charge of Indian income-tax depends upon:

- (i) The residential status of the taxpayer during a tax year; and
- (ii) The nature of the income earned.

8.7.7 The Indian tax year runs from 1 April until 31 March.

8.7.8 A person who is an Indian tax resident is liable to taxation in India on worldwide income, subject to certain tax exemptions, which are afforded under the provisions of the ITA. A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's Indian-sourced income or income received in India.

8.7.9 A Fund will be subject to taxation in India only if: (1) it is regarded as a tax resident of India; or (2) being a non-resident, has an Indian source of income, including income arising through a permanent establishment (**PE**) or a business connection in India; or has received or deemed to have received income or earned income (whether accrued or otherwise) in India.

8.7.10 The income earned by a Fund from investments in India should generally be regarded as Indian sourced income. Such income should be taxable in India as per provisions of the ITA.

8.7.11 As per provisions of the ITA, a foreign company is regarded as a tax resident in India if its place of effective management (**POEM**) is in India in that year. POEM has been defined to mean a place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made.

8.7.12 The Central Board of Direct Taxes (**CBDT**) has vide its circular No 6 of 2017 dated 24 January, 2017 issued guiding principles for determination of POEM. The provisions of POEM are effective from the financial year commencing from 1 April 2016. Given that each Fund would be filing an application under section 9A (discussed below), the POEM of each Fund should not be regarded as being in India.

8.7.13 The Finance Act, 2015 had introduced section 9A in the ITA to provide a favourable tax regime for Indian investment managers managing offshore funds. Section 9A of the ITA, inter alia, provides that an eligible investment fund shall not constitute a business connection/ POEM in India merely because the eligible investment manager, undertaking investment management activities on its behalf, is situated in India.

8.7.14 Section 9A of the ITA also lists the conditions to qualify as an 'eligible investment fund' and an 'eligible fund manager'. Further, the Income-tax (5th Amendment) Rules, 2016 (**Safe Harbour**

Rules) issued vide Notification No. S.O. 1101(E) dated 15 March 2016 inter-alia provide for various conditions to be satisfied to obtain the benefits of section 9A of the ITA. The Safe Harbour Rules also provide for a pre-approval mechanism whereby an investment fund may, at its option, seek approval of the CBDT regarding its eligibility for the purposes of section 9A of the ITA.

- 8.7.15 It is expected that each Fund, will receive an approval of the CBDT under the Safe Harbour Rules and accordingly, each Fund should not be regarded as a tax resident of India merely because its investment manager, undertaking investment management activities on its behalf, is situated in India. This approval will be valid unless any of the conditions are not fulfilled or it is withdrawn by the Indian tax authorities.
- 8.7.16 In light of the above and since the POEM of each Fund is not expected to be in India merely because its investment manager is situated in India, each Fund should be regarded as a non-resident for the purposes of the ITA.
- 8.7.17 The taxation of a non-resident is governed by the provisions of the ITA, read with the provisions of the DTAA entered into between India and the country of residence of such non-resident. As per Section 90(2) of the ITA, a non-resident would be taxable in accordance with the provisions of the ITA or the applicable DTAA (if any), whichever is more beneficial to such non-residents. This would be subject to the General Anti Avoidance Rules (**GAAR**) which are effective from 1 April, 2017. The GAAR provisions, if invoked, could result in denial of the beneficial provisions of the DTAA (for detail GAAR provisions refer discussion in paragraphs below).
- 8.7.18 In the present case, the Trust is an entity registered in Ireland and therefore, the applicable DTAA would be the DTAA entered into between India and Ireland (**Tax Treaty**).
- 8.7.19 If a Fund is able to obtain tax residency certificate from the Office of Revenue Commissioners, Ireland in its own name, furnish a declaration in Form No. 10F along with supporting documents and if its POEM is in Ireland, then the benefit of the Tax Treaty should be available to a Fund in respect of its Indian investments. While it is assumed that a Fund would be entitled to the benefits accorded by the Tax Treaty, no assurance can be provided that the Indian tax authorities will not challenge the eligibility of the Fund for benefits of the Tax Treaty.
- 8.7.20 It is currently envisaged that a Fund could earn the following streams of income from its investment in Indian investments:
- (i) Gains arising on transfer of Indian investments viz. equity shares, debt securities and derivatives;
 - (ii) Dividend income; and
 - (iii) Interest income.
- 8.7.21 Details of taxation relating to a Fund's investments are set out below.
- (a) **Gains arising on transfer of Indian investments:**
- (i) Under the ITA:
 - (A) The definition of "**capital asset**" includes any security held by an FPI³, which has invested in such security in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 (15 of 1992). Accordingly, in the

³ Vide Notification No. 9/2014 dated 22 January, 2014, the Indian Government has extended the benefits available to Foreign Institutional Investors under section 115AD of the ITA to FPIs in India.

current case, as the Funds are registered as an FPI, a Fund's income on transfer of its Indian investments (acquired in accordance with the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019) should be regarded as capital gains.

(B) Depending upon the period of holding of assets, capital gains arising on transfer of securities should be taxable either as short-term or long-term capital gains.

Nature of Asset	Short-term capital asset	Long-term capital asset
Securities listed in a recognised stock exchange in India (other than a unit), unit of a Unit Trust of India, units of an equity oriented fund or zero coupon bond	Held for not more than 12 (twelve) months	Held for more than 12 (twelve) months
Unlisted shares (including those offered through offer for sale as part of an initial public offer)	Held for not more than 24 (twenty four) months	Held for more than 24 (twenty four) months
For securities other than those specified above	Held for not more than 36 (thirty six) months	Held for more than 36 (thirty six) months

(C) The capital gains tax rates under the ITA are as under:

Sr. No.	Nature of Income	Tax rate in case of foreign companies
1.	Short-term capital gains earned from following transactions on which Securities Transactions Tax (STT) has been paid: (a) sale of listed equity shares through the recognised stock exchange; or (b) sale of to be listed equity shares through offer for sale as part of an initial public offer; or (c) sale of units of equity oriented mutual fund	15%

2.	Other short-term capital gains	30% /40% (for investment other than under the FPI route)
3.	Long-term capital gains earned from following transactions on which STT has been paid– (a) sale of listed equity shares through the recognised stock exchange; or (b) sale of to be listed equity shares through offer for sale as part of an initial public offer; or (c) sale of units of equity oriented mutual fund; (Refer Note 2)	10%
4.	Long-term capital gains on transfer of listed securities (other than units) on which STT has not been paid (Refer Note 3)	10%
5.	Long-term capital gains on transfer of unlisted securities (Refer Note 4)	10%

(D) Notes:

(1) As per Section 48 of the ITA, capital gains shall be computed by deducting from full value of consideration, the cost of acquisition of such securities and the expenditure incurred wholly and exclusively in connection with transfer of such securities. However, as per section 115AD of the ITA, an FPI shall not be entitled to take the benefit first proviso (foreign currency computation) and second proviso (indexation) to section 48 of the ITA while computing capital gains arising from the transfer of securities.

