

## **SANLAM GLOBAL FUNDS PLC**

(a Retail Investor Alternative Investment Fund)

(an open-ended umbrella investment company with variable capital and segregated liability between sub-funds incorporated in Ireland under the laws of Ireland with registration number 307841. The Company is a Retail Investor Alternative Investment Fund authorised by the Central Bank of Ireland to which the Companies Act 2014 and chapter 1 of the AIF Rulebook applies)

## **PROSPECTUS**

**SANLAM ASSET MANAGEMENT (IRELAND) LIMITED (the "AIFM")**

This Prospectus is dated 20 May 2016

The Directors of Sanlam Global Funds plc whose names appear in the "Directors of the Company" section below accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly. Certain of the classes of Shares of the Funds have been admitted to the Official List and traded on the Main Securities Market of the Irish Stock Exchange. Details of the Shares of each Fund admitted to the Official List and traded on the Main Securities Market of the Irish Stock Exchange are set out in the Supplement for the relevant Fund. Application may be made to the Irish Stock Exchange for the listing of other classes of Shares of the Funds issued and available for issue to be admitted to the Official List and traded on the Main Securities Market of the Irish Stock Exchange. This Prospectus together with the relevant Supplement which includes all information required to be disclosed by the listing requirements of the Irish Stock Exchange shall constitute listing particulars for the purpose of such application. The Directors do not anticipate that an active secondary market will develop in such Shares.

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

## **IMPORTANT INFORMATION**

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

**A Repurchase Fee not exceeding 3% of the Net Asset Value per Share may be charged by the Company for payment to the AIFM or as it directs but it is the intention of the Directors that such charge (if any) shall not, until further notice exceed such amount as is set out in the Supplement for the relevant Fund. The difference at any one time between the sale and repurchase price of Shares in the Company means that the investment should be viewed as medium to long term. Where a Fund may invest greater than 20% of its Net Asset Value in emerging markets, shareholders should not invest a substantial proportion of their investment portfolio in the relevant Fund. Please see the "Risk Factors" section below.**

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

**Prices of Shares in the Company may fall as well as rise.**

Distribution of this Prospectus is not authorised in any jurisdiction unless accompanied by a copy of the latest published annual report and audited accounts of the Company and, if published after such annual report and audited accounts, a copy of the latest semi-annual report and unaudited accounts. Such reports and accounts and this Prospectus together form the prospectus for the issue of Shares in the Company.

**The Company has segregated liability between its Funds and accordingly any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund.**

**The Company is an investment company with variable capital incorporated on 11 June 1999 under the laws of Ireland and is an existing designated open-ended investment company pursuant to Section 1394 of the Companies Act 2014 to which the relevant provisions of the Companies Act 2014 and chapter 1 of the AIF Rulebook applies. Such authorisation is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. In addition, the Central Bank shall not be liable by virtue of its authorisation of the Company or by reason of the exercise of the functions conferred on it by legislation in relation to the Company for any default of the Company. Authorisation of the Company does not constitute a warranty by the Central Bank as to the creditworthiness or financial standing of the various parties connected with the Company.**

Neither the admission of Shares of the Company to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange nor the approval of the Prospectus pursuant to the listing requirements of the Irish Stock Exchange shall constitute a warranty or representation by the Irish Stock Exchange as to the competence of service providers, or any other party connected with the Company or any Funds, the adequacy of information contained in the Prospectus or the suitability of the Company for investment purposes.

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

The Articles of Association of the Company give powers to the Directors to impose restrictions on the

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

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

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

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

## **DIRECTORY**

### **SANLAM GLOBAL FUNDS PLC**

#### **REGISTERED OFFICE**

Beech House  
Beech Hill Road  
Dublin 4  
Ireland

#### **DIRECTORS OF THE COMPANY**

Paul Dobbyn  
Haydn Franckeiss  
Tom Murray  
Richard Aslett

#### **AIFM, COMPANY SECRETARY ADMINISTRATOR, AND SECURITIES LENDING AGENT**

Sanlam Asset Management (Ireland) Limited  
Beech House  
Beech Hill Road  
Dublin 4  
Ireland

#### **INVESTMENT ALLOCATION MANAGER**

Details of the Investment Allocation Manager (if any)  
are set out in the Supplement  
for the relevant Fund

#### **INVESTMENT MANAGER(S)**

Details of the Investment Manager(s) to each Fund  
are set out in the Supplement  
for the relevant Fund

#### **DEPOSITARY**

Brown Brothers Harriman Trustee Services (Ireland) Limited

**Registered Office**  
30 Herbert Street  
Dublin 2  
Ireland

#### **REGISTRAR AND TRANSFER AGENT**

Brown Brothers Harriman Fund Administration Services (Ireland) Limited

30 Herbert Street  
Dublin 2  
Ireland

#### **DISTRIBUTORS**

Sanlam Collective Investments Limited  
2 Strand Road  
Bellville  
7530  
South Africa

Sanlam Investment Management (Pty) Limited  
55 Willie Van Schoor Avenue  
Bellville  
7530  
South Africa

#### **IRISH LEGAL ADVISORS TO THE COMPANY**

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

#### **BROKERS**

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

#### **AUDITORS OF SANLAM GLOBAL FUNDS PLC**

Ernst & Young  
Ernst & Young Building  
Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

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## DEFINITIONS

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

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

**Administrator** means Sanlam Asset Management (Ireland) Limited or any other person or persons for the time being duly appointed administrator in succession to the said Sanlam Asset Management (Ireland) Limited in accordance with the requirements of the Central Bank.

**AIF Rulebook** means the rulebook issued by the Central Bank in respect of alternative investment funds from time to time affecting the Company and each Fund.

**AIFM** means Sanlam Asset Management (Ireland) Limited or any successor thereto appointed in accordance with the requirements of the Central Bank and as required and in compliance with AIFMD, as the alternative investment fund manager to the Company.

**Amended and Restated Management and Administration Agreement** means the Amended and Restated Management and Administration Agreement between the Company and the AIFM dated 29 August 2014 as may be amended, modified or supplemented from time to time in accordance with the requirements of the Central Bank.

**AIFM Regulations** means the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013).

**AIFMD** means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers as supplemented by the European Commission's delegated regulations of 19 December 2012.

**AIFMD Information Card** means the AIFMD information card at Appendix III to this Prospectus, specifying certain investor disclosure information in accordance with Article 23 of AIFMD.

**Application Form** means the application form for Shares in the Company.

**Articles** means the Articles of Association of the Company.

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

**Business Day** means a day on which banks are open for business in such jurisdictions and cities specified in the Supplement for the relevant Fund or such other day(s) as the Directors may, with the approval of the Depositary, determine in relation to each Fund.

**Central Bank** means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Company.

**Company** means Sanlam Global Funds plc.

**Companies Act** means the Companies Act 2014 and every amendment or re-enactment of the same, including any regulations issued pursuant thereto, insofar as they apply to open-ended investment companies with variable capital.

**Connected Person** means the persons defined as such in the section headed "Portfolio Transactions and

Conflicts of Interest”.

**Data Protection Legislation** means the Data Protection Act 1988 as amended by the Data Protection (Amendment) Act 2003 as amended from time to time.

**Dealing Day** means in respect of each Fund such Business Day or Business Days as the Directors may, from time to time, determine and as are specified in the Supplement for the relevant Fund provided that there shall be at least two Dealing Days per month.

**Dealing Deadline** means in relation to applications for subscription, repurchase or conversion of Shares in a Fund, the day and time specified in the Supplement for the relevant Fund and as may be modified from time to time by the Directors provided that once the calculation of the Net Asset Value of a Fund has commenced, the Registrar and Transfer Agent will not accept any late applications.

**Depository** means Brown Brothers Harriman Trustee Services (Ireland) Limited or any other person or persons for the time being appointed Depository hereof in succession to the said Brown Brothers Harriman Trustee Services (Ireland) Limited with the prior approval of the Central Bank.

**Director(s)** means the directors of the Company.

**Distribution Date** means in respect of each Fund such date (if any) as is specified in the Supplement for the relevant Fund on which dividends are declared.

**Distribution Payment Date** means in respect of each Fund such date (if any) as is specified in the Supplement for the relevant Fund on which dividends shall be paid.

**Distributors** means Sanlam Collective Investments Limited and Sanlam Investment Management (Pty) Limited or any other person or persons for the time being appointed as a distributor in addition to or in succession to either of the said Sanlam Collective Investments Limited and Sanlam Investment Management (Pty) Limited.

**Euro, EUR or €** means the lawful currency of the European Monetary Union Member States.

**Exempt Irish Shareholder** means

- (i) a qualifying management company within the meaning of section 739B(1) TCA;
- (ii) a specified company within the meaning of section 734(1) TCA;
- (iii) an investment undertaking within the meaning of section 739B(1) TCA;
- (iv) an investment limited partnership within the meaning of section 739J TCA;
- (v) a pension scheme which is an exempt approved scheme within the meaning of section 774 TCA, or a retirement annuity contract or a trust scheme to which section 784 or 785 TCA applies;
- (vi) a company carrying on life business within the meaning of section 706 TCA;
- (vii) a special investment scheme within the meaning of section 737 TCA;
- (viii) a unit trust to which section 731(5)(a) TCA applies;
- (ix) a charity being a person referred to in section 739D(6)(f)(i) TCA;
- (x) a person who is entitled to exemption from income tax and capital gains tax by virtue of



section 784A(2) TCA and the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;

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

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

**FATCA** means:

- (i) sections 1471 to 1474 of the U.S. Internal Revenue Code or any associated regulations or other official guidance;
- (ii) any intergovernmental agreement, treaty, regulation, guidance or other agreement between the Government of Ireland (or any Irish government body) and the US, UK or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement, implement or give effect to: (a) the legislation, regulations or guidance described in paragraph (i) above; or (b) any similar regime, including any automatic exchange of information regime arising from or in connection with the OECD Common Reporting Standard; and
- (iii) any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding paragraphs;

**FSB** means the South African Financial Services Board.

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

**GBP or Sterling** means the lawful currency of the United Kingdom or any successor currency.

**Initial Issue Price** means the price (excluding any Preliminary Charge) per Share at which Shares are initially offered in a Fund during the Initial Offer Period as specified (if relevant) in the Supplement for the relevant Fund.

**Initial Offer Period** means the period during which Shares in a Fund are initially offered at the Initial Issue Price specified (if relevant) in the Supplement for the relevant Fund.

**Investment Allocation Manager** means the entity specified in the Supplement for the relevant Fund as the investment allocation manager to the relevant Fund in accordance with the requirements of the Central Bank.

**Investment Manager(s)** means the person(s) who is/are duly appointed Investment Manager(s) to the relevant Fund with the prior approval of the Central Bank or any person or persons appointed by the AIFM as an investment manager in addition to or in succession to an existing Investment Manager and approved by the Central Bank to act as investment manager of a Fund.

**Irish Resident** means any person resident in Ireland or ordinarily resident in Ireland other than an Exempt Irish Shareholder.

**Irish Stock Exchange** means The Irish Stock Exchange plc.

**Level 2 Regulation** means Commission Delegated Regulation (EU) No. 231/2013 as may be amended from time to time.

**Member State** means a member state of the European Union.

**MiFID** means Directive 2004/39/EC (Markets in Financial Instruments Directive).

**Minimum Additional Investment Amount** means such amount (if any) as the Directors may from time to time prescribe as the minimum additional amount of subscription by each Shareholder for Shares of the relevant class in a Fund as is specified in the Supplement for the relevant Fund.

**Minimum Initial Investment Amount** means such amount (if any) as the Directors may from time to time prescribe as the minimum initial subscription required by each Shareholder for Shares of the relevant class in a Fund as is specified in the Supplement for the relevant Fund.

**Minimum Shareholding** means such number or value of Shares per Shareholder of the relevant class (if any) as is specified in the Supplement for the relevant Fund.

**month** means calendar month.

**MSCI Europe Index** means the Morgan Stanley Capital International Europe Index which currently consists of the following countries: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

**MSCI World Index** means the Morgan Stanley Capital International World Index which currently consists of the following countries: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States.

**Net Asset Value or Net Asset Value per Share** means in respect of the assets of a Fund, the amount determined in accordance with the principles set out in the "Calculation of Net Asset Value" section below as the Net Asset Value of a Fund or the Net Asset Value per Share.

**Preliminary Charge** means in respect of a Fund, the charge (if any) payable on the subscription for Shares as is specified in the Supplement for the relevant Fund.

**Registrar and Transfer Agent** means Brown Brothers Harriman Fund Administration Services (Ireland) Limited.

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

**Repurchase Fee** means in respect of a Fund, the charge (if any) payable on an application for the repurchase of Shares as is specified in the Supplement for the relevant Fund.

**Retail Investor Alternative Investment Fund** means a retail investor alternative investment fund, a category of collective investment schemes that is not an Undertaking for Collective Investment in Transferable Securities ("UCITS") scheme authorised by the Central Bank pursuant to chapter 1 of the AIF Rulebook.

**Revenue Commissioners** means the Irish Revenue Commissioners.

**Securities Lending Agent** means Sanlam Asset Management (Ireland) Limited or any other person or persons being duly appointed as securities lending agent in succession to the said Sanlam Asset Management (Ireland) Limited.

**Settlement Date** means in respect of receipt of monies for payment of subscription monies for subscription for Shares or dispatch of monies for the repurchase of Shares the date specified in the Supplement for the relevant Fund.

**Shares** means participating shares in the Company representing interests in a Fund and includes, where the context so permits or requires, any class of participating shares representing interests in a Fund.

**shares** where the context so admits or requires means shares in the sub-funds of Sanlam Universal Funds plc.

**Shareholders** means holders of Shares, and each a **Shareholder**.

**sub-funds** where the context so admits or requires means the sub-funds of Sanlam Universal Funds plc.

**Supplement** means any supplement to the Prospectus issued on behalf of the Company in connection with a Fund from time to time.

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

**United States** 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.

**United States Person** means a citizen or resident of the United States, a partnership organised or existing in the United States, a corporation organised under the laws of the United States or any estate or trust, other than an estate or trust the income of which comes from sources outside the United States (which is not effectively connected with the conduct of a trade or business within the United States) and is not included in gross income for the purpose of computing United States Federal income tax.

**US Dollars** or **US\$** means the lawful currency of the United States.

## INTRODUCTION

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

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

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

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

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

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

## MANAGEMENT OF THE COMPANY

### Directors of the Company

The Directors of the Company are described below:

**Paul Dobbyn** (Irish) was a senior partner in A&L Goodbody, Solicitors from 1986 to 2006, where he specialised in banking, financial services and fund management. Mr Dobbyn practised as a barrister in Ireland from 2006 to April 2010. He was a partner in Maples and Calder between 2010 and 2015 and is currently a director of a number of Irish collective investment schemes.

**Haydn Franckeiss** (South African) serves as the Head of Asset Liability Solutions and ALCO Portfolio Manager at Sanlam Investment Management (Pty) Ltd. Mr. Franckeiss previously served as the Head of Equity at the firm. He began his career with Sappi Limited in the international and Corporate Finance departments. He then joined Liberty Asset Management as an analyst in 1992 where he was heading up the Financial Team and was responsible for managing portfolios. He joined Gensec Asset Management in 1999 and spent time as Head of Equity in private equity and Client Services before becoming ALCO Portfolio Manager. Mr. Franckeiss holds a B.Commerce and B.Accountancy Degree from WITS University. He wrote the Board Examination in 1987 and articulated with KPMG.

**Tom Murray** (Irish) has worked in investment banking and financial services for over 25 years. He is currently a non-executive director of several corporates and collective investment vehicles including UCITs, QIFs, Hedge Funds and s.110 companies. He currently serves as a non-executive director of various regulated funds. He obtained a Bachelor of Commerce Degree from University College Dublin in 1976 and qualified as a Chartered Accountant with Coopers & Lybrand in 1980 where he was a computer audit specialist and systems analyst. He was also a member of the National Futures Association between 1990 and 1992. During 2011, Mr Murray was awarded a Diploma in Directors Duties & Responsibilities by the Institute of Chartered Accountants in Ireland. Between 2004 and 2008, Mr Murray was a director of Merrion Corporate Finance Ltd where he was involved in several high profile transactions including the initial public offering of Aer Lingus, Eircom and the sale of Reox. Prior to joining Merrion, he was Treasury Director of Investec Bank Ireland where he was responsible for funding, asset and liability management, corporate and proprietary foreign exchange dealing, stock lending and borrowing, equity financing and structured finance activities. In 1987, he was a founder director and early shareholder in Gandon Securities Ltd, the first entity to be licenced to operate in the International Financial Services Centre, Dublin. Initially, Mr Murray served as Finance Director where, inter alia, he was instrumental in the design and implementation of the financial control and risk management systems for the proprietary trading division. In 1990 Mr Murray moved into a business development role where he established the structured finance, managed futures and equity financing units. In 2000, Gandon Securities Ltd was acquired by Investec Bank and Mr Murray was appointed Treasury Director in which role he served for 4 years. Prior to joining Gandon between 1981 and 1987, Mr Murray was the Chief Financial Officer of Wang International Finance Ltd, the vendor financing division of Wang Computers, where he established the tax, legal and financial reporting structures for computer leasing operations in 14 countries globally.

**Richard Aslett** (British) is the Chief Executive Officer of Sanlam Asset Management (Ireland) Limited, having joined the company in July 2005. Prior to this, he worked as Finance Manager for Bank of Ireland Securities Services Limited, Dublin between 1999 and 2005. Prior to this, he worked in a number of financial services sectors within the United Kingdom including banking, home loan administration and fund management. Mr Aslett is a Fellow of the Association of Chartered Certified Accountants and completed a Masters in Business Administration at University College Dublin in 2003.

No Director has:

- (i) had any unspent convictions in relation to indictable offences; or
- (ii) been a director of any company or partnership which, while he was a director with an executive function or partner at the time of or within the 12 months preceding such events, been declared bankrupt, went into receivership, liquidation, administration or voluntary arrangements; or

(iii) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies); or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of affairs of any company.

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

The Company has delegated the day to day management and running of the Company to the AIFM. Consequently, all Directors of the Company are non-executive.

### **AIFM and Administrator**

The AIFM has been appointed to serve as the Company's administrator and alternative investment fund manager and to manage the assets of each Fund in accordance with its investment objective and policies pursuant to an Amended and Restated Management and Administration Agreement (summarised under General Information below). The AIFM has responsibility for the investment management and general administration of the Company with power to delegate such functions subject to the overall supervision and control of the Directors. The AIFM and Administrator, a limited liability company incorporated in Ireland on 18 June 1997, is owned by Sanlam Limited. The authorised share capital of the AIFM and Administrator is €1,269,738 of which €126,973.80 is in issue and fully paid. The AIFM also acts as manager of Sanlam Universal Funds plc and as alternative investment fund manager to two other collective investment schemes namely Sanlam Qualifying Investors Funds plc and Sanlam Global Fund of Hedge Funds plc (In liquidation).

The AIFM has responsibility for the management and administration of the Company's affairs and distribution of the Shares, subject to the overall supervision and control of the Directors. The AIFM has delegated the performance of certain of its investment management functions in respect of the Company to the Investment Allocation Manager and the Investment Managers. The AIFM has delegated the performance of certain of its distribution functions in respect of the Company to the Distributors.

These delegation arrangements have been notified to the Central Bank and made in accordance with the AIFM's delegation policy and the AIFM Regulations and the AIF Rulebook. The AIFM will notify the Central Bank before any further delegation becomes effective and will be able to justify its entire delegation structure with objective reasons.

