

## SMITH & WILLIAMSON INVESTMENT FUNDS PLC

### PROSPECTUS

**SMITH AND WILLIAMSON INVESTMENT FUNDS PLC** (the **Company**) is an umbrella type fund with segregated liability between sub-funds and an open-ended investment company with variable capital incorporated with limited liability in Ireland with registered number 316015 and authorised by the Central Bank under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) as amended by the European Union (Undertakings for Collective Investment in Transferable Securities)(Amendment) Regulations 2016 (S.I. No. 143 of 2016). Shares are currently being offered in the Funds listed below:

- **SMITH & WILLIAMSON DEFENSIVE GROWTH FUND**
- *Class A Shares*
- *Class B Shares*
- **SMITH & WILLIAMSON CASH FUND**
- **WYE INVESTMENT FUND**
- **BOULDER INVESTMENT FUND**
- **SANTOS INVESTMENT FUND**
- **SMITH & WILLIAMSON MID OCEAN WORLD INVESTMENT FUND**
- *Class A Shares*
- *Class B Shares*
- *Class C Shares*
- *Class D Shares*
- **SMITH & WILLIAMSON SHORT DATED CORPORATE BOND FUND**
- *Class A Shares*
- *Class B (Income) Shares*
- *Class B (Accumulation) Shares*
- *Class C Shares*
- *Class D Shares*
- *Class Y Shares*
- *Class Z (Income) Shares*
- *Class Z (Accumulation) Shares*
- **SMITH & WILLIAMSON ENTERPRISE FUND**
- *Class A Shares*
- *Class B Shares*
- *Class C Shares*
- *Class D Shares*
- *Class E Shares*
- *Class F Shares*
- *Class Z Shares*
- **SMITH & WILLIAMSON GLOBAL INFLATION LINKED BOND FUND**
- *Class X (Income) Shares*
- *Class X (Accumulation) Shares*
- *Class Z (Income) Shares*
- *Class Z (Accumulation) Shares*
- **SMITH & WILLIAMSON MEDIUM DATED CORPORATE BOND FUND**
- *Class A Shares*
- *Class B Shares*
- **SMITH & WILLIAMSON BLAIRMORE GLOBAL EQUITY FUND**
- *Class A USD Shares*
- *Class B GBP Shares*
- *Class C EUR Shares*
- **SMITH & WILLIAMSON ARTIFICIAL INTELLIGENCE FUND**
- *Class B Shares*
- *Class C Shares*
- *Class X Shares*
- *Class Z Shares*

The Directors of the Company, whose names appear in the section of Appendix II of the Prospectus entitled **DIRECTORS**, 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.

**Date: 22 JUNE 2017**

**A & L Goodbody**

## IMPORTANT INFORMATION

**THIS DOCUMENT IS IMPORTANT, 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.**

It should be appreciated that the value of the Shares may go up or down and you may not get back the amount you have invested in the Company. The Directors are permitted to impose a sales charge of up to 5% of the Net Asset Value per Share. A repurchase charge of up to 3% of the Net Asset Value per Share may also be imposed. Due to the Sales and Repurchase Charge which may be payable on the issue or repurchase (as appropriate) of Shares, an investment in Shares should be viewed as medium to long term. An investment in a Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Details of certain investment risks for an investor are set out in the section of Appendix I of the Prospectus entitled **RISK WARNINGS**.

Investors should note that there is a difference between the nature of a deposit and the nature of an investment in the Smith & Williamson Blairmore Global Equity Fund. The return on the Shares may be less than that of other securities of comparable maturity or less than interest rates available in the market and the principal invested in the Smith & Williamson Blairmore Global Equity Fund is capable of fluctuation.

Certain terms used in this Prospectus are defined in the section of Part One of the Prospectus entitled **DEFINITIONS**.

**The Company is an open-ended umbrella investment company, with variable capital, incorporated on 30 November, 1999 under the laws of Ireland and authorised by the Central Bank under the Regulations. 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. The authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Bank shall not be liable for the performance or default of the Company.**

The Company has the following Funds:

- Smith & Williamson Defensive Growth Fund comprising Class A and Class B Shares.
- Smith & Williamson Cash Fund.
- Wye Investment Fund.
- Boulder Investment Fund.
- Santos Investment Fund.
- Smith & Williamson Mid Ocean World Investment Fund comprising of Class A, Class B, Class C and Class D Shares.
- Smith & Williamson Short Dated Corporate Bond Fund comprising of Class A, Class B (Income), Class B (Accumulation), Class C, Class D, Class Y, Class Z (Income), and Class Z (Accumulation) Shares.
- Smith & Williamson Enterprise Fund comprising Class A, Class B, Class C, Class D, Class E, Class F and Class Z Shares.
- Smith & Williamson Global Inflation Linked Bond Fund comprising Class X (Income), Class X (Accumulation), Class Z (Income) and Class Z (Accumulation) Shares.
- Smith & Williamson Medium Dated Corporate Bond Fund comprising of Class A and Class B Shares.
- Smith & Williamson Blairmore Global Equity Fund comprising of Class A USD, Class B GBP and Class C EUR Shares.
- Smith & Williamson Artificial Intelligence Fund comprising Class B GBP, Class C USD, Class X USD and Class Z GBP Shares.

The Company is a UCITS fund and is structured as an open-ended umbrella fund with segregated liability between the Funds, in that Shares representing interests in different Funds may be issued from time to time by the Directors. 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 distribution of this Prospectus and the offering or purchase of Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such application form unless, in the relevant jurisdiction, such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirement. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares, pursuant to this Prospectus or the accompanying application form, to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence or domicile.

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

The Company is currently a recognised collective investment scheme for the purposes of section 264 of the Financial Services and Markets Act 2000 ("FSMA") of the United Kingdom. Whilst this Prospectus is being issued outside the United Kingdom by the Company and the Directors of the Company are responsible for its contents, wherever issued, this Prospectus is being issued in the United Kingdom by Smith & Williamson Investment Management LLP which is regulated by the UK Financial Conduct Authority, on behalf of the Company. The Directors may in due course make similar application for recognition to other EU Member States.

Shareholders in the UK shall not have the right (provided under the United Kingdom Financial Services (Non-Life Cancellation) Rules, 1997) to cancel the investment agreement constituted by the acceptance by or on behalf of the Company of an application for Shares. In addition, as the Company is not regulated under FSMA, most if not all of the protections provided by the United Kingdom regulatory system will not apply to investments in the Company. The right of Shareholders may not be protected by the Financial Ombudsman Service or the Financial Services Compensation Scheme in the United Kingdom.

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended and may not, except in a transaction which does not violate US securities laws, be directly or indirectly offered or sold in the United States or to any US Person. The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended. **Notwithstanding the foregoing prohibition on offers and sales in the United States or to or for the benefit of US Persons, the Company may make a private placement of its shares to a limited number or category of US Persons.**

The Shares have not been nor will be registered under the Securities and Exchange Law of Japan nor have they qualified under the standards of selection of foreign mutual funds established by the Securities Dealers' Association of Japan. The Shares are not being offered, and may not be offered, sold or delivered, directly or indirectly, in Japan or to residents of Japan, except pursuant to and in accordance with applicable Japanese laws and regulations.

No offer or invitation to the public to apply for, or publicity concerning, the Shares has been made or issued by or on behalf of the Company in France. No authorisation or approval with respect to this document has been sought from the Autorite Des Marches Financiers. *La distribution du présent document en France présente un caractère strictement privé. Aucun appel public à l'épargne et aucune offre ni invitation du public à souscrire des parts, ni publicité relative à ces parts, n'ont été soumises à la Autorité Des Marchés Financiers.*

The Shares may not be commercially offered and distributed in Switzerland.

In Austria, the Shares are offered as a private placement.

The Articles of Association of the Company give powers to the Directors to impose restrictions on the holding of Shares by (and consequently to effect the redemption of Shares held by) or the transfer of Shares to any US Person (unless permitted under certain exceptions under the laws of the United States) or by any person or persons in circumstances (whether directly or indirectly affecting such person or person, and whether taken alone or in conjunction with any other 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 disadvantage which the Company might not otherwise have incurred or suffered.

Shares are offered only on the basis of the information contained in this Prospectus. Any further information or representation given or 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 should be disregarded and accordingly should not be relied upon. Neither the delivery of this Prospectus nor any key investor information document nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information contained in this Prospectus or any key investor information document is correct as of any time subsequent to the date of this Prospectus or the relevant key investor information document. To reflect changes, this Prospectus or any key investor information document may from time to time be updated and intending subscribers should enquire of the Administrator as to the issue of any later Prospectus or key investor information document or as to the issue of any reports and accounts of the Company. Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.

This Prospectus should be read in its entirety before making any application for Shares.

Potential subscribers of Shares should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of their country of citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Shares. The attention of potential subscribers is drawn to the risk warnings described in the section of Appendix I of the Prospectus entitled **RISK WARNINGS** and in Part Two.

All Shareholders are entitled to the benefit of and 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.

Distribution of this Prospectus in certain jurisdictions will require that the Prospectus be translated into other languages. Where such translation is required, the translated version of the Prospectus will accord in all respects with the English version.

Each of the Company and the Investment Manager has a responsibility to regulators for compliance with money laundering regulations around the world and for that reason, existing Shareholders, potential subscribers for and transferees of Shares may be asked for proof of identity. Until satisfactory proof of identity is provided by potential investors or transferees, either of the above reserve the right to withhold issuance of Shares or any transfer of Shares. In case of delay or failure to provide satisfactory proof of identity, any of the above may take such action as they see fit.

At the date of this document neither the Directors nor their spouses nor their infant children, nor any connected person have any interest in the share capital of the Company or any options in respect of such capital.

## **SMITH & WILLIAMSON INVESTMENT FUNDS PLC**

### **DIRECTORS**

Peter Blessing  
Williams Cussans  
Noel Medici  
Desmond Miller  
Paul Wyse

### **ADMINISTRATOR & REGISTRAR**

BNP Paribas Fund  
Administration Services (Ireland) Limited  
Trinity Point  
10/11 Leinster Street South  
Dublin 2  
Ireland

### **REGISTERED OFFICE**

Trinity Point  
10/11 Leinster Street South  
Dublin 2  
Ireland

### **SECRETARY**

Goodbody Secretarial Limited  
International Financial Services Centre  
North Wall Quay  
Dublin 1  
Ireland

### **MANAGER**

Smith & Williamson Investment  
Management (Ireland) Limited  
Trinity Point  
10/11 Leinster Street South  
Dublin 2  
Ireland

### **DEPOSITARY**

BNP Paribas Securities Services, Dublin  
Branch  
Trinity Point  
10/11 Leinster Street South  
Dublin 2  
Ireland

### **INVESTMENT MANAGER AND DISTRIBUTOR**

Smith & Williamson Investment  
Management LLP  
25 Moorgate  
London EC2R 6AY  
England

### **AUDITORS**

Deloitte  
Chartered Accountants  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2  
Ireland

### **IRISH LEGAL ADVISORS**

A&L Goodbody  
Solicitors  
International Financial Services Centre  
North Wall Quay  
Dublin 1  
Ireland

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## **PART ONE**

### **SUMMARY**

#### **Structure**

The Company is an umbrella type open-ended investment company with variable capital incorporated with limited liability in Ireland. A separate portfolio of assets will be maintained in relation to each Fund. Each Fund may issue different classes of Shares which may have different levels of minimum investment and different investment management fees, further details of which will be contained in the relevant supplement or amended and restated prospectus.

The Company comprises the following Funds:

SMITH & WILLIAMSON DEFENSIVE GROWTH FUND  
SMITH & WILLIAMSON CASH FUND  
WYE INVESTMENT FUND  
BOULDER INVESTMENT FUND  
SANTOS INVESTMENT FUND  
SMITH & WILLIAMSON MID OCEAN WORLD INVESTMENT FUND  
SMITH & WILLIAMSON SHORT DATED CORPORATE BOND FUND  
SMITH & WILLIAMSON ENTERPRISE FUND  
SMITH & WILLIAMSON GLOBAL INFLATION LINKED BOND FUND  
SMITH & WILLIAMSON MEDIUM DATED CORPORATE BOND FUND  
SMITH & WILLIAMSON BLAIRMORE GLOBAL EQUITY FUND  
SMITH & WILLIAMSON ARTIFICIAL INTELLIGENCE FUND

Smith & Williamson Defensive Growth Fund comprises the following classes of Shares:-

- Class A Shares
- Class B Shares

Smith & Williamson Mid Ocean World Investment Fund comprises the following classes of Shares:-

- Class A Shares
- Class B Shares
- Class C Shares
- Class D Shares

Smith & Williamson Short Dated Corporate Bond Fund comprises the following classes of Shares:-

- Class A Shares
- Class B (Income) Shares
- Class B (Accumulation) Shares
- Class C Shares
- Class D Shares
- Class Y Shares
- Class Z (Income) Shares
- Class Z (Accumulation) Shares

Smith & Williamson Enterprise Fund comprises the following classes of Shares:-

- Class A Shares
- Class B Shares
- Class C Shares
- Class D Shares
- Class E Shares
- Class F Shares
- Class Z Shares

Smith & Williamson Global Inflation Linked Bond Fund comprises the following classes of Shares:-

- Class X (Income) Shares
- Class X (Accumulation) Shares
- Class Z (Income) Shares
- Class Z (Accumulation) Shares

Smith & Williamson Medium Dated Corporate Bond Fund comprises the following classes of Shares:-

- Class A Shares
- Class B Shares

Smith & Williamson Blairmore Global Equity Fund comprises the following classes of Shares:-

- Class A USD Shares
- Class B GBP Shares
- Class C EUR Shares

Smith & Williamson Artificial Intelligence Fund comprises the following classes of Shares:-

- Class B GBP Shares
- Class C USD Shares
- Class X USD Shares
- Class Z GBP Shares

It is the Directors' intention to add other Funds in the future, with the prior approval of the Central Bank. Other classes of Shares may also be added in the future in accordance with the requirements of the Central Bank.