(2) The Finance Act, 2018 has withdrawn exemption from tax on long term capital gains arising on transfer of listed equity shares, units of equity oriented mutual fund and units of business trust, with effect from 1 April, 2018. As per section 112A of the ITA, the Long-term Capital Gains above INR 0.1 million on following transfers shall be taxable at 10%:

- listed equity shares (STT paid on acquisition* and transfer); and
- units of equity oriented mutual fund (STT paid on transfer)

Benefit of the computation of gains in foreign currency and cost inflation index shall not be available on such gains.

*The CBDT has issued a notification on 1 October, 2018, clarifying that condition of paying STT at the time of acquisition shall not apply for all transactions of acquisition of equity shares other than the following negative list:

- where the acquisition of existing listed equity shares in a company whose equity shares are not frequently traded on a recognised stock exchange of India is made through a preferential issue, other than specified preferential issues;
- where transactions for acquisition of existing listed equity shares in a company is not entered through a recognised stock exchange, except in specified circumstance⁴:
- acquisition of equity share during the period beginning from the date on which the company is delisted from a recognised stock exchange and ending on the date immediately preceding the date on which the company is again listed on a recognised stock exchange, in accordance with the Securities Contracts (Regulation) Act, 1956 (SCRA) read with Securities and Exchange Board of India Act, 1992 (15 of 1992) and the rules made thereunder.

Further, the CBDT has clarified by way of FAQs that long-term capital gains in case of FPIs will be determined in the same manner as in the case of resident taxpayers.

- (3) Based on judicial precedents, any non-resident, including Fund investing under other than the FPI route, may avail the concessional tax rate of 10% with respect to gains arising from transfer of listed securities (other than units) and zero-coupon bonds. However, the possibility of Indian tax authorities disregarding the said position and applying a tax rate of 20% cannot be ruled out.
- (4) As per Section 48 of the ITA, capital gains shall be computed by deducting from full value of consideration, the cost of acquisition of such securities and the expenditure incurred wholly and exclusively in connection with transfer of such securities.
- (5) Capital gains arising to a non-resident from trading in derivatives, foreign currency bonds, GDRs, rupee denominated bonds of Indian companies or such other securities as may be notified by the Central Government in this behalf on a stock exchange located in the International Financial Services Centre (IFSC) is exempt from tax in India.

(E) Buy-back of shares

Under the ITA, buy back of shares by the Indian Companies from shareholders in accordance with any law in force relating to companies would be subject to tax at the rate of 23.296% (including surcharge and cess) on distributed income in the hands of the Indian Companies. Distributed income for this purpose means the consideration paid by the company on the buyback of shares, as reduced by the amount which was received by the company for the issue of such shares. Such buy back of shares would be exempt in the hands of the shareholders. No withholding of tax will arise in respect of such buy back of shares.

(F) Capital losses

⁴ A specified exclusion has been provided for FPIs.

As per the provisions of the ITA, short-term capital loss can be set-off against both short-term capital gains and long-term capital gains but long-term capital loss can be set-off only against long-term capital gains. The unabsorbed short-term and long-term capital loss can be carried forward for 8 years.

Further as per provisions of the ITA, in the case of a company, which is not a company in which the public are substantially interested (closely held company), no loss incurred in any financial year shall be carried forward and set off against the income of the financial year unless on the last day of the financial year, the shares of the company carrying not less than 51% of the voting power were beneficially held by persons who beneficially held the shares of the company carrying not less than 51% of the voting power on the last day of the year in which the loss was incurred.

(ii) Under Tax Treaty:

(A) ***If the gains are characterized as capital gains***

- (1) As per the Tax Treaty, capital gains arising in the hands of a Fund on account of alienation of shares of Indian portfolio companies will be chargeable to tax in India as per the tax rates prescribed under the ITA.
- (2) However, capital gains arising on account of investments in other securities including debt securities, derivatives and mutual fund units shall continue to remain exempt under the Tax Treaty (subject to other aspects discussed in this section).

(b) **Dividend**

(i) *Position under the ITA*

- (A) The Finance Bill 2020 has proposed an amendment to tax the dividend in the hands of the recipient shareholders. Accordingly, as per the provisions of the ITA the dividend income received from Indian companies shall be taxable in hands of the Fund at the rate of 20% and taxes shall also be withheld at source accordingly.

(ii) *Position under the Tax Treaty*

As per Article 10 of the Tax Treaty, any dividend income earned by a Fund from its investment in the Indian companies should be chargeable to tax at the rate of 10% provided (i) the Fund is the '**beneficial owner**' of such dividend income; and (ii) the Fund does not have a PE in India as per Article 5 of the Tax Treaty or a fixed base in India and the holding in respect of which the dividend is paid is effectively connected with such PE or fixed base.

(c) **Interest income**

(i) *Position under the ITA*

- (1) As per the ITA, interest payable to a Fund, being an FPI, on rupee denominated bonds of Indian companies and government securities would be subject to a tax at the rate of 5% if the following conditions are satisfied:

- Such interest is payable on or after 1 June, 2013 but before 1 July, 2023⁵;

- In respect of rupee denominated bond, rate of interest does not exceed 500 basis points over the applicable base rate of State Bank of India as on the date of issue of bonds.

- (2) As per ITA, any interest arising to a Fund out of borrowings in foreign currency under loan agreements or on long-term bonds issued by Indian companies before 1 July, 2023⁵ would be subject to tax at the rate of 5%.
- (3) Further, the concessional tax rate of 5% is also extended to interest in respect of monies borrowed from a source outside India by way of rupee denominated bonds issued by an Indian company before 1 July, 2023⁵. In this regard, the Finance (No. 2) Act, 2019 has exempted from tax the interest paid by an Indian company or a business trust to a non-resident in respect of rupee denominated bonds issued outside India for the period from 17 September, 2018 to 31 March, 2019. Consequently, no taxes shall be withheld on the payment of interest in respect of such bond.
- (4) In case the benefit of the concessional tax rate is not available, then the interest income on securities would be subject to tax at the rate of 20% in the hands of a Fund, being an FPI.