Among other requirements of AIFMD, the AIFM shall:

- (subject to the overall policy and supervision of the Directors) have full power, authority and right to exercise the functions, duties, powers and discretion exercisable by the Directors under the Articles either itself or wholly or in part through authorised officers, directors, employees, agents or delegates to manage the investment and re-investment of each Fund with a view to achieving its investment objectives;
- be responsible for the management of the assets of each Fund;
- be responsible for making available to prospective investors the information required by the AIFM Regulations;
- comply with all duties, obligations and functions of an AIFM as are contained in the AIFM Regulations, the Level 2 Regulation and the AIF Rulebook as they apply to the services it provides to the Company; and
- be responsible for marketing and distributing the Shares of the Company and performing such other duties as required under AIFMD.

The AIFM's senior management is responsible for: valuation policies; compliance function; investment policy; investment strategy; risk limits and investment decision-taking monitoring. The AIFM's senior management shall receive regular (at least annual) written reports on compliance, internal audit and risk management and regular reports on (i) the implementation of investment strategies; and (ii) internal procedures for taking investment decisions.

The AIFM shall ensure that its decision-making procedures and its organisational structure ensure fair treatment of Shareholders in the Company.

The duties and functions of the Administrator include, inter alia, the calculation of the Net Asset Value, the keeping of all relevant records and accounts of the Company as may be required with respect to the obligations assumed by it pursuant to the Amended and Restated Management and Administration Agreement and assisting the auditor in relation to the audit of the financial statements of the Company.

The directors of the AIFM and Administrator are:

**Tom Murray** (Irish), whose details are summarised above.

**Richard Aslett** (British) whose details are summarised above.

**Robert Roux** (South African) is the Chief Executive Officer of Sanlam Investment Management Limited. He completed B.Accountancy at the University of Stellenbosch in 1986 and Hons B.Compt at Unisa in 1988. He completed his articles at PricewaterhouseCoopers and qualified as a Chartered Accountant in 1989. After working as an accountant at Sanlam for three years, Mr. Roux spent the next five years in the deciduous fruit industry as a financial manager. During 1999, he joined Gensec Asset Management where he was responsible for management information, IT, procedures and controls in the investment process. He was appointed as Chief Operating Officer of the Sanlam Investment Cluster in 2005 and has a wide range of responsibilities which include functional areas such as finance, risk, legal and compliance as well as the operational responsibilities for companies in Namibia and Ireland.

### **Registrar and Transfer Agent**

Brown Brothers Harriman Fund Administration Services (Ireland) Limited has been appointed as registrar and transfer agent to the Company. The Registrar and Transfer Agent is a private limited company that was incorporated in Ireland on 29 March, 1995, under registration number 231236. The duties and functions of the Registrar and Transfer Agent include, inter alia, the provision of facilities for the certification and registration of Shares and the keeping of all relevant records and accounts of the Company as may be required with respect to the obligations assumed by it pursuant to the Registrar and Transfer Agency Agreement.

## **Investment Allocation Manager**

The AIFM may appoint an Investment Allocation Manager to any Fund. The Investment Allocation Manager may also provide certain investment related services to the AIFM including in particular, to determine the allocation/reallocation of assets amongst the Investment Managers, to review the performance of each of the Investment Managers and to make recommendations on the removal of existing Investment Managers and the appointment of new Investment Managers. The fees of the Investment Allocation Manager may be paid directly out of the assets of the relevant Fund or may be paid by the AIFM out of its own fees. Details of the Investment Allocation Manager and its fees shall be disclosed in the Supplement for the relevant Fund.

## **Investment Manager(s)**

The AIFM shall delegate its powers of investment management of some or all of the assets of each Fund to the relevant Investment Manager(s) with the advice of the Investment Allocation Manager. The Investment Managers shall be appointed after an analysis and research process has been conducted in which factors such as investment style, philosophy, fundamental research orientation, track records, level of expertise and financial stability are evaluated. The fees of an Investment Manager may be paid directly out of the assets of the relevant Fund or may be paid by the AIFM out of its own fees. Details of the relevant Investment Manager and its fees shall be disclosed in the Supplement for the relevant Fund.

## **Depository**

The Company has appointed Brown Brothers Harriman Trustee Services (Ireland) Limited as depository of its assets pursuant to the Depository Agreement (summarised under General Information below).

The Depository is a private limited liability company incorporated in Ireland on 29 March 1995, under registration 231235, and has paid up share capital in excess of \$1,500,000. Its main activity is the provision of custodial services to collective investment schemes. The Depository is an indirect wholly-owned subsidiary of Brown Brothers Harriman & Co. The Depository's registered office is at the address specified in the Directory. Its principal business is the provision of custodial and trustee services, including the provision of corporate trustee services for collective investment schemes.

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

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

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

### *Summary of Fiduciary and Oversight Obligations:*

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



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

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

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

Pursuant to the Depositary Agreement, the Depositary will be liable to the Company and the Shareholders for the loss of any financial instruments held in custody (determined in accordance with AIFMD) by the Depositary or a third party to whom the custody of financial instruments held in custody has been delegated, and shall be responsible for the return of identical financial instruments or a corresponding amount to the Company without undue delay (unless it can prove in accordance with AIFMD that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary). It shall also be liable to the Company and to Shareholders for any loss arising from the Depositary's negligence or its intentional failure properly to fulfil its obligations pursuant to the AIFMD.

The Depositary's liability shall not be affected by any delegation of its safekeeping functions unless it has discharged itself of its liability in accordance with Article 22(13) or (14) of the AIFM Regulations.

The AIFM will inform Shareholders of any arrangement made by the Depositary to discharge itself of liability and of any changes regarding the Depositary's liability.

The Depositary has power to delegate the whole or any part of its custodial functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. In order for the Depositary to discharge its responsibility under the Depositary Agreement, the Depositary must exercise care and diligence in the selection of such sub-depositaries' as safekeeping agents so as to ensure they have and maintain the expertise, competence and standing appropriate to discharge their responsibilities as sub-depositaries. The Depositary must maintain an appropriate level of supervision over the sub-depositaries and make appropriate enquiries, periodically, to confirm that their obligations

continue to be competently discharged.

## **Distributors**

Under separate Distribution Agreements, Sanlam Collective Investments Limited and Sanlam Investment Management (Pty) Limited have been appointed to market and distribute the Shares in South Africa.

Sanlam Collective Investments Limited is a company incorporated under the laws of South Africa by Act 61 of 1973, having its registered office at 2 Strand Road, Bellville, 7530, South Africa. Sanlam Collective Investments Limited is a manager for South African collective investment schemes and is ultimately a subsidiary of Sanlam Limited a listed financial services company.

Sanlam Investment Management (Pty) Limited is a company incorporated under the laws of South Africa by Act 61 of 1973 having its registered office at 55 Willie van Schoor Avenue, Bellville 7530, South Africa. Sanlam Investment Management (Pty) Limited is ultimately a subsidiary of Sanlam Limited.

## **Securities Lending Agent**

Sanlam Asset Management (Ireland) Limited is a company incorporated under the laws of Ireland having its registered office in Beech House, Beech Hill Road, Dublin 4. Sanlam Asset Management (Ireland) Limited is regulated by the Central Bank of Ireland.

## INVESTMENT OBJECTIVE, POLICIES AND RESTRICTIONS

### **Investment Objective and Policies**

The AIFM is responsible for the formulation of the investment objective and policies and any subsequent changes thereto. Details of the investment objective and policies for each Fund of the Company are set out in the Supplement for each Fund.

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

### **Investment Restrictions**

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

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

The investment restrictions applying to a Fund are as follows:

1. A Fund shall not invest more than 20% of its net assets in securities which are not traded in or dealt on a regulated market which operates regularly and is recognised and open to the public (as set out in Appendix II).
2. Subject to Section 5 below a Fund shall not invest more than 20% of its net assets in securities issued by the same institution. Where a Fund's investment policy is to replicate an index, this limit is increased to 35% in the case of a single issuer where this is justified by exceptional market circumstances.
3. Subject to Section 4 below a Fund shall not hold more than 20% of any class of security issued by any single issuer. This requirement does not apply to investments in other open-ended investment funds.
4. A Fund may only invest up to 100% of its net assets in transferable securities issued or guaranteed by any state, its constituent states, its local authorities, or public international bodies of which one or more states are members with the prior approval of the Central Bank by the following issuers:
  - OECD Governments (provided the relevant issues are investment grade),
  - Government of 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.

5. A Fund shall not keep on deposit more than 10% of its net assets with any one institution; this limit is increased to 30% of net assets for deposits with or securities evidencing deposits issued by or securities guaranteed by the following:
  - (a) a credit institution authorised in the European Economic Area (EEA) (European Union Member States, Norway, Iceland, Liechtenstein);
  - (b) a credit institution authorised within a signatory state, other than a Member State of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States);
  - (c) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;
  - (d) the depositary; or
  - (e) with the prior approval of the Central Bank, a credit institution which is an associated or related company of the depositary.
6. A Fund shall not invest more than 30% of net assets in any one open-ended investment fund. A Fund shall not invest more than 20% of net assets in unregulated open-ended investment funds. A Fund shall only invest in units of an investment fund managed by its management company or AIFM or by an associated or related company of either of these, where the management company of the investment fund in which the investment is being made has waived the preliminary/initial/redemption charge which it would normally charge. A Fund shall ensure that any commission or other fee received by the management company or AIFM must be paid into the property of the relevant Fund.
7. A Fund shall not have a risk exposure to a counterparty in an OTC derivative transaction which exceeds the following:
  - (a) where the counterparty is a relevant institution, 10% of the relevant Fund's net assets; or
  - (b) in any other case, 5% of the relevant Fund's net assets.

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

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

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

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

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

In addition, the following investment restriction will apply to a Fund which is registered with the FSB:

9. When a Fund that is registered with the FSB invests in equity securities, 90% of the market value of such securities must be listed on exchanges having obtained full membership of the World Federation of Stock Exchanges whilst up to 10% of the market value of such securities may be invested in securities traded on markets or exchanges not having obtained full membership of the World Federation of Stock Exchanges, provided those markets and exchanges are listed in Appendix II herein and a comprehensive due diligence has been carried out by the AIFM. The due diligence will encompass the following areas of enquiry:
  - (i) liquidation and repatriation of funds;
  - (ii) regulation;
  - (iii) regular operations;
  - (iv) recognised; and
  - (v) open to the public.

This restriction will not apply to Funds which have, as their investment policy, investment in non-equity securities such as bonds and/or money market instruments. Such Funds will be subject to the credit rating restrictions set out in the relevant Supplement.

### **Leverage**

Where a Fund is permitted to employ leverage, this shall be disclosed in the relevant supplement together with the extent to which it may employ such leverage and the method used to calculate the relevant Fund's global exposure. For the avoidance of doubt, where no such disclosure is made in a Fund's supplement, such Fund will not be geared or permitted to employ leverage.

### **Efficient Portfolio Management**

Subject to the specific provisions (if any) relating to efficient portfolio management set out in the relevant

Supplement for the relevant Fund, the Company may utilise techniques and instruments relating to transferable securities and /or other financial instruments in which it invests for the purposes of efficient portfolio management and under the conditions and within the limits applicable to Retail Investor Alternative Investment Funds laid down by the Central Bank in the AIF Rulebook details of which (if any) shall be set out in the relevant Supplement. The Company shall not enter into efficient portfolio management transactions if such transaction would result in change to the relevant Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described.

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

In advance of commencing any activity in financial derivative instruments, the AIFM shall notify the Central Bank in writing of the risk management processes that have been established and the manner in which they are maintained. Financial derivative instruments not included in the risk management process filing will not be utilised until such time as a revised submission has been provided to the Central Bank. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in the financial derivative instruments.

### **Hedged Classes**

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

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

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

The Company will only engage in interest rate hedging at a class level where the benefits and costs of

such hedging will be accrued and attributed solely to Shareholders in the relevant class and where such arrangements are in accordance with the Central Bank's requirements.

### **Collateral Policy**

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

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

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

The Company will liaise with the Depositary in order to manage all aspects of the counterparty collateral process.

### **Non-Cash Collateral**

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

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

### **Non-Cash Collateral**

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

### **Cash Collateral**



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

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

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

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

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

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

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

## **RISK FACTORS**

Potential investors should consider the following risks relevant to the Funds before investing. Although the investment objective and policies of each Fund are set forth in the Supplement for the relevant Fund, as the investment policies of each Fund contemplate investing in shares of the sub-funds of Sanlam Universal Funds plc, the risks that are applicable to the sub-funds of Sanlam Universal Funds plc are risks that a prospective investor in the Company should keep in mind and are as follows. Certain of the risks outlined below are also directly applicable to each Fund of the Company.

### **General Risks**

(Applicable to all sub-funds of Sanlam Universal Funds plc and where appropriate the Funds of the Company)

#### **(a) Investment Risk**

The price of shares and the income from them may fall as well as rise and investors may not get back the amount they have invested and accordingly an investment should be viewed as medium to long term. In addition to market factors, changes in exchange rates may cause the value of shares to go up or down.

Persons interested in purchasing shares should inform themselves as to (a) the legal requirements within their own countries for the purchase of shares, (b) any foreign exchange restrictions which may be applicable, and (c) the income and other tax consequences of purchase and repurchase of shares.

An investment in a sub-fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

Investment in certain securities markets involves a greater degree of risk than usually associated with investment in the securities of other major securities markets. Potential investors should consider the following risks before investing in any of the sub-funds.

#### **(b) Currency Risk**

The net asset value per share will be computed in the base currency of the relevant sub-fund, whereas each sub-fund's investments may be acquired in a wide range of currencies, some of which may be affected by currency movements of a more volatile nature than those of developed countries and some of which may not be freely convertible. It may not be possible or practical to hedge against the consequent currency risk exposure and in certain instances the relevant investment manager may consider it desirable not to hedge against such risk. The relevant investment manager may enter into cross currency hedging transactions.

#### **(c) Market Risk**

Some of the recognised exchanges on which each sub-fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which each sub-fund may liquidate positions to meet repurchase requests or other funding requirements. Potential investors should also note that the securities of small capitalisation companies are less liquid and this may result in fluctuations in the price of the shares of the relevant sub-fund.

#### **(d) Valuation Risk**

A sub-fund may invest a limited proportion of its assets in unquoted securities. Such investment will be valued at the probable realisation value as determined in accordance with the valuation provisions set out below. Estimates of the fair value of such investments are inherently difficult to

establish and are the subject of substantial uncertainty. Each sub-fund may, for the purpose of efficient portfolio management, engage in derivative instruments in which case there can be no assurance that the valuation as determined in accordance with the valuation provisions set out below reflects the exact amount at which the instrument may be “closed out”.

(e) **Over-the-Counter Markets Risk**

Where any sub-fund acquires securities on over-the-counter markets, there is no guarantee that the sub-fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

(f) **Segregated Liability between the sub-funds**

Liabilities of one sub-fund will not impact on nor be paid out of the assets of another sub-fund. While the provisions of the Companies Act provide for segregated liability between Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditors' claims. Accordingly it is not free from doubt that the assets of any Fund may be exposed to the liabilities of other Funds of the Company. As of the date of the Prospectus the Directors are not aware of any existing or contingent liability of any Fund of the Company.

(g) **Futures and Options**

The investment policies of a sub-fund may permit an investment manager to make use of futures and options for efficient portfolio management purposes. Due to the nature of futures, cash to meet margin monies will be held by a broker with whom the sub-fund has an open position. In the event of the insolvency or bankruptcy of the broker, there can be no guarantee that such monies will be returned to the sub-fund. On execution of an option, a sub-fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

(h) **Sales and Repurchase Charges**

The difference at any one time between the sale and repurchase price of shares may mean that an investment in shares should be viewed as a medium to long term investment.

(i) **Taxation**

Potential investors attention is drawn to the taxation risk associated with investing in any Fund of the Company. See section headed “Taxation” below.

(j) **FATCA**

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the “IGA”). Under the IGA, an entity classified as a Foreign Financial Institution (an “FFI”) that is treated as resident in Ireland is expected to provide the Irish tax authorities with certain information in respect of its “account” holders (i.e. Shareholders). The IGA further provides for the automatic reporting and exchange of information in relation to accounts held in Irish “financial institutions” by U.S. persons, and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. Although the final implementing Irish legislation has yet to be finalised, the Company expects to be treated as an FFI and provided it complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and may not be subject to withholding on payments which it makes.

Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. In order to satisfy its FATCA obligations, the Company will require certain

information from investors in respect of their FATCA status. If the Company becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by all Shareholders may be materially affected.

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

(k) **Common Reporting Standards (CRS)**

Ireland and a number of other jurisdictions have also announced that they propose to enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development (OECD). Under Section 891E, Section 891F and Section 891G of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to those sections, the Company is required to collect and provide certain information to the Irish Revenue Commissioners about Shareholders resident or established in the jurisdictions which are party to such multilateral arrangements (which information will in turn be provided to the relevant tax authorities).

## **Derivatives Risks**

### **General:**

The use of derivatives may result in greater returns but may entail greater risk for your investment. Derivatives may be used as a means of gaining indirect exposure to a specific asset, rate or index and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. Use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index.

Investing in a derivative instrument could cause the Fund to lose more than the principal amount invested. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

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

### **Absence of Regulation; Counterparty Risk**

In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on recognised exchanges. OTC derivatives lack transparency as they are privately negotiated contracts and any information concerning them is usually only available to the contracting parties. While measures are being introduced under Regulation (EU) No 648/2012 of the

European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories ("EMIR") that aim to mitigate risks involved in investing in OTC derivatives and improve transparency, these types of investments continue to present challenges in clearly understanding the nature and level of risks involved. In addition, many of the protections afforded to participants on some recognised exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions.

The counterparty for an OTC derivative will be the specific firm involved in the transaction rather than a recognised exchange and accordingly the bankruptcy or default of a counterparty with which the Fund trades OTC derivatives could result in substantial losses to the Fund. In addition, a counterparty may refrain from settling a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result. Counterparty exposure will be in accordance with the Fund's investment restrictions.

### **Credit Risk and Counterparty Risk**

Funds will be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in derivative instruments. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result.

### **Correlation Risk**

The prices of derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements.

### **Collateral Risk**

Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

### **Forward Trading**

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

### **Foreign Exchange Transactions**

Where a Fund utilises derivatives which alter the currency exposure characteristics of securities held by

the Fund the performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

### **Futures and Options Trading is Speculative and Volatile**

Substantial risks are involved in trading futures, forward and option contracts and various other instruments in which a Fund may trade. Certain of the instruments in which a Fund may invest are sensitive to interest rates and foreign exchange rates, which means that their value and, consequently, the Net Asset Value, will fluctuate as interest and/or foreign exchange rates fluctuate. The Fund's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates and foreign exchange rates, and to utilise appropriate strategies to maximise returns to the Fund, while attempting to minimise the associated risks to its investment capital. Variance in the degree of volatility of the market from the Fund's expectations may produce significant losses to the Fund.

### **Legal Risk**

The use of OTC derivatives, such as forward contracts, swap agreements and contracts for difference, will expose the Funds to the risk that the legal documentation of the relevant OTC contract may not accurately reflect the intention of the parties.

### **Margin Risk**

A Fund may be obliged to pay margin deposits and option premia to brokers in relation to futures and option contracts entered into for the relevant Fund. While exchange traded contracts are generally guaranteed by the relevant exchange, the relevant Fund may still be exposed to the fraud or insolvency of the broker through which the transaction is undertaken. The relevant Fund will seek to minimise this risk by trading only through high quality names.