A supplement relating to any new Fund or class of Share or an amended, restated and consolidated prospectus, as appropriate, will be issued by the Directors at the time of the creation of the Fund or class of Share.

### **Minimum Investment**

The minimum investment in any Fund or class of Share will be determined by the Directors at the time of the creation of the Fund. See Part Two for further details.

### **Additional Investment**

The minimum additional investment in any Fund or any class of Share will be determined by the Directors at the time of the creation of the Fund. See Part Two for further details.

### **Share Dealing**

Shares can normally be purchased, sold or switched on any Dealing Day.

### **Pricing**

There is a single price for buying, selling and switching Shares in a Fund. This is represented by the Net Asset Value of the relevant Fund. A sales charge of up to a maximum of 5% of the Net Asset Value per Share may be deducted from purchase proceeds. A charge of up to 3% of the Net Asset Value per Share may be deducted from repurchase monies. A switching fee of up to 3% of the Net Asset Value per Share may also be charged.

### **Valuation Point**

The Net Asset Value of each Fund will be calculated at 11.59 pm on a Valuation Date unless otherwise specified in Part Two of this Prospectus.

### **Base Currency**

The currency in which each Fund will be denominated will be determined by the Directors at the time of creation of the Fund. See Part Two for details in relation to the each of the Funds.

### **Dividends and Other Distributions**

Unless otherwise stated in Part Two, the Directors intend to distribute not less than 85% of surplus net income (including deemed income for accounting purposes) represented by the dividends and interest received for each Fund to the Shareholders of the relevant Fund, after charging expenses and various

other items, as set out under **Charges and Expenses**, attributable to the Fund.

### **Reporting Currency**

For the purposes of the compilation of the semi-annual and annual report and accounts of the Company, the reporting currency for each Fund will be in the Base Currency of the relevant Fund.

## DEFINITIONS

In this Prospectus:-

**Administrator** means BNP Paribas Fund Administration Services (Ireland) Limited or such other person from time to time appointed by the Manager as the administrator of the Company in accordance with the requirements of the Central Bank.

**Administration Agreement** means the administration agreement entered into between the Company and the BNP Paribas Fund Services Dublin Limited dated 22 October 2001, as amended, supplemented or otherwise modified from time to time. By virtue of a merger between BNP Paribas Fund Services Dublin Limited and BNP Paribas Fund Administration Services (Ireland) Limited (as further detailed under the section headed "Administrator" in the Management and Administration section below), BNP Paribas Fund Administration Services (Ireland) Limited became the administrator of the Company as of 30 December 2015 and, thereby, the Administration Agreement, notwithstanding anything to the contrary contained in that agreement, is now read and have affect as if BNP Paribas Fund Administration Services (Ireland) Limited had been a party thereto instead of BNP Paribas Fund Services Dublin Limited (as further detailed under the heading "Material Contracts").

**AIF** means an alternative investment fund as defined in Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Manager.

**Amended and Restated Management Agreement** means the Amended and Restated Management Agreement dated 5 November 2008 between the Company and the Manager as amended, supplemented or otherwise modified from time to time.

**Application Form** means the application form available from the Company.

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

**Base Currency** means the currency of account of a Fund as determined by the Directors at the time of the creation of the Fund.

**Business Day** means a day on which banks are open for business in Dublin and London provided that the Directors with the approval of the Administrator, may designate, as a Business Day, any other day which would not be a Business Day under this definition.

**Central Bank** means the Central Bank of Ireland or any successor authority.

**Central Bank UCITS Regulations** means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 as amended, consolidated and substituted from time to time;

**CIS** means an open ended collective investment scheme.

**Company** means Smith & Williamson Investment Funds plc.

**Companies Act** means the Irish Companies Acts 2014 (as amended, consolidated or supplemented from time to time) 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 entitled **Portfolio Transactions and Related Party Dealings**.

**Depository** means BNP Paribas Securities Services, Dublin Branch or such other person from time to time appointed by the Company as the Depository of the Company and approved by the Central Bank.

**Depository Agreement** means the agreement dated 31 December 2007 between the Company and the Depository amended by way of an amendment agreement between the Company and the Depository dated 30 May 2016.

**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 the relevant Valuation Date unless otherwise specified in Part Two of the Prospectus.

**Dealing Deadline** means prior to 5 p.m. Dublin time on a Valuation Date unless otherwise specified in Part Two of the Prospectus.

**Directors** means the directors of the Company for the time being and any duly constituted committee thereof.

**Distributor** means Smith & Williamson Investment Management LLP or such other person or persons from time to time appointed by the Manager of the Company and in accordance with the requirements of the Central Bank.

**Distribution Agreement** means the agreement dated 24 March 2000 between the Manager and the Distributor as amended, supplemented or otherwise modified from time to time.

**EEA** means the European Economic Area (EU Member States, Norway, Iceland and Liechtenstein).

**EEA Member State** means a member state of the EEA.

**EU** means the European Union.

**EU Member State** means a member state of the EU.

**Euro or EUR or €** means the lawful currency of Ireland, the European Monetary Union and any successor currency thereto.

**FDI** means a financial derivative instrument permitted by the Regulations.

**Foreign Person** means (i) a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the Company with the appropriate declaration under Schedule 2B TCA and the Company is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect, or (ii) the Company is in possession of written notice of approval from the Irish Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with in respect of that person or class of Shareholder to which that person belongs, and that approval has not been withdrawn and any conditions to which that approval is subject have been satisfied.

**Fund** means a fund of assets established for each separate portfolio of assets, which is invested in accordance with the investment objectives applicable to such fund. Different classes of Shares may be created in each fund, details of which will be contained in the relevant Supplement or offer document.

**Investment Management Agreement** means the amended and restated investment management agreement dated 22 December 2014 between the Manager, the Investment Manager and Smith & Williamson Investment Services Limited as amended, supplemented or otherwise modified from time to time.

**Investment Manager** means Smith & Williamson Investment Management LLP or such other person or persons from time to time appointed by the Manager as the Investment Manager of the Company in accordance with the requirements of the Central Bank.

**Irish Person** means any person, other than

- (i) a Foreign Person;
- (ii) an intermediary, including a nominee, for a Foreign Person ;
- (iii) a qualifying management company within the meaning of section 739B TCA;

- (iv) a specified company within the meaning of section 734 TCA
- (v) an investment undertaking within the meaning of section 739B of the TCA;
- (vi) an investment limited partnership within the meaning of section 739J of the TCA;
- (vii) an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 TCA;
- (viii) a company carrying on life business within the meaning of section 706 TCA;
- (ix) a special investment scheme within the meaning of section 737 TCA;
- (x) a unit trust to which section 731(5)(a) TCA applies;
- (xi) a charity entitled to an exemption from income tax or corporation tax under section 207(1)(b) TCA;
- (xii) a person entitled to exemption from income tax and capital gains tax under section 784A(2) TCA, section 787I TCA or section 848E TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal retirement savings account (as defined in section 787A TCA);
- (xiii) the Courts Service;
- (xiv) a Credit Union;
- (xv) a company within the charge to corporation tax under section 739G(2) TCA but only where the fund is a money market fund;
- (xvi) a company within the charge to corporation tax under section 110(2) TCA;
- (xvii) the National Asset Management Agency;
- (xviii) the National Treasury Management Agency or a fund investment vehicle within the meaning of section 739D(6)(kb) TCA;
- (xix) the National Pensions Reserve Fund Commission or a Commission investment vehicle (within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 as amended);
- (xx) the State acting through the National Pensions Reserve Fund Commission or a Commission investment vehicle within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 (as amended); and
- (xxi) any other person as may be approved by the 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 of the TCA.

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

**Manager** means Smith & Williamson Investment Management (Ireland) Limited or such other person from time to time appointed by the Company as Manager of the Company and approved by the Central Bank;

**Net Asset Value of a Fund or Net Asset Value per Share** means the amount determined on any Business Day in accordance with the principles set out in the section of Appendix III of the Prospectus

entitled **VALUATION OF ASSETS AND TEMPORARY SUSPENSION OF DETERMINATION OF NET ASSET VALUE** as being the Net Asset Value of a Fund or Shares in a Fund, as the case may be;

**OECD** means the Organisation for Economic Co-operation and Development, (the current members being: Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Korea (Republic), Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak (Republic), Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and the United States);

**OECD Member State** means a member state of the OECD;

**Offer Period** means the period during which Shares in a Fund will be made available at the Subscription Price, details of which are contained in Part Two or in the relevant Supplement issued at the time of creation of a Fund;

**OTC derivative** means an FDI dealt over the counter and which is permitted by the Regulations;

**Recognised Market** means any of the regulated stock exchanges or markets listed under Recognised Markets in Appendix IV.

**Registrar** means BNP Paribas Fund Services Dublin Ltd or such other person from time to time appointed by the Manager as the registrar of the Company in accordance with the requirements of the Central Bank.

**Registrar Agreement** means the agreement dated 22 October 2001 between the Manager and the Registrar as amended, supplemented or otherwise modified from time to time.

**Regulations** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) as amended, by the European Union (Undertakings for Collective Investment in Transferable Securities)(Amendment) Regulations 2016 (S.I. No. 143 of 2016) as may be amended, supplemented, consolidated or otherwise modified from time to time including any conditions imposed thereunder by the Central Bank.;

**Related Companies** has the meaning prescribed under Section 2 of the Companies Act 2014. In general this states that companies are related where 50% of the paid up share capital of or 50% of the voting rights in one company are owned directly or indirectly by another company.

**Settlement Date** means in the case of subscriptions 5 p.m. Irish time on the fourth Business Day after the relevant Dealing Deadline unless otherwise specified in Part Two of the Prospectus.

**Shareholder** means a holder of Shares.

**Shares** means ordinary shares in a Fund, which may be divided into different classes.

**£, Sterling or GBP** means pounds sterling, the lawful currency of the United Kingdom and includes any successor currency.

**Subscription Price** means the price at which Shares in a Fund will be offered during the Offer Period details of which are contained in Part Two.

**Supplement** means any Supplement to this Prospectus as amended, supplemented or otherwise modified from time to time.

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

**Transferable Securities** means

- (i) shares in companies and other securities equivalent to shares in companies;
- (ii) bonds and other forms of securitised debt; and

- (iii) other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange,

other than techniques and instruments referred to in regulation 69 of the Regulations.

**UCITS** means an undertaking for collective investment in transferable securities established pursuant to the UCITS Directive.

**UCITS Directive** means Council Directive 2009/65/EC on the co-ordination of laws, regulations and administrative provisions relating to undertakings from the collective investment in transferable securities as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration policies and sanctions as may be amended, supplemented, consolidated or otherwise modified from time to time.

**Umbrella Cash Subscription and Redemption Account** means a subscription and redemption account at umbrella level in the name of the Company;

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

**United States or US** means the United States of America, its territories, possessions and all areas subject to its jurisdiction (including the States, the District of Columbia and the Commonwealth of Puerto Rico).

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

**US Person** means unless otherwise determined by the directors, a citizen of or a person resident in the US, a corporation, partnership or other entity created or organised in or under the laws of the US or any person falling within the definition of the terms **US Person** under Regulation S promulgated under the US Securities Act of 1933, as amended.

**Valuation Date** means the day or days as specified in Part Two of this Prospectus or (if no day is specified in Part Two for a fund) every Wednesday which is a Business Day or such other day as the Directors may determine or if such day is not a Business Day, the Business Day immediately following or such other Business Days as the Directors may agree, from time to time, following consultation with the Administrator and prior notification to the Shareholders, provided that there shall be not less than two Valuation Dates in every calendar month; and

**Valuation Point** means the time as specified in Part Two of this Prospectus or (if no day is specified in Part Two for a fund) 11.59 p.m. Dublin time on a Valuation Date (or such other time on a relevant Valuation Date as the Administrator shall consider more appropriately represents the time of closing of business in a market or markets relevant for the valuation of the assets or liabilities of any Fund or Funds provided that the Dealing Deadline shall in all cases precede the Valuation Point).

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.

## INVESTMENT OBJECTIVE AND POLICIES

The investment objective and policies for each Fund will be formulated by the Directors at the time of the creation of the Fund, details of which will be contained in the relevant Supplement issued at the time of creation of such Fund.

The investment objective and policies of the Funds currently in operation are set out in Part Two. The investment restrictions applying to the Funds of the Company are set out in Appendix I.

The return to Shareholders in a particular Fund will be determined by the performance of the portfolio of investments held by the relevant Fund and the techniques and instruments used in relation to that Fund for the purpose of efficient portfolio management.



There is no guarantee that the investment strategies will accomplish a Fund's objective. Please refer to the risks set out in the section of Appendix I of the Prospectus entitled **RISK WARNINGS** for further details.

The principal investment objectives and policies for each Fund will, in the absence of unforeseen circumstances be adhered to for a period of at least three years. Any change in the investment objectives and fundamental investment policies of any Fund will only be made in exceptional circumstances and with the approval of an ordinary resolution of the Shareholders of the relevant Fund. In the event of a change to the investment objectives and/or investment policies, Shareholders of the relevant Fund will be given an opportunity for redemption prior to such change taking effect.

## HOW TO BUY SHARES

Investors buying Shares for the first time should complete the application form obtainable from the Company. Subsequent applications may be made by facsimile or by any form of electronic communication agreed in advance between the Administrator and the Central Bank.

Shares will be issued upon: (i) the fulfilment of the conditions for acceptable subscriptions to the satisfaction of the Administrator, and (ii) receipt of cleared funds by the Company and the Administrator within four Business Days of the provisional allotment of Shares. Failure by the Company to receive cleared funds within four Business Days of the provisional allotment of Shares may result in a cancellation of the provisionally allotted Shares. Any gains or losses incurred by the Company as a result of the cancellation of the provisionally allotted Shares shall be for the account of the relevant Fund. In place of the right to cancel, the Company reserves the right to charge for any loss, damages, charges, interest (at a reasonable commercial rate) or other costs of whatever nature suffered or incurred by the Company where payment has not been received or cleared by the relevant Settlement Date and the Company reserves the right to sell or redeem all or part of your holding of Shares in order to meet those losses, damages, charges, interest or other costs of whatever nature. The Manager has discretion to accept settlement after the closing date of the relevant initial offer period for such Shares, in the case of Shares provisionally allotted pursuant to the applicable initial offer period, and after the relevant Valuation Date, in the case of Shares provisionally allotted on a subsequent Dealing Day, in order to deal with any contingencies which may arise in the transfer of subscription monies.