(ii) *Position under the Tax Treaty*

- (1) As per Article 11 of the Tax Treaty, any interest income earned by a Fund from its investment in the Indian companies should be chargeable to tax at the rate of 10% provided (i) the Fund is the “**beneficial owner**” of such interest income; and (ii) the Fund does not have a PE in India as per Article 5 of the Tax Treaty or a fixed base in India and the debt-claim in respect of which the interest is paid is effectively connected with such PE or fixed base.
- (2) The tax rate of 10% under the Tax Treaty would be relevant only if the tax rate under the ITA on such interest income is higher than 10%.

8.7.22 Other relevant tax considerations

(a) ***Deemed income on investment in any shares/ securities of an Indian portfolio entity***

(i) *Position under the ITA*

- (1) As per provisions of the ITA, where any person receives any shares and securities from any person for a consideration which is lower than the FMV by more than INR 0.05 million, then difference between the FMV and consideration shall be taxable in the hands of acquirer as ‘Income from other sources’ (Other Income). The rules for determining the FMV of shares and securities have been prescribed in under the Rules.
- (2) As per the provisions of the Rules, the FMV of quoted shares and securities received by way of transaction carried out through any recognised stock exchange would be transaction value as recorded on such stock exchange.
- (3) Accordingly, if it is held that a Fund has earned Other Income, such other income would be chargeable to tax at the rate of 20% for investment under FPI route.

⁵ The Finance Bill 2020 has proposed to extend the concessional rate of 5% till 1 July 2023

(ii) *Provisions under the Tax Treaty*

- (1) Any income earned by a Fund which is not dealt with in any other Articles of the Tax Treaty would not be taxable in India in the hands of a Fund under the Tax Treaty, unless a Fund is carrying on a business through a PE or fixed base in India.

(b) **Provisions related to overseas transfer**

- (i) As per provisions of the ITA, capital gains on income arising from the transfer of shares or interest in a foreign company or entity registered outside India shall be taxable in India (subject to availability of Tax Treaty benefits, if available), if the shares or interest, directly or indirectly, derive their value substantially from assets located in India. The shares or interest shall be deemed to derive substantial value from the assets located in India, if on the specified date, the value of Indian assets—
- (A) exceeds INR 100 million; and
- (B) represents at least 50% of the value of all the assets owned by the foreign company.
- (ii) The capital gains will be taxable in India only to the extent that they are attributable to the Indian assets. The valuation rules have been prescribed in this regard.
- (iii) Exemption to small shareholders - There would be no levy of Indian tax if the transferor, along with its related parties: (a) does not hold the right of management or control in the direct ordinary shareholder or indirect ordinary shareholder; and (b) holds less than or equal to 5% of the voting power or the share capital, directly or indirectly, in the company/entity organised outside India which holds the Indian assets directly.
- (iv) The ITA, as amended by Finance Bill, 2020, clarifies that the scope of the overseas transfer tax provisions shall not cover within their ambit, direct or indirect investments held by non-resident investors in FPIs that are registered as Category I FPI with Securities Exchange Board of India (SEBI) under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019. Thus, transfer or redemption of shares held by the investors directly or indirectly in such FPIs will not be subject to any tax/ withholding tax in India.

(c) **Minimum Alternate Tax**

- (i) The provisions of the ITA provides for levy of Minimum Alternate Tax (**MAT**) on all companies. Under these provisions, where income-tax payable by a company on its total income as computed under the ITA is less than 15% (Fifteen percent) of its book profits (computed in a prescribed manner), then the book profit is deemed to be total income and the tax is computed at 15% (Fifteen percent) of its book profits.
- (ii) Further, as per the ITA amended by the Finance Act 2016, MAT provisions should not be applicable to a foreign company, if:
- (A) it is resident of a country with which India has a DTAA, and it does not have a PE in India, in accordance with the provisions of the relevant DTAA; or
- (B) it is resident of a country with which India does not have a DTAA, and it is not required to seek registration under Indian corporate laws.
- (iii) In the current case, as a Fund is expected to be resident of Ireland with which India has a DTAA and it does not form PE in India and the income of a Fund would comprise of

capital gains (which should be excluded from MAT as discussed above), and hence MAT should not be applicable to the Fund.

(d) General Anti-avoidance Rule

- (i) GAAR was introduced by the Finance Act (FA), 2012, to be effective from the financial year 2013-14 with the objective of dealing with aggressive tax planning through the use of sophisticated structures and codifying the doctrine of 'substance over form'. Based on the recommendations of an Expert Committee constituted by the Government, the applicability of GAAR was deferred by the FA, 2013, to the financial year 2015-16. It has since then been deferred to become effective from 1 April 2017 with respect to the investments made on or after 1 April 2017. The provisions provide that an arrangement whose main purpose is to obtain a tax benefit and which also satisfies at least one of the four specified tests (i.e. arrangement is not in arm's length, misuse or abuse of tax laws, lacks or is deemed to lack commercial substance or not carried out for bona fide purpose) can be declared as an "impermissible avoidance arrangement".
 - (ii) Once an arrangement is held to be an impermissible avoidance arrangement, then the consequences in relation to taxation of the arrangement, including denial of tax benefits or a benefit under a DTAA, will be determined keeping in view the circumstances of the case. Such consequences could include, but are not limited to: (i) disregarding, combining or re-characterizing the arrangement, or any step or part thereof; (ii) treating the arrangement as if it had not been entered into or carried out; (iii) disregarding any accommodating party or treating the accommodating party and any other party as the same person; (iv) deeming connected persons as the same person for the purpose of determining tax treatment of any amount; (v) re-allocating, amongst the parties to the arrangement, any accrual, receipt (capital or revenue), expenditure, deduction, relief or rebate; (vi) treating the place of residence of any party to the arrangement, or the situs of an asset or a transaction, as a place other than the place of residence, or location of the asset or the transaction as provided under the arrangement; and (vii) looking through any arrangement by disregarding any corporate structure.
 - (iii) Further, the onus to prove that the transaction is not an impermissible avoidance arrangement is on the taxpayer. Also, any resident or non-resident may approach the Authority for Advance Rulings to determine whether an arrangement can be regarded as an impermissible avoidance arrangement.
- (A) *Monetary Threshold Exemption:* The GAAR provisions should apply only where the tax benefit (to all the parties in aggregate) from an arrangement in a relevant year exceeds INR 30 million.
- (B) *Exemption to FPIs and P-Note holders:* SEBI registered FPIs are excluded from applicability of GAAR provisions if they do not avail benefits under a DTAA entered into by India. Hence, if an FPI proposes to avail the benefits of a DTAA, the GAAR provisions may apply in case of an impermissible avoidance arrangement. Investments in FPIs made by non-resident investors by way of offshore derivative instruments, directly or indirectly, are excluded from the ambit of the GAAR provisions.
- (iv) The GAAR provisions would override the provisions of the applicable DTAA. Further, the GAAR provisions shall be applied in accordance with the guidelines and subject to the conditions prescribed by the CBDT.
 - (v) Rule 10U of the Income-tax Rules, 1962 provides that GAAR would not apply to FPIs that do not take any benefit under tax treaties entered into by India with other countries

and have invested in listed or unlisted securities with prior permission of the competent authority, in accordance with the Securities and Exchange Board of India Regulations, 1995 and such other regulations, as may be applicable, in relation to such investments. Accordingly, the impact of the GAAR provisions on the Trust may be restricted to the extent of any benefit claimed by the ICAV under Article 11 (Interest) or Article 13 (Capital gains) of the Treaty.