### **Liquidity of Futures Contracts**

Futures positions may be illiquid because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

### **Necessity for Counterparty Trading Relationships**

Participants in the OTC currency market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While the Company believes that it will be able to establish the necessary counterparty business relationships to permit a Fund to effect transactions in the OTC markets, there can be no assurance that it will be able to do so. An inability to establish such relationships would limit a Fund's activities and could require a Fund to conduct a more substantial portion of such activities in the cash or exchange traded markets. Moreover, the counterparties with which a Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to a Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

### **Emerging Market Risks**

In the case of the relevant sub-funds there may be limited exposure to emerging markets and investors should be aware of risks attached to investing in such markets which could have a limited impact on the performance of such relevant sub-funds. In particular, the following risks should be noted.

## **Settlement and Credit Risks**

The trading and settlement practices of some of the stock exchanges or markets on which a relevant sub-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 relevant sub-fund. In addition, a relevant sub-fund will be exposed to credit risk on parties with whom it trades and will bear the risk of settlement default. The Depositary may be instructed by the relevant investment manager to settle transactions on a delivery free of payment basis where the investment manager believes and the Depositary agrees that this form of settlement is common market practice. Shareholders should be aware, however, that this may result in a loss to a relevant sub-fund if a transaction fails to settle and the Depositary will not be liable to the relevant sub-fund or to the shareholders for such a loss.

## **Regulatory Risks and Accounting Standards**

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 shareholder 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.

## **Political Risks**

The performance of a relevant sub-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 relevant sub-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.

## **Custody Risks**

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 relevant sub-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 relevant sub-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 relevant sub-fund in investing and holding investments in such markets will generally be higher than in organised securities markets.

## **Interest Rate Risk**

The fixed and floating rate securities in which a sub-fund may invest are interest rate sensitive, which means that their value and, consequently, the net asset value of a sub-fund will fluctuate as interest rates fluctuate. An increase in interest rates will generally reduce the value of the fixed income securities.

## **Operational Risks**

An investment in a sub-fund of the Company, like any sub-fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel and errors caused by service providers such as the Manager or the Administrator. While the Company seeks to minimise such events through controls and oversight, there may still be failures that could cause losses to a sub-fund.

The Company's service providers maintain global information technology systems. These systems could be subject to security breaches such as 'cyber crime' resulting in theft, a disruption in the ability to close out positions or the disclosure or corruption of sensitive and confidential information. Security breaches may also result in misappropriation of assets and could create significant financial and or legal exposure for the Company.



## DIVIDEND POLICY

The dividend arrangements relating to each Fund will be decided by the Directors at the time of the creation of the relevant Fund and details are set out where applicable in the Supplement for the relevant Fund. Under the Articles, the Directors are entitled to pay such dividends at such times as they think fit and as appear to be justified by the profits of the relevant Fund being the accumulated revenue (consisting of all revenue accrued including interest and dividends) and realised and unrealised capital gains on the disposal/valuation of investments and other funds less realised and unrealised accumulated capital losses of the relevant Fund. Dividends not claimed within six years from their date of declaration will be forfeited and shall revert to the relevant Fund.

Dividends payable to Shareholders will be paid by crossed cheque, bank draft or telegraphic transfer. Every such cheque or bank draft shall be made payable to the relevant Shareholder and sent through the post to the registered address of such Shareholder, and in the case of joint Shareholders to the joint Shareholders on the Register. Payments by telegraphic transfer shall be made to the account in the name of the relevant Shareholder, and in the case of joint Shareholders to the first named joint Shareholder on the Register. Dividend cheques or bank drafts are posted at the risk of the Shareholders. Payment by telegraphic transfer shall be a good discharge to the Company. The cost of all dividends relating to a Fund shall be borne by that Fund.

Unless a Shareholder elects by notice in writing to the AIFM and the Registrar and Transfer Agent to receive payment of distributions in cash (such notice to be received at least 7 Business Days before the next Relevant Date (as defined below) unless the AIFM and the Registrar and Transfer Agent otherwise agree) dividends shall be reinvested by the AIFM on behalf of the Shareholder in payment for additional Shares of the same class in the relevant Fund in accordance with the following formula:

$$\frac{D \times E}{F} = Z$$

where:

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

## APPLICATIONS FOR SHARES

Under the Articles, the Directors are given authority to effect the issue of Shares and to create new classes of Shares and have absolute discretion to accept or reject in whole or in part any application for Shares.

It is intended that issues of Shares will normally be made with effect from a Dealing Day in respect of applications received on or prior to the Dealing Deadline. Dealing Days and Dealing Deadlines relating to each Fund are specified in the Supplement for the relevant Fund. Applications for the issue of Shares should be made to the Company c/o the Registrar and Transfer Agent and applications received after the Dealing Deadline for the relevant Dealing Day shall, be deemed to have been received prior to the following Dealing Deadline, subject to the discretion of the Directors provided that once the Net Asset Value of a Fund has been calculated, the Registrar and Transfer Agent will not accept any further applications in respect of that Dealing Day.

All applicants applying for the first time for Shares in the Company must complete the Application Form prescribed by the Directors in original format signed by the authorised signatories on the account.

During the Initial Offer Period of the relevant class of Shares in the relevant Fund, the Initial Issue Price for the relevant class of Shares in the relevant Fund shall be the amount set out (if relevant) in the Supplement for the relevant Fund.

The issue price, at which Shares of any Fund will normally be issued on a Dealing Day, after the Initial Offer Period, is calculated by ascertaining the Net Asset Value per Share of the relevant class on the relevant Dealing Day. The Net Asset Value per Share of the relevant Fund is calculated by dividing the value of the assets of the relevant Fund, less its liabilities, by the total number of Shares of the relevant Fund in issue on the relevant Dealing Day. Where there is more than one class of Shares in issue in a Fund, the Net Asset Value per Share of each class shall be calculated by determining that proportion of the Net Asset Value of the relevant Fund which is attributable to such class and dividing the resulting sum by the number of Shares in issue of such class. The Net Asset Value per Share of the relevant class is the resulting sum rounded to four decimal places.

The Company may add to the issue price for its own account, a charge sufficient to cover stamp duties and other costs in connection with the issue of Shares.

The Company may also require any person to whom Shares of any class are to be allotted to pay to the relevant Distributor a Preliminary Charge in respect of each Share to be allotted. The Preliminary Charge (if any) payable on the allotment of Shares of each Fund is set out in the Supplement for the relevant Fund. The Preliminary Charge is calculated as a percentage of the Net Asset Value per Share is added thereto, and the resulting sum is rounded to four decimal places.

The Articles permit the issue of Shares in consideration of the vesting in the Company of investments approved by the Directors. Any investments transferred to the Company will be valued in accordance with the valuation principles described under the heading "Calculation of Net Asset Value" below. In exercising their discretion, the Directors shall consider whether the terms of any such allotment are such as would result in any material prejudice to existing Shareholders.

The Minimum Initial Investment Amount for each class of Shares of each Fund that may be subscribed for by each Shareholder on initial application is set out in the Supplement for the relevant Fund. Thereafter, existing Shareholders may make additional subscriptions for Shares of that class in that Fund so long as they satisfy the Minimum Additional Investment Amount set out in the Supplement for the relevant Fund or such other amount as the Directors may agree.

Payment in respect of the issue of Shares must be made by the relevant Settlement Date, in the Base Currency of the relevant Fund. The Registrar and Transfer Agent may accept payment in other freely exchangeable currencies, but such payments will be converted into the Base Currency at the then prevailing exchange rate available to the Registrar and Transfer Agent and only the net proceeds (after

deducting the conversion expenses) will be applied towards payment of the subscription monies. If payment in full has not been received by the Settlement Date or in the event of non-clearance, any allotment of Shares made in respect of such application may, at the discretion of the Directors, be cancelled. In such a case and notwithstanding cancellation of the application, the Company may charge the applicant for any resulting loss incurred by the Company.

Fractions of not less than 1/100 of a Share may be issued. Subscription moneys representing smaller fractions of Shares will not be returned to the applicant but will be retained as part of the assets of the relevant Fund.

The Application Form contains certain conditions regarding the application procedure for Shares in the Company and certain indemnities in favour of the Company, the AIFM and Administrator, the Registrar and Transfer Agent, the Depositary and the other Shareholders for any loss suffered by them as a result of such applicant or applicants acquiring or holding Shares in the Company.

The method of establishing the Net Asset Value of any Fund and the Net Asset Value per Share of any class of Shares in a Fund is set out in the Articles and described under the heading "Calculation of Net Asset Value" below.

Shares may not be issued or sold by the Directors during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Applicants for Shares will be notified of such postponement or cancellation and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

## **Data Protection**

Prospective investors should note that by completing the Application Form they are providing to the Company personal information, which may constitute personal data within the meaning of the Data Protection Legislation. This data will be used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to the Company, its delegates and agents. By signing the application form, investors acknowledge that they are providing their consent to the Company, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the data for any one or more of the following purposes:

- (a) to manage and administer the investor's holding in the Company and any related accounts on an on-going basis;
- (b) for any other specific purposes where the investor has given specific consent;
- (c) to carry out statistical analysis and market research;
- (d) to comply with legal and regulatory obligations applicable to the investor and the Company;
- (e) for disclosure or transfer whether in Ireland or countries outside Ireland including without limitation the United States of America, which may not have the same data protection laws as Ireland, to third parties including financial advisers, regulatory bodies, auditors, technology providers or to the Company and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above;
- (f) for other legitimate business interests of the Company.

Pursuant to Data Protection Legislation, investors have a right of access to their personal data kept by the Company and the right to amend and rectify any inaccuracies in their personal data held by the Company

by making a request to the Company in writing.

The Administrator is a data controller within the meaning of Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with Data Protection Legislation for and on the behalf of the AIFM.

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

### **Anti-Money Laundering**

Measures aimed towards the prevention of money laundering, within Ireland, may require a detailed verification of the applicant's identity. Depending on the circumstances of each application, a detailed verification may not be required where (i) the applicant makes the payment from an account held in the applicant's name at a recognised financial institution or (ii) the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or intermediary referred to above are within a country recognised by Ireland as having equivalent anti-money laundering regulations. A non-corporate applicant may be required to produce a copy of a passport or identification card duly certified by a notary public, together with evidence of his/her address such as a utility bill or bank statement and date of birth. Corporate applicants may be required to produce a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business address of all directors.

The Registrar and Transfer Agent reserves the right to request such information as is necessary to verify the identity of an applicant. In the event that the Registrar and Transfer Agent requires further proof of the identity of any applicant it will contact the applicant on receipt of subscription instructions. In the event of delay or failure by the applicant to produce any information required for verification purposes the Registrar and Transfer Agent may refuse to accept the application and may return all subscription monies.

## REPURCHASES OF SHARES

The repurchase price per Share is based on the Net Asset Value per Share of the relevant class of the relevant Fund calculated on the relevant Dealing Day.

In addition, the Directors may, in calculating the repurchase price, deduct such sum as they consider fair, in respect of repurchase requests which will necessitate the Company breaking deposits at a penalty or realising investments at a discount in order to realise assets to provide monies to meet such repurchase requests or, in the event that the Company borrows funds, to meet the cost of such borrowing.

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

The Articles provide that the Company cannot effect a repurchase of Shares, if after payment of any account in connection with such repurchase, the Net Asset Value of the issued share capital of the Company would be equal to or less than EUR38,092.14 or its foreign currency equivalent. This will not apply to a repurchase request permitted by the Directors in contemplation of the dissolution of the Company.

Requests for the repurchase of Shares should be made to the Company c/o the Registrar and Transfer Agent in writing or by facsimile and requests by facsimile will be treated as definite orders even if not subsequently confirmed in writing and will not be capable of withdrawal after acceptance by the Registrar and Transfer Agent. Requests received on or prior to the Dealing Deadline will, subject as mentioned in this section and in the Supplement for the relevant Fund, normally be dealt with on the relevant Dealing Day. Repurchase requests received after the Dealing Deadline shall be treated as having been received prior to the following Dealing Deadline, subject to the discretion of the Directors provided that once the Net Asset Value of a Fund has been calculated, the Registrar and Transfer Agent will not accept any further repurchase requests in respect of that Dealing Day.

The Registrar and Transfer Agent may decline to effect a repurchase request which would have the effect of reducing the value of any holding of Shares of any class relating to any Fund below the Minimum Shareholding for that class of Shares of that Fund. Any repurchase request having such an effect may be treated by the Company as a request to repurchase the Shareholder's entire holding of that class of Shares.

If Shares are held in certificated form, the duly endorsed Share certificate together with the repurchase instruction should be sent to the Company c/o the Registrar and Transfer Agent. Payment of repurchase proceeds will be made to the registered Shareholder or in favour of the joint registered Shareholders as appropriate.

The amount due on repurchase of Shares will be paid by negotiable instrument or telegraphic transfer in the Base Currency of the relevant Fund by the Settlement Date. Payment may be made in other currencies. Such payments shall be converted from the Base Currency into such other freely exchangeable currency at the then prevailing exchange rate available to the Registrar and Transfer Agent and only the net proceeds (after deducting the conversion expenses) will be paid to the Shareholder. The Directors may, at the request, risk and expense of the Shareholder requesting repurchase remit the amount due on repurchase by telegraphic transfer to an account in the name of the Shareholder. The proceeds of the repurchase of the Shares will only be paid on receipt by the Registrar and Transfer Agent of any relevant repurchase documentation.

The Directors are entitled to limit the number of Shares of any Fund repurchased on any Dealing Day to Shares representing 10 per cent of the total Net Asset Value of Shares of that Fund in issue on that Dealing Day. In this event, the limitation will apply *pro rata* so that all Shareholders wishing to have Shares of that Fund repurchased on that Dealing Day realise the same proportion of such Shares and Shares not repurchased, but which would otherwise have been repurchased, will be carried forward for

repurchase on the next Dealing Day and will be dealt with in priority (on a rateable basis) to repurchase requests received subsequently. If requests for repurchase are so carried forward, the Registrar and Transfer Agent will inform the Shareholders affected.

The Articles contain special provisions where a repurchase request received from a Shareholder would result in more than 5 per cent of the Net Asset Value of Shares of any Fund being repurchased by the Company on any Dealing Day. In such a case, at the discretion of the Directors the Company may satisfy all or part of the repurchase 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 Shareholders of that Fund. The Shareholder however may require the Company to sell such investments on his behalf and pay him the proceeds of sale less any costs incurred in connection with such sale.

When a repurchase request has been submitted by an investor who is or is deemed to be an Irish Person or is acting on behalf of an Irish Person, the Company shall deduct from the repurchase proceeds an amount which is equal to the tax payable by the Company to the Irish Revenue Commissioners in respect of the relevant transaction.

The Articles permit the Company where necessary to repurchase and cancel Shares held by a person who is or is deemed to be an Irish Person or is acting on behalf of an Irish Person on the occurrence of a chargeable event for taxation purposes and pay the proceeds thereof to the Irish Revenue Commissioners.

Shares of the relevant Fund may not be repurchased and no repurchase proceeds shall be paid by the Company during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described under "Suspension of Calculation of Net Asset Value" below. Applicants for repurchases of Shares in the relevant Fund will be notified of such postponement or cancellation and, unless withdrawn, their repurchase applications will be considered as at the next Dealing Day following the ending of such suspension.

## CONVERSION OF SHARES

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

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

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

where:

- R** = the number of Shares of the old class to be converted;
- S** = the number of Shares of the new class to be issued;
- RP** = the repurchase price per Share of the old class on the relevant Dealing Day;
- ER** = in the case of a conversion of Shares designated in the same Base Currency is 1. In any other case it is the currency conversion factor determined by the Directors on the relevant Dealing Day as representing the effective rate of exchange applicable to the transfer of assets relating to the old and new classes of Shares after adjusting such rate as may be necessary to reflect the effective costs of making such transfer;
- SP** = the issue price per Share of the new class for issue on the applicable Dealing Day; and
- F** = the fee payable (if any) to the AIFM on the conversion of Shares.

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

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

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

## CALCULATION OF NET ASSET VALUE

The AIFM is responsible for ensuring that the Net Asset Value per Share is calculated and disclosed to Shareholders. The procedures and methodology for calculating the Net Asset Value per Share are summarised below. As part of its control function, the AIFM shall verify and update as necessary these calculation procedures and methodologies.

The AIFM is responsible for ensuring that proper and independent valuation of the assets of the Company can be performed. The assets and liabilities of each Fund will be valued in accordance with the valuation policy of the AIFM, consistent with the valuation provisions relating to various types of assets as outlined below. Specific details on the method of valuation of the assets and liabilities of the Company are set out in the valuation policy of the AIFM and reflected below as appropriate.

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

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

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

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



Depository (and who may be an Investment Manager). Forward foreign exchange contracts which are dealt in on a Recognised Exchange shall be valued by reference to freely available market quotations provided that if such price is not available, shall be valued as per off-exchange traded derivative instruments;

- (e) units or shares in collective investment schemes shall be valued at the last available net asset value per unit or share as at the Valuation Point as advised by the collective investment scheme or its manager;
- (f) assets denominated in a currency other than in the Base Currency of a Fund shall be converted into that Base Currency at the rate (whether official or otherwise) which the Directors or such competent person appointed by the Directors and approved for such purpose by the Depository deems appropriate in the circumstances;
- (g) the value of any cash in hand or on deposit, prepaid expenses, cash dividends and interest declared or accrued and not yet received as at the Valuation Point will be valued at its face value plus accrued interest, where applicable, as at the Valuation Point (unless in any case the Directors or their delegate are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors or their delegate may consider appropriate in such case to reflect the true value thereof);
- (h) certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable investments should each be valued at each Valuation Point at the latest available mid-market dealing price on the market in which these investments are traded or admitted for trading (being the market which is the sole market or in the opinion of the Directors or their delegate is the principal market on which the investments in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired. The value of any certificate of deposit or treasury bill which is not listed or admitted for trading shall be the probable realisation thereof estimated with care and good faith by the Directors or another competent person appointed by the Directors, provided that the Directors or such other competent person has been approved for such purpose by the Depository;
- (i) the Directors or their delegate may, where a Fund is a money market type Fund use the amortised cost method of valuation in accordance with the requirements of the Central Bank;
- (j) the Directors or their delegate may, where a Fund invests in money market instruments, value those instruments using amortised cost, in accordance with the requirements of the Central Bank;
- (k) the Directors or their delegate may, with the approval of the Depository, adjust the value of any investment if, having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof as at any Valuation Point; and
- (l) if in any case a particular value is not ascertainable as provided from paragraphs (a) to (h) above or if the Directors or their delegate shall consider that some other method of valuation better reflects the probable realisation value of the relevant investment, then in such case the method of valuation of the relevant investment shall be such as the Directors or other competent person appointed by the Directors shall determine, such method of valuation to be approved by the Depository.

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

The Administrator shall determine the Net Asset Value.

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

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

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Fund and the issue, repurchase and conversion of Shares and the payment of repurchase proceeds during (i) any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the relevant Fund from time to time are quoted is closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended; or (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of the Shareholders of the relevant Fund or if, in the opinion of the Directors the Net Asset Value of the Fund cannot be fairly calculated; or (iii) any breakdown in the means of communication normally employed in determining the price of a substantial portion of any of the investments of the relevant Fund or when for any other reason the current prices on any market or stock exchange of any of the investments of the relevant Fund cannot be promptly and accurately ascertained; or (iv) any period during which any transfer of funds involved in the realisation or acquisition of investments of the relevant Fund cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or (v) any period during which the Directors are unable to repatriate funds required for the purpose of making payments due on repurchase of Shares in the relevant Fund; or (vi) any period when the Directors consider it to be in the best interest of the Company. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Any suspension in the calculation of the Net Asset Value will be notified to the Central Bank and to the Irish Stock Exchange immediately and in any event within the same working day on which such suspension occurs. Any suspension which, in the opinion of the Directors, is likely to exceed 14 days will be published in "Business Day" in South Africa.