The Company has established an Umbrella Cash Subscription and Redemption Account and has not established such accounts at Fund level. All subscriptions, redemptions and dividends or cash distributions payable to or from a Fund will be channelled and managed through the Umbrella Cash Subscription and Redemption Account.

Under the Articles, the Directors are given authority to effect the issue of Shares. The initial issue price for Shares in a Fund or class of Share will be determined by the Directors at the time of the creation of the Fund or class of Share.

Details of the applicable Offer Period in relation to additional Funds or classes of Shares will be contained in the offer document issued at the time of creation of such Funds or classes of Shares. Such periods may be altered by the Directors at their discretion and any such alteration will be notified to the Central Bank.

The minimum initial investment and minimum additional investment in a Fund will be determined by the Directors at the time of the creation of a Fund or classes of Share. The Directors may increase or reduce these amounts if, in their absolute discretion, they consider that the circumstances so warrant. See Part Two for further details.

Payment for Shares must be made in the Base Currency of the Fund.

The Directors may in their absolute discretion, provided that they are satisfied that no material prejudice would result to any existing Shareholders and subject to the provisions of the Companies Act, and the Regulations and the investment objectives, policies and restrictions of a Fund, allot Shares against the vesting in the Depositary for the account of the Company of investments which would form part of the assets of the Company. The number of Shares to be issued in this way shall be the number, which would on the day the investments are vested in the Depositary for the account of the Company have

been issued for cash against the payment of a sum equal to the value of the investments. The value of the investments to be vested shall be calculated on such basis as the Directors may decide, but such value cannot exceed the highest amount at which they would be valued by applying the valuation methods described under **“Valuation of Assets and Temporary Suspension of Determination of Net Asset Value”** in Appendix III.

Subscription moneys representing smaller portions of Shares will not be returned to the applicant but will be retained as part of the assets of the Company.

The **“Terms and Conditions of Application”** set out in Appendix V contains certain terms and conditions regarding the application procedure for Shares in the Company and certain indemnities in favour of the Company, the Manager, the Investment Manager, the Administrator, the Registrar, the Depositary and the Distributor 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.

Shares may not be issued during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the section of Appendix III entitled **“Valuation Of Assets And Temporary Suspension Of Determination Of Net Asset Value”**. Applicants for Shares will be notified of such suspension and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

Fractions of up to 4 decimal places of a Share may be issued.

Settlement will normally be by telegraphic transfer to be received on or before the Settlement Date. The Company has the right to cancel any purchase contract which is not settled in full. The applicant remains liable for any loss incurred by the Company in the case of non-settlement.

Written confirmations will normally be issued within 5 days of the allocation of Shares. Share certificates will be issued only on request.

## **Pricing**

There is a single price for buying and selling Shares. This is represented by the Net Asset Value of the relevant class of shares in a Fund. A sales charge of up to 5% of the amount to be subscribed to the Fund may be deducted from the subscription monies. A switching fee of up to 3% and a repurchase fee of up to 3% may also be charged.

## **Anti-Money Laundering Provisions**

As part of the Company's responsibility for the prevention of money laundering and terrorist financing under the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 and 2013, the Administrator will require a detailed verification of the applicant's identity and the source of the payment. Depending on the circumstances of each application, a detailed verification might not be required where the applicant is a regulated financial institution in a country with equivalent anti-money laundering and counter terrorist financing rules to those in place in Ireland, or is a company listed on a recognised stock exchange.

The Administrator and the Company each reserve the right to request such information as is necessary to verify the identity of an applicant and the source of the payment. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator may refuse to accept the application and the subscription moneys relating thereto.

Examples of the types of documents that may be requested by the administrator for the purposes of verifying the identity of the applicant are as follows:

Individual Investor – a certified true copy of photographic ID such as a passport, drivers licence or national identity card, plus one original form of address verification e.g. a utility bill or bank statement

Corporate Investors – a certified true copy of the authorised signatory list, a certified true copy of the certificate of incorporation and memorandum and articles of association, a list of all directors names, residential and business addresses and dates of birth, a list of names and addresses for all shareholders

that hold 25% or more of the company's issued share capital. Individual Identification Documents (as above) for two directors or one director and one authorised signatory and all those shareholders holding over 25% of the company's issued share capital.

The details given above are by way of example only and the Administrator and the Company each reserves the right to request such information as is necessary to verify the source of the payment, the source of wealth, the identity of an investor and where applicable the beneficial owner of an investor. Applicants should contact the Administrator for a more detailed list of requirements for anti-money laundering purposes.

In the event of delay or failure by an investor or applicant to produce any information required for verification purposes and any documentation deemed necessary for regulatory or taxation purposes, the Administrator or the Company may refuse to accept the application and subscription monies. If an application is rejected, the Administrator may return application monies or the balance thereof by telegraphic transfer to the account from which it was paid at the cost and risk of the applicant. Each applicant for Shares acknowledges that the Company and its delegates shall be held harmless against any loss arising as a result of a failure to process or a delay in processing his application for Shares or redemption request if such information and documentation as has been requested by the Company or its delegates has not been provided by the applicant. Furthermore, the Company or the Administrator also reserve the right to refuse to make any payment or distribution to a Shareholder where it is considered necessary or appropriate to ensure the compliance by the Company, its Directors or the Administrator with any such laws or regulations in any relevant jurisdiction.

### **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:

- (iv) To manage and administer the investor's holding in the Company and any related accounts on an on-going basis;
- (v) For any other specific purposes where the investor has given specific consent;
- (vi) To carry out statistical analysis and market research;
- (vii) To comply with legal and regulatory obligations applicable to the investor and the Company;
- (viii) 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.
- (ix) 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 Company 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.

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.

### **Unhedged Shares**

In the case of an unhedged class of Share, a currency conversion will take place on subscriptions, redemptions, switches and distributions at prevailing exchange rates. The value of the Share expressed in the Share class currency will be subject to exchange rate risk in relation to the Base Currency.

## **HOW TO SELL SHARES**

Instructions to sell Shares should be addressed to the Company and may be made by facsimile or in writing.

Instructions received by the Company prior to the Dealing Deadline will be dealt with on that Dealing Day. Instructions received after the Dealing Deadline will be dealt with on the following Dealing Day.

The Company has established an Umbrella Cash Subscription and Redemption Account and has not established such accounts at Fund level. All subscriptions, redemptions and dividends or cash distributions payable to or from a Fund will be channelled and managed through the Umbrella Cash Subscription and Redemption Account.

The minimum value of a holding remaining in any one Fund or class of Share will be determined by the Directors at the time of the creation of a Fund or class of Share. The Directors may increase or reduce this minimum amount if, in their absolute discretion, they consider that the circumstances so warrant. See Part Two for further details.

Written confirmations will normally be issued within 5 days of the relevant Dealing Day.

Settlement will normally be made by electronic transfer 4 days from the relevant Dealing Day. The proceeds of the redemption of the Shares will normally only be paid on receipt by the Company of the original redemption request form and the share certificate, if any, issued in respect of the Shares to be redeemed. Payment will be made in the Base Currency unless otherwise agreed with the Administrator to be in another major freely convertible currency. A repurchase request will not be capable of withdrawal after submission to the Company, unless such withdrawal is approved by the Company acting in its absolute discretion. If requested, the Company may, in its absolute discretion and subject to the prior approval of the Depositary, and on prior written notification to the Shareholders, agree to designate additional Dealing Days and Valuation Points for the repurchase of Shares.

Shares may not be repurchased during any period when the calculation of the Net Asset Value of any particular Fund is suspended in the manner described in the section of Appendix III entitled “**Valuation Of Assets And Temporary Suspension Of Determination Of Net Asset Value**”. Shareholders requesting repurchase will be notified of such suspension and, unless withdrawn, repurchase requests will be considered as at the next Dealing Day following the end of such suspension.

Further conditions relating to the repurchase of Shares, including compulsory repurchase and limits on the amount of Shares which the Company is obliged to repurchase on any Dealing Day, are set out in the section of Appendix III entitled “**Conditions Relating to Repurchase of Shares**”.

## **HOW TO SWITCH BETWEEN FUNDS**

It is intended that investors will be able to switch between Funds.

Shareholders may switch some or all of their Shares in one Fund to Shares in another Fund. Instructions to switch Shares must be sent to the Company by telex, facsimile or by letter and must be given by all joint shareholders. Instructions should include full registration details together with the number of Shares

to be switched between named Funds.

Switching instructions received prior to the Dealing Deadline will be dealt with on that Dealing Day. Instructions received after the Dealing Deadline will be dealt with on the following Dealing Day.

Any Shareholder switching all or part of their holding of shares between Funds must meet the particular requirements of each Fund in respect of minimum initial subscriptions and minimum holdings details of which are contained in Part Two of the relevant offer documentation in relation to Funds.

A switching fee of up to 3% of the Net Asset Value per Share may be charged.

The number of Shares will be rounded up to the nearest one hundredth of a Share.

## **DIVIDEND POLICY**

Unless otherwise stated in Part Two, the Directors intend to distribute not less than 85% of surplus net income (including deemed income for accounting purposes) represented by the dividends and interest received for each Fund to the Shareholders of the relevant Fund, after charging expenses and various other items, as set out under "Charges and Expenses", attributable to the Fund.

The Articles of the Company also permit the distribution as dividend of realised and unrealised capital gains less realised and unrealised capital losses. Dividends will be declared and paid yearly. Details of the relevant dividend payment dates in relation to each Fund are set out in Part Two. Directors retain discretion to declare dividends at any month end in respect of any Fund should circumstances so warrant

Dividends declared on the Shares will be payable by cheque to the registered address of the Shareholder or, in the case of joint holders to the name and address of the first Shareholder appearing on the register. Any dividend which is unclaimed six years from the date it became payable shall be forfeited and become the property of the Company.

Dividends will be paid in cash unless a Shareholder elects otherwise.

## **COMPULSORY REPURCHASE OF SHARES**

Shares acquired directly or indirectly by US Persons (except pursuant to an exemption under the 1933 Act), persons in breach of any law or requirement of any country or persons who directly or indirectly may result in the Company incurring any liability to taxation or pecuniary disadvantage, are subject to compulsory repurchase by the Company.

## **REPORTS TO SHAREHOLDERS**

The financial year of the Company ends on 31 December each year.

The annual report and audited accounts of the Company will be published within four months of the financial year end. The annual report and audited accounts of the Company will be maintained in Sterling or such other currency as the Directors may determine and comprise the accounts of each Fund.

The Company will publish a semi-annual unaudited financial report made up to 30 June in each year, containing a list of each Fund's holdings and their market values, within two months of the date to which it is made up.

In any event, the annual report and audited accounts of the Company and semi-annual unaudited financial report will be made available to Shareholders or prospective investors on request.

## **TAXATION**

The following statements are by way of a general guide to potential investors and Shareholders only and do not constitute tax advice. Shareholders and potential investors are therefore advised to consult their

professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.

Shareholders and potential investors should note that the following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this Document and proposed regulations and legislation in draft form. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.

## **Irish Taxation**

### **Tax on income and capital gains**

#### **The Company**

The Company will only be subject to tax on chargeable events in respect of Shareholders who are Irish Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes - see **definitions section** for more details).

A chargeable event occurs on:

- (x) a payment of any kind to a Shareholder by the Company;
- (xi) a transfer of Shares; and
- (xii) on the eighth anniversary of a Shareholder acquiring Shares and every subsequent eighth anniversary

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

If a Shareholder is not an Irish Person at the time a chargeable event arises no Irish tax will be payable on that chargeable event in respect of that Shareholder.

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

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

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

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

### **Shareholders**

Shareholders who are neither resident nor ordinarily resident in Ireland in respect of whom the appropriate declarations have been made (or in respect of whom written notice of approval from the Revenue Commissioners has been obtained by the Company to the effect that the requirement to have been provided with such declaration from that Shareholder or class of shareholders to which the Shareholder belongs is deemed to have been complied with) will not be subject to tax on any distributions from the Company or any gain arising on redemption, repurchase or transfer of their shares provided the shares are not held through a branch or agency in Ireland. No tax will be deducted from any payments made by the Company to those Shareholders who are not Irish Persons.

Shareholders who are Irish resident or ordinarily resident or who hold their shares through a branch or agency in Ireland may have a liability under the self-assessment system to pay tax, or further tax, on any distribution or gain arising from their holdings of Shares. In particular where the Company has elected to not deduct tax at the occasion of the eight year rolling chargeable event a Shareholder will have an obligation to file a self-assessment tax return and pay the appropriate amount of tax to the Irish Revenue Commissioners.

Refunds of tax where a relevant declaration could be made but was not in place at the time of a chargeable event are generally not available except in the case of certain corporate Shareholders within the charge to Irish corporation tax.

### **Stamp duty**

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

### **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 at the date of the disposition the transferor is neither domiciled nor ordinarily resident in Ireland and at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and the Shares are comprised in the disposition at the date of the gift or inheritance and the valuation date.

### **Other tax matters**

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

### **Residence - Company**

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

- the company or a related company carries on a trade in the State, and either the company is ultimately
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controlled by persons resident in EU Member States or, resident in countries with which the State has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a tax treaty country;

or

- the company is regarded as not resident in the State under a double taxation treaty between the State and another country.

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions which are contained in section 23A TCA.

It should be further noted that the text of section 23A Taxes Consolidation Act 1997 was replaced in its entirety by section 43 Finance Act 2014. Consequently the abovementioned tax residence rules have been substantially modified as regards Irish incorporated companies. The changes are relatively complex and we would recommend that any Irish incorporated company that considers it is not Irish tax resident seeks professional advice before asserting this in any tax declaration given to the Company.

### **Residence - Individual**

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

1. Spends 183 or more days in the State in that tax year;

or

2. has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year.