- (vi) The ICAV believes that it has not been set up with the primary purpose of avoiding tax in India but is set-up as a pooling vehicle for the purposes of making investment in Indian securities. The investment manager has undertaken an analysis for the set-up of the ICAV in Ireland. Given that the GAAR provisions are untested and the limited guidance available in this context, there is no guarantee that the IRA may not take a different view in this regard.

(e) Multilateral Convention to implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting

- (i) The OECD released the Multilateral Convention to implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (**MLI**). Once adopted, MLI will supplement the existing tax treaties that India has with several countries and incorporate anti-avoidance rules/ LOB conditions. At the time of signing the MLI, countries are required to submit a list of their existing tax treaties, which they would like to designate as Covered Tax Agreements (**CTA**) i.e., agreements to be amended through the MLI. Together with the list of CTAs, the countries are also required to submit a preliminary list of their reservations and notifications in respect of the various provisions of the MLI.
- (ii) Ireland has signed MLI and India has been notified as a CTA. Further, India has also deposited its ratification instrument with the OECD wherein Ireland is covered as a CTA. The MLI, amongst others, includes a “**principal purpose test**”, wherein DTAA benefits can be denied if one of the principal purpose of an arrangement or a transaction was to, directly or indirectly, obtain tax benefit unless it is established that granting that benefit would be in accordance with the object and purpose of the relevant DTAA.

(f) Transfer Pricing

- (i) In case the debt investment by the Fund in the Indian portfolio companies constitutes 51% or more of the book value of the total assets of the Indian portfolio companies, the Fund and the Indian Company should be regarded as associated enterprises for the purposes of the ITA and accordingly, any transaction between the Fund and the Indian portfolio companies should be at arm's length and should comply with the Indian transfer pricing provisions, to the extent applicable.

(g) Securities Transaction Tax

- (i) A Fund will be liable to pay Securities Transaction Tax (**STT**) in respect of dealings in Indian securities purchased or sold on the recognised stock exchanges in India. The applicable rates of STT are as follows:
 - (A) 0.1% (zero point one percent) on purchase of equity shares in a company listed on a recognised stock exchange in India.
 - (B) 0.1% (zero point one percent) on sale of equity shares in a company listed on a recognised stock exchange in India.

- (C) 0.001% (zero point zero zero one percent) on sale of units of equity oriented mutual funds on a recognised stock exchange in India.
- (D) 0.025% (zero point zero two five percent) on sale of equity shares in a company or units of equity oriented mutual funds or (with effect from 1 October, 2014) units of a business trust in a recognised stock exchange in India where the contract for sale is settled otherwise than by the actual delivery or transfer of share or unit.
- (E) 0.05% (zero point zero five percent) of option premium on sale of an option in securities.
- (F) 0.125% (zero point one two five percent) of intrinsic value on sale of option in securities, where option is exercised.
- (G) 0.01% (zero point zero one percent) on sale of futures in securities.
- (H) 0.001% (zero point zero zero one percent) on sale of units of an equity oriented fund to a mutual fund.
- (I) 0.2% (zero point two percent) on sale of unlisted securities under an offer of sale to the public.

8.7.23 ***The foregoing summary should not be considered to describe fully the income and other tax consequences of an investment in a Fund. Prospective investors are strongly urged to consult with their tax advisors, with specific reference to their own situations, with respect to the potential tax consequences of an investment in a Fund.***

9 GENERAL INFORMATION

9.1 Reports and Accounts

9.1.1 The year-end in respect of the Trust is 30 September in each year. Audited accounts prepared in accordance with international financial reporting standards accounting principles and a report in relation to the Trust will be made available to Unitholders within 4 months after the conclusion of each Accounting Period and can be obtained from the Manager during normal business hours at the registered office of the Manager. The Administrator will also make available the unaudited semi-annual reports in respect of the Trust to Unitholders within two months after the end of the six-month period ending 31 March in each year which can be obtained from the Manager during normal business hours at the registered office of the Manager. The first annual report will be for the period from the establishment of the Trust to 30 September 2021. The first semi-annual report will be for the period from 30 September 2021 to 31 March 2022. Such accounts and reports will contain a statement of the value of the net assets of the Trust and of the investments comprised therein as at the year-end or the end of such six-month period and such other information as is required by the Regulations.

9.1.2 The annual report and audited accounts and the semi-annual report and unaudited accounts will be made available by the Manager to the Unitholders either at the following website address www.iciciglobalinvestments.com or may be sent to Unitholders by electronic means of communication, within four and two months respectively after the end of the period to which they relate. Unitholders and prospective investors may also, on request, receive hard copy reports from the Administrator.

9.2 Directors' Confirmation – Commencement of Business

The Trust was established by deed in Ireland on 19 January 2021 as an open-ended investment umbrella unit trust established under the laws of Ireland and authorised by the Central Bank of Ireland pursuant to

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

9.3 Meetings of Unitholders

- 9.3.1 The Trust Deed contains detailed provisions for meetings of Unitholders of the Trust. Meetings may be convened by the Trustee, the Manager or the holders of at least 10 per cent of the Units in issue in the Trust on not less than 14 days' notice (inclusive of the day on which the notice is served or deemed to be served and of the day for which notice is given). Notices of meetings will be posted to Unitholders or Unitholders of the Trust. Unitholders may appoint proxies, who need not themselves be Unitholders. The quorum for a meeting for the transaction of business will be two Unitholders present in person or by proxy including for the purpose of passing an Extraordinary Resolution or, for an adjourned meeting, Unitholders present in person or by proxy whatever their number and the number of Units held by them.
- 9.3.2 On a show of hands every Unitholder who (being an individual) is present in person or by proxy or (being a firm) is, present in the person of one of the partners thereof or (being a corporation) is represented by a representative or by one of its officers as its proxy shall have one vote. On a poll every Unitholder present in person or by representative or proxy shall have one vote for every Unit for which is registered in the name of the Unitholder. Such voting rights may be amended in the same manner as any other provisions of the Trust Deed.
- 9.3.3 Units in the Trust are entitled to participate equally in the profits and distributions of the Trust and in its assets in the event of termination.
- 9.3.4 An Extraordinary Resolution is a resolution proposed as such at a meeting of Unitholders at which a quorum is present and passed by a majority of 75 per cent of the total number of votes cast.