### **Pricing Errors**

It is possible that errors may be made in the calculation of the Net Asset Value. In determining whether compensation will be payable to a Fund and/or individual Shareholders as a result of such errors, the Company may have regard to the guidelines in this regard issued by Irish Funds. These guidelines apply a materiality threshold to the level of the pricing error for the purposes of determining whether compensation should be considered, and the guidelines also set out guidance on circumstances where a pricing error does not merit compensation. In this context, the materiality threshold currently set out in the guidelines is 0.5% of Net Asset Value, which is considered to reflect general market practice at the date of this Prospectus. As such, and subject on each occasion to the approval of the Depositary, who in accordance with the requirements of the Central Bank is ultimately responsible for determining materiality, compensation may not be payable for errors where the effect on the relevant Fund's Net Asset Value is below the materiality threshold. Notwithstanding the foregoing, there may be circumstances when the Directors or Depositary consider it appropriate for compensation to be paid notwithstanding that the impact of the error was below the materiality threshold. Conversely, in the case of errors above the materiality threshold, where there is fault on the part of the Company or its service providers, compensation will generally be payable, with any decision not to pay compensation in such circumstances requiring the approval of the Directors and also the Depositary. The Central Bank has not set any requirements in this regard and the Central Bank's approval of this Prospectus should not be interpreted as an endorsement of what is market practice and a term of this offering.

## CHARGES AND EXPENSES

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

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

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

Particulars of the fees (including performance fees, if any) payable to the AIFM and the Depositary out of the assets of each Fund are set out in the Supplement for the relevant Fund. The maximum fee payable to the AIFM may not be increased without the prior approval of Shareholders on the basis of a majority of votes cast at a general meeting of the Company. In the event of an increase of the maximum fee payable to the AIFM, Shareholders will be given reasonable notice of such change to enable them to repurchase their Shares prior to implementation of such increase.

Each Director will be entitled to remuneration for his services as a director out of the assets of each Fund, provided however that the aggregate emoluments of each Director in respect of any twelve month accounting period out of the assets of the Company shall not exceed €60,000 or such higher amount as may be approved by the board of Directors. In addition, the Directors will be entitled to be reimbursed for their reasonable out of pocket expenses incurred in discharging their duties as Directors.

The AIFM has in place a remuneration policy which is consistent with and promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds. The AIFM's remuneration policy is in line with the business strategy, objectives, values and interests of the AIFM and the Funds and contains measures to avoid conflicts of interest to ensure that they can be managed appropriately at all times. In accordance with the AIFM Regulations, the AIFM shall ensure that staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independent of the performance of the business areas they control. In addition, when delegating certain of its investment management functions to the Investment Allocation Manager and the Investment Managers, the AIFM shall ensure that such entities are subject to regulatory requirements on remuneration that are equally effective as those applicable to the AIFM or that appropriate contractual arrangements are put in place with such entities to ensure there is no circumvention of the remuneration rules as set out in the AIFM Regulations. Any such contractual arrangements shall cover any payments made to the entities' identified staff (as defined in the AIFM Regulations) as compensation for the performance of portfolio or risk management activities on behalf of the AIFM.

The Company will pay out of the assets of each Fund the fees and expenses payable to the AIFM and Administrator, the fees and expenses of the Registrar and Transfer Agent, the Securities Lending Agent and the fees and expenses payable to the Depositary appointed in respect of such Fund and the Directors (as referred to above), (together with VAT if chargeable), any fees in respect of circulating details of the Net Asset Value, stamp duties, taxes, company secretarial fees, brokerage or other expenses of acquiring and disposing of investments, the fees and expenses of the auditors, tax, legal advisers, the costs of obtaining and maintaining a listing of any class of Shares on the Irish Stock Exchange or on any other recognised exchange and any registration fees and other charges in respect of the sale of Shares in a particular jurisdiction or jurisdictions. The costs of printing and distributing reports, accounts and any explanatory memoranda, any necessary translation fees, 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) will also be paid by the Company.

As the Company shall invest its assets in shares in the sub-funds of Sanlam Universal Funds plc, the Company shall also indirectly bear a portion of the costs set out in the previous paragraph that are charged to Sanlam Universal Funds plc.

Such fees, duties and charges will be charged to the Fund in respect of which they were incurred or, where an expense is not considered by the Administrator to be attributable to any one Fund, the expense will be allocated by the Administrator approved for such purpose by the Depositary, in such manner and on such basis as the Administrator in its discretion deems fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Administrator may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

The cost of establishing the Company, obtaining authorisation from any authority, the initial issue of Shares on the Irish Stock Exchange, the preparation and printing of the Prospectus, marketing costs and the fees of all professionals relating to were borne by the AIFM. The cost of establishing subsequent Funds, obtaining authorisation from any authority, regulatory or other body, listing the Shares on the Irish Stock Exchange, filing fees and the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it will be borne by the relevant Fund.

## PORTFOLIO TRANSACTIONS AND CONFLICTS OF INTEREST

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

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

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

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

In order to facilitate the Company discharging its obligation to provide the Central Bank with a report within its annual and semi-annual report in respect of all related party transactions, the Connected Person will disclose details of each transaction to the Company (including the name of the related party involved and where relevant, fees paid to that party in connection with the transaction).

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

The AIFM may subscribe for and deal in Shares in any Fund.

As the fees of the AIFM are based on the Net Asset Value of a Fund, if the Net Asset Value of a Fund

increases so too do the fees payable to the AIFM. Accordingly, there is a conflict of interest for the AIFM in cases where the AIFM is responsible for determining the valuation price of a Fund's investments.

### **Soft Commissions**

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

## TAXATION

### General

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

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

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

### Ireland

#### **(a) Taxation of the Company**

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

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

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

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

A Chargeable Event includes:

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

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

A Chargeable Event does not include:

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

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

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

## **(b) Taxation of Shareholders**

### Non-Irish Resident Shareholders

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

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

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

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

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



Shares or gains made on the disposal of the Shares.

#### Exempt Irish Shareholders

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

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

#### Irish Resident Shareholders

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

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

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

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

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

#### Personal Portfolio Investment Undertaking

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

PPIU where certain conditions are complied with as set out in section 739BA TCA.

### Currency Gains

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

### Stamp Duty

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

### Capital Acquisitions Tax

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

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

### Certain Irish Tax Definitions

#### *Residence – Company*

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

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

#### *Residence – Individual*

The Irish tax year operates on a calendar year basis.

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

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

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

#### *Ordinary Residence – Individual*

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

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

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

#### *Intermediary*

means a person who:-

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

#### EU Savings Directive

In accordance with EC Council Directive 2003/48/EC regarding the taxation of interest income, a paying agent (within the meaning of the Directive) who makes a payment of interest (which may include an income or capital distribution payment) on behalf of the Company to an individual who is resident in another Member State or a residual entity established in another Member State, is required to provide details of those payments (which includes certain payments made by collective investment undertakings) and certain details relating to the shareholders of the company to the Revenue Commissioners. The Revenue Commissioners are obliged to provide such information to the competent authorities of the Member State of residence of the individual or residual entity concerned.

The paying agent shall be entitled to require Shareholders to provide information regarding tax status, identity or residency in order to satisfy the disclosure requirements in this Directive. Shareholders will be deemed by their subscription for Shares in respect of the Company to have authorised the automatic disclosure of such information by the paying agent to the relevant tax authorities.

Currently, the EU Savings Directive only applies to Irish UCITS funds. However, changes introduced by Council Directive 2014/48/EU of 24 March 2014 amending the Directive are intended to broaden the scope of the Directive to include certain additional types of income and payments to other forms of investment entity including Irish Qualifying Investor Authorised Investment Funds (QIAIF). Member States are required to implement national legislation giving effect to these changes by 1 January 2016 (which national legislation must apply from 1 January 2017).

#### FATCA Implementation in Ireland

On 21 December 2012, the governments of Ireland and the United States signed an agreement to "Improve International Tax Compliance and to Implement FATCA" (the "Inter-Governmental Agreement"). This agreement will significantly increase the amount of tax information automatically exchanged between Ireland and the United States. It provides for the automatic reporting and

exchange of information in relation to accounts held in Irish "financial institutions" by U.S. persons and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. The Company will be subject to these rules beginning 1 July 2014. Complying with such requirements will require the Company to request and obtain certain information and documentation from its Shareholders, other account holders and (where applicable) the beneficial owners of its Shareholders and to provide any information and documentation indicating direct or indirect ownership by U.S. Persons to the competent authorities in Ireland. Shareholders and other account holders will be required to comply with these requirements, and non-complying Shareholders may be subject to compulsory redemption and/ or U.S. withholding tax of 30% on withholdable payments and/or other monetary penalties.

The Company (and / or its duly appointed agents) shall be entitled to require Shareholders to provide any information regarding their tax status, identity or residency in order to satisfy any reporting requirements which a Fund may have as a result of the Inter-Governmental Agreement or any legislation promulgated in connection with the agreement and investors will be deemed, by their subscription for or holding of Shares to have authorised the automatic disclosure of such information by the issuer or any other person to the relevant tax authorities.

There can be no assurance that payments to the Company in respect of its assets, including on an investment will not be subject to withholding under FATCA. Accordingly a shareholder should consult its own tax advisors as to the potential implication of the US withholding taxes on the Shares before investing.

### OECD Common Reporting Standard

Ireland and a number of other jurisdictions have also announced that they propose to enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information ("CRS") published by the Organisation for Economic Co-operation and Development (OECD). When CRS is implemented into Irish law, the Company will be required to provide certain information to the Irish Tax Authorities about investors resident or established in jurisdictions which are party to CRS arrangements (which information will in turn be provided to the relevant tax authorities). The Company, or a person appointed by the Company, will request and obtain certain information in relation to the tax residence of its shareholders or "account holders" for CRS purposes and (where applicable) will request information in relation to the beneficial owners of any such account holders. The Company then be required will report the information required to Irish Revenue by 30 June in the year following the year of assessment for which a return is due. Irish Revenue will share the appropriate information with the relevant tax authorities in participating jurisdictions. Ireland has not yet introduced implementing regulations but implementation of CRS among early adopting countries (44 countries including Ireland) is expected in 2016.

### South Africa

#### **Tax basis**

South African tax residents (as defined in the Income Tax Act, No. 58 of 1962 (the "**Act**")) are taxed on their worldwide income. Credit relief provisions and an extensive network of agreements for the avoidance of double taxation should eliminate double taxation in most cases.

Non-residents are only taxable on income from a South African source.

#### **Income tax**

In general, shareholders who are South African tax "residents" (other than retirement funds) will be subject to income tax on any distribution from the Company at the rate at which foreign dividends are taxed in the

hands of the relevant shareholder. To the extent that such distribution is subject to any foreign withholding taxes, tax rebate provisions in the Act and South Africa's extensive network of agreements for the avoidance of double taxation should eliminate taxation in excess of the relevant shareholder's normal tax rate. Distributions previously included in the taxable income of a shareholder by virtue of the "controlled foreign company" provisions of the Act (refer below) should, in general, be exempt.

The Company is a controlled foreign company as defined in section 9D of the Act. South African tax residents who, together with any connected person (as defined in the Act), hold 10% or more of the Shares in the Company at any time are subject to income tax on their pro-rata share of the net income of the Company in terms of section 9D of the Act. Tax rebate provisions and/or exemptions should eliminate double taxation on this income.

A specified portion of the capital gain (as determined in accordance with the provisions of the Eight Schedule to the Act) realised on the disposal of Shares in the Company will be subject to tax in the hands of shareholders (other than retirement funds). The specified portions are as follows:

- Individuals and special trusts: 33.30% in respect of disposals on or after 1 March 2012 (25% in respect of disposals before 1 March 2012);
- Companies: 66.60% in respect of disposals in any year of assessment commencing on or after 1 March 2012 (50% in respect of disposals prior to this); and
- Trusts (other than special trusts): 66.60% in respect of disposals on or after 1 March 2012 (50% in respect of disposals before 1 March 2012)

#### **Tax on Retirement Funds**

Retirement funds are exempt from income tax in South Africa. In terms of the Tax on Retirement Funds Act, No. 38 of 1996, South African registered retirement funds are, however, subject to tax on income received or accrued in the form of interest, rental and foreign dividends (as defined). Shareholders who are South African registered retirement funds will be subject to tax on retirement funds on any distribution from the Company.

The Company is a controlled foreign company as defined in section 9D of the Act. In terms of section 9D, retirement funds who, together with any connected person (as defined in the Act), holds 10% or more of the Shares in the Company at any time are subject to Tax on retirement funds on their pro-rata share of the interest, rental and foreign dividends of the Company (in terms of section 9D of the Act.) Credit relief will eliminate double taxation on this income.

Retirement funds are not at present taxed on capital gains made on disposal of shares.

## REPORTS AND ACCOUNTS

The Company's financial year-end is 31 December of each year. The annual report and the audited accounts of the Company will be sent to Shareholders and to the Irish Stock Exchange within four months after the conclusion of each accounting year and at least 21 days before the Annual General Meeting of the Company at which they are to be submitted for approval. The annual report and audited accounts of the Company and of Sanlam Universal Funds plc will also be made available to Shareholders by publishing it on the Company's website [www.sanlam.ie](http://www.sanlam.ie).

The Company's semi-annual period ends on 30 June in each year. The Company will also publish a semi-annual report and unaudited accounts of the Company on its website [www.sanlam.ie](http://www.sanlam.ie) within two months of the end of the half-year period.

Audited information will be sent on request to any prospective investor.

Such reports and accounts will contain a statement of the Net Asset Value of each Fund and of the investments comprised therein as at year end or the end of such semi-annual period.

Shareholders may request printed copies of the semi-annual and annual reports writing to the Company at its registered offices.

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

The Company will periodically disclose to Shareholder the following:

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

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

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

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

Shares will be issued in registered form. Share certificates will only be issued if requested in writing by the applicant(s) and any certificates issued will normally be issued within thirty days after the Dealing Day on which Shares are allotted. The Directors recommend that applicants do not request a certificate because the holding of Shares in certificated form can cause delays in payment of repurchase proceeds. Purchase contract notes will normally be issued within 24 hours after the allocation of Shares. Written confirmations of ownership will be issued within ten days after the Dealing Day on which Shares are allotted. Shares do not carry any right of pre-emption.

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

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

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

### **Notification of Prices**

The Net Asset Value per Share of each class of Share in each Fund will be available on request from the Administrator and Registrar and Transfer Agent and will be notified to the Irish Stock Exchange without delay following calculation. The Net Asset Value of each Share class will be published daily on the AIFM's website [www.sanlam.ie](http://www.sanlam.ie).

## GENERAL INFORMATION

### **Directors' Confirmation - Commencement of Business**

The Directors confirm that the Company was incorporated on 11 June 1999 and commenced business on 5 August 1999. The Company does not have any subsidiaries at the date hereof. The Directors confirm that there has been no significant change in the financial or trading position of the Company or Sanlam Universal Funds plc since the date of the latest financial statements of the Company.

### **Incorporation and Share Capital**

The Company was incorporated and registered in Ireland under the Act, as an investment company with variable capital on 11 June 1999 with registered number 307841.

At the date hereof, the authorised share capital of the Company and Sanlam Universal Funds plc is 1,000,000,000,000 shares of no par value initially designated as unclassified shares. The minimum issued share capital is US\$7 (or its equivalent in any other currency) and the maximum issued share capital is €1,000,000,000,000 (or its equivalent in any other currency).

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

### **Memorandum and Articles of Association**

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

The Articles contain provisions to the following effect:

- (i) **Directors' Authority to Allot Shares.** The Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities, including fractions thereof, up to an amount equal to the authorised but as yet unissued share capital of the Company.
- (ii) **Variation of rights.** The rights attached to any class may be varied or abrogated with the consent in writing of the holders of three-fourths in number of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class, and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one third of the issued shares of the class in question and the quorum at an adjourned meeting shall be one person holding shares of the class in question or his proxy.
- (iii) **Voting Rights.** Subject to disenfranchisement in the event of non-compliance with any notice requiring disclosure of the beneficial ownership of shares and subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands at a general meeting or class meeting of the Company, every member holding shares who is present in person or by proxy shall have one vote and on a poll every member present in person or by proxy shall have one vote for every share of which he is the holder. Members who hold a fraction of a share may not exercise any voting rights, whether on a show of hands or on a poll, in respect of such share.
- (iv) **Change in Share Capital.** The Company may from time to time by ordinary resolution increase the share capital by such amount and/or number as the resolution may prescribe. The Company may also by ordinary resolution, consolidate and divide its share capital into shares of larger amount, subdivide its shares into shares of smaller amount or value or cancel any shares which, at



the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the shares so cancelled or redenominate the currency of any class of shares.

- (v) **Directors' Interests.** Provided that the nature and extent of his interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the Company nor shall any such contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

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

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

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

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

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

- (vi) **Borrowing Powers.** Subject to the Act, the Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and assets (both present and future) and uncalled capital or any part thereof and to issue debentures, debenture stock or other securities, whether outright or as collateral security for any debt, liability or obligation of the Company provided that all such borrowings shall be within the limits laid down by the Central Bank.