Presence in a tax year by an individual of not more than 30 days in the State will not be reckoned for the purpose of applying the two year test. Up to 31 December, 2008, presence in the State for a day means the personal presence of an individual at the end of the day (midnight). **From 1 January 2009, presence in the State for a day means the personal presence of an individual at any time during the day.**

### **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 the State 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 the State ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in the State in 2011 and departs from the State in that tax year will remain ordinarily resident up to the end of the tax year in 2014.

### **Intermediary**

This means a person who:-

- (xiii) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking resident in Ireland on behalf of other persons; or
- (xiv) holds units in an investment undertaking on behalf of other persons.

## **UNITED KINGDOM**

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## The Company

On the basis that the central management and control of the Company is not undertaken in the United Kingdom, and provided that the Company does not carry on a trade in the United Kingdom through a branch or agency situated therein that constitutes an assessable **UK representative** for United Kingdom taxation purposes, the Company should not be liable to United Kingdom corporation tax on its income or capital gains. The Directors and the Investment Adviser each intend that the respective affairs of the Company and the Investment Adviser are conducted so that no such assessable UK Representative will arise insofar as this is within their respective control, but it cannot be guaranteed that the conditions necessary to prevent any such assessable UK Representative coming into being will at all times be satisfied.

Interest and other income received by the Company which has an UK source may be subject to withholding taxes in the UK.

## Shareholders

Subject to their personal circumstances, Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax or corporation tax in respect of dividends or other distributions of income by the Company whether or not such distributions are reinvested. Except in the case of a company owning directly or indirectly not less than 10 % of the share capital of the Company, no credit will be available against a Shareholder's United Kingdom taxation liability in respect of income distributions of the Company for any taxes suffered or paid by the Company on its own income.

Chapter V of Part XVII of the Income and Corporation Taxes Act 1988 of the United Kingdom (the **Taxes Act**) provides that if an investor who is resident or ordinarily resident in the United Kingdom for taxation purposes holds a **material interest** in an overseas company that constitutes an "offshore fund" and that company does not qualify as a **distributing fund** throughout the period during which the investor holds that interest, any gain accruing to the investor upon the sale, redemption or other disposal of that interest (including conversion of that interest into an interest in another fund comprised within the same umbrella fund) will be taxed at the time of such sale, redemption, disposal or conversion as income and not as a capital gain. Shares in individual sub funds will constitute "material interests" in an **offshore fund** for the purpose of these provisions. In order to qualify as a distributing fund for any accounting period, an offshore fund that is constituted as an umbrella company must generally demonstrate to the Inland Revenue that:

- (xv) it distributes in respect of the relevant sub-fund at least 85% of such part of its net income, as computed in its accounts, as is attributable to that sub-fund, that distribution being made within six months of the end of the relevant accounting period (or within such longer period as the Inland Revenue may see fit to allow);
- (xvi) the amount so distributed by it in respect of the relevant sub-fund is at least 85 per cent of the amount which would have been the United Kingdom taxable income attributable to that sub-fund were the company resident in the United Kingdom and were its income computed broadly in accordance with United Kingdom corporation tax principles (the company's **UK equivalent profits**); and
- (xvii) it complies with certain restrictions on the holding of investments

The Directors intend that each sub-fund of the Company will apply to be certified as a distributing fund, unless otherwise detailed in the relevant supplement in Part Two. Application for certification will need to be made at the end of each accounting period of the Company, normally within six months, as the Taxes Act provides for certification to be given only retrospectively. Although the Directors will take all steps that are practicable and are consistent with the laws and regulatory requirements of Ireland and with the investment objectives and policies of the Company to ensure that its certification as a distributing fund is obtained in respect of each of its accounting periods, it must be appreciated that no assurance can be given as to whether certification will, in practice be obtained in respect of any particular accounting period, especially since the exact conditions that must be fulfilled for the sub-funds to obtain that certification (including the proper method of computing the Company's UK equivalent profits) may be affected by changes in Inland Revenue practice or by subsequent changes to the relevant provisions of

the Taxes Act.

On the assumption that the Company is able to obtain certification as a distributing fund for each of its accounting periods, Shareholders who are resident or ordinarily resident in the United Kingdom for taxation purposes will, unless Shares are held as securities to be realised in the course of a trade (in which case different rules apply), be liable, subject to their personal circumstances, to United Kingdom capital gains taxation (rather than United Kingdom income taxation) in respect of gains arising from the sale, redemption disposal or conversion of their Shares.

The attention of individuals ordinarily resident in the United Kingdom for taxation purposes is drawn to Chapter III of Part XVII of the Taxes Act, which may render them liable to income tax in respect of the undistributed income or profits of the Company.

The attention of companies resident in the United Kingdom for taxation purposes is drawn to the fact that the **controlled foreign companies** provisions contained in Chapter IV of Part XVII of the Taxes Act could apply if any United Kingdom resident company is, either alone or together with certain other persons associated with it for taxation purposes, deemed to be interested in 25 per cent or more of the chargeable profits of the Company arising in an accounting period, if at the same time the Company is controlled by persons (whether companies, individuals or others) who are resident in the United Kingdom for taxation purposes. In such circumstances, such Shareholders may be assessed to corporation tax in respect of the profits of the Company which are attributable to their interest in the Company. Such assessment may not be raised; however, if the Company pursues an **acceptable distribution policy** which broadly requires the Company to distribute annually 90 per cent of its net chargeable profits as calculated for UK tax purposes. Whilst it is likely that the Company will satisfy the "acceptable distribution test", UK resident companies holding 25% or more of the Shares (directly or indirectly) should seek their own specific professional tax advice.

Chapter II of Part IV of the Finance Act 1996 (**FA 1996**) provides that, if at any time in an accounting period a corporate investor within the charge to UK corporation tax holds a material interest in an offshore fund within the meaning of the relevant provisions of the Taxes Act, and there is a time in that period when that fund fails to satisfy the **non-qualifying investments test**, the material interest held by such a corporate investor will be treated for the accounting period as if it were rights under a creditor relationship for the purposes of the rules relating to the taxation of most corporate debt contained in FA 1996 (the **Corporate Debt Regime**). The Shares will (as explained above) constitute material interests in an offshore fund but on the basis of the investment policies of the Company, the Company would be likely to satisfy the non-qualifying investments test. However, there can be no guarantee that the test will always be satisfied at any given time and in circumstances where it is not so satisfied the Shares will be treated for corporation tax purposes as within the Corporate Debt Regime with the result that all returns on the Shares in respect of each corporate investor's accounting period (including gains, profits and deficits) will be taxed or relieved as an income receipt or expenses on a **mark to market** basis. Accordingly, a corporate investor in the Company may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

The attention of persons resident or ordinarily resident in the United Kingdom for taxation purposes (and who, if individuals, are also domiciled in the United Kingdom for those purposes) is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 (as amended by the Finance Act 1996) (**section 13**). Section 13 could be material to any such person who has an interest in the Company as a **participator** for UK taxation purposes (which term includes a Shareholder) at a time when any gain accrues to the Company (such as on a disposal of any of its investments) which constitutes a chargeable gain for those purposes if, at the same time, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a **close** company for those purposes. The provisions of section 13 could, if applied, result in any such person who is a participator in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person's proportionate interest in the Company as a participator. No liability under section 13 could be incurred by such a person, however, where such proportion does not exceed one-tenth of the gain.

#### **Automatic exchange of information**

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

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

With effect from 1 July 2014 the Company is obliged to report certain information in respect of U.S. investors in the Company to the Irish Revenue Commissioners who will share that information with the U.S. tax authorities.

The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (FATCA), impose a 30% US withholding tax on certain 'withholdable payments' made on or after 1 July 2014 unless the payee enters into and complies with an agreement with the U.S. Internal Revenue Service (IRS) to collect and provide to the IRS substantial information regarding direct and indirect owners and account holders.

On 21 December 2012 Ireland signed an Intergovernmental Agreement (IGA) with the United States to Improve International Tax Compliance and to Implement FATCA. Under this agreement Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. persons in a broad category of Irish financial institutions and vice versa.

Under the IGA and the Financial Accounts Reporting (United States of America) Regulations 2014 (as amended) implementing the information disclosure obligations, Irish financial institutions such as the Company are required to report certain information with respect to U.S. account holders to the Revenue Commissioners. The Revenue Commissioners will automatically provide that information annually to the IRS. The Company (and/or the Administrator or Investment Manager on behalf of the Company) must obtain the necessary information from investors required to satisfy the reporting requirements whether under the IGA, the Irish Regulations or any other applicable legislation published in connection with FATCA and such information is being sought as part of the application process for units in the Company. It should be noted that the Irish Regulations require the collection of information and filing of returns with the Revenue Commissioners regardless as to whether the Company holds any U.S. assets or has any U.S. investors.

If a Shareholder causes the Company to suffer a withholding for or on account of FATCA (FATCA Deduction) or other financial penalty, cost, expense or liability, the Company may compulsorily redeem any Shares of such Shareholder and/or take any actions required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically born by such shareholder. While the IGA and the Irish Regulations should serve to reduce the burden of compliance with FATCA, and accordingly the risk of a FATCA withholding on payments to the Company in respect of its assets, no assurance can be given in this regard. As such, Shareholders should obtain independent tax advice in relation to the potential impact of FATCA before investing.

### **Common Reporting Standard (CRS)**

The CRS framework was first released by the OECD in February 2014. To date, more than 90 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the **Standard**) was published, involving the use of two main elements, the Competent Authority Agreement (**CAA**) and the CRS.

The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions (**FIs**) relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CAA and CRS, have used FATCA concepts and as such the Standard is broadly similar to the FATCA requirements, albeit with numerous alterations. It will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS while the Finance Act 2014 and Finance Act 2015 contain measures necessary to implement the CRS internationally and across the European Union, respectively. Regulations, the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the **CRS Regulations**), giving effect to the CRS from 1 January 2016 came into operation on 31 December 2015.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("DAC II") implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis. The Irish Finance Act 2015 contained measures necessary to implement the DAC II. Regulations, the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (together with the CRS Regulations, the "Regulations"), giving effect to DAC II from 1 January 2016, came into operation on 31 December 2015.

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

## PART TWO

### SMITH & WILLIAMSON DEFENSIVE GROWTH FUND

#### Objective and Overview:

The investment objective of the Fund is to achieve long-term steady capital growth by adopting a policy to normally invest at least 50% of the assets in zero dividend preference shares (zeros), which are a class of share issued by Split Capital Investment Trusts, and synthetic zeros (closed-ended investment companies listed on Recognised Markets that display the same characteristics as conventional zeros). The Fund may also invest in other transferable securities, money market instruments, deposits, collective investment schemes and warrants.

The Fund targets a return of 5-7% per annum over rolling three year periods.

#### Class A Shares

**Minimum Initial Investment for Class A Shares:** £1,000.

**Minimum Additional Investment for Class A Shares:** £500.

**Minimum Holding for Class A Shares:** £1,000.

#### Class B Shares

**Minimum Initial Investment for Class B Shares:** £250,000.

**Minimum Additional Investment for Class B Shares:** £1,000.

**Minimum Holding for Class B Shares:** £1,000.

Class A Shares and Class B Shares are available for subscription at the current issue price determined by reference to the Net Asset Value per Share (plus duties and charges as applicable) calculated on the relevant Dealing Day.

**Dealing Day:** Each Business Day

**Dealing Deadline:** 5 p.m. Irish time on the Dealing Day

**Valuation Point:** 11.59 p.m. Irish time on the Dealing Day

**Valuation Date:** Each Dealing Day

#### Purchase, Repurchase and Switching Charges:

A charge of up to 5% may be deducted from subscription monies. No repurchase charge will be deducted from repurchase monies. No switching fee will be charged.

**Base Currency:** Sterling.

**Management Fee for Class A Shares:** 1% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled "**Charges and Expenses**".

**Management Fee for Class B Shares:** 0.70% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled "**Charges and Expenses**".

## INVESTMENT POLICY

Split Capital Investment Trusts are close-ended investment trust companies investing in equities and other assets, whose shares are listed on any Recognised Market in the United Kingdom, in which shareholders may hold shares benefiting from either capital growth or income returns.

With traditional Investment Trusts, shareholders benefit from income and capital growth. However with Split Capital Investment Trusts, the benefits of the portfolio are divided up, in distinct ways, between different classes of shareholders, i.e. **income** shares take all the income from the portfolio, while **capital** shares enjoy residual capital growth.

Zeros are zero dividend preference shares, which are listed on the London Stock Exchange and which are issued by Split Capital Investment Trusts. Zeros are designed to offer shareholders capital growth instead of income growth, having a pre-determined repayment level and pre-determined repayment date. Zeros take priority over all other classes of shares in the Company in the event of the liquidation of the Split Capital Investment Trusts.

The policy of the Fund is to invest in a spread of issues that the Investment Manager considers to be good quality zeros, and those zeros that the Investment Manager considers to be undervalued. Whilst at least 50% of the portfolio will normally be invested in zeros and synthetic zeros, the Investment Manager will purchase units in Investment Trusts or collective investment schemes if the Investment Manager believes that the growth prospects are good and the risk levels are appropriate.

From time to time, depending on market conditions the Fund may invest in transferable securities, money market instruments, deposits and warrants.

The Investment Manager would not expect the annual management charges of the underlying collective investment schemes or closed ended funds in which the Fund invests to be higher than 3% of their net asset value. Details of such annual management charges will be furnished in the annual report and accounts circulated to investors.

Up to 100% of the Fund's investment in Split Capital Investment Trusts may be in issues that have an element of gearing. However, in keeping with the stated investment policy for the overall Fund of **medium risk**, the Investment Manager will tend to avoid those issues that are highly geared. The Investment Manager's definition of highly geared would be an issue with 75% or higher gearing.

The Fund is unlikely to have an extensive range of investments but will be diversified in accordance with the Regulations.

### Efficient Portfolio Management

Derivative and forward transactions may be used by the Fund solely for the purposes of hedging and in accordance with the requirements of the Central Bank.