9.4 Duration of the Trust

- 9.4.1 The Trust or any Fund will continue until terminated in accordance with the Trust Deed.
- 9.4.2 The Trust or any Fund may be terminated in a number of ways:
- (a) by the Manager on not less than three months notice in writing to the Trustee;
 - (b) by the Manager if the Net Asset Value of the Trust or any Fund falls below a certain minimum level;
 - (c) by the Trustee on the liquidation of the Manager (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee), receivership or appointment of an examiner to the Manager, if the Trust shall cease to be authorised or otherwise officially approved under the Regulations, if any laws shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable to continue the Trust, on the removal of the Manager if a qualified successor acceptable to the Trustee and the Central Bank cannot be found within a period of 90 days' or if within a period of 90 days' from the date of the Trustee expressing in writing its desire to retire the Manager shall have failed to appoint a new Trustee pursuant to the provisions of the Trust Deed;
 - (d) by the Manager on the liquidation of the Trustee (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager), receivership or appointment of an examiner to the Trustee, if at any date the Net Asset Value of the Trust shall be less than US\$10 million or such lesser amount as the Manager may determine, if the Trust shall cease to be authorised or otherwise officially

approved under the Regulations, if any laws shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Trust, on the removal of the Trustee if a qualified successor acceptable to the Manager and the Central Bank cannot be found within a period of 90 days' or if within a period of 90 days' from the date of the Manager expressing in writing to the Trustee its desire to retire the Trustee shall have failed to appoint a new manager pursuant to the provisions of the Trust Deed;

- (e) if the Manager and/or Trustee should retire on 90 days notice and no successor is found in that 90 day period; and
- (f) by the Trustee and the Manager with the approval of an Ordinary Resolution of a meeting of the Unitholders or the Unitholders in the Trust which shall take effect from the date so approved.

- 9.4.3 Prior to terminating the Trust or any Fund, the Manager shall give notice to the Unitholders of the Trust and by such notice fix the date at which such termination is to take effect.
- 9.4.4 The Trust or any Fund may at any time be terminated by the Trustee and the Manager with the approval of an Ordinary Resolution and such termination shall take effect from the date so approved.
- 9.4.5 With effect on and from the date as at which the Trust or any Fund is to terminate, no Units in the Trust or relevant Fund may be issued or sold by the Manager and neither the Manager nor any Unitholder shall have any right to require the cancellation or realisation of any Unit. The Manager shall realise all the assets then comprised in the Trust or relevant Fund.
- 9.4.6 After a Trust or any Fund has been terminated, each of the Trustee and the Manager may exercise its powers and carry out its duties under the Trust Deed and shall otherwise continue to have the benefit of and be subject to the provisions of the Trust Deed and shall be entitled to exercise all of its powers, duties, authorities and discretions thereunder until all of the assets of the shall have been distributed to the Unitholders of the Trust or relevant Fund or any unclaimed net proceeds or other cash paid into court pursuant to the provisions of the Trust Deed.
- 9.4.7 On termination of the Trust or any Fund and subject to the following clause, the Trustee shall from time to time distribute to the Unitholders in proportion to their respective interests in the assets of the Trust or relevant Fund all net cash proceeds derived from the realisation of the assets of the Trust or relevant Fund and available for the purpose of such distribution, provided that the Trustee shall not be bound (except in the case of the final distribution) to distribute any of the moneys for the time being in its hands the amount of which is insufficient to pay US\$0.10 in respect of each Unit and provided also that the Trustee shall be entitled to retain out of any moneys in its hands as part of the assets of the Trust or relevant Fund full provision for all costs, charges, expenses, claims and demands incurred, made or expended by the Trustee or the Manager in connection with or arising out of the termination of the Trust or relevant Fund and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands provided that the Trustee exercised due care and diligence in the discharge of its duties and the loss does not arise from the unjustifiable failure of the Trustee to perform its duties or the improper performance of those duties. Every such distribution shall be made in the same manner as is provided were a dividend to be paid as set out above under the heading **Dividend Policy**. Any unclaimed proceeds or other cash held by the Trustee at the expiration of 12 months from the date upon which the same were payable may be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.
- 9.4.8 At the request of the Manager, the Trustee may distribute among the Unitholders in the Trust or any Fund in specie the whole or any part of the assets of the Trust or any Fund as the case may

be, and whether or not the assets shall consist of property of a single kind and the Trustee may, subject to the prior approval of the Manager, for such purposes set such value as it deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the Unitholders but so that no Unitholder shall be compelled to accept any assets in respect of which there is a liability outstanding. A Unitholder may require the Trustee instead of transferring any assets in specie to him/her, to arrange for sale of the assets and for payment to the Unitholder of the net proceeds of same.

9.5 **Litigation and Arbitration**

The Trust is not involved in any litigation nor are the Directors of the Manager aware of any pending or threatened litigation against the Trust since its establishment.

9.6 **Directors' interests**

9.6.1 At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Trust and no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Trust.

9.6.2 At the date of this Prospectus neither the Directors nor any Associated Person have any beneficial interest in the share capital of the Manager or any options in respect of such capital.

9.7 **Material contracts**

9.7.1 The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Trust and are or may be material:

(a) **Administration Agreement** dated 19 January 2021, between the Manager and the Administrator in respect of the Trust; this Agreement provides that the appointment of the Administrator will continue unless and until terminated by either party giving to the other not less than 90 days written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other. The Administrator is entitled to be indemnified by the Manager out of the assets of the Trust against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the fraud, negligence or wilful misconduct on the part of the Administrator) which may be imposed on, incurred by or asserted against the Administrator as a result of or in connection with performing its obligations or duties. The Administrator shall be entitled, without verification, further enquiry or liability on the Administrator's part, to rely on pricing information in relation to specified investments held by the Trust which is provided by price sources set out in the Trust's pricing policy, the Prospectus or in the absence of any such price sources, any price sources on which the Administrator may choose to rely. Without prejudice to the generality of the foregoing, the Administrator shall not be responsible or liable to any person for the valuation or pricing of any assets or liabilities of the Trust (save as provided in the services set out in the Administration Agreement) or for any inaccuracy, error or delay in pricing or valuation information provided by pricing agents, pricing sources or pricing models provided by any person to the Administrator. The Administrator shall not be liable or otherwise responsible for any loss suffered by any person by reason of: (i) any act or omission of any person prior to the commencement date of the Administration Agreement; (ii) any defect, error, inaccuracy, breakdown or delay in any product or service provided to the Administrator by any third party service provider; (iii) any inaccuracy, error or delay in information provided to the Administrator by or on behalf of the Trust or Investment Manager (including any broker, market maker or intermediary) and (iv) actions which are reasonably taken by the Administrator or any Affiliate related to taxes. The Administrator shall not otherwise be liable

for any loss to the Trust or any other person unless direct loss is sustained as a result of its fraud, negligence or wilful misconduct;