- (vii) **Committees.** The Directors may delegate any of their powers to any committee whether or not consisting of Directors. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Articles of Association regulating the proceedings of Directors so far as they are capable of applying.
- (viii) **Retirement of Directors.** The Directors shall not be required to retire by rotation or by virtue of their attaining a certain age.
- (ix) **Directors' Remuneration.** Unless and until otherwise determined from time to time by the Company in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Any Director who holds any executive office (including for this purpose the office of chairman or deputy chairman) or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine. The Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Directors or committees established by the Directors or general meetings or separate meetings of the holders of any class of shares of the Company or otherwise in connection with the discharge of their duties.
- (x) **Transfer of Shares.** Subject as set out below, the Shares of any holder may be transferred by instrument in writing in any usual or common form or any other form which the Directors may approve. The Directors in their absolute discretion and without assigning any reason therefor may decline to register any transfer of a share to an Irish Resident, a US Person, any person who, by holding shares, would be in breach of any law or requirement of any country or governmental authority or might result in the Company incurring any liability to taxation or suffering pecuniary disadvantages and any transfer to or by a minor or a person of unsound mind. The Directors may decline to recognise any instrument of transfer unless it is accompanied by the certificate for the shares to which it relates (if issued), is in respect of one class of share only, is in favour of not more than four transferees and is lodged at the registered office or at such other place as the Directors may appoint.
- (xi) **Right of Repurchase.** Holders have the right to request the Company to repurchase their Shares in accordance with the provisions of the Articles of Association.
- (xii) **Dividends.** The Articles of Association permit the Directors to declare such dividends on any class of shares as appears to the Directors to be justified by the profits of the relevant Fund. The Directors may, satisfy any dividend due to holders of shares in whole or in part by distributing to them in specie any of the assets of the relevant Fund, and in particular any investments to which the relevant Fund is entitled. Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund.
- (xiii) **Funds.** The Directors are required to establish a separate portfolio of assets for each Fund created by the Company from time to time, to which the following shall apply:
  - (a) the proceeds from the allotment and issue of shares of each class in the Fund shall be applied to the Fund established for that purpose, and the investments and the liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;
  - (b) any asset derived from any other asset(s) (whether cash or otherwise) comprised in any Fund, shall be applied in the books and records of the Company to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an

asset shall be applied to the relevant Fund;

- (c) in the event that there are any assets of the Company which the Directors do not consider are attributable to a particular Fund or Funds, the Directors shall, with the approval of the Depositary, allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors shall have the power to and may from time to time, with the approval of the Depositary vary the basis in relation to assets previously allocated;
  - (d) each fund shall be charged with the liabilities, expenses, costs, charges or reserves of the Company in respect of or attributable to that Fund and any such liabilities, expenses, costs, charges, or reserves of the Company not attributable to any particular Fund or Funds shall be allocated and charged by the Directors, with the approval of the Depositary, in such manner and on such basis as the Directors, in their sole and absolute discretion deem fair and equitable, and the Directors shall have the power to and may at any time and from time to time, with the approval of the Depositary, vary such basis including, where circumstances so permit, the re-allocation of such liabilities, expenses, costs, charges and reserves; and
  - (e) in the event that any Asset attributable to a Fund is taken in execution of a liability not attributable to that Fund, the provisions of Section 1406 of the Companies Act, shall apply.
- (xiv) **Fund Exchanges.** Subject to the provisions of the Articles of Association, a holder holding shares in any class in a Fund on any Dealing Day shall have the right from time to time to exchange all or any of such shares for shares of another class (such class being either an existing class or a class agreed by the Directors to be brought into existence with effect from that Dealing Day).
- (xv) **Winding up.** The Articles contain provisions to the following effect:
- (a) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Acts, apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund.
  - (b) The assets available for distribution amongst the holders shall be applied as follows: first the proportion of the assets in a Fund attributable to each class of share shall be distributed to the holders of shares in the relevant class in the proportion that the number of shares held by each holder bears to the total number of shares relating to each such class of shares in issue as at the date of commencement to wind up and secondly, any balance then remaining and not attributable to any of the classes of shares shall be apportioned pro-rata as between the classes of shares based on the Net Asset Value of each class of shares as at the date of commencement to wind up and the amount so apportioned to a class shall be distributed to holders pro-rata to the number of shares in that class of shares held by them.
  - (c) A Fund may be wound up pursuant to Section 1406 of the Companies Act and in such event the provisions in this paragraph apply mutatis mutandis in respect of that Fund.
  - (d) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant holders and any other sanction required by the Companies Act of Ireland, divide among the holders of shares of any class or classes within a Fund in specie the whole or any part of the assets of the Company relating to that Fund, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the holders of the Company or the holders of different classes of shares in the Fund. The liquidator may, with the like authority, vest

any part of the assets in trustees upon such trusts for the benefit of holders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no holder shall be compelled to accept any assets in respect of which there is a liability.

(xvi) **Share Qualification.** The Articles do not contain a share qualification for Directors.

### **Litigation and Arbitration**

Since incorporation, neither the Company nor Sanlam Universal Funds plc are involved in any litigation or arbitration nor are the Directors aware of any pending or threatened litigation or arbitration.

### **Directors' Interests**

- (a) There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.
- (b) At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company and no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.
- (c) At the date of this Prospectus neither the Directors nor their spouses nor their infant children or any connected persons have any interest in the share capital of the Company or any options in respect of such capital.
- (d) Haydn Franckeiss is a Director of the Company and Head of Asset Liability Solutions at Sanlam Investment Management (Pty) Ltd.
- (e) Paul Dobbyn is a Director of the Company.
- (f) Tom Murray is a Director of the Company and the AIFM and Administrator.
- (g) Richard Aslett is a director and the Chief Executive Officer of the AIFM and Administrator.

### **Material Contracts**

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

- (a) the Amended and Restated Management and Administration Agreement dated 29 August 2014 between the Company and the AIFM and Administrator; this Agreement provides that the appointment of the AIFM and Administrator will continue in force 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 Agreement contains certain indemnities in favour of the AIFM and Administrator which are restricted to exclude matters arising by reasons of the fraud, bad faith, negligence, wilful default or wilful misfeasance of the AIFM and Administrator in the performance or non-performance of its duties or obligations and certain provisions regarding its legal responsibilities and limitations thereon;
- (b) the Depositary Agreement dated 29 August 2014 between the Company, the AIFM and the Depositary; this Agreement provides that the Agreement will continue unless and until terminated by either party giving to the other not less than 90 days written notice; the Agreement contains certain indemnities in favour of the Depositary;

- (c) the Distribution Agreements dated 29 July 1999 between the AIFM and each of the Distributors; these Agreements provide that the appointment of the Distributor will continue in force unless and until terminated by either party giving to the other not less than 90 days' notice in writing although in certain circumstances these Agreements may be terminated forthwith by notice in writing by either party to the other: these Agreements contain certain indemnities in favour of the Distributor which are restricted to exclude matters arising by reason of the fraud, bad faith, wilful default or negligence on the part of the Distributor, its servants or agents; and
- (d) the Registrar and Transfer Agency Agreement dated 29 August 2014 between the AIFM and the Registrar and Transfer Agent; this Agreement provides that the appointment of the Registrar and Transfer Agent will continue unless and until terminated by either party giving to the other not less than 90 days' prior written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other; the Agreement contains certain indemnities in favour of the Registrar and Transfer Agent which are restricted to exclude matters arising by reason of the fraud, bad faith, negligence or wilful default of the Registrar and Transfer Agent in the performance of its duties and obligations and certain provisions regarding its legal responsibilities and limitations thereon.
- (e) the Securities Lending Agency Agreement effective 24 February 2016 between the Company and the Securities Lending Agent; this Agreement provides for the appointment of the Securities Lending Agent and will continue in force 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 Agreement contains certain indemnities in favour of the Securities Lending Agent which are restricted to exclude matters arising by reason of the fraud, bad faith, negligence, wilful default of the Securities Lending Agent in the performance or non-performance of its duties or obligations under the Agreement.
- (f) the Securities Lending Sub-Agency Agreement effective 24 February 2016 between the Company, the Securities Lending Agent and Brown Brothers Harriman & Co; this Agreement provides for the appointment of the Securities Lending Sub-Agent and will continue in force 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 Agreement contains certain indemnities in favour of the Securities Lending Sub-Agent which are restricted to exclude matters arising by reason of the fraud, bad faith, negligence, wilful default of the Securities Lending Sub-Agent in the performance or non-performance of its duties or obligations under the Agreement.

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

### **Miscellaneous**

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

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

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

### **Documents for Inspection**

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

- (a) the Memorandum and Articles of Association of the Company;
- (b) the material contracts referred to above;
- (c) the latest available annual report and the latest available semi-annual report for the Company and Sanlam Universal Funds plc;
- (d) the AIF Rulebook issued by the Central Bank; and
- (e) the Companies Acts;

Copies of the Memorandum and Articles of Association of the Company (and, after publication thereof, the periodic reports and accounts) may be obtained from the Registrar and Transfer Agent free of charge.

## APPENDIX I

The following are the investment objective and policies of each of the existing sub-funds of Sanlam Universal Funds plc that the Funds of the Company propose to invest in.

### **Sanlam Global Financial Fund (the "Fund")**

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

##### **Investment Objective**

The Fund will be used as an investment vehicle for investors wishing to achieve steady growth in the US Dollar value of investments primarily through global investment in securities of companies of which the principle operations specifically focus on, and derive benefit from or pertain to, the provision of banking, insurance and other financial services.

##### **Policy and Guidelines**

The Fund will be actively managed. Subject to the investment restrictions hereinafter set out, the Fund will primarily invest in equities traded in or dealt on Recognised Exchanges set out in Appendix I of the Prospectus. The Fund will invest in equity markets, the securities of which are traded in or dealt on Recognised Exchanges set out in Appendix I of the Prospectus. The Fund may, where the Manager considers it in the best interests of the Fund, invest up to 100% of its net assets in securities traded in or dealt on Recognised Exchanges set out in Appendix I of the Prospectus considered by the Manager to be emerging markets.

Subject to the Investment Restrictions set out in the Prospectus and herein, the Fund may invest up to 5% of its net assets in warrants. The Fund may invest up to 15% of its Net Asset Value in real estate investment trusts ("REITS") which are listed on Recognised Exchanges set out in Appendix I of the Prospectus.

**As the Fund may invest more than 20% of its net assets in securities of companies listed or traded in countries considered to be emerging markets by the Manager, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**The ability to trade REITS in the secondary market can be more limited than other stocks. The liquidity of REITS on the major US stock exchanges is on average less than the typical stock quoted on the S&P 500 Index.**

### **Sanlam Strategic Cash Fund (the "Fund")**

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

##### **Investment Objective**

The investment objective of the Fund is to provide a high degree of safety of principal together with an investment return exceeding that available from cash deposits in US Dollars.

##### **Policy and Guidelines**

The Fund will invest primarily in debt and money market securities listed or traded on a Recognised Exchange listed in Appendix I of the Prospectus and which, subject to 4 below, at the time of investment have a remaining expected maturity or period to the next interest reset date of up to twelve months. These will include, but not be limited to, certificates of deposit, floating rate notes, government, federal agency, supranational and corporate bonds, treasury bills, commercial paper and listed securities or securities due

to be listed within one year which are issued under the U.S. Securities and Exchanges Commission's Rule 144A. Subject to the limits set out in the "Investment Restrictions" section of the Prospectus, the Fund may also invest in cash deposits.

Subject to the Regulations, the Fund may also invest up to 20% of its Net Asset Value indirectly in such securities through holdings in UCITS funds domiciled in a Member State and other open-ended collective investment schemes that satisfy the requirements of the Central Bank, such as Guernsey Class A Schemes, Jersey Recognised Funds and Isle of Man Authorised Schemes, including other schemes managed by the Manager or its affiliates. Investment in units of UCITS or non-UCITS will be limited to collective investment schemes which adhere to similar restrictions as those applying to the Company and its Funds.

The Fund may, for efficient portfolio management purposes, also use the financial derivative instruments set out under the "Efficient Portfolio Management" section.

## **Sanlam World Equity Tracker Fund (the "Fund")**

### **Investment Objective and Policies**

#### **Investment Objective**

The investment objective of the Fund is to provide capital growth equivalent to that gained from investment in the world's equity markets. Income will not be a consideration.

#### **Policy and Guidelines**

The Fund will endeavour to replicate the performance of world equity markets by tracking the MSCI World Equity Index (Developed Markets) in U.S. Dollars (unhedged) with income reinvested or another appropriate major world equity index for the time being selected by the Manager on the advice of the Investment Allocation Manager (the "**Index**") which comprises equity securities of companies listed or traded on Recognised Exchanges set out in Appendix I of the Prospectus.

The Fund will employ replication, sampling and optimisation techniques to track the performance of the Index, rather than attempting to hold all of the securities in the Index. The Fund may also invest indirectly in such securities through quoted investment vehicles, such as Exchange Traded Funds, and holdings in UCITS funds domiciled in a Member State and other open-ended collective investment schemes that satisfy the requirements of the Central Bank, such as Guernsey Class A Schemes, Jersey Recognised Funds and Isle of Man Authorised Schemes, including other schemes managed by the Manager or its affiliates. Investment in units of UCITS or non-UCITS will be limited to collective investment schemes which adhere to similar restrictions as those applying to the Company and its Funds. Investment in such collective investment schemes may not exceed 10% of the net asset value of the Fund, subject to a maximum of 10% in any one collective investment scheme.

Changes in the Index being tracked will be notified to investors within one month of any change.

## **Sanlam Global Best Ideas Fund (the "Fund")**

### **Investment Objective and Policies**

#### **Investment Objective**

The investment objective of the Fund is to provide above average long-term capital growth by investing primarily in global equities which the Investment Manager has identified as being undervalued and as offering above average growth potential.



## Policy and Guidelines

The Fund's investment objective will be achieved by investing primarily through a combination of direct and indirect investment in a global range of equity securities listed or traded on Recognised Exchanges set out in Appendix I of the Prospectus.

The equity securities held by the Fund may include ordinary and preference shares and other securities with equity characteristics, including but not limited to, warrants and convertible securities.

Subject to the Investment Restrictions set out in the Prospectus and herein, the Fund may invest up to 5% of its net assets in warrants.

When market conditions dictate a more defensive investment strategy and the Investment Manager considers it in the best interests of the Fund, the Fund may on a temporary basis, hold up to 25% of the Net Asset Value of the Fund in liquid assets including but not limited to cash and cash equivalents (including but not limited to commercial paper, certificates of deposit, other money market instruments and treasury bills). These cash and money-market instruments may be held in currencies other than the Base Currency of the Fund. Money market instruments will have a minimum credit rating of A2 or P2 or F2 (as rated by Standard & Poor's, Moody's or Fitch).

The Fund may invest up to 100% of its net assets in securities of companies listed or traded in countries considered to be emerging markets by the Manager.

The Fund may also invest indirectly in such securities through holdings in UCITS funds domiciled in a Member State and other open-ended collective investment schemes that satisfy the requirements of the Central Bank, such as Guernsey Class A Schemes, Jersey Recognised Funds and Isle of Man Authorised Schemes, including other schemes managed by the Manager or its affiliates subject to the investment restrictions below and set out in the Prospectus. Investment in units of UCITS or non-UCITS will be limited to collective investment schemes which adhere to similar restrictions as those applying to the Company and its Funds. The Fund may invest up to 15% of its Net Asset Value in real estate investment trusts ("**REITS**") which are listed on Recognised Exchanges set out in Appendix I of the Prospectus.

The Fund may employ techniques and instruments for efficient portfolio management in accordance with the conditions and limits set down by the Central Bank, details of which are set out under "Efficient Portfolio Management".

**As the Fund may primarily invest up to 100% of its net assets in securities of companies listed or traded in countries considered to be emerging markets by the Investment Manager, an investment into this Fund should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors.**

**The ability to trade in REITS in the secondary market can be more limited than other stocks. The liquidity of REITS on the major US stock exchanges is an average less than the typical stock quoted on the S&P 500 Index.**

## Sanlam Global Bond Fund (the "Fund")

### Investment Objective and Policies

#### Investment Objective

The investment objective of the Fund is to provide income with the possibility of long-term growth from capital appreciation.

#### Policy and Guidelines

The Fund will invest primarily in debt and money market securities listed or traded on Recognised Exchanges set out in Appendix I of the Prospectus. Subject to the limits set out in the "Investment Restrictions" section of the Prospectus, the Fund may also invest in private placement debt (which are liquid transferable securities) and money market securities and securities issued under the US Securities and Exchanges Commission's Rule 144A. The Fund may also hold cash deposits.

The Fund's investment policy will not be subject to any restrictions on category of issuer, currency of denomination or duration, other than the following:

1. a limit of 15% of the net asset value of the Fund that may be invested in securities of issuers in countries considered to be emerging markets by the Manager;
2. no investment in securities denominated in South African Rand or issued by the Republic of South Africa or other South African issuers provided that investment may be made in securities of companies incorporated in South Africa but which are not denominated in South African Rand provided South African exchange control requirements applicable to the Fund or its investors permit.

The securities held by the Fund may include any form of securitised debt, redeemable or fixed income security, including securities issued on a 'when issued' or delayed delivery basis. Examples of securities that may be held by the Fund are asset and mortgage backed securities, preference shares and convertible debt, strips (i.e. bonds which are separated into their principal and coupon components and each piece is sold separately) and zero and stepped (coupon rate increases or decreases over time) coupon securities, but this list should not be taken as exhaustive.

Subject to a limit of 10% of the net asset value of the Fund on such investment, the Fund may also invest indirectly in such securities through holdings in UCITS funds domiciled in a Member State and other open-ended collective investment schemes that satisfy the requirements of the Central Bank, such as Guernsey Class A Schemes, Jersey Recognised Funds and Isle of Man Authorised Schemes, including other schemes managed by the Manager or its affiliates. Investment in units of UCITS or non-UCITS will be limited to collective investment schemes which adhere to similar restrictions as those applying to the Company and its Funds.

The Fund may, for efficient portfolio management purposes, also use the financial derivative instruments set out under the "Efficient Portfolio Management" section.

## **Sanlam World Equity Fund (the "Fund")**

### **Investment Objective and Policies**

#### **Investment Objective**

The investment objective of the Fund is to provide above average long-term capital growth.

#### **Policy and Guidelines**

The Fund will invest primarily in equity securities of companies listed or traded on the Recognised Exchanges set out in Appendix I of the Prospectus.

The Fund's investment policy will not be subject to any geographical or sector restrictions, other than the following:

1. a limit of 20% of the Net Asset Value of the Fund that may be invested in securities of companies listed or traded in countries considered to be emerging markets by the Manager;
2. no investment in securities listed or traded on markets in South Africa or issued by a South African issuer provided that investment may be made in securities of companies incorporated in South Africa

but which are traded, listed or dealt on a market outside South Africa provided South African exchange control requirements applicable to the Fund or its investors permit; and

3. a limit of 15% of the Net Asset Value of the Fund on investment in securities of companies with a market capitalisation at the time of purchase of less than US\$750 million.

The equity securities held by the Fund may include preference shares and other securities with equity characteristics or conferring the right to acquire equity securities, such as depositary receipts, warrants and convertible securities. Investment in warrants will not exceed 5% of the Fund's Net Asset Value. Subject to a limit of 20% of the Net Asset Value of the Fund on such investment, the Fund may also invest indirectly in such securities through holdings in UCITS funds domiciled in a Member State and other open-ended collective investment schemes that satisfy the requirements of the Central Bank, such as Guernsey Class A Schemes, Jersey Recognised Funds and Isle of Man Authorised Schemes, including other schemes managed by the Manager or its affiliates. Investment in units of UCITS or non-UCITS will be limited to collective investment schemes which adhere to similar restrictions as those applying to the Company and its Funds. The Fund may invest up to 5% of its Net Asset Value in real estate investment trusts (REITS).

The Fund may, for efficient portfolio management purposes, also use the financial derivative instruments set out under the "Efficient Portfolio Management" section.

## **Sanlam African Frontier Markets Fund (the "Fund")**

### **Investment Objective and Policies**

#### **Investment Objective**

The investment objective of the Fund is to achieve long-term capital growth by investing directly or indirectly in African equities which the Investment Manager has identified as being undervalued and offering above average growth potential.

#### **Policy and Guidelines**

The Fund will pursue its investment objective by investing in regulated African markets. The Fund will invest in equity securities of companies listed on the African Recognised Exchanges set out in Appendix I of the Prospectus.

The Fund's investment policy will not be subject to any sector restrictions but will be limited to countries on the African continent. Investors will gain exposure to African frontier markets through a concentrated portfolio of stocks.

The equity securities held by the Fund may include preference shares, ordinary shares and other securities with equity characteristics. When market conditions dictate a more defensive investment strategy and the Investment Manager considers it in the best interest of the Fund, the Fund may on a temporary basis, hold up to 30% of its net asset value in liquid assets including but not limited to cash and cash equivalents (including but not limited to commercial paper, certificates of deposit, other money market instruments and treasury bills). These cash and money market instruments may be held in currencies other than the base currency of the Fund. The Fund may invest up to 100% of its net assets in securities of companies listed in African countries considered to be appropriate by the Investment Manager.

The Investment Manager follows a value-based, bottom-up approach to stock selection. Each member of the investment team conducts comprehensive fundamental research on companies identified for further scrutiny by an in-house screening process. The fundamental research process includes the use of proprietary historical and forward looking company financial models as well as management visits. Investment ideas are then generated by the team and price targets established. These price targets form

the basis of the investment decision.