## INVESTMENT RESTRICTIONS

In addition to the investment restrictions set out in the section of Appendix I entitled "**Investment Restrictions**", not more than 10% of the Fund's net assets may be invested in other collective investment schemes.

## RISK WARNING

The Split Capital Investment Trust sector is one that has experienced particular difficulties in recent times. A number of Split Capital Investment Trusts have been forced into liquidation, with investors recovering little or none of the capital invested. The sector has also been reviewed by the FCA on the basis that products were mis-sold and that promotional material relating to investments in Split Capital Investment Trusts was misleading, with inadequate risk warnings to make investors aware of the potential risks of investment. These combined factors may mean that securities in Split Capital Investment Trusts may be more prone to a loss of investor confidence than other equities.

In particular, investors should be aware that if the assets of the investment trust fail to grow sufficiently during its lifetime, it may be unable to pay the amount promised at the winding-up date. Split Capital Investment Trusts may be “covered” when they start out (they have sufficient assets to meet the repayment of the Zeros, including any future expenses and liabilities), but there is no guarantee that this will ensure that the investments are not at risk in the event of falling markets. Split Capital Investment Trusts will also generally have a “hurdle rate”, being the level of growth of the company that is needed to ensure that Zeros will be repaid. This growth rate may not be achieved, and even if the Split Capital Investment Trust has a negative hurdle rate (meaning the company can fall in value and still meet its obligations on Zeros), investors may not recover all or some of the amount invested if markets fall.

In particular, Split Capital Investment Trusts may have volatile results where they have incurred borrowings or otherwise leveraged their exposure and capitalised their interest costs.

The share prices of Investment Trusts and close-ended investment companies typically stand at a discount to their net asset value per share. Such discounts may persist for long periods and/or widen.

The Fund's share price, being calculated on the basis of the Net Asset Value per Share, will reflect the current market value of the shares of the Investment Trusts and close-ended investment companies in which the Fund invests. The shares of certain Investment Trusts and close-ended investment companies in which the Fund invests may be valued in a market at a premium to their own net asset value per share. In such cases the share price of such Investment Trusts and/or close-ended investment companies may eventually decline to a discount of their net asset value per share.

Investment Trusts and close-ended investment companies may borrow or otherwise leverage their exposure to their investments. Investments in such companies will tend to have more volatile results than investment in companies without gearing.

Many of the synthetic zeros that the Fund will invest in are classified as Structured Capital at Risk products (SCARPs) as defined by the Financial Conduct Authority.

## **DIVIDEND POLICY**

The Directors intend that the Smith & Williamson Defensive Growth Fund will distribute substantially all its net income in each accounting period and may distribute as dividend both realised and unrealised capital gains less realised and unrealised capital losses. The Directors do not anticipate that the amount of dividends declared will be significant. The Directors anticipate that any dividends declared will normally be announced at the end of June and December in each year. Dividends will usually be paid by telegraphic transfer within six weeks of the relevant declaration date or on the earliest possible date thereafter and in any event within 3 months of the relevant declaration date.

## SMITH & WILLIAMSON CASH FUND

<b>Objective:</b>	To achieve a high rate of interest and ready access to capital.
<b>Minimum Initial Investment:</b>	£1,000.
<b>Minimum Additional Investment:</b>	£500.
<b>Minimum Holding:</b>	£1,000
<b>Sales, Repurchase and Switching Charges:</b>	A sales charge of up to 5% of the subscription price may be added to the subscription price of the Shares in the Fund. No repurchase charge will be deducted from repurchase monies. No switching fee will be charged.
<b>Dealing Day:</b>	Each Business Day
<b>Dealing Deadline:</b>	10 a.m. on the Dealing Day
<b>Base Currency:</b>	Sterling.
<b>Valuation Point:</b>	10 a.m. on the Dealing Day
<b>Settlement Date:</b>	In the case of subscriptions and redemptions close of business on the Business Day following the Dealing Day
<b>Fees and Expenses:</b>	<p>The Manager is entitled to receive out of the net assets of the Fund an annual fee of up to 0.3% of the Net Asset Value of the Fund from which the Manager will pay any Administrator's fee.</p> <p>This fee will accrue and be calculated on each Dealing Day and be payable monthly in arrears. The Depositary shall be entitled to receive out of the assets of the Fund an annual fee, accrued and calculated on each Dealing Day and payable monthly in arrears, of up to 0.02 % per annum of the Fund's Net Asset Value (plus VAT thereon, if any). The Depositary is also entitled to fees payable to any sub-depositary (which will be charged at normal commercial rates) as well as agreed upon transaction charges (which will be at normal commercial rates) and other out-of-pocket expenses incurred in the settlement, safekeeping and collection of income attributable to the assets of the Fund (plus VAT thereon, if any).</p>

## ESTABLISHMENT COSTS

The cost of establishing the Fund, obtaining authorisation from any authority, filing fees, the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it which are estimated not to exceed GBP £10,000 (plus VAT where applicable) will be borne by the Fund and such amounts amortised over the first five years of the Fund's operation. The Investment Manager may initially incur all or part of the costs referred to above on behalf of the Fund, in which case they will be entitled to be reimbursed out of the assets of the Company for such expenditure.

Details of further charges and expenses are set out in the section of Appendix II entitled "**Charges and Expenses**".

## INVESTMENT POLICY

In order to achieve its objective the Fund will primarily invest in sterling money market deposits by placing cash with banks or other sterling deposit-taking institutions where the rate is fixed for a certain time



period and is guaranteed by the bank or deposit-taking institution and money market instruments, including but not limited to certificates of deposits issued by banks, or other deposit-taking institutions.

The balance of the Fund's investments will be in transferable securities (government or corporate, fixed or floating, rated or unrated) listed or traded primarily in the UK but also on stock exchanges or markets as set out in Appendix IV. These transferable securities may include warrants, collective investment schemes (subject to the limits set out below), commercial paper including asset-backed commercial paper and other short-term obligations (such as deposits and certificates of deposits) of UK and non-UK banks and building societies. The Fund may also invest in preference shares and/or warrants relating to the companies detailed above.

The Fund may also use FDIs (subject to the investment and borrowing limits set out herein) for efficient portfolio management purposes and in order to hedge against exchange rate risk and accordingly may enter into spot/forward currency hedging contracts, futures, traded options to include puts and calls, forward currency sales and purchases and will be used solely to reduce risks, costs or a combination of both subject to the relevant restrictions set out by the Central Bank. FDIs will not be entered into for speculative purposes. Please see the section of Appendix I entitled "**Efficient Portfolio Management**" for more details. The Fund does not intend to be leveraged as a result of using derivatives.

Where the Fund utilises FDIs, it will at all times comply with the requirements of the Regulations and/or the Central Bank UCITS Regulations, as applicable. Before utilising any particular FDI, the Company on behalf of the Fund will file an updated risk management process report (where necessary and not covered by the Company's current risk management process report) with the Central Bank which shall be required to be cleared in advance by the Central Bank. The aim of utilising FDIs will be to reduce costs or risks or to generate additional capital or income for the Fund with an appropriate level of risk taking into account the risk profile of the Fund and the general provisions of the Regulations. 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 the policy of the Fund that the portfolio will remain predominantly fully invested although the Investment Manager is permitted the flexibility to increase the percentage of the portfolio held in cash (for ancillary liquid purposes) and other liquid instruments including investment grade certificates of deposit and treasury bills. The Fund may from time to time be solely invested in cash.

## **INVESTMENT RESTRICTIONS**

In addition to the investment restrictions set out in the section of Appendix I entitled "**Investment Restrictions**", not more than 10% of the Fund's net assets may be invested in other collective investment schemes. Not more than 5% of the Fund's assets may be invested in warrants.

## **DIVIDEND POLICY**

The Directors intend that the Fund will distribute substantially all its net income in each accounting period and may distribute as dividend both realised and unrealised capital gains less realised and unrealised capital losses. Any such dividend will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. The Directors anticipate that any dividends declared will normally be announced at the end of June and December in each year. Dividends will be paid by telegraphic transfer within six weeks of the relevant declaration date or on the earliest possible date thereafter and in any event within 3 months of the relevant declaration date.

The Company will operate equalisation with respect to income Shares. Shares purchased during a distribution period will contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. This will be calculated daily and will be available upon request from the Administrator or Manager. It may be treated as a return of capital for tax purposes.

## **ADDITIONAL RISK FACTORS**

The Fund will invest substantially in sterling money market deposits and short term money market

instruments and therefore will carry a lower degree of risk than funds investing in long term fixed income or equity securities. However, the Fund may take a credit risk on the parties with which it trades. There can be no assurance that the securities in which the Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or other instruments. The Fund will therefore be exposed to credit risk on parties with whom it trades and may also bear the risk of settlement default.

Furthermore, the performance of the Funds may be affected by changes in economic and marketing conditions and in legal, regulatory and tax requirements.

The investments of the Fund in deposits are subject to normal market fluctuations and other risks, as described in the section entitled **Risk Warnings** in Appendix I, inherent in investing in money market deposits and short term money market instruments.

Investors should also note that subscription for Shares of the Fund is not the same as placing funds on deposit with a bank or other deposit-taking body.

## WYE INVESTMENT FUND

<b>Objective:</b>	To achieve long term growth of capital through investment in stocks (which may include fixed interest stocks), shares, collective investment schemes and investment trust companies in the UK and overseas stock markets, and through investment in cash and money market instruments throughout the world.
<b>Minimum Initial Investment:</b>	£100,000.
<b>Minimum Additional Investment:</b>	£1,000.
<b>Minimum Holding:</b>	£1,000.
<b>Sales and Repurchase Charges:</b>	A sales charge of up to 5% of the subscription price may be added to the subscription price of the Shares in the Fund. A repurchase fee of 3% of the repurchase price may also be charged, at the discretion of the Directors.
<b>Base Currency:</b>	Sterling.
<b>Fees and Expenses:</b>	The Manager is entitled to receive out of the net assets of the Fund an annual fee of up to 0.5% of the Net Asset Value of the Fund from which the Manager will pay any investment management and distribution fees. This fee will accrue and be calculated on each Valuation Date and be calculated monthly in arrears. The Administrator is entitled to an annual fee up to 0.15% of the Net Asset Value of the Fund with a minimum annual fee of £15,000, and up to £5,000 for maintaining the shareholder register. The Depositary will charge a transaction charge and a holding charge for each security as agreed with the Investment Manager. The annual fee is normally in the order of 0.1% of the Net Asset Value of the Fund but will vary depending on the number of transactions. The Trustee will charge up to 0.05% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled “ <b>Charges and Expenses</b> ”.

## INVESTMENT POLICY

In order to achieve its objective the Fund will invest in equities, open-ended collective investment schemes (as well as closed ended investment trust companies, subject to the limits applying to transferable securities, which are listed on a principal exchange such as London or New York and have liquidity through the secondary market and which include regional funds, real estate investment trusts or REITS, asset class funds and specialist funds or which provide manager diversification) and securities listed or traded on a stock exchange set out below subject to an overall limit of 20% of its net assets in emerging markets (as determined by the Investment Manager). **The Fund may from time to time be solely invested in collective investment schemes.** The Investment Manager would not expect the annual management charges of the underlying collective investment schemes or investment trust companies in which the Fund invests to be higher than 3% of their net asset value. Details of such annual management charges will be furnished in the annual report and accounts circulated to investors. The Fund may invest in debentures, preference shares and in bonds, including for the avoidance of doubt convertible bonds (which in each case may be issued by governments, corporates, may be fixed or floating and may or may not be investment grade). The Fund may from time to time be solely invested in such bonds, debentures and preference shares provided that no more than 20% of the Net Asset Value of the Fund may be invested in corporate bonds (including convertible bonds), debentures and preference shares which will not have an independent rating. The equities and securities in which the Fund may invest are listed/traded on the stock exchanges in the following countries: Australia, Austria, Belgium, Canada, China, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Switzerland, M-6009-191

Sweden, Turkey, United Kingdom, United States and any other of the exchanges or markets listed in Appendix IV. Up to 10% of the net asset value of the Fund may be invested in unlisted securities or securities listed or traded on other stock exchanges. The list of stock exchanges will be reviewed from time to time as other stockmarkets develop and the Directors may add any stock exchanges in any other country to the list set out in the Prospectus. Shareholders will be given reasonable notice in a circular or semi-annual or annual report of any change to enable them to redeem their shares before such change becomes effective. Changes to the list of stock exchanges will also be incorporated into a supplemental/revised prospectus. The Fund will only invest in those countries in which the Depositary provides custodial services, whether directly or through sub-depositaries.

The Fund may invest up to 100% in CIS which are UCITS and which are domiciled in the EU. These CIS may include regional funds, asset class funds and specialist funds or which provide manager diversification. The Fund may only invest in CIS which state in their prospectus or constitutional document that they will not invest more than 10% in other CIS.

The Fund may invest up to 30% in AIFs provided that they satisfy the Central Bank's requirements. These AIFs may include regional funds, asset class funds and specialist funds or which provide manager diversification. The AIFs will be domiciled in the EU, a member state of the EEA, the US, Jersey, Guernsey or the Isle of Man.

The Central Bank currently requires that AIFs must satisfy the following criteria: be collective investment schemes within the meaning of Regulation 4(3)(a) and (b); be authorised under laws which provide that they are subject to regulation considered by the Central Bank to be equivalent to that specified in a Community Act and that co-operation between the authorities is sufficiently ensured; be subject to a regulatory regime such that the level of protection for unitholders is equivalent to a UCITS and the rules on segregation of assets, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to a UCITS; and be required to report on a semi-annual and annual basis to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period. For Class A Schemes established in Guernsey, Recognised Funds in Jersey, Authorised Schemes in the Isle of Man, AIF retail CIS authorised by the Central Bank, or authorised in a member state of the EEA, the US, Jersey, Guernsey, or the Isle of Man, the Fund will have to satisfy the Central Bank that the CIS complies in all material respects with the provisions of the Regulations and/or the Central Bank UCITS Regulations, as applicable, in that the CIS has an independent trustee or Depositary with equivalent duties and responsibilities in relation to both safekeeping and supervision; that the CIS has rules relating to spreading of investment risk including concentration limits, ownership restrictions, leverage and borrowing restrictions; that the CIS has equivalent pricing information availability and equivalent reporting requirements; that the CIS has similar redemption facilities and frequency; and that the CIS provides for equivalent restrictions in relation to dealings by related parties. The Fund will avail of any change in requirements of the Central Bank in respect of investment in AIFs and the Prospectus will be updated accordingly.