- (b) **Investment Management Agreement** dated 19 January 2021, between the Manager and the Investment Manager in respect of the Trust; this Agreement provides that the appointment of the Investment Manager will continue unless and until terminated by either party giving to the other not less than 90 days written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other; this Agreement contains certain indemnities in favour of the Investment Manager which are restricted to exclude matters arising by reason of the negligence, fraud, bad faith, wilful default or wilful misfeasance of the Investment Manager in the performance or non-performance of its obligations and duties.
- (c) **Global Distribution Agreement** dated 18 May 2021 between the Manager and Thornbridge Investment Management LLP (the **Global Distributor**) in respect of the Trust: this Agreement provides that the appointment of the Global Distributor will continue unless and until terminated by either party giving to the other not less than 90 days written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other; this Agreement contains certain indemnities in favour of the Global Distributor which are restricted to exclude matters arising by reason of the negligence, fraud, or wilful default of the Global Distributor in the performance or non-performance of its duties and obligations.
- (d) Please refer to each Supplement for details of any other relevant material contracts (if any) in respect of a Trust.

9.8 Documents available for Inspection

- 9.8.1 Copies of the following documents may be obtained free of charge from the Manager and Administrator and inspected during usual business hours during a Business Day at the principal offices of the Manager and at the principal offices of the Trustee at the addresses shown in the Directory at the end of this document or in the case of UK investors at the offices of the Investment Manager:
 - (a) the Trust Deed (as amended and supplemented);
 - (b) the Prospectus (as amended and supplemented) and the Supplements relating to each of the Funds (as amended and supplemented);
 - (c) the annual and half yearly reports relating to the Trust most recently prepared and published by the Manager;
 - (d) the Regulations; and
 - (e) the material contracts referred to above.
- 9.8.2 Copies of the Trust Deed and, after publication thereof, the periodic reports and accounts in respect of the Trust may be obtained from the Administrator free of charge.

MANAGER

KBA CONSULTING MANAGEMENT LIMITED

5 GEORGE'S DOCK

IFSC

DUBLIN 1

IRELAND

DIRECTORS OF THE MANAGER

SAMANTHA MCCONNELL

JOHN OPPERMANN

PEADAR DE BARRA

MICHAEL KIRBY

FRANK CONNOLLY

INVESTMENT MANAGER

ICICI PRUDENTIAL ASSET MANAGEMENT COMPANY LIMITED

ONE BKC, A - WING,

13TH FLOOR, BANDRA-KURLA COMPLEX,

BANDRA (EAST)

MUMBAI 400 051

TRUSTEE

HSBC CONTINENTAL EUROPE

1 GRAND CANAL SQUARE

GRAND CANAL HARBOUR

DUBLIN 2

IRELAND

ADMINISTRATOR TO THE TRUST

HSBC SECURITIES SERVICES (IRELAND) DAC

1 GRAND CANAL SQUARE

GRAND CANAL HARBOUR

DUBLIN 2

IRELAND

AUDITORS TO THE TRUST

PWC

ONE SPENCER DOCK

NORTH WALL QUAY

DUBLIN 1

IRELAND

IRISH LEGAL ADVISERS TO THE TRUST

A&L GOODBODY LLP

INTERNATIONAL FINANCIAL SERVICES CENTRE

NORTH WALL QUAY

DUBLIN 1

IRELAND

SECRETARY OF THE MANAGER

CLIFTON FUND CONSULTING LIMITED

5 GEORGE'S DOCK

I.F.S.C

DUBLIN 1

GLOBAL DISTRIBUTOR

THORNBRIDGE INVESTMENT MANAGEMENT LLP

13 AUSTIN FRIARS

LONDON

EC2N 2HE

SCHEDULE 1

INVESTMENT RESTRICTIONS

1 Permitted Investments

1.1 Investments of a UCITS are confined to:

- 1.1.1 Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
- 1.1.2 Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.1.3 Money market instruments other than those dealt on a regulated market.
- 1.1.4 Units of UCITS.
- 1.1.5 Units of AIFs
- 1.1.6 Deposits with credit institutions
- 1.1.7 Financial derivative instruments

2 Investment Restrictions

- 2.1 A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in clause 1 above.

2.2 Recently Issued Transferable Securities

- 2.2.1 Subject to clause 2.1 a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.
- 2.2.2 Clause 2.1 does not apply to an investment by a responsible person in US Securities known as “Rule 144 A securities” provided that;
 - (a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and
 - (b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.

- 2.3 A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.

- 2.4 Subject to the prior approval of the Central Bank, the limit of 10% (in clause 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS.

- 2.5 The limit of 10% (in clause 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6 The transferable securities and money market instruments referred to in clauses 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in clause 2.3.
- 2.7 Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of the UCITS.
- 2.8 The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.
- 2.9 This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand
- 2.10 Notwithstanding clauses 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- investments in transferable securities or money market instruments;
 - deposits, and/or
 - counterparty risk exposures arising from OTC derivatives transactions.
- 2.11 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- 2.12 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.13 A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

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

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

- 2.14 The UCITS must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

3 Investment in Collective Investment Schemes ("CIS")

- 3.1 A UCITS may not invest more than 20% of net assets in any one CIS.
- 3.2 Investment in AIFs may not, in aggregate, exceed 30% of net assets.
- 3.3 The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
- 3.4 When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
- 3.5 Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.

4 Index Tracking UCITS

- 4.1 A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank
- 4.2 The limit in clause 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

5 General Provisions

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

NOTE: The limits laid down in sub-clauses 5.2 (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

- 5.3 5.1 and 5.2 shall not be applicable to:
 - (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
 - (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;

(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;

(iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in clauses 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, clauses 5.5 and 5.6 below are observed.

(v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.

5.4 UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.

5.5 The Central Bank may allow recently authorised UCITS to derogate from the provisions of clauses 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

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

5.7 Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:

- transferable securities;
- money market instruments*;
- units of investment funds; or
- financial derivative instruments.