The Fund may, for efficient portfolio management purposes, also use the financial derivative instruments set out in the "Efficient Portfolio Management" section below.

**As the Fund may invest up to 100% of its assets in equity securities of companies listed and traded in countries considered to be emerging or frontier markets by the Investment Manager, an investment into this Fund should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors.**

## **P-Solve Inflation Plus Fund (the "Fund")**

### **Investment Objective and Policies**

#### **Investment Objective**

The investment objective of the Fund is to grow capital by delivering a return in excess of UK inflation as measured by the Retail Price Index. This is achieved by diversifying investments across various asset classes and providing the opportunity for real capital growth.

The Fund may offer downside capital preservation during adverse market conditions however this is not guaranteed.

#### **Policy and Guidelines**

The Fund may invest up to 100% of its net assets in collective investment schemes ("**CISs**"). The CISs may be located in (but not limited to) jurisdictions such as the United States, Canada, Ireland, UK, Luxembourg, Germany, France, Sweden, Norway, Switzerland, Guernsey and Jersey and may be diversified across investment managers.

The Fund will primarily seek to achieve its objective by investing in CIS that have exposure to global corporate and government debt and equity securities and which satisfy the requirements of the Regulations namely:-

- UCITS domiciled in any Member State;
- Class A Schemes established in Guernsey;
- Recognised Funds established in Jersey;
- Authorised Schemes established in the Isle of Man;
- non-UCITS collective investments schemes which are authorised by the Central Bank, a member state of the EEA, the United States, Jersey, Guernsey or the Isle of Man and which comply, in all material respects, with the provisions of the UCITS Notices and other non-UCITS retail CISs which have been authorised by the Central Bank in terms of Guidance Note 2/03;
- closed-ended CISs that satisfy the requirements of the Central Bank set out in UCITS Notice 9.

The principal factors in determining the Investment Manager's investment strategy for CISs are as set out below (it should be noted that this list is not intended to be exhaustive and may vary depending on the circumstances):

1. manager's industry profile and expertise;
2. analysis of manager's business model;

3. manager's current and historic track record;
4. total size of manager's assets under management;
5. analysis of manager's stock selection process;
6. financial strength of manager;
7. review of CIS documents;
8. research from publicly available sources and third party ratings;
9. operational due diligence of the manager and custodian; and
10. costs such as manager and custodial fees.

Subject to the investment restrictions set out in the Prospectus and permissible direct investment by the Fund in securities as provided for below, the Fund may also invest in other Irish domiciled CISs managed by the Manager which meet the requirements of Guidance Note 2/03. Investments may not be made in another Fund of the Company which itself holds shares in other Funds of the Company.

The CISs in which the Fund invests, may in turn invest in a range of asset classes, which may include ordinary and preference shares and other securities with equity characteristics, including but not limited to, warrants and convertible securities. The CISs in which the Fund invests may invest in a broad range of debt securities (including but not limited to bonds (including both corporate and sovereign), debentures, asset-backed and mortgage-backed securities and collateralised bond obligations). The debt securities in which the CISs in which the Fund invests will be subject to the credit rating limits set out in the Investment Restrictions set out below (or if unrated, will be of similar creditworthiness in the Investment Manager's opinion). It is expected the investment in CISs in which the Fund invests will enhance returns. In addition, the Fund may also invest in CISs which invest in lower grade debt securities where it is expected that these will have a higher return than investment grade securities.

A diversified portfolio across a range of asset classes will ensure that returns are associated with different economic factors, thus reducing the volatility of performance and preserving capital. Thus if one asset class falls in value, for example, equities, then a different asset class, for example sovereign bonds, may perform strongly as investors seek protection in the sovereign bond markets, forcing sovereign bond prices up. The Fund is managed within specific asset class exposure limits to provide the Investment Manager with a framework to assist in the preservation of capital.

In addition, the key to successfully growing capital within the Fund is to rotate capital across asset classes i.e. reduce exposure to asset classes with a negative outlook and increase exposure to asset classes which have a positive outlook. Correlation between asset classes means strong performance can be produced while maintaining a diversified portfolio. For example, both equities and corporate bonds are strongly related to the health of corporate entities and are expected to perform well in times of low interest rates and stable inflation. Being overweight in equities and corporate bonds in these conditions will thus be conducive to capital growth.

In addition, subject to the Investment Restrictions set out below, where in the Investment Manager's opinion it is financially advantageous for the Fund to have direct exposure to global sovereign bonds, the Fund may invest directly in global sovereign bonds of investment grade status listed or traded on the Recognised Exchanges or regulated markets set out in Appendix I of the Prospectus in order to minimise costs and reduce risk. The extent of such holdings may vary according to market conditions.

For ancillary liquidity purposes, the Fund may hold liquid assets such as cash or cash equivalents including units in money market funds.

#### **SIIP India Opportunities Fund (the "Fund")**

## **Investment Objective and Policies**

### **Investment Objective**

The investment objective of the Fund is to provide long-term capital growth.

### **Policy and Guidelines**

The Fund will invest primarily in transferable securities of companies listed or traded on a regulated stock exchange or market in India, or in companies or their subsidiaries which have their principal business activities in India in order to achieve the Fund's investment objective.

The securities will primarily be common stocks and other securities with equity characteristics including but not limited to preferred stocks, rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company) and convertible securities. The Fund may also invest in depositary receipts providing exposure to companies in India. All such securities will be listed or traded on Recognised Exchanges listed in Appendix I to the Prospectus.

The Investment Manager, at its sole discretion and acting in the best interest of the Fund, where market conditions dictate a more defensive strategy, may determine that the Fund should, on a temporary basis, hold up to 25% of the Net Asset Value of the Fund in liquid assets including but not limited to cash and cash equivalents (including but not limited to certificates of deposit, money market instruments (including but not limited to banker's acceptance, notice deposits, corporate and government bonds, commercial paper, debentures and treasury bills all of which shall have a maturity of less than one year), subject to the Investment Restriction set out in the Prospectus. These cash and money market instruments may be held in currencies other than the Base Currency. Money market instruments will be rated at least investment grade by an international ratings agency.

The Fund may also invest indirectly in Indian securities through holdings in UCITS funds domiciled in a Member State and open-ended collective investment schemes that satisfy the requirements of the Central Bank, such as Guernsey Class A Schemes, Jersey Recognised Funds and Isle of Man Authorised Schemes, including other schemes managed by the Manager or its affiliates subject to the investment restrictions below and set out in the Prospectus. Investments in units of UCITS and non-UCITS will be limited to collective investment schemes which adhere to similar restrictions as those applying to the Company and its funds. Subject to the investment restrictions set out in the Prospectus, the Fund may invest up to 20% of its net assets in such open-ended collective investment schemes.

**As the Fund may invest up to 100% of its assets in equity securities of companies listed and traded in countries considered to be emerging or frontier markets by the Investment Manager, an investment into this Fund should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors.**

The Fund may, for efficient portfolio management purposes, also use financial derivative instruments as set out under the "Efficient Portfolio Management" section.

## **Sanlam Private Wealth Global High Quality Fund (the "Fund")**

### **Investment Objective and Policies**

#### **Investment Objective**

The investment objective of the Fund is to provide capital growth over the long term.

#### **Policy and Guidelines**

The Fund will invest primarily in equity securities of companies listed or traded on the Recognised

Exchanges set out in Appendix I of the Prospectus.

The Fund's investment policy will not be subject to any geographical or sector restrictions. The Investment Manager will invest in "high quality" investments. The Investment Manager defines a "high quality" investment as one with some of the following characteristics: companies that typically have strong balance sheets enabling the company to service debt comfortably, high cash returns on assets, relatively low capital requirements, have a high market share in their chosen products or service lines, short customer repurchase cycles and long product cycles.

The securities will primarily be common stocks and other securities with equity characteristics including but not limited to preferred stocks, rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company) and convertible securities (such as convertible bonds and convertible preferred stocks). The Fund may also invest in depositary receipts.

The Fund may also invest indirectly in equity securities through holdings in UCITS funds domiciled in a Member State and open-ended collective investment schemes including exchange traded funds ("**CIS**") that satisfy the requirements of the Central Bank, such as Guernsey Class A Schemes, Jersey Recognised Funds and Isle of Man Authorised Schemes, including other schemes managed by the Manager or its affiliates subject to the investment restrictions below and set out in the Prospectus. Investments in units of UCITS and non-UCITS will be limited to collective investment schemes which adhere to similar restrictions as those applying to the Company and its funds. Investment in such collective investment schemes may not exceed 10% of the net asset value of the Fund, subject to a maximum of 10% in any one collective investment scheme.

The Fund shall also limit exposure to equity securities of companies listed or traded in countries considered to be emerging markets by the investment manager (including but not limited to countries included in the Morgan Stanley Capital International Emerging Markets Index which currently includes twenty-one emerging economies: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey) to 30% of its assets.

**As the Fund may invest more than 20% of its assets in equity securities of companies listed or traded in countries considered to be emerging markets by the Investment Manager, an investment in the Fund should not constitute a substantial portion of an investment portfolio and may not be appropriate for all investors.**

It is not the intention of the Fund to use financial derivative instruments and the Fund will not do so until a risk management process and updated Supplement has been submitted and cleared by the Central Bank.

## **Grindrod Global Property Income Fund (the "Fund")**

### **Investment Objective and Policies**

#### **Investment Objective**

The investment objective of the Fund is to provide a high level of current income and to provide long-term income growth and capital appreciation.

#### **Policy and Guidelines**

The Fund seeks to achieve its objective by investing primarily in a global range of transferable securities of real estate companies and real estate related companies, or in companies which own significant real estate assets at the time of investment or in Real Estate Investment Trusts ("**REITS**") including publicly traded closed-ended real estate funds listed or traded on a Recognised Exchange listed in Appendix I to the Prospectus. A REIT is established as a trust or partnership structure which uses pooled capital of many investors to purchase and manage income property. The investment in REITS will not affect the

Fund's ability to provide redemption facilities.

The securities will primarily be common stocks and other securities with characteristics which satisfy the investment objective of the Fund, including but not limited to preferred stocks and rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company). This may, on occasion result in the Fund holding an allocation of emerging markets. All such securities will be listed or traded on Recognised Exchanges listed in Appendix I to the Prospectus. Although the Fund has no specific geographical focus, at least 80% of the Net Asset Value of the Fund will be invested in markets which the Investment Manager considers to be "developed markets", including, but not limited to, USA, Canada, Eurozone countries, United Kingdom, Singapore, Japan, Hong Kong and Australasia.

For these purposes:

- A company is considered to be in the real estate industry if at least 50% of its gross revenues or net profits at the time of investment come from construction, ownership, management, operation, financing, refinancing, sales, leasing, development or rehabilitation of real estate.
- A company is considered to own significant real estate assets if at least 50% of the fair market value of its assets at the time of investment is attributable to one or more of the following: (a) real estate owned or leased by the company as lessor or as lessee or (b) the discounted value of the stream of fees or revenues to be derived from the management or operation of real estate.

Examples of companies that might qualify under one of these categories include, but are not limited to:

- real estate operating companies;
- companies engaged in the construction, distribution, sale and financing of manufactured housing;
- hotel and hotel management companies;
- manufacturers or distributors of construction materials and/or building supplies; and
- companies with significant real estate holdings such as supermarkets, restaurant chains and retail chains.

The Investment Manager will follow a top-down approach on an international basis for high yield. The high yield must be representative of future capital growth and income. This involves the Investment Manager engaging in initial investment screening searching for yield and the results of such screening being investigated.

The Investment Manager, at its sole discretion and acting in the best interest of the Fund, where market conditions dictate a more defensive strategy may determine that the Fund should, on a temporary basis, hold up to 25% of the Net Asset Value of the Fund in liquid assets including, but not limited to cash and cash equivalents, including but not limited to commercial paper, certificates of deposit, other money market instruments (including but not limited to banker's acceptance, notice deposits, corporate and government bonds, which may be fixed or floating rate, debentures and treasury bills all of which have a maturity of less than one year), subject to the Investment Restrictions set out in the Prospectus. These cash and money market instruments may be held in currencies other than the Base Currency (such as Euro, Canadian Dollar, Australian Dollar and Sterling). Money market instruments will be rated at least investment grade by an international ratings agency.

At least 90% of the market value of the securities in which the Fund invests will be listed on Recognised Exchanges that are listed in Appendix I of the Prospectus and that are full members of the World Federation of Stock Exchanges, which is an international organization for securities and derivative markets, such as stock exchanges. Up to 10% of the market value of the securities in which the Fund invests may be traded on markets or exchanges not having obtained full membership of the World Federation of Stock Exchanges, provided those markets and exchanges are listed in Appendix I of the



Prospectus and a comprehensive due diligence has been carried out by the Manager in line with the requirements of the Prospectus.

The investment strategy employed by the Investment Manager is not intended to result in high levels of volatility, however from time to time the Fund may have high levels of volatility due to market conditions or movements.

## **Sanlam Global Property Fund (the "Fund")**

### **Investment Objective and Policies**

#### **Investment Objective**

The investment objective of the Fund is to provide long-term capital growth.

#### **Policy and Guidelines**

The Fund will invest primarily in global equity securities of companies listed or traded on the Recognised Exchanges set out in Appendix I of the Prospectus, which have their principal business activities in the real estate industry.

For these purposes:

- A company is considered to have their principal business activities in the real estate industry if at least 50% of its gross revenues or net profits at the time of investment come from construction, ownership, management, operation, financing, refinancing, sales, leasing, development or rehabilitation of real estate.
- A company is considered to have their principal business activities in the real estate industry if at least 50% of the fair market value of its assets at the time of investment is attributable to one or more of the following: (a) real estate owned or leased by the company as lessor or as lessee or (b) the discounted value of the stream of fees or revenues to be derived from the management or operation of real estate.

Examples of companies that might qualify under one of these categories include, but are not limited to:

- real estate operating companies;
- companies engaged in the construction, distribution, sale and financing of manufactured housing;
- hotel and hotel management companies;
- manufacturers or distributors of construction materials and/or building supplies; and
- companies with significant real estate holdings such as supermarkets, restaurant chains and retail chains.

The equity securities held by the Fund may include common stocks, preference shares, real estate investment trusts (REITS), and other equity type securities such as depositary receipts of companies which have their principal business activities in the real estate industry. The Fund may invest up to 100% of its Net Asset Value in real estate investment trusts (REITS). A REIT is established as a trust or partnership structure which uses pooled capital of many investors to purchase and manage income generated from properties. The investment in REITS will not affect the Fund's ability to provide redemption facilities.

Subject to a limit of 20% of the Net Asset Value of the Fund on such investment, the Fund may also invest indirectly in such securities through holdings in UCITS funds domiciled in a Member State and other open-ended collective investment schemes that satisfy the requirements of the Central Bank, such as Guernsey Class A Schemes, Jersey Recognised Funds and Isle of Man Authorised Schemes, including other schemes managed by the Manager or its affiliates. Investment in units of UCITS or non-UCITS will be limited to collective investment schemes which adhere to similar restrictions as those applying to the Company and its Funds.

The Fund may, for efficient portfolio management purposes, also use the financial derivative instruments set out under the "Efficient Portfolio Management" section below.

The Fund's investment policy will not be subject to any geographical restrictions, however, the Fund may invest up to 20% of its net assets in equity securities of companies listed and traded in countries considered to be emerging markets by the Investment Manager.

## **Sanlam Private Wealth Strategic Investment Grade Bond Fund (the "Fund")**

### **Investment Objective and Policies**

#### **Investment Objective**

The Investment objective of the Fund is to provide a total return for investors, with a monthly income and the potential for capital growth.

#### **Policy and Guidelines**

The Fund's investments are subject to the important "Investment Restrictions" listed below.

- a) The Fund will invest primarily in government and corporate bonds (which may be fixed or floating);
- b) The Fund may also invest on an ancillary basis (and/or on a "when issued" or delayed delivery basis) in floating rate notes, convertible bonds, preference shares, covered bonds and money market instruments including; deposits, cash, treasury bills, certificates of deposit, bankers acceptances and commercial paper;

Financial derivative instruments may be used by the Fund either for investment or hedging purposes. The Fund may use futures, forwards, options, swaps (including credit default swaps) and contracts for difference. Any such instruments may be used in order to protect, or enhance, the capital value of the portfolio, one of the Funds investment objectives and/or for the purposes of efficient portfolio management. The Manager on behalf of the Fund has filed with the Central Bank its risk management policy which enables it to accurately measure, monitor and manage the various risks associated with the use of financial derivative instruments. The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. As set out in the risk management policy, the Manager will use the commitment approach for the purposes of calculating global exposure.

The transferable securities and money market instruments which the Fund invests in will be listed/traded on exchanges/markets set out in Appendix I to the Prospectus, save that if any such transferable security or money market instrument is not listed/traded on such market/exchange, they will be in accordance with the Central Bank's requirements.

The Fund may charge fees and expenses to capital, please see the section entitled risk factors for more information.

## **Sanlam FOUR US Dividend Income Fund (the "Fund")**

### **Investment Objective and Policies**

#### **Investment Objective**

The investment objective of the Fund is to target capital growth over the longer term.

#### **Policy and Guidelines**

The Fund's investment objective will be achieved by gaining exposure to listed companies in the United States. The Fund may also invest in listed companies in Canada to the value of 25% of the Net Asset

Value of the Fund. The securities will primarily be common stocks and other securities with equity characteristics, including but not limited to preferred stocks, warrants (not more than 5% of the Fund's Net Asset Value), rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company), as well as depository receipts, for such securities all of which are listed or traded on Recognised Markets (as set out in Appendix I of the Prospectus). The Fund will invest primarily in dividend yielding securities and the securities will not be selected on the basis of a particular industry/sector or capitalisation bias.

The Fund may also pending reinvestment invest on a short term basis in cash, cash deposits and money market instruments (including, but not limited to commercial paper and certificates of deposit), or collective investment schemes. Any investment in collective investment schemes shall not exceed in aggregate 10% of the Net Asset Value of the Fund.

The Fund may, for efficient portfolio management and hedging purposes also use the financial derivative instruments set out under the "Efficient Portfolio Management" section below.

### **Sanlam FOUR Active European Ex-UK Equity Fund (the "Fund")**

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

##### **Investment Objective**

The objective of the Fund is to target capital growth over the long term.

##### **Policy and Guidelines**

The Fund's investment objective will be achieved through investment primarily in European listed companies outside of the United Kingdom ("UK"). The securities will primarily be common stocks and other securities with equity characteristics, including but not limited to preferred stocks, warrants (not more than 5% of the Fund's Net Asset Value), rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company) and convertible securities, as well as depository receipts, for such securities all of which are traded on securities exchanges or regulated markets of Europe outside of the UK.

The Fund may, for efficient portfolio management purposes also use the FDI set out under the "Efficient Portfolio Management" section below.

### **Sanlam FOUR Active UK Equity Fund (the "Fund")**

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

##### **Investment Objective**

The objective of the Fund is to target capital growth over the longer-term.

##### **Policy and Guidelines**

The Fund's investment objective will be achieved through investment primarily in United Kingdom ("UK") listed companies. The Fund may also invest in companies listed on the European markets to the value of 20% of the Net Asset Value of the Fund. To the extent that any such investments give rise to any currency exposure (for example due to exchange rate fluctuations between the Base Currency and the currency of a particular position), the Fund may utilise foreign exchange (FX) swap contracts to hedge against such exposure.