The Fund may also invest in preference shares and/or warrants relating to the companies detailed above. In order to protect its portfolio from market and currency risk, the Fund may hedge the portfolio by the use of financial futures and derivative contracts.

**The Fund may also use FDIs** (subject to the investment and borrowing limits set out herein) for efficient portfolio management purposes and in order to hedge against exchange rate risk and accordingly may enter into spot/forward currency hedging contracts, futures, swaps, traded options to include puts and calls, forward currency sales and purchases and will be used solely to reduce risks, costs or a combination of both subject to the relevant restrictions set out by the Central Bank. FDIs will not be entered into for speculative purposes. Please see the section of Appendix I entitled “**Efficient Portfolio Management**” for more details.

Where the Fund utilises FDIs, it will at all times comply with the requirements of the Regulations and/or the Central Bank UCITS Regulations, as applicable. Before utilising a FDI, the Company on behalf of the Fund will file a risk management process report with the Central Bank. The aim of utilising FDIs will be to reduce costs and manage risks. 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 the policy of the Fund that the portfolio will remain predominantly fully invested although the Investment Manager is permitted the flexibility to increase the percentage of the portfolio held in cash (for ancillary liquid purposes) and other liquid instruments including investment grade certificates of deposit and treasury bills. The Fund may from time to time be solely invested in cash. Investment may also be made in dollar denominated investment grade debt securities, such as US Treasury stock, where this is required for the efficient operation of the Fund or is considered to be in the best interest of the Fund; for example, during periods of market uncertainty where such investment is deemed appropriate.

#### **DIVIDEND POLICY**

The Directors intend that the Fund will distribute substantially all its net income in each accounting period and may distribute as dividend both realised and unrealised capital gains less realised and unrealised capital losses. The Directors do not anticipate that the amount of dividends declared will be significant. The Directors anticipate that any dividends declared will normally be paid in March and September in each year.

## BOULDER INVESTMENT FUND

<b>Objective:</b>	To achieve long term growth of capital through investment in stocks (which may include fixed interest stocks), shares, collective investment schemes and investment trust companies in the UK and overseas stock markets, and through investment in cash and money market instruments throughout the world.
<b>Minimum Initial Investment:</b>	£100,000.
<b>Minimum Additional Investment:</b>	£1,000.
<b>Minimum Holding:</b>	£1,000.
<b>Sales and Repurchase Charges:</b>	A sales charge of up to 5% of the subscription price may be added to the subscription price of the Shares in the Fund. A repurchase fee of 3% of the repurchase price may also be charged, at the discretion of the Directors.
<b>Base Currency:</b>	Sterling.
<b>Management Fee:</b>	1% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled " <b>Charges and Expenses</b> ".

## INVESTMENT POLICY

In order to achieve its objective the Fund will invest in equities, open-ended collective investment schemes, (as well as closed ended investment trust companies, subject to the limits applying to transferable securities, which are listed on a principal exchange such as London or New York and have liquidity through the secondary market and which include regional funds, real estate investment trusts or REITS, asset class funds and specialist funds or which provide manager diversification) and securities listed or traded on a stock exchange set out below subject to an overall limit of 20% of its net assets in emerging markets (as determined by the Investment Manager). **The Fund may from time to time be solely invested in collective investment schemes.** The Investment Manager would not expect the annual management charges of the underlying collective investment schemes or investment trust companies in which the Fund invests to be higher than 3% of their net asset value. Details of such annual management charges will be furnished in the annual report and accounts circulated to investors. The Fund may invest in debentures, preference shares and in bonds, including for the avoidance of doubt convertible bonds (which in each case may be issued by governments, corporates, may be fixed or floating and may or may not be investment grade). The Fund may from time to time be solely invested in such bonds debentures and preference shares provided that no more than 20% of the Net Asset Value of the Fund may be invested in corporate bonds (including convertible bonds), debentures and preference shares which will not have an independent rating. The equities and securities in which the Fund may invest are listed/traded on the stock exchanges in the following countries: Australia, Austria, Belgium, Canada, China, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Switzerland, Sweden, Turkey, United Kingdom, United States and any other of the exchanges or markets listed in Appendix IV. Up to 10% of the net asset value of the Fund may be invested in unlisted securities or securities listed or traded on other stock exchanges. The list of stock exchanges will be reviewed from time to time as other stockmarkets develop and the Directors may add any stock exchanges in any other country to the list set out in the Prospectus. Shareholders will be given reasonable notice in a circular or semi-annual or annual report of any change to enable them to redeem their shares before such change becomes effective. Changes to the list of stock exchanges will also be incorporated into a supplemental/revised prospectus. The Fund will only invest in those countries in which the Depositary provides custodial services, whether directly or through sub-depositaries.

The Fund may invest up to 100% in CIS which are UCITS and which are domiciled in the EU. These CIS may include regional funds, asset class funds and specialist funds or which provide manager diversification. The Fund may only invest in CIS which state in their prospectus or constitutional

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document that they will not invest more than 10% in other CIS.

The Fund may invest up to 30% in AIFs provided that they satisfy the Central Bank's requirements. These AIFs may include regional funds, asset class funds and specialist funds or which provide manager diversification. The AIFs will be domiciled in the EU, a member state of the EEA, the US, Jersey, Guernsey or the Isle of Man.

The Central Bank currently requires that AIFs must satisfy the following criteria: be collective investment schemes within the meaning of Regulation 4(3)(a) and (b); be authorised under laws which provide that they are subject to regulation considered by the Central Bank to be equivalent to that specified in a Community Act and that co-operation between the authorities is sufficiently ensured; be subject to a regulatory regime such that the level of protection for unitholders is equivalent to a UCITS and the rules on segregation of assets, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to a UCITS; and be required to report on a semi-annual and annual basis to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period. For Class A Schemes established in Guernsey, Recognised Funds in Jersey, Authorised Schemes in the Isle of Man, AIF retail CIS authorised by the Central Bank, or authorised in a member state of the EEA, the US, Jersey, Guernsey, or the Isle of Man, the Fund will have to satisfy the Central Bank that the CIS complies in all material respects with the provisions of the Regulations and/or the Central Bank UCITS Regulations, as applicable. In that the CIS has an independent trustee or depositary with equivalent duties and responsibilities in relation to both safekeeping and supervision; that the CIS has rules relating to spreading of investment risk including concentration limits, ownership restrictions, leverage and borrowing restrictions; that the CIS has equivalent pricing information availability and equivalent reporting requirements; that the CIS has similar redemption facilities and frequency; and that the CIS provides for equivalent restrictions in relation to dealings by related parties. The Fund will avail of any change in requirements of the Central Bank in respect of investment in AIFs and the Prospectus will be updated accordingly.

The Fund may also invest in preference shares and/or warrants relating to the companies detailed above. In order to protect its portfolio from market and currency risk, the Fund may hedge the portfolio by the use of financial futures and derivative contracts.

**The Fund may also use FDIs** (subject to the investment and borrowing limits set out herein) for efficient portfolio management purposes and in order to hedge against exchange rate risk and accordingly may enter into spot/forward currency hedging contracts, futures, swaps, traded options to include puts and calls, forward currency sales and purchases and will be used solely to reduce risks, costs or a combination of both subject to the relevant restrictions set out by the Central Bank. FDIs will not be entered into for speculative purposes. Please see the section of Appendix I entitled "**Efficient Portfolio Management**" for more details.

Where the Fund utilises FDIs it will at all times comply with the requirements of the Regulations and/or the Central Bank UCITS Regulations, as applicable. Before utilising a FDI, the Company on behalf of the Fund will file a risk management process report with the Central Bank. The aim of utilising FDIs will be to reduce costs and manage risks. 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 the policy of the Fund that the portfolio will remain predominantly fully invested although the Investment Manager is permitted the flexibility to increase the percentage of the portfolio held in cash (for ancillary liquid purposes) and other liquid instruments including investment grade certificates of deposit and treasury bills. The Fund may, from time to time be solely invested in cash. Investment may also be made in dollar denominated investment grade debt securities, such as US Treasury stock, where this is required for the efficient operation of the Fund or is considered to be in the best interest of the Fund; for example, during periods of market uncertainty where such investment is deemed appropriate.

## **DIVIDEND POLICY**

The Directors intend that the Fund will distribute substantially all its net income in each accounting period and may distribute as dividend both realised and unrealised capital gains less realised and unrealised capital losses. The Directors anticipate that any dividends declared will normally be paid in March and

September in each year.



## SANTOS INVESTMENT FUND

<b>Objective:</b>	To achieve long term growth of capital through investment in stocks (which may include fixed interest stocks) shares, collective investment schemes and investment trust companies in the UK and overseas stock markets, and through investment in cash and money market instruments throughout the world.
<b>Minimum Initial Investment:</b>	£500,000.
<b>Minimum Additional Investment:</b>	£5,000.
<b>Minimum Holding:</b>	£5,000.
<b>Sales and Repurchase Charges:</b>	A sales charge of up to 5% of the subscription price may be added to the subscription price of the Shares in the Fund. A repurchase fee of 3% of the repurchase price may also be charged, at the discretion of the Directors.
<b>Base Currency:</b>	Sterling.
<b>Management Fees:</b>	1% of the Net Asset Value of the Fund subject to a minimum annual fee of £70,000. Details of further charges and expenses are set out in the section of Appendix II entitled “ <b>Charges and Expenses</b> ”.

## INVESTMENT POLICY

In order to achieve its objective the Fund will invest in equities, open-ended collective investment schemes, (as well as closed ended investment trust companies, subject to the limits applying to transferable securities, which are listed on a principal exchange such as London or New York and have liquidity through the secondary market and which include regional funds, real estate investment trusts or REITS, asset class funds and specialist funds or which provide manager diversification) and securities listed or traded on a stock exchange set out below subject to an overall limit of 20% of its net assets in emerging markets (as determined by the Investment Manager). **The Fund may from time to time be solely invested in collective investment schemes.** The Investment Manager would not expect the annual management charges of the underlying collective investment schemes or investment trust companies in which the Fund invests to be higher than 3% of their net asset value. Details of such annual management charges will be furnished in the annual report and accounts circulated to investors. The Fund may invest in debentures, preference shares and in bonds, including for the avoidance of doubt convertible bonds (which in each case may be issued by governments, corporates, may be fixed or floating and may or may not be investment grade). The Fund may from time to time be solely invested in such bonds debentures and preference shares provided that no more than 20% of the Net Asset Value of the Fund may be invested in corporate bonds (including convertible bonds), debentures and preference shares which will not have an independent rating. The equities and securities in which the Fund may invest are listed/traded on the stock exchanges in the following countries: Australia, Austria, Belgium, Canada, China, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Switzerland, Sweden, Turkey, United Kingdom, United States and any other of the exchanges or markets listed in the Appendix IV. Up to 10% of the net asset value of the Fund may be invested in unlisted securities or securities listed or traded on other stock exchanges. The list of stock exchanges will be reviewed from time to time as other stockmarkets develop and the Directors may add any stock exchanges in any other country to the list set out in the Prospectus. Shareholders will be given reasonable notice in a circular or semi-annual or annual report of any change to enable them to redeem their shares before such change becomes effective. Changes to the list of stock exchanges will also be incorporated into a supplemental/revised prospectus. The Fund will only invest in those countries in which the Depositary provides custodial services, whether directly or through sub-depositaries.

The Fund may invest up to 100% in CIS which are UCITS and which are domiciled in the EU. These CIS may include regional funds, asset class funds and specialist funds or which provide manager

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diversification. The Fund may only invest in CIS which state in their prospectus or constitutional document that they will not invest more than 10% in other CIS.

The Fund may invest up to 30% in AIFs provided that they satisfy the Central Bank's requirements. These AIFs may include regional funds, asset class funds and specialist funds or which provide manager diversification. The AIFs will be domiciled in the EU, a member state of the EEA, the US, Jersey, Guernsey or the Isle of Man.

The Central Bank currently requires that AIFs must satisfy the following criteria: be collective investment schemes within the meaning of Regulation 4(3)(a) and (b); be authorised under laws which provide that they are subject to regulation considered by the Central Bank to be equivalent to that specified in a Community Act and that co-operation between the authorities is sufficiently ensured; be subject to a regulatory regime such that the level of protection for unitholders is equivalent to a UCITS and the rules on segregation of assets, borrowing, lending and uncovered sales of transferable securities and money market instruments are equivalent to a UCITS; and be required to report on a semi-annual and annual basis to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period. For Class A Schemes established in Guernsey, Recognised Funds in Jersey, Authorised Schemes in the Isle of Man, AIF retail CIS authorised by the Central Bank, or authorised in a member state of the EEA, the US, Jersey, Guernsey, or the Isle of Man, the Fund will have to satisfy the Central Bank that the CIS complies in all material respects with the provisions of the Regulations and/or the Central Bank UCITS Regulations, as applicable, in that the CIS has an independent trustee or depositary with equivalent duties and responsibilities in relation to both safekeeping and supervision; that the CIS has rules relating to spreading of investment risk including concentration limits, ownership restrictions, leverage and borrowing restrictions; that the CIS has equivalent pricing information availability and equivalent reporting requirements; that the CIS has similar redemption facilities and frequency; and that the CIS provides for equivalent restrictions in relation to dealings by related parties. The Fund will avail of any change in requirements of the Central Bank in respect of investment in AIFs and the Prospectus will be updated accordingly.

The Fund may also invest in preference shares and/or warrants relating to the companies detailed above. In order to protect its portfolio from market and currency risk, the Fund may hedge the portfolio by the use of financial futures and derivative contracts.