5.8 A UCITS may hold ancillary liquid assets.

6 Financial Derivative Instruments ('FDIs')

6.1 The UCITS global exposure relating to FDI must not exceed its total net asset value.

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

6.3 UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that

- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

6.4 Investment in FDIs are subject to the conditions and limits laid down by the Central Bank

*Any short selling of money market instruments by UCITS is prohibited

SCHEDULE 2

THE REGULATED MARKETS

With the exception of permitted investments in unlisted investments and off exchange derivative instruments, a Fund may only invest on a stock exchange or market which meets the regulatory criteria (regulated, operating regularly, recognised and open to the public) and which is listed below:

1 Any stock exchange which is:

(a) located in any Member State of the European Union; or

(b) located in any Member State of the European Economic Area (EEA) (Norway, Iceland and Liechtenstein); or

(c) located in any of the following countries:

Australia

Canada

Japan

Hong Kong

New Zealand

Switzerland

United States of America

United Kingdom

2 Any of the following stock exchanges or markets:

Argentina	–	Bolsa de Comercio de Buenos Aires
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Argentina	–	Bolsa de Comercio de Cordoba
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Argentina	–	Bolsa de Comercio de Rosario
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Bangladesh	–	Dhaka Stock Exchange
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Bangladesh	–	Chittagong Stock Exchange
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Bermuda	–	Bermuda Stock Exchange
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Botswana	–	Botswana Stock Exchange
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Brazil	–	Bolsa de Valores do Rio de Janeiro
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Brazil	–	Bolsa de Valores de Sao Paulo
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Brazil	–	Bolsa de Valores, Mercadorias & Futuros de São Paulo (BM&F)
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Bulgaria	–	First Bulgarian Stock Exchange
Chile	–	Bolsa de Comercio de Santiago
Chile	–	Bolsa Electronica de Chile
Chile	–	Bolsa de Valparaiso
Colombia	–	Bolsa de Bogota
Colombia	–	Bolsa de Medellin
Colombia	–	Bolsa de Occidente
Croatia	–	Zagreb Stock Exchange
Dubai	–	Dubai Financial Markets
Egypt	–	Alexandria Stock Exchange
Egypt	–	Cairo Stock Exchange
Ghana	–	Ghana Stock Exchange
India	–	Bangalore Stock Exchange
India	–	Delhi Stock Exchange
India	–	BSE- Bombay Stock Exchange
India	–	National Stock Exchange of India
Indonesia	–	Jakarta Stock Exchange
Indonesia	–	Surabaya Stock Exchange
Indonesia	–	Indonesian Stock Market
Israel	–	Tel–Aviv Stock Exchange
Jersey, Channel Islands	–	Channel Islands Stock Exchange
Jordan	–	Amman Financial Market
Kazakhstan (Rep. Of)	–	Central Asian Stock Exchange
Kazakhstan (Rep. Of)	–	Kazakhstan Stock Exchange
Kenya	–	Nairobi Stock Exchange
Kuwait	–	Kuwait Stock Exchange
Malaysia	–	Kuala Lumpur Stock Exchange
Malaysia	–	Bursa Malaysia Stock Exchange
Mauritius	–	Stock Exchange of Mauritius

Mexico	–	Bolsa Mexicana de Valores/Mexican Stock Exchange
Mexico	–	Mercado Mexicano de Derivados
Morocco	–	Societe de la Bourse des Valeurs de Casablanca
Namibia	–	Namibian Stock Exchange
New Zealand	–	New Zealand Stock Exchange
Nigeria	–	Nigerian Stock Exchange
Pakistan	–	Islamabad Stock Exchange
Pakistan	–	Karachi Stock Exchange
Pakistan	–	Lahore Stock Exchange
Peoples' Rep. of China	–	Shanghai Securities Exchange
Peoples' Rep. of Shenzhen	–	Shenzhen Stock Exchange
Peru	–	Bolsa de Valores de Lima
Philippines	–	Philippine Stock Exchange
Qatar	–	Qatar Exchange
Romania	–	Bucharest Stock Exchange
Russia	–	Moscow Stock Exchange
Russia	–	Russian Trading System (RTS) Stock Exchange
Russia	–	Moscow Interbank Currency Exchange
Saudi Arabia	–	Saudi Stock Exchange/Tadawul
Singapore	–	Singapore Stock Exchange
South Africa	–	Johannesburg Stock Exchange
South Africa	–	South African Futures Exchange
South Africa	–	Bond Exchange of South Africa
South Korea	–	Korea Stock Exchange/KOSDAQ Market
Sri Lanka	–	Colombo Stock Exchange
Taiwan		
(Republic of China)	–	Taiwan Stock Exchange Corporation
Taiwan		
(Republic of China)	–	Gre Tai Securities Market

Taiwan		
(Republic of China)	–	Taiwan Futures Exchange
Thailand	–	Stock Exchange of Thailand
Thailand	–	Market for Alternative Investments
Thailand	–	Bond Electronic Exchange
Thailand	–	Thailand Futures Exchange
Tunisia	–	Bourse des Valeurs Mobilières de Tunis
Turkey	–	Istanbul Stock Exchange
Turkey	–	Turkish Derivatives Exchange
UAE	–	Abu Dhabi Securities Exchange
UAE	–	Dubai Financial market
UAE	–	NASDAQ Dubai
Vietnam	–	Hanoi Stock Exchange
Vietnam	–	Ho Chi Minh Stock Exchange
Zambia	–	Lusaka Stock Exchange

3 Any of the following markets:

- (a) MICEX (equity securities that are traded on level 1 or level 2 only);
- (b) RTS1 (equity securities that are traded on level 1 or level 2 only);
- (c) RTS2 (equity securities that are traded on level 1 or level 2 only);
- (d) the market organised by the International Capital Market Association;
- (e) the market organised by the International Securities Exchange;
- (f) the market conducted by the listed money market institutions, Bank of England publication The Regulation of the Wholesale Cash and OTC Derivatives Markets in (Sterling, foreign currency and bullion);
- (g) AIM – the Alternative Investment Market in the UK, regulated and operated by the London Stock Exchange;
- (h) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- (i) NASDAQ in the United States;
- (j) the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;

- (k) the over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc. (also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);
- (l) the French market for Titres de Créances Négotiables (over-the-counter market in negotiable debt instruments);
- (m) NASDAQ Europe (is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges);
- (n) the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;
- (o) the market (i) conducted by banks and other institutions regulated by the FCA and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook; and (ii) in non-investment products which is subject to the guidance contained in the **Non-Investment Products Code** drawn up by the participants in the London market, including the FCA and the Bank of England (formerly known as the Grey Paper);
- (p) NYSE Euronext;
- (q) SESDAQ (the second tier of the Singapore Stock Exchange);
- (r) the Negotiated Dealing System of the Reserve Bank of India for transacting in Government Securities;
- (s) the over-the-counter market in Indian bonds; and
- (t) any other regulated markets in India.