The securities will primarily be common stocks and other securities with equity characteristics, including but not limited to preferred stocks, warrants (not more than 5% of the Fund's Net Asset Value), rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company) and convertible securities, as well as depository receipts, for such securities all of which are traded on securities exchanges or regulated markets of the UK.

The Fund may, for efficient portfolio management purposes also use the FDI set out under the "Efficient Portfolio Management" section below.

### **Sanlam FOUR Global Equity Fund (the "Fund")**

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

##### **Investment Objective**

The objective of the Fund is to target capital growth over the long term.

##### **Policy and Guidelines**

The Fund's investment objective will be achieved through investment primarily in global listed companies. There is no particular geographical or sectoral focus. The securities will primarily be common stocks and other securities with equity characteristics, including but not limited to preferred stocks, warrants (not more than 5% of the Fund's Net Asset Value), rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company) and convertible securities, as well as depository receipts, for such securities all of which are traded on securities exchanges or regulated markets.

### **Sanlam FOUR Multi-Strategy Fund (the "Fund")**

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

##### **Investment Objective**

The investment objective of the Fund is to seek to outperform the Consumer Price Index by 4% per annum over five-year periods with a target of generating a positive absolute return on a rolling 3 year basis.

##### **Policy and Guidelines**

The Fund aims to achieve its stated investment objective by investing in a diversified portfolio of instruments across a variety of different asset classes. The instruments in which the Fund invests are selected on the basis of proprietary multi-asset trading strategies of the Investment Manager as further detailed below. The application of these trading strategies may result in the Fund investing in the underlying instruments on a long/short basis.

The Fund will invest in equities, fixed income securities such as corporate and government bonds (which may be fixed or floating rate and rated investment or sub-investment grade by Standard & Poor's, Moody's or an equivalent rating agency), money market instruments such as investment grade corporate bonds and government issued securities of less than 1 year maturity, cash deposits, collective investment schemes ("CIS") and exchange traded funds ("ETF"). The Fund will also invest in FDI in the form of futures (including equity index futures) and options in order to gain indirect exposure to these instruments and asset classes. All instruments will be listed and/or traded on the recognised markets and exchanges as set out in Appendix 1 to the Prospectus. The instruments will not be selected on the basis of a particular geographical or sector bias. Any investment in CIS and ETF will be in order to gain exposure to global equities, fixed income securities and volatility indices. The Fund may invest in CIS and ETF which are regulated as UCITS or as non-UCITS and the Fund's investment in such CIS shall not exceed 10% of its Net Asset Value.

Although the Fund may invest in instruments on a long and/or short basis in accordance with the trading strategies as set out below, the global exposure as a result of such investment in FDI shall not exceed 100% of the Net Asset Value of the Fund and where the Fund uses FDI, it will, at all times, comply with the conditions and limits set out in the Central Bank Notices. The Company on behalf of the Fund, will on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. It is not intended that the use of FDI in this way will cause the Net Asset Value of the Fund to have high volatility or otherwise cause its existing risk profile

to change.

The Fund will have a significant cash balance as most investments will be via futures and/or options. This cash balance will be invested in deposits and money market instruments.

### **Sanlam FOUR Stable Global Equity Fund (the "Fund")**

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

##### **Investment Objective**

The objective of the Fund is to target capital growth over the long term.

##### **Policy and Guidelines**

The Fund's investment objective will be achieved through investment primarily in global listed companies. There is no particular geographical or sectoral focus. The securities will primarily be common stocks and other securities with equity characteristics, including preferred stocks, warrants (not more than 5% of the Fund's Net Asset Value), rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company) and convertible securities, as well as depository receipts, for such securities all of which are traded on securities exchanges or regulated markets. The Fund's stock selection criteria will focus on non-cyclical stocks, hence the significance of "Stable" in the Fund title.

The Fund may also use financial derivative instruments for the purposes of efficient portfolio management only and accordingly to achieve one or more of the following, the reduction of risk, the reduction of costs, and the generation of additional capital or income for the Fund with no, or with an acceptably low level of, risk. Subject to the Investment Restrictions, the Fund may use the following instruments namely: spot and forward currency contracts, options on securities, indices and currencies, swaps, futures and options on futures, when-issued and forward commitment securities (subject to the investment and borrowing limits (10% of the Fund's Net Asset Value) set out herein). Further details of the techniques and instruments that the Fund may employ for efficient portfolio management purposes are also set out in the Prospectus under the paragraph "Efficient Portfolio Management". The Fund will not be leveraged through the use of financial derivative instruments as cash will be retained in the Fund to the value of any derivative exposure.

### **Sanlam Centre Global Select Equity Fund (the "Fund")**

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

##### **Investment Objective**

The investment objective of the Fund is to provide above average long-term capital growth through investing in global equity markets.

##### **Policy and Guidelines**

The Fund will invest primarily in equity securities of companies listed or traded on the Recognised Exchanges set out in Appendix I of the Prospectus.

The Fund's investment policy will not be subject to any geographical or sector restrictions, other than a limit of 40% of the net asset value of the Fund that may be invested in securities of companies listed or traded in countries considered to be emerging markets by the Manager.

The equity securities held by the Fund may include preference shares and other securities with equity characteristics or conferring the right to acquire equity securities, such as depository receipts, warrants and convertible securities. The Fund may also invest in units of non-UCITS exchange traded funds (ETFs). Investment in warrants will not exceed 5% of the Fund's net assets. The Fund may also invest indirectly in such securities through holdings in UCITS funds (including ETFs) domiciled in a Member

State and other open-ended collective investment schemes that satisfy the requirements of the Central Bank, such as Guernsey Class A Schemes, Jersey Recognised Funds and Isle of Man Authorised Schemes, including other schemes managed by the Manager or its affiliates. Investment in units of UCITS or non-UCITS will be limited to collective investment schemes which adhere to similar restrictions as those applying to the Company and its Funds. Investment in such collective investment schemes may not exceed 20% of the net asset value of the Fund, subject to a maximum of 20% in any one collective investment scheme. The Fund may invest up to 5% of its Net Asset Value in listed real estate investment trusts ("**REITS**").

The Fund may, for efficient portfolio management purposes, also use the financial derivative instruments set out under the "Efficient Portfolio Management" section below. It is not the intention of the Fund to use financial derivative instruments and the Fund will not do so until a risk management process has been submitted and cleared by the Central Bank.

## **Sanlam FOUR UK Income Opportunities Fund (the "Fund")**

### **Investment Objective and Policies**

#### **Investment Objective**

The investment objective of the Fund is to generate income and target capital growth over the longer term.

#### **Policy and Guidelines**

The Fund's investment objective will be achieved through long-only investment primarily in equity securities of companies listed on the London Stock Exchange ("LSE") which (i) have a market capitalization in excess of £100 million; and (ii) at least 80% of which will be listed on the LSE Main Market. The Fund's exposure to such listed companies will, at all times, be at least 80% of its Net Asset Value.

The equity securities will primarily be common stocks and other equity linked securities, including preferred stocks, warrants (not more than 5% of the Fund's Net Asset Value), rights (which are issued by a company to allow holders to subscribe for additional securities issued by that company), as well as depository receipts, for such securities all of which are traded on Recognised Exchanges in the UK.

The Fund may also invest up to 20% of its Net Asset Value in corporate bonds (which may be fixed and/or floating rate and rated investment or sub-investment grade by Standard & Poor's, Moody's or an equivalent rating agency), equity securities of U.K. companies with market capitalization of less than £100 million, U.K. companies -listed on the LSE Alternative Investment Market, equity securities of non-UK companies, cash and cash equivalents (including but not limited to commercial paper, certificates of deposit, letters of credit and treasury bills). The cash and cash equivalents may be held in currencies other than the base currency of the Fund.

The Fund may invest up to 20% of its Net Asset Value in the units and/or shares of exchange-traded funds ("**ETFs**") to gain indirect exposure to the asset classes disclosed above in accordance with the requirements of the Central Bank.

The Fund may, for efficient portfolio management and hedging purposes also use the financial derivative instruments set out under the "Efficient Portfolio Management" section below.

## APPENDIX II

### Markets

The following are the list of stock exchanges and regulated markets on which the assets of the Funds of the Company and the sub-funds of Sanlam Universal Funds plc may be invested and is set out in accordance with the Central Bank's requirements. The Central Bank does not issue a list of approved stock exchanges or markets. With the exception of permitted investments in unlisted securities and units of open-ended collective investment schemes, investments will be restricted to the following stock exchanges and regulated markets:-

- (a) (i) any stock exchange which is:
- located in any Member State; or
  - located in an EEA Member State; or
  - located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States of America; or
- (ii) any stock exchange included in the following list:
- |  |   |
|--|---|
| Argentina  | Bolsa de Comercio de Buenos Aires, Bolsa de Comercio de Cordoba, Bolsa de Comercio de Mendoza S.A. and Bolsa de Comercio Rosario; |
| Bahrain  | Bahrain Stock Exchange;   |
| Bangladesh   | Chittangong Stock Exchange Ltd. and Dhaka Stock Exchange Ltd.;  |
| Bermuda  | Bermuda Stock Exchange Ltd.;  |
| Botswana   | Botswana Stock Exchange;  |
| Brazil   | Bolsa de Valores Minas and Bolsa De Valores, Mercadorias e Futuros;   |
| Bulgaria   | Bulgarian Stock Exchange;   |
| Channel Islands<br>(Guernsey, Jersey, Isle of Man) | Channel Islands Stock Exchange  |
| Chile  | Santiago Stock Exchange;  |
| China  | Shanghai Stock Exchange and Shenzhen Stock Exchange;  |
| Colombia   | Bolsa de Valores de Colombia;   |
| Croatia  | Zagreb Stock Exchange;  |
| Egypt  | Egyptian Exchange and Nile Stock Exchange;  |
| Ghana  | Ghana Stock Exchange;   |



India	Mumbai Stock Exchange, Madras Stock Exchange, Delhi Stock Exchange, Bangalore Stock Exchange Ltd., Calcutta Stock Exchange and the National Stock Exchange of India;
Indonesia	Jakarta Futures Exchange and Indonesia Stock Exchange;
Israel	Tel Aviv Stock Exchange;
Ivory Coast	Bourse Regionale des Valeurs Mobilieres;
Jordan	Amman Stock Exchange;
Kazakstan	Kazakhstan Stock Exchange;
Kenya	Nairobi Stock Exchange;
Korea	Korean Stock Exchange;
Kuwait	Kuwait Stock Exchange;
Lebanon	Beirut Stock Exchange;
Malaysia	Bursa Malaysia;
Mauritius	Stock Exchange of Mauritius Ltd.;
Mexico	Bolsa Mexicana de Valores;
Morocco	Casablanca Stock Exchange;
Namibia	Namibian Stock Exchange;
Nigeria	Nigerian Stock Exchange;
Oman	Muscat Securities Market;
Pakistan	Lahore Stock Exchange and Karachi Stock Exchange (Guarantee) Limited;
Peru	Bolsa de Valores de Lima;
Philippines	Philippine Stock Exchange, Inc.;
Qatar	The Qatar Exchange;
Romania	Romanian Commodities Exchange;
Russia	RTS Stock Exchange and MICEX (solely in relation to equity securities that are traded on level 1 or level 2 of the relevant exchange);
Serbia	Belgrade Stock Exchange;
Saudi Arabia	Saudi Stock Exchange (Tadawul);
Singapore	Singapore Exchange;

South Africa	Johannesburg Stock Exchange;
South Korea	Korean Stock Exchange;
Sri Lanka	Colombo Stock Exchange;
Taiwan	Taiwan Stock Exchange;
Tanzania	The Dar es Salaam Stock Exchange;
Thailand	Stock Exchange of Thailand;
Tunisia	Bourse de Tunis;
Turkey	Istanbul Stock Exchange;
Uganda	Uganda Securities Exchange
Ukraine	Ukrainian Exchange;
United Arab Emirates	Abu Dhabi Securities Market and Dubai Financial Market;
Uruguay	Bolsa de Valores de Montevideo;
Vietnam	Ho Chi Minh Stock Exchange and Hanoi Stock Exchange;
Venezuela	Bolsa de Valores de Caracas;
Zambia	Lusaka Stock Exchange; and
Zimbabwe	Zimbabwe Stock Exchange.

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

The market organised by the International Securities Market Association;

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

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

The over-the-counter market in the United States conducted by primary and second dealers regulated by the Securities and Exchanges Commission and by the Financial Industry Regulatory Authority, Inc ("**FINRA**") (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

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

The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Industry Regulatory Organisation of Canada;

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

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

(iv) any of the following electronic exchanges:

JASDAQ (Japan);

KOSDAQ (Korea);

NASDAQ;

SESDAQ (Singapore);

TAISDAQ/Gretai Market (Taiwan); and

Virt-X Exchange Limited.

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

The Chicago Board of Trade;

The Chicago Mercantile Exchange;

The Chicago Board Options Exchange;

ICE Futures

International Securities Exchange (ISE)

LCH.Clearnet Limited

OMLX, The London Securities and Derivatives Exchange;

The Options Clearing Corporation, Inc.

New York Mercantile Exchange;

New York Board of Trade;

New Zealand Futures and Options Exchange;

Hong Kong Futures Exchange;

Osaka Securities Exchange;

Singapore Commodity Exchange;

Tokyo International Financial Futures Exchange.

## APPENDIX III

### AIFMD Information Card

This AIFMD Information Card has been prepared for the purpose of meeting the specific investor disclosure requirements contained in Article 23 of AIFMD.

#### 1. Description of the investment objective, policies and strategy of each Fund

The section of the relevant Supplement entitled "*Investment Objective and Policies*", contains a full account of the investment objective, policies and strategy of that Fund.

#### 2. Procedures to change the investment objective, policies or strategy

The Prospectus provides that the investment objective of a Fund may not be altered, and material changes to the investment policy of a Fund may not be made, without prior approval of Shareholders. For further details, refer to the section of the Prospectus entitled "*Investment Objective and Policies*".

#### 3. Legal implications of an investment in the Company

##### 3.1 The main legal implications of the contractual relationship which you would enter into by investing in a Fund are as follows:

3.1.1 By completing and submitting the relevant application form, you will have made an offer to subscribe for Shares which, once it is accepted by the Company and Shares are issued, has the effect of a binding contract.

3.1.2 The Shareholder will be obliged to make representations, warranties, declarations and certifications in the application form relating to its eligibility to invest in the Fund and its compliance with the applicable anti-money laundering laws and regulations.

3.1.3 Upon the issue of Shares, you will become a Shareholder in the relevant Fund and the Articles will take effect as a statutory contract between you and the Company.

3.1.4 The Articles are governed by, and construed in accordance with, the laws of Ireland. The application form is governed by, and construed in accordance with, the laws of Ireland.

3.1.5 A judgment obtained against the Company in the courts of a foreign jurisdiction (a "Foreign Judgment") may be enforced against the Company in Ireland subject to certain requirements being satisfied. In the case of any Foreign Judgment to which Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast) (the "Recast Brussels Regulation") does not apply, an order enforcing that Foreign Judgment should be granted on proper proof of that judgment without any re-trial or examination of the merits of the case subject to the following qualifications: (i) that the Foreign Judgment was delivered by a court of competent jurisdiction, according to the laws of Ireland; (ii) that the Foreign Judgment was not obtained by fraud; (iii) that the Foreign Judgment is not contrary to public policy or natural justice as understood in Irish law; (iv) that the Foreign Judgment is final and conclusive; (v) that the Foreign Judgment is for a definite sum of money; and (vi) that the procedural rules of the court giving the Foreign Judgment have been observed.

3.1.6 In the case of a Foreign Judgment to which the Recast Brussels Regulation applies, that judgment will be enforced without any special procedure being required as if it had been delivered in Ireland subject to the qualifications that enforcement will be refused where: (i) it would be manifestly contrary to public policy in Ireland; (ii) where the Foreign Judgment

was obtained in default of appearance in circumstances where the defendant was not properly served with the proceedings in sufficient time to arrange for his defence; (iii) the Foreign Judgment is irreconcilable with a judgment given between the same parties in Ireland; (iv) the Foreign Judgment is irreconcilable with an earlier judgment given in another jurisdiction involving the same cause of action and between the same parties provided that the earlier judgment fulfils the conditions necessary for its recognition in Ireland or (v) the Foreign Judgment conflicts with the rules of jurisdiction in sections 3, 4, 5 or 6 of Chapter II of the Recast Brussels Regulation..

#### **4. Identity and duties of the AIFM, Depositary and other service providers and rights of investors**

- 4.1 For details of the identity and duties of the AIFM, the Depositary and other service providers, please refer to the section of the Prospectus entitled "*Management of the Company*".
- 4.2 Absent a direct contractual relationship between a Shareholder and a service provider to the Company, the Shareholder will generally have no direct rights against the service provider, and there are only limited circumstances in which a Shareholder could potentially bring a claim against a service provider. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Company or the AIFM by the relevant service provider is the Company or AIFM.

#### **5. AIFM professional liability risk cover**

In order to cover professional liability risks resulting from activities which the AIFM may carry out on behalf of the Company, the AIFM has retained additional capital equal to or exceeding 0.01% of the value of the portfolios of all of the alternative investment funds that it manages. These professional liability risks shall include, without being limited to, risks of (i) loss of documents evidencing title of assets of the Company; (ii) misrepresentations or misleading statements made to the Company or its Shareholders; (iii) acts, errors or omissions resulting in a breach of legal and regulatory obligations, the duty of skill and care towards the Company and the Shareholders, fiduciary duties, obligations of confidentiality, the Amended and Restated Management and Administration Agreement (including the of appointment of the AIFM); (iv) failure to establish, implement and maintain appropriate procedures to prevent dishonest, fraudulent or malicious acts; (v) improperly carried out valuation of assets or calculation of Net Asset Value; and (vi) losses arising from business disruption, system failures, failure of transaction processing or process management.

#### **6. Management function and safekeeping function delegation arrangements**

- 6.1 The AIFM has delegated the powers of determining certain elements of the investment policy and investment management of the Funds to the Investment Managers, pursuant to the relevant investment management agreement.
- 6.2 The Depositary has power to delegate the whole or any part of its custodial functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The AIFM will inform investors before they invest in the Company of the presence and identity of any appointed delegates of the Depositary.
- 6.3 For details of any potential conflicts of interest that may arise as a result of such delegation arrangements referred to above, refer to the section of the Prospectus entitled "*Portfolio Transactions and Conflicts of Interest*".

#### **7. Liquidity policy of the AIFM; redemption procedures**

- 7.1 The AIFM, in consultation with the relevant Investment Manager, employs an appropriate liquidity management system and has adopted procedures which enable it to monitor the liquidity risk of

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

- 7.2 For details in relation to the procedures and conditions for the redemption of Shares, refer to the section of the Prospectus entitled "*Repurchases of Shares*" and the section of the relevant Supplement entitled "*Key Information for Buying and Selling*".

## **8. Valuation procedures**

- 8.1 The Prospectus provides that the AIFM is responsible for ensuring that the Net Asset Value per Share is calculated and disclosed to Shareholders. The procedures and methodology for calculating the Net Asset Value per Share are summarised in the section of the Prospectus entitled "*Calculation of Net Asset Value*". As part of its control function, the AIFM shall verify and update as necessary these calculation procedures and methodologies.
- 8.2 The AIFM is responsible for ensuring that proper and independent valuation of the assets of the Company can be performed. The assets and liabilities of each Fund will be valued in accordance with the valuation policy of the AIFM consistent with the provisions outlined in the Prospectus.