**The Fund may also use FDIs** (subject to the investment and borrowing limits set out herein) for efficient portfolio management purposes and in order to hedge against exchange rate risk and accordingly may enter into spot/forward currency hedging contracts, futures, swaps, traded options to include puts and calls, forward currency sales and purchases and be used solely to reduce risks, costs or a combination of both subject to the relevant restrictions set out by the Central Bank. FDIs will not be entered into for speculative purposes. Please see the section of Appendix I entitled "**Efficient Portfolio Management**" for more details.

Where the Fund utilises FDIs, it will at all times comply with the requirements of by the Regulations and/or the Central Bank UCITS Regulations, as applicable. Before utilising a FDI, the Company on behalf of the Fund will file a risk management process report with the Central Bank. The aim of utilising FDIs will be to reduce costs and manage risks. 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 the policy of the Fund that the portfolio will remain predominantly fully invested although the Investment Manager is permitted the flexibility to increase the percentage of the portfolio held in cash (for ancillary liquid purposes) and other liquid instruments including investment grade certificates of deposit and treasury bills. The Fund may, from time to time be solely invested in cash. Investment may also be made in dollar denominated investment grade debt securities, such as US Treasury stock, where this is required for the efficient operation of the Fund or is considered to be in the best interest of the Fund; for example, during periods of market uncertainty where such investment is deemed appropriate.

## **DIVIDEND POLICY**

Insofar as income is available for distribution, the Directors intend to pay dividends in March and September in each year but retain discretion to declare dividends at any month end should circumstances so warrant.



## SMITH & WILLIAMSON MID OCEAN WORLD INVESTMENT FUND

**Objective:** To achieve income return and capital appreciation.

There can be no assurance that the Fund will achieve its investment objective

### INVESTMENT POLICY

The Fund will endeavour to achieve its investment objective by investing the majority of its Net Asset Value in equity and equity-related securities and debt securities, as set out below.

The Investment Manager will construct the portfolio of assets which it considers to be the most advantageous asset classes, geographic regions, sectors and market capitalisations taking into consideration the macro environment (such as interest rates, GDP, unemployment, monetary and fiscal trends) at the time of selection. Accordingly, the allocation across the asset classes at any time is determined by the Investment Manager on an unconstrained basis.

The Fund may invest in equities and equity-related securities such as preferred stocks, convertible bonds and warrants as well as depository receipts for such securities (such as ADRs traded in the United States markets and GDRs traded in other world markets), issued by companies worldwide.

The Fund may invest in a broad range of debt securities of various types and maturities issued by government or corporate entities, including, for example, fixed rate, floating rate and variable rate notes, bonds, index linked debt securities and, in addition, convertible bonds (which will or will not embed leverage), preferred stock, warrants, coupon-bearing and deferred interest instruments (such as zero coupon bonds). Such debt securities may be fixed or floating rate and rated by a recognised rating agency such as Moody's or Standard & Poor's or unrated.

The Fund may also invest up to 10% of its Net Asset Value in other collective investment schemes, including any money market funds invested in for cash management purposes and exchange-traded funds.

Securities invested in will primarily be listed or traded on stock exchanges or markets as set out in Appendix IV. However, up to 10% of the Net Asset Value of the Fund may be invested in securities not listed or traded on stock exchanges or markets as set out in Appendix IV.

There is no economic or industry focus to the Fund.

It is the policy of the Fund that the portfolio will remain predominantly fully invested. However, the Fund may also, if this is considered appropriate to the investment objective, retain amounts in cash, cash equivalents and money market instruments (including, but not limited to, cash deposits, commercial paper, certificates of deposit and treasury bills), or collective investment schemes (including but not limited to collective investment schemes which themselves invest in cash or money market instruments or debt securities which are rated or unrated). The Fund may from time to time be solely invested in cash or ancillary liquid assets. The situations in which liquid assets set out above may be held may include: (i) where the Investment Manager considers that there are not sufficient suitable investment opportunities; (ii) to protect the value of the Fund and maintain liquidity at times in falling or volatile markets; (iii) to facilitate the Fund's ability to meet redemption requests; and (iv) where the Fund has received subscriptions that are awaiting investment.

The Fund may invest in financial derivative instruments for investment and efficient portfolio management purposes. Such financial derivative instruments include futures, forwards, options and contracts for difference. The use of derivatives for the purposes of investment may on occasions lead to an increase in risk profile of the Fund or result in a fluctuation in the expected level volatility (however, the Investment Manager expects this to remain low overall). Please see below the section entitled "**Additional Risk Factors**" in relation to such risks. In addition, the use of derivatives will be fully supported by a risk management process (RMP) to ensure that the use of derivatives continue to be commensurate with the overall investment objective of the Fund. To the extent that the Fund is leveraged as a result of the use of derivatives for investment and efficient portfolio management purposes, such leverage will not exceed the 100% of NAV. The total exposure of the Fund (which is calculated taking leverage into account) will not

exceed 200% of NAV and will be monitored on a daily basis to ensure that the total exposure does not exceed this stated maximum.

The following is a description of the types of financial derivative instruments which may be used by the Fund:

*Futures:* Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. The commercial purpose of futures contracts can be to allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Using futures to achieve a particular strategy instead of using the underlying or related security or index may result in lower transaction costs being incurred. The Fund may use Futures to gain exposure to a particular equity index or commodity. The purpose of these will be to act as a hedge on exposures that exist within the Fund.

*Forwards:* The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates, as well as to enhance the return of the Fund by gaining an exposure to a particular foreign currency. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering in a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, and shifting exposure to currency fluctuations from one currency to another and hedging classes denominated in a currency (other than the Base Currency) to the Base Currency. Currency forwards are transacted OTC. The only type of Forwards that will be used by the Fund are Currency Forwards and the purpose of these will be to hedge out any exposure that exists between the US dollar share classes and base currency of the assets which will be calculated in Sterling.

*Options:* There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. Options may also be cash settled. The Fund may be a seller or buyer of put and call options. The Fund may occasionally use Options to gain exposure to a particular equity, equity index or commodity. The purpose of these will be to act as a hedge on exposures that exist within the Fund.

*Contracts for Difference (CFDs):* The Fund may enter into CFDs for both efficient portfolio management purposes and investment purposes. CFDs may be used to change the sensitivity of the portfolio to individual equity price movements. The Fund may enter into CFDs as a replacement for direct investment in transferable securities in order to avail of cost or liquidity advantages of financial derivative instruments over transferable securities. CFD are also utilised to obtain synthetic short exposures to particular issuers. CFD allows a direct exposure to the market, a sector or an individual security. Unlike a forward contract, there is no final maturity, the position being closed out at the discretion of the position taker. CFD are used to gain exposure to share price movements without buying the shares themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and when the contract is closed. In a long CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have increased in value had it been invested in the underlying

security or securities, plus any dividends that would have been received on those stocks. In a short CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have decreased in value had it been invested in the underlying security or securities. The Fund must also pay the counterparty the value of any dividends that would have been received on those stocks. CFDs are OTC financial derivative instruments and the counterparty will usually be an investment bank or broker.

**Warrants:** A warrant is a contract which gives the contract buyer the right, but not the obligation, to exercise a feature of the warrant, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). The 'writer' (seller) has the obligation to honour the specified feature of the contract. A warrant in the classic sense is a security that entitles the holder to buy stock of the company that issued it at a specified price. Warrants have similar characteristics to call options, but are typically issued together with preferred stocks or bonds or in connection with corporate actions and are usually of little value. Warrants are longer-dated options and are generally traded over the counter. The commercial purpose of warrants can be to hedge against the movements of a particular market or financial instrument, including futures, or to gain exposure to a particular market or financial instrument instead of using a physical security.

The Fund may use derivatives (i) as a substitute for taking a position in an underlying asset, (ii) to tailor the Fund's interest rate exposure to the Investment Manager's outlook for interest rates, and/or (iii) to gain an exposure to the composition and performance of a particular index (including a financial index). For example, the Fund may make use of CFDs to gain exposure to an index or individual stocks.

Derivatives may also be used in order to take tactical decisions. Futures, options, forwards and contracts for difference may be used to increase or reduce the Fund's exposure to credit spreads or a particular security or market for periods of time to be determined by the Investment Manager, either in advance of a longer term allocation or reappraisal of the Fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use derivatives for this purpose.

The Investment Manager may use futures, options, forwards and contracts for difference to increase or reduce the beta, interest rate duration or spread duration of all or part of the Fund's portfolio to take account of changing levels of volatility in the market while at the same time maintaining exposure to the market.

The Fund may use financial derivative instruments (subject to the investment and borrowing limits set out herein) for efficient portfolio management (EPM) purposes and in order to hedge against exchange rate risk and accordingly may enter into spot/forward currency hedging contracts, futures, and traded options including puts and calls. Forward currency sales and purchases can be used solely to reduce risks, costs or a combination of both subject to the relevant restrictions set out by the Central Bank. The use of derivatives for the purposes of EPM is not otherwise expected to raise the risk profile of the Fund or result in higher volatility. Please see Appendix I of the Prospectus under the heading **"EFFICIENT PORTFOLIO MANAGEMENT"** for more details.

The Company on behalf of the Fund employs a risk management process which helps it to accurately measure, monitor and manage the various risks associated with FDIs. Before utilising any particular FDI, the Company on behalf of the Fund will file an updated risk management process report (where necessary and not covered by the Company's current risk management process report) with the Central Bank which shall be required to be cleared in advance by the Central Bank. 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.

The Directors, when calculating the subscription and redemption price for the Fund may adjust the subscription and redemption price by applying an anti-dilution levy in order to preserve the value of the underlying assets of the Fund, as more particularly detailed in the section of Appendix III entitled **"Valuation of Assets And Temporary Suspension of Determination Of Net Asset Value"**. The Directors only intend to use this anti-dilution levy to preserve the value of the holdings of the continuing Shareholders in the event of substantial or recurring net repurchases or net issues of Shares.

## **INVESTMENT RESTRICTIONS**

In addition to the investment restrictions set out in the section of Appendix I entitled “**Investment Restrictions**”, the following shall also apply:

- (xviii) not more than 10% of the Fund’s net assets may be invested in other collective investment schemes; and
- (xix) Not more than 30% of the Net Asset Value of the Fund may be invested in sub-investment grade debt.

## **KEY INFORMATION FOR PURCHASING AND REPURCHASING**

### **Class A Shares**

Minimum Initial Investment for Class A Shares: US\$1,500.

Minimum Additional Investment for Class A Shares: US\$1,500.

Minimum Holding for Class A Shares: US\$1,500.

### **Class B Shares**

Minimum Initial Investment for Class B Shares: £1,000.

Minimum Additional Investment for Class B Shares: £1,000.

Minimum Holding for Class B Shares: £1,000.

### **Class C Shares**

Minimum Initial Investment for Class C Shares: US\$15,000,000.

Minimum Additional Investment for Class C Shares: US\$1,500.

Minimum Holding for Class C Shares: US\$1,500.

### **Class D Shares**

Minimum Initial Investment for Class D Shares: £10,000,000.

Minimum Additional Investment for Class D Shares: £1,000.

Minimum Holding for Class D Shares: £1,000.

Class A Shares and Class B Shares are available for subscription at the current issue price determined by reference to the Net Asset Value per share (plus duties and charges as applicable) calculated on the relevant Dealing Day.

### **Sales, Repurchase and Switching Charges:**

A sales charge of up to 5% of the subscription price may be added to the subscription price of the Shares in the Fund. No repurchase charge will be deducted from repurchase monies. No switching fee will be charged.

**Dealing Day:** Each Business Day

**Dealing Deadline:** 5 p.m. Irish time on the Dealing Day

### **Initial Offer Price for the Class C Shares:**

will be calculated as corresponding to the Net Asset Value of the the Class A Shares on the final day of the Initial Offer Period. The Initial Issue Price is available from the Administrator.

<b>Initial Offer Period for the Class C Shares:</b>	From 9.00 a.m. (Irish time) on 6 October 2016 to 5 p.m. (Irish time) on 5 April 2017 (or such other shorter or longer period as the Directors may determine and notify the Central Bank).
<b>Initial Offer Price for the Class D Shares:</b>	will be calculated as corresponding to the Net Asset Value of the the Class B Shares on the final day of the Initial Offer Period. The Initial Issue Price is available from the Administrator.
<b>Initial Offer Period for the Class D Shares:</b>	From 9.00 a.m. (Irish time) on 6 October 2016 to 5 p.m. (Irish time) on 5 April 2017 (or such other shorter or longer period as the Directors may determine and notify the Central Bank).
<b>Valuation Point:</b>	11.59 p.m. Irish time on the Dealing Day
<b>Valuation Date:</b>	Each Dealing Day
<b>Base Currency:</b>	US dollar
<b>Management Fee for Class A Shares:</b>	1.50% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled " <b>Charges and Expenses</b> ".
<b>Management Fee for Class B Shares:</b>	1.50% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled " <b>Charges and Expenses</b> ".
<b>Management Fee for Class C Shares:</b>	0.75% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled " <b>Charges and Expenses</b> ".
<b>Management Fee for Class D Shares:</b>	0.75% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled " <b>Charges and Expenses</b> ".

## **DIVIDEND POLICY**

Dividends in respect of Class A Shares, Class B Shares, Class C Shares and Class D Shares, if any are declared, will be paid twice a year and the Directors may distribute as dividend net income and/or both realised and unrealised capital gains less realised and unrealised capital losses. It is anticipated that any such dividends will ordinarily be declared for the periods ending 30 June and 31 December for the preceding financial period.

Any dividends will usually be paid by telegraphic transfer within six weeks of the relevant declaration date or on the earliest possible date thereafter and in any event within 3 months of the relevant declaration date.

The Company will operate equalisation with respect to income Shares. Shares purchased during a distribution period will contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. This will be



calculated daily and will be available upon request from the Administrator or Manager.

**The Directors intends to apply for reporting status for the Fund. There can be no guarantee that reporting status will be granted.**

## **ADDITIONAL RISK FACTORS**

Please see Appendix I of the Prospectus under the heading "RISK WARNINGS" for more details of the risks applicable to this Fund, in particular the section thereof entitled "**Investment in Financial Derivative Instruments**".