4 All derivatives exchanges on which permitted financial derivative instruments may be listed or traded:

- (a) in a Member State;
- (b) in a Member State in the European Economic Area (European Union Norway, Iceland Liechtenstein);
- (c) in the United States of America, on the:
 - Chicago Board of Trade;
 - Chicago Board Options Exchange;
 - Chicago Mercantile Exchange;
 - Eurex US;
 - New York Futures Exchange;
 - New York Board of Trade;
 - New York Mercantile Exchange;
- (d) in China, on the Shanghai Futures Exchange;
- (e) in Hong Kong, on the Hong Kong Futures Exchange;

(f) in Japan, on the:

- Osaka Securities Exchange;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;

(g) in New Zealand, on the New Zealand Futures and Options Exchange;

(h) in Singapore, on the

- Singapore International Monetary Exchange;
- Singapore Commodity Exchange;

(i) in the United Kingdom.

These exchanges and markets are listed in accordance with the with the regulatory criteria as defined in the Central Bank UCITS Regulations which does not issue a list of approved exchanges and markets.

SCHEDULE 3

LIST OF SUB-CUSTODIAL AGENTS OF THE TRUSTEE

Country	Sub-custodian/Agent
Argentina	HSBC Bank Argentina S.A.
Australia	HSBC Bank Australia Limited
Austria	HSBC Trinkaus & Burkhardt AG
Bahrain	HSBC Bank Middle East Ltd, Bahrain
Bangladesh	The Hongkong and Shanghai Banking Corporation Limited, Bangladesh
Belgium	BNP Paribas Securities Services, Belgium
Belgium	Euroclear Bank SA/NV
Benin	Societe Generale Côte d'Ivoire
Bermuda	HSBC Bank Bermuda Limited
Botswana	Standard Chartered Bank Botswana Ltd
Brazil	Banco Bradesco S.A.
Bulgaria	UniCredit Bulbank AD
Burkina Faso	Societe Generale Côte d'Ivoire
Canada	Royal Bank of Canada
Chile	Banco Santander Chile
China	HSBC Bank (China) Company Limited
Colombia	Itau Securities Services Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco Nacional de Costa Rica
Croatia	Privredna Banka Zagreb d.d.
Cyprus	HSBC Continental Europe, Greece (Cyprus)
Czech republic	Ceskoslovenska Obchodni Banka, AS
Denmark	Skandinaviska Enskilda Banken AB (publ)
Egypt	HSBC Bank Egypt SAE
Estonia	AS SEB Pank
Finland	Skandinaviska Enskilda Banken AB (publ)
France	CACEIS Bank France
Germany	HSBC Trinkaus & Burkhardt AG
Ghana	Stanbic Bank Ghana Ltd
Greece	HSBC Continental Europe, Greece
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited, Hong Kong
Hungary	UniCredit Bank Hungary Zrt
India	The Hongkong and Shanghai Banking Corporation Limited, India
Indonesia	PT Bank HSBC Indonesia

Ireland	HSBC Bank Plc, UK (HBEU)
Israel	Bank Leumi Le-Israel BM
Italy	BNP Paribas Securities Services, Milan Branch
Ivory Coast	Societe Generale Côte d'Ivoire
Japan	The Hongkong & Shanghai Banking Corporation Limited, Japan
Jordan	Bank of Jordan
Kazakhstan	JSC Citibank Kazakhstan
Kenya	Stanbic Bank Kenya Limited
Kuwait	HSBC Bank Middle East Ltd, Kuwait Branch
Latvia	AS SEB Banka
Lebanon	Bank Audi SAL
Lithuania	AB SEB Bankas
Luxembourg	Clearstream Banking S.A.
Malaysia	HSBC Bank Malaysia Berhad
Mali	Societe Generale Côte d'Ivoire
Mauritius	The Hongkong and Shanghai Banking Corporation Limited, Mauritius
Mexico	HSBC Mexico, SA
Morocco	Citibank Maghreb S.A.
Netherlands	BNP Paribas Securities Services
New Zealand	The Hongkong and Shanghai Banking Corporation Limited, New Zealand
Niger	Societe Generale Côte d'Ivoire
Nigeria	Stanbic IBTC Bank
Norway	Skandinaviska Enskilda Banken AB (publ)
Oman	HSBC Bank Oman S.A.O.G.
Pakistan	Citibank NA
Palestine	Bank of Jordan Plc, Palestine Branch
Peru	Citibank Del Peru
Philippines	The Hongkong and Shanghai Banking Corporation Limited, Philippines
Poland	Bank Polska Kasa Opieki S.A.
Portugal	BNP Paribas Securities Services
Qatar	HSBC Bank Middle East Ltd, Qatar Branch
Romania	Citibank Europe plc, Dublin - Romania Branch
Russia	AO Citibank
Saudi Arabia	HSBC Saudi Arabia Limited
Senegal	Societe Generale Côte d'Ivoire
Serbia	UniCredit Bank Srbija A.D.
Singapore	The Hongkong and Shanghai Banking Corporation Limited, Singapore
Slovakia	Ceskoslovenska Obchodna Banka AS

Slovenia	UniCredit Banka Slovenija DD
South Africa	Standard Bank of South Africa Limited
South Korea	The Hongkong and Shanghai Banking Corporation Limited, South Korea
Spain	BNP Paribas Securities Services
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited, Sri Lanka
Sweden	Skandinaviska Enskilda Banken AB (publ)
Switzerland	Credit Suisse (Switzerland) Ltd
Taiwan	HSBC Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Mauritius) Ltd, Tanzania
Thailand	The Hongkong and Shanghai Banking Corporation Limited, Thailand
Togo	Societe Generale Côte d'Ivoire
Tunisia	Union Internationale de Banques Tunisia
Turkey	HSBC Bank AS
Uganda	Stanbic Bank Uganda Limited
United Arab Emirates	HSBC Bank Middle East Ltd
United Kingdom	HSBC Bank Plc, UK (HBEU)
United States	HSBC Bank USA, N.A.
Vietnam	HSBC Bank (Vietnam) Ltd
Zambia	Standard Chartered Bank Zambia plc
Zambia	Stanbic Bank Zambia Ltd - Lusaka
Zimbabwe	Standard Bank of South Africa Limited