## **9. Fees and expenses**

- 9.1 For details of the fees and expenses payable out of the assets of the Company, refer to the section of the Prospectus entitled "*Charges and Expenses*".
- 9.2 Details of the fees and expenses payable out of the assets of a specific Fund shall be disclosed in the relevant Supplement in the section entitled "*Charges and Expenses*".

## **10. Fair treatment of Shareholders**

- 10.1 The AIFM will ensure that its decision-making procedures and its organisational structure ensure the fair treatment of Shareholders in the Company. In discharging its role, the AIFM shall act honestly, fairly, professionally, independently and in the interests of the Company and the Shareholders.
- 10.2 Applicants for Shares with commercial arrangements (such as but not limited to managed accounts, separate advisory or intermediary arrangements, etc.) with the AIFM or the relevant Investment Manager may be allotted Shares in classes which do not correspond to their individual subscription amounts where this is deemed to be in the best interests of the Company on an overall basis. Any preferential treatment accorded to one or more Shareholders shall not result in overall material disadvantage to other Shareholders.

## **11. Annual reports**

Audited accounts shall be made available no later than six months following the end of each Accounting Period (being a calendar year ending 31 December in each year).

The AIFM may send such reports and accounts electronically to Shareholders in accordance with the requirements of the Central Bank and where such Shareholders have consented to such receipt in their Application Form.

## **12. Subscription procedures**

For details in relation to the procedures and conditions for the sale of Shares, refer to the section of the Prospectus entitled "*Conversion of Shares*" and the section of the relevant Supplement entitled "*Applications for Shares*".

## **13. Availability of Net Asset Value information**

The Net Asset Value per Share of each class of Shares in each Fund will be made available on the internet at [www.sanlam.ie](http://www.sanlam.ie) or such other website as the AIFM may notify to Shareholders in advance from time to time and from the Administrator following calculation. These Net Asset Values will be those prices applicable to the previous Dealing Day's subscriptions, redemptions

and exchanges and are therefore only indicative after the relevant Dealing Day.



**14. Availability of historical performance data**

The historical performance of each Fund will in due course be available from the Administrator to investors in the Fund before they invest.

**15. Details of any prime brokers appointed**

At the date of this document, the Company has not appointed any prime brokers.

**16. Periodic and regular disclosure of information to Shareholders**

16.1 The AIFM will periodically (and on at least an annual basis) make available to Shareholders the following information, which shall be available by contacting the AIFM at its registered office as set out in the Prospectus:

16.1.1 the current risk profile of the relevant Fund and the risk management systems employed by the AIFM to manage those risks, including (i) measures to assess the sensitivity of the Fund's portfolio to the most relevant risks to which the Fund is or could be exposed; (ii) if risk limits set by the AIFM have been or are likely to be exceeded and where these risk limits have been exceeded, a description of the circumstances and the remedial measures taken; (iii) any change to the risk management systems employed by the AIFM and the anticipated impact of the change on the Fund and the Shareholders.

16.1.2 information on any changes to the AIFM's liquidity management systems and procedures for the Company; the terms under which redemptions are permitted and circumstances determining when management discretion applies; and any voting or other restrictions exercisable.

16.1.3 the total amount of leverage actually employed by the relevant Fund, calculated in accordance with the gross and commitment methods as required under AIFMD.

16.2 The AIFM shall include the following information in the quarterly reports to Shareholders:

16.2.1 if applicable, the total amount of leverage employed by the relevant Fund calculated in accordance with the gross and commitment methods as required under AIFMD; and

16.2.2 if applicable, information on changes to the maximum level of leverage which the AIFM may employ on behalf of the relevant Fund as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangements.

**17. Any contractual discharge arrangements of the Depositary**

17.1 The AIFM will inform investors before they invest in the Company of any arrangement made by the Depositary to discharge itself contractually of any liability.

17.2 To the extent required by AIFMD, the AIFM will inform Shareholders of any changes with respect to the Depositary's liability without delay.

**Sanlam Global Funds plc**  
**First addendum to the prospectus (the "Addendum")**

**This Addendum is supplemental to, forms part of and should be read in conjunction with the prospectus for Sanlam Global Funds plc (the "Company") dated 20 May 2016 (the "Prospectus").**

The Directors (whose names appear in the section entitled "Directors" in the Prospectus) accept responsibility for the information contained in this Addendum. 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 Addendum, when read together with the Prospectus, is in accordance with the facts as at the date of this Addendum and does not omit anything likely to affect the import of such information.

Capitalised terms herein contained shall have the same meaning in this Addendum as in the Prospectus unless otherwise indicated. Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Addendum.

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

Neither the delivery of this Addendum nor the issue or sale of Shares, under any circumstances, constitutes a representation that the information contained in this Addendum is correct as of any time subsequent to the date of this Addendum.

**Dated 27 April 2017**

## Amendments to the Prospectus

The Directors wish to advise all Shareholders and potential investors of the following amendments to the Prospectus in respect of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (S.I. No. 105 of 2015) ("**IMR**").

IMR requires that investment funds and their service providers operating collection accounts either implement enhanced measures in order to comply with the requirements of IMR, or structure/restructure collection account arrangements to fall outside the scope of IMR before the effective date of 1 July 2016.

The following amendments now apply to the Prospectus:

1. The "Definitions" section of the Prospectus is hereby amended by the inclusion of "Umbrella Cash Account" as follows:

**"Umbrella Cash Account"**

means (a) a cash account opened in the name of the Company on behalf of all Funds into which (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued as of the relevant Dealing Day; or (ii) redemption monies due to investors who have redeemed Shares are deposited and held until paid to the relevant investors; or (iii) dividend payments owing to Shareholders are deposited and held until paid to such Shareholders.

2. The section entitled "**Dividend Policy**" on page 31 is hereby amended by the addition of the following after the first paragraph:

"Pending payment to the relevant Shareholder, dividend payments will be held in the Umbrella Cash Account and will be treated as an asset of the Fund until paid to that Shareholder and will not benefit from the application of any investor money protection rules (i.e. the distribution monies in such circumstance will not be held on trust for the relevant Shareholder). In such circumstance, the Shareholder will be an unsecured creditor of the relevant Fund with respect to the distribution amount held by the Company until paid to the Shareholder and the Shareholder entitled to such dividend amount will be an unsecured creditor of the Fund.

In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Shareholders due dividend monies which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the Shareholder may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that Shareholder.

### **Use of an Umbrella Cash Account**

The Company has established subscription cash accounts at umbrella level in the name of the Company into which subscription monies received from investors of all of the Funds shall be lodged. The Company has also established separate redemption cash accounts at umbrella level in the name of the Company. Pending payment to the relevant Shareholders, dividend payments shall also be paid into a separate dividend cash at umbrella level in the name of the Company. Each of these cash accounts are defined herein as Umbrella Cash Accounts. All subscriptions, redemptions or dividends payable to or from the relevant Fund will be channelled and managed through such Umbrella Cash Accounts and no such accounts shall be operated at the level of each individual Fund. However the Company will ensure that the amounts within an Umbrella Cash Account whether positive or negative can be attributed to the relevant Fund in order to comply with the requirement that the assets and

liabilities of each Fund are kept separate from all other Funds and that separate books and records are maintained for each Fund in which all transactions relevant to a Fund are recorded.

3. The section entitled "**Application For Shares**" on page 32 is hereby amended by the addition of the following as the final paragraph:

"In circumstances where subscription monies are received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or expected to be, received and are held in an Umbrella Cash Account, any such investor shall rank as a general creditor of the Fund until such time as Shares are issued as of the relevant Dealing Day. Therefore in the event that such monies are lost prior to the issue of Shares as of the relevant Dealing Day to the relevant investor, the Company on behalf of the Fund may be obliged to make good any losses which the Fund incurs in connection with the loss of such monies to the investor (in its capacity as a creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Fund."

4. The section entitled "**Repurchase of Shares**" on page 35 is hereby amended by the addition of the following as the final paragraph:

"In circumstances where redemption monies are payable to an investor subsequent to a Dealing Day of a Fund as of which Shares of that investor were redeemed or dividend monies are payable to an investor and such redemption / dividend monies are held in an Umbrella Cash Account, any such investor /Shareholder shall rank as an unsecured creditor of the relevant Fund until such time as such redemption/ dividend monies are paid to the investor/Shareholder. Therefore in the event that such monies are lost prior to payment to the relevant investor/ Shareholder, the Company on behalf of the Fund may be obliged to make good any losses which the Fund incurs in connection with the loss of such monies to the investor/ Shareholder (in its capacity as a general creditor of the Fund), in which case such loss will need to be discharged out of the assets of the relevant Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Fund."

5. The section entitled "**Risk Factors**" on page 25 is hereby amended by the addition of the following at paragraph (I):

"(I)     **Subscriptions/Redemptions Account**

Certain risks associated with the operation of the Umbrella Cash Accounts are set out in the sections entitled (i) "Application for Shares"; (ii) "Repurchase of Shares"; and (iii) "Dividend Policy" respectively.

In addition, investors should note that in the event of the insolvency of another Fund of the Company, recovery of any amounts to which a relevant Fund is entitled, but which may have transferred to such other insolvent Fund as a result of the operation of the Umbrella Cash Account(s) (for example by way of an inadvertent error) will be subject to the principles of Irish trust law and the terms of the operational procedures for the Umbrella Cash Accounts. 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 the amounts due to the relevant Fund."

## **Sanlam Global Funds Plc**

### **Second Addendum to the Prospectus (the Second Addendum)**

This Second Addendum is supplemental to, forms part of and should be read in conjunction with the prospectus for Sanlam Global Funds Plc (the "**Company**") dated 20 May 2016 (the "**Prospectus**").

The Directors (whose names appear in the section entitled "Directors" in the Prospectus) accept responsibility for the information contained in this Second Addendum. 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 Second Addendum, when read together with the Prospectus, is in accordance with the facts as at the date of this Second Addendum and does not omit anything likely to affect the import of such information.

Capitalised terms herein contained shall have the same meaning in this Second Addendum as in the Prospectus unless otherwise indicated. Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Second Addendum.

**IMPORTANT:** If you are in doubt about the contents of this Second Addendum, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser.

Neither the delivery of this Second Addendum nor the issue or sale of Shares, under any circumstances, constitutes a representation that the information contained in this Second Addendum is correct as of any time subsequent to the date of this Second Addendum.

Dated 1 October 2018

## Amendments to the Prospectus

The Directors wish to advise all Shareholders and potential investors of the following amendments to the Prospectus in respect of the change of administrator from Sanlam Asset Management (Ireland) Limited to Brown Brothers Harriman Fund Administration Services (Ireland) Limited.

The following amendments now apply to the Prospectus:

### 1 DIRECTORY

The following amendments apply to the Directory of the Prospectus:

- 1.1 By deleting the AIFM, Company Secretary, Administrator and Securities Lending Agent details contained in the Directory section at page 4 of the Prospectus and inserting:

AIFM, Company Secretary and Securities Lending Agent

Sanlam Asset Management (Ireland) Limited  
Beech House  
Beech Hill Road  
Dublin 4  
Ireland

- 1.2 By inserting Administrator details in the Directory section at page 4 of the Prospectus:

Administrator

Brown Brothers Harriman Fund Administration Services (Ireland) Limited  
30 Herbert Street  
Dublin 2  
Ireland

- 1.3 By deleting the Registrar and Transfer Agent details contained in the Directory section at page 4 to 5 of the Prospectus.

### 2 DEFINITIONS

The following amendments apply to the Definitions set out in the Prospectus:

- 2.1 By deleting the definition of Administrator contained in the Definitions section at page 7 of the Prospectus and inserting:

**Administrator** means Brown Brothers Harriman Fund Administration Services (Ireland) Limited or any other person or persons for the time being duly appointed administrator in succession to the said Brown Brothers Harriman Fund Administration Services (Ireland) Limited in accordance with the requirements of the Central Bank.

- 2.2 By inserting the definition of Administration Agreement in the Definitions section at page 7 of the Prospectus, as follows:

**Administration Agreement** means the Administration Agreement between the AIFM and the Administrator dated 28 September 2018 and effective from 1 October 2018 as may be amended, modified or supplement from time to time in accordance with the requirements of the Central Bank.

- 2.3 By deleting the definition of Amended and Restated Management and Administration Agreement contained in the Definitions section at page 7 of the Prospectus and inserting:

**Amended and Restated Management Agreement** means the Amended and Restated Management Agreement between the Company and the AIFM dated 28 September 2018 and effective from 1 October 2018 as may be amended, modified or supplemented from time to time in accordance with the requirements of the Central Bank.

- 2.4 By deleting the definition of Registrar and Transfer Agent contained in the Definitions section at page 11 of the Prospectus.

### **3 MANAGEMENT OF THE COMPANY**

The following amendments apply to sub-sections of the Management of the Company section of the Prospectus:

- 3.1 By deleting the section titled 'The AIFM and Administrator' contained at page 14 and 15 of the Prospectus and inserting:

#### **The AIFM**

The AIFM has been appointed to serve as the Company's alternative investment fund manager and to manage the assets of each Fund in accordance with its investment objective and policies as determined by the AIFM and any subsequent changes thereto pursuant to an Amended and Restated Management Agreement (summarised under General Information below). The AIFM has responsibility for the investment management of the Company with power to delegate such functions subject to the overall supervision and control of the Directors. The AIFM, a limited liability company incorporated in Ireland on 18 June 1997, is owned by Sanlam Limited. The authorised share capital of the AIFM is €1,269,738 of which €126,973.80 is in issue and fully paid. The AIFM also acts as manager of Sanlam Universal Funds plc and as alternative investment fund manager to two other collective investment schemes namely Sanlam Global Funds plc and CI Global Investments RIAIF ICAV.

The AIFM has responsibility for the management of the Company's affairs and distribution of the Shares, subject to the overall supervision and control of the Directors. The AIFM has delegated the performance of certain of its investment management functions in respect of the Company to the Investment Allocation Manager and the Investment Managers. The AIFM has delegated the performance of certain of its distribution functions in respect of the Company to the Distributors.

These delegation arrangements have been notified to the Central Bank and made in accordance with the AIFM's delegation policy and the AIFM Regulations and the AIF Rulebook. The AIFM will notify the Central Bank before any further delegation becomes effective and will be able to justify its entire delegation structure with objective reasons.

Among other requirements of AIFMD, the AIFM shall:

- (subject to the overall policy and supervision of the Directors) have full power, authority and right to exercise the functions, duties, powers and discretion exercisable by the Directors under the Articles either itself or wholly or in part through authorised officers, directors, employees, agents or delegates to manage the investment and re-investment of each Fund with a view to achieving its investment objectives;
- be responsible for the management of the assets of each Fund;

- be responsible for making available to prospective investors the information required by the AIFM Regulations;
- comply with all duties, obligations and functions of an AIFM as are contained in the AIFM Regulations, the Level 2 Regulation and the AIF Rulebook as they apply to the services it provides to the Company; and
- be responsible for marketing and distributing the Shares of the Company and performing such other duties as required under AIFMD.

The AIFM's senior management is responsible for: valuation policies; compliance function; investment policy; investment strategy; risk limits and investment decision-taking monitoring. The AIFM's senior management shall receive regular (at least annual) written reports on compliance, internal audit and risk management and regular reports on (i) the implementation of investment strategies; and (ii) internal procedures for taking investment decisions.

The AIFM shall ensure that its decision-making procedures and its organisational structure ensure fair treatment of Shareholders in the Company.

The directors of the AIFM are:

**Tom Murray** (Irish), whose details are summarised above.

**Richard Aslett** (British), whose details are summarised above.

**Thomas van Heerden** (South African) is currently the Chief Operating Officer of Sanlam Investment Management (Pty) Limited, a position he has held since 1 January 2016. He joined Sanlam Investment Management in 2002 as the Head of Information Technology and was thereafter appointed Head of Investment Operations in 2005. Following the acquisition of the Satrix business by Sanlam Investment Management in October 2012, Mr van Heerden was appointed as CEO of that business. Prior to joining Sanlam, Mr van Heerden initially worked as a management consultant and later spent seven years in the USA, five of which as a partner in an IT consulting company. Mr van Heerden holds a Ph.D. Engineering from the Cambridge University and a Civil Engineering (Cum Laude) from Stellenbosch University.

**Reece Briesies** (South African) is Chief Operating Officer and Chief Financial Officer of Sanlam Investments: International, a division of Sanlam Investments. Mr Briesies is a qualified Chartered Accountant and completed his articles at PWC in the Financial Services Division. Mr Briesies joined Sanlam in March 2009. Mr Briesies is currently responsible for Sanlam's International businesses and supports the Chief Executive of Sanlam Investments with strategic projects. Prior to his current position he held various positions within Sanlam in the UK, such as COO/CFO of Sanlam Wealth in the UK, Head of Corporate and Commercial Finance and UK Group Finance Manager. Mr Briesies graduated with a Bachelors of Accounting degree from the University of Stellenbosch (USB), as well as a BAcc. Honours from the University of Stellenbosch (USB).

- 3.2 By deleting the section titled 'Registrar and Transfer Agent' contained at page 15 of the Prospectus and inserting:

#### **Administrator**

Brown Brothers Harriman Fund Administration Services (Ireland) Limited has been appointed as Administrator to the Company. The Administrator is a private limited company that was incorporated in Ireland on 29 March, 1995, under registration number 231236. The duties and functions of the Administrator include, inter alia, the calculation of the Net Asset Value, the



keeping of all relevant records and accounts of the Company as may be required with respect to the obligations assumed by it pursuant to the Amended and Restated Management and Administration Agreement and assisting the auditor in relation to the audit of the financial statements of the Company.

#### **4 DIRECTOR'S INTERESTS**

The following amendments apply to the General Information – Directors' Interests section of the Prospectus:

- 4.1 By deleting section (f) and section (g) of the Directors' Interests section contained at page 60 of the Prospectus and inserting:

(f) Tom Murray is a Director of the Company and the AIFM

(g) Richard Aslett is a director and the Chief Executive Officer of the AIFM

#### **5 MATERIAL CONTRACTS**

The following amendments apply to the General Information - Material Contracts section of the Prospectus:

- 5.1 By deleting section (a) of the Material Contracts section contained at page 60 of the Prospectus, which refers to the Amended and Restated Management and Administration Agreement, and inserting:

(a) the Amended and Restated Management Agreement dated 28 September and effective from 1 October 2018 between the Company and the AIFM; the Agreement provides that the appointment of the AIFM will continue in force 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 Agreement contains certain indemnities in favour of the AIFM which are restricted to exclude matters arising by reasons of the fraud, bad faith, negligence or wilful default of the AIFM in the performance or non-performance of its duties or obligations and certain provisions regarding its legal responsibilities and limitations thereon

- 5.2 By deleting section (d) of the Material Contracts section contained at page 61 of the Prospectus, which refers to the Registrar and Transfer Agency Agreement, and inserting:

(c) the Administration Agreement dated 28 September 2018 and effective from 1 October 2018 between the Manager and the Administrator; this Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by either party giving to the other not less than 90 days' prior written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other; the Agreement contains certain indemnities in favour of the Administrator which are restricted to exclude matters arising by reason of the fraud, bad faith, negligence or wilful default of the Administrator in the performance of its duties and obligations and certain provisions regarding its legal responsibilities and limitations thereon

#### **6 GENERAL AMENDMENTS**

The following amendments apply to the Prospectus:

- 6.1 By deleting any reference to 'Registrar and Transfer Agent' throughout the Prospectus and inserting 'Administrator'.
- 6.2 By deleting any reference to 'the AIFM and Administrator' throughout the Prospectus and inserting 'the AIFM'.