In addition the following risk factors will apply:

### **Investing in Fixed Income Securities**

The price of any security which is constituted as a bond is affected by the issuer's or counterparty's credit quality. Changes in financial condition and general economic conditions can affect the ability to honour financial obligations and therefore credit quality. Lower quality bonds are generally more sensitive to these changes than higher quality bonds. Even within bonds considered investment grade, differences exist in credit quality and some investment grade debt securities may have speculative characteristics. A security's price may be adversely affected by the market's opinion of the security's credit quality level even if the issuer or counterparty has suffered no degradation in ability to honour the obligation. Lower rated securities generally have a greater risk of default than higher rated securities.

Not all government securities are backed by the full faith and credit of the relevant national government. Accordingly, there is at least a chance of default on these government securities in which the Funds may invest, which may subject a Fund to additional credit risk.

To the extent a Fund invests in medium or low-rated securities and unrated securities of comparable quality, the Fund may realise a higher current yield than the yield offered by higher-rated securities, but investment in such securities involves greater volatility of price and risk of loss of income and principal, including the probability of default by or bankruptcy of the issuers of such securities. Low-rated and comparable unrated securities (collectively referred to as "low-rated" securities) likely have quality and protective characteristics that, in the judgment of a rating organisation, are outweighed by large uncertainties or major risk exposures to adverse conditions, and are predominantly speculative with respect to an issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation.

When economic conditions appear to be deteriorating, these medium or low-rated securities may decline in value due to heightened concern over credit quality, regardless of the prevailing interest rates. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities are not generally meant for short-term investing.

Adverse economic developments can disrupt the market for low-rated securities, and severely affect the ability of issuers, especially highly leveraged issuers, to service their debt obligations or to repay their obligations upon maturity, which may lead to a higher incidence of default on such securities. Low-rated securities are especially affected by adverse changes in the industries in which the issuers are engaged and by changes in the financial condition of the issuers.

Debt securities rated below BBB- (or its equivalent) and comparable unrated securities are considered below investment grade and are commonly known as "junk bonds". They are considered to be of poor standing and mainly speculative, and those in the lowest rating category may be in default and are generally regarded by the rating agency as having extremely poor prospects of attaining any real investment standing. The lower ratings of these debt securities reflect a greater possibility that the issuer may be unable or unwilling to make timely payments of interest and principal and thus default. If this happens, or is perceived as likely to happen, the values of those debt securities will usually be more volatile. A default or expected default could also make it difficult for the Fund to sell the debt securities at prices approximating the values the Fund had previously placed on them. Because junk bonds are traded mainly by institutions, they usually have a limited market, which may at times make it difficult for the Fund to establish their fair value.

**Market Risk:** Some of the exchanges and markets on which each Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which the 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 Fund. Furthermore, the performance of the Fund may be affected by changes in economic and marketing conditions and in legal, regulatory and tax requirements. Losses may be made due to adverse movements in equity, bond, commodity, currency and other market prices and to changes in the volatility of any of these. The key factors driving changes in these market prices include economic growth and inflation, both of which themselves depend to a greater or lesser extent on official economic and interest rate policy.

**Pricing Risk:** The price at which an asset is valued by the Fund may not be realisable in the event of sale. This could be due to a mis-estimation of the asset's value or due to a lack of liquidity in the relevant market.

**Concentration of Investments:** Although it is the policy of the Fund to diversify its investment portfolio, the Fund may at certain times hold relatively few investments. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

**Foreign exchange/currency risk:** Although Shares may be denominated in the base currency of the Fund, the Fund may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of a company as expressed in the base currency of the Fund will fluctuate in accordance with the changes in the foreign exchange rate between the base currency of the Fund and the currencies in which the Fund's investments are denominated. The Fund may therefore be exposed to a foreign exchange/currency risk. It may not be possible or practicable to hedge against the consequent foreign exchange/ currency risk exposure. The Investment Manager may enter into hedging transactions at their sole discretion.

**Investment Management Risk:** The investment performance of the Fund is substantially dependent on the services of certain key employees of the Investment Manager. In the event of the death, incapacity, departure, insolvency or withdrawal of any of these individuals, the performance of the Fund may be adversely affected.

**Liquidity Risk:** Certain securities may be difficult or impossible to sell at the time and the price that the seller would like. The seller may have to lower the price to effect a secondary market sale, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on fund management or performance.

**Use of leverage:** The use of leverage by the Fund will accentuate any change in the Net Asset Value of the Fund and thereby result in increased volatility. The use of leverage creates special risk and may significantly increase the Fund's investment risk. Leverage will create an opportunity for greater yield and total return but, at the same time, will increase the Fund's exposure to capital risk and interest costs. Any investment income and gain earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the Net Asset Value to increase more rapidly than would otherwise be the case. Conversely, where the associated interest rate costs are greater than such income and net gains and losses, the Net Asset Value may decrease more rapidly than would otherwise be the case.

**Equity risk:** Equities as a class have historically outperformed other types of investments over the long term. Individual stock prices, however, tend to go up and down more dramatically over the short term. These price movements may result from factors affecting individual companies or industries, or the securities market as a whole.

## PROFILE OF A TYPICAL INVESTOR

Investment in the Fund is suitable to investors seeking capital appreciation by investing in a portfolio of predominantly equity and equity-related and debt securities and who are prepared to accept a high degree of volatility. Investment in the Fund should be viewed as an investment which should be held for a minimum period of 1 year.

## **SMITH & WILLIAMSON SHORT DATED CORPORATE BOND FUND**

**Objective:** To achieve income returns and ready access to capital.

### **Class A Shares**

**Minimum Initial Investment for Class A Shares:** £1,000

**Minimum Additional Investment for Class A Shares:** £500

**Minimum Holding for Class A Shares:** £1,000

### **Class B (Income) Shares**

**Minimum Initial Investment for Class B (Income) Shares:** £250,000

**Minimum Additional Investment for Class B (Income) Shares:** £500

**Minimum Holding for Class B (Income) Shares:** £250,000

### **Class B (Accumulation) Shares**

**Minimum Initial Investment for Class B (Accumulation) Shares:** £250,000

**Minimum Additional Investment for Class B (Accumulation) Shares:** £500

**Minimum Holding for Class B (Accumulation) Shares:** £250,000

### **Class C Shares**

**Minimum Initial Investment for Class C Shares:** US\$400,000

**Minimum Additional Investment for Class C Shares:** US\$25,000

**Minimum Holding for Class C Shares:** US\$400,000

### **Class D Shares**

**Minimum Initial Investment for Class D Shares:** €300,000

**Minimum Additional Investment for Class D Shares:** €25,000

**Minimum Holding for Class D Shares:** €300,000

### **Class Y Shares**

**Minimum Initial Investment for Class Y Shares:** £20,000,000

**Minimum Additional Investment for Class of Y Shares:** £1,000

**Minimum Holding for Class Y Shares:** £20,000,000

### **Class Z (Income) Shares**

**Minimum Initial Investment for Class Z (Income) Shares:** £5,000,000

**Minimum Additional Investment for Class Z (Income) Shares:** £1,000

**Minimum Holding for Class Z (Income) Shares:** £1,000

### **Class Z (Accumulation) Shares**

**Minimum Initial Investment for Class Z (Accumulation) Shares:** £5,000,000

**Minimum Additional Investment for Class Z (Accumulation) Shares:** £1,000

**Minimum Holding for Class Z (Accumulation) Shares:** £1,000

Class A Shares, Class B (Income) Shares, Class C Shares, Class D Shares, Class Y Shares and Class Z (Income) Shares are available for subscription at the current issue price determined by reference to the Net Asset Value per Share (plus duties and charges as applicable) calculated on the relevant Dealing Day.

Class Y Shares are only available for subscription by investors who satisfy the following conditions in order to acquire and hold Class Y Shares:

1. The investor must fall within the definition of “professional client” or “eligible counterparty” as appearing in the FCA Handbook.
2. The investor must be able to receive commission payments lawfully under applicable laws and regulations.
3. The investor must not be a firm which provides personal recommendations to retail clients.
4. If the investor acquires Class Y Shares for the benefit of underlying clients, the investor must disclose to those underlying clients any commissions received and must rebate such commissions to those underlying clients, or must comply with applicable laws and regulations regarding inducements in some other way.

The Manager may, at its discretion and in accordance with applicable law and regulation, rebate 0.15% of the management fees in respect of the Class Y Shares to a Shareholder of Class Y Shares. Further information is available from the Manager on request.

**Initial Offer Price for the Class B (Accumulation) Shares:** £1.00 per Class B (Accumulation) Share.

**Initial Offer Period for the Class B (Accumulation) Shares:** From 9.00 a.m. (Irish time) on 31 March 2017 to 5 p.m. (Irish time) on 30 June 2017 (or such other shorter or longer period as the Directors may determine and notify the Central Bank).

**Initial Offer Price for the Class Z (Accumulation) Shares:** £1.00 per Class Z (Accumulation) Share.

**Initial Offer Period for the Class Z (Accumulation) Shares:** From 9.00 a.m. (Irish time) on 31 March 2017 to 5 p.m. (Irish time) on 30 June 2017 (or such other shorter or longer period as the Directors may determine and notify the Central Bank).

**Sales, Repurchase and Switching Charges:** A sales charge of up to 5% of the subscription price may be added to the subscription price of the Shares in the Fund. No repurchase charge will be deducted from repurchase monies. No switching fee will be charged.

**Dealing Day:** Each Business Day

**Dealing Deadline:** 5 p.m. Irish time on the Dealing Day

**Valuation Point:** 11.59 p.m. Irish time on the Dealing Day

**Valuation Date:** Each Dealing Day

**Base Currency:** Sterling.

**Management Fee for Class A Shares:** up to 1% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled "**Charges and Expenses**".

**Management Fee for Class B (Income) Shares:** up to 0.65% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled "**Charges and Expenses**".

**Management Fee for Class B (Accumulation) Shares:** up to 0.65% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled "**Charges and Expenses**".

**Management Fee for Class C Shares:** up to 0.65% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled "**Charges and Expenses**".

**Management Fee for Class D Shares:** up to 0.65% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled "**Charges and Expenses**".

**Management Fee for Class Y Shares:** up to 0.45% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled "**Charges and Expenses**".

**Management Fee for Class Z (Income) Shares:** up to 0.45% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled "**Charges and Expenses**".

**Management Fee for Class Z (Accumulation) Shares:** up to 0.45% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled "**Charges and Expenses**".

## **INVESTMENT POLICY**

The Fund will invest the majority of its Net Asset Value in a variety of Sterling, US Dollar and Euro short-dated investment grade corporate bonds (not limited to any particular sector or geographical region), of no more than 6 years maturity (unless market conditions, in the opinion of the Investment Manager, dictate that the Fund should hold a majority of its Net Asset Value in cash or ancillary liquid assets (including money market instruments such as bank deposits and treasury bills) and only for so long as market conditions so dictate). The Fund may invest up to a maximum of 30% of its Net Assets in bonds issued by governments, their agencies, local authorities, instrumentalities, and public international bodies, including without limitation;

**Supranational bonds** (Debt obligations issued or guaranteed by supranational entities and public international bodies including but not limited to international organisations designated or supported by governmental entities including the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, the International Monetary Fund, the European Investment Bank and International Bank for Reconstruction and Development (the World Bank));

**Short dated Gilts** (short dated fixed interest or index-linked securities issued by any government); and

**Government T-Bills** (short-term securities issued by any government)

The balance of the Fund's investments will be in transferable securities (government or corporate, fixed or floating, rated or unrated) listed or traded primarily in the UK but also on stock exchanges or markets as set out in Appendix IV

The Fund may also use FDIs (subject to the investment and borrowing limits set out herein) for efficient portfolio management purposes and in order to hedge against exchange rate risk and accordingly may enter into spot/forward currency hedging contracts, futures, and traded options including puts and calls. Forward currency sales and purchases can be used solely to reduce risks, costs or a combination of both subject to the relevant restrictions set out by the Central Bank. FDIs will not be entered into for speculative purposes. Please see the section of Appendix I entitled “**Efficient Portfolio Management**” for more details. The Fund does not intend to be leveraged as a result of using derivatives.

Where the Fund utilises FDIs, it will at all times comply with the requirements of the Regulations and/or the Central Bank UCITS Regulations, as applicable. Before utilising any particular FDI, the Company on behalf of the Fund will file an updated risk management process report (where necessary and not covered by the Company’s current risk management process report) with the Central Bank which shall be required to be cleared in advance by the Central Bank. The aim of utilising FDIs will be to reduce costs or risks or to generate additional capital or income for the Fund with an appropriate level of risk taking into account the risk profile of the Fund and the general provisions of the Regulations. 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 the policy of the Fund that the portfolio will remain predominantly fully invested although the Investment Manager is permitted the flexibility to increase the percentage of the portfolio held in cash (for ancillary liquid purposes) and other liquid instruments including investment grade certificates of deposit and treasury bills. The Fund may from time to time be solely invested in cash or ancillary liquid assets.

The Directors, when calculating the subscription and redemption price for the Fund may adjust the subscription and redemption price by applying a dilution levy in order to preserve the value of the underlying assets of the Fund, as more particularly detailed in the section of Appendix III entitled “**Valuation of Assets And Temporary Suspension of Determination Of Net Asset Value**”.

## **ESTABLISHMENT COSTS**

The cost of establishing the Fund, obtaining authorisation from any authority, filing fees, the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it which are estimated not to exceed GBP £10,000 (plus VAT where applicable) will be borne by the Fund and such amounts amortised over the first five years of the Fund’s operation. The Investment Manager may initially incur all or part of the costs referred to above on behalf of the Fund, in which case they will be entitled to be reimbursed out of the assets of the Company for such expenditure.

## **INVESTMENT RESTRICTIONS**

In addition to the investment restrictions set out in the section of Appendix I entitled “**Investment Restrictions**”, not more than 10% of the Fund’s net assets may be invested in other collective investment schemes.

## **DIVIDEND POLICY**

The Directors intend that the Fund will distribute substantially all its net income in each accounting period and may distribute as dividend both realised and unrealised capital gains less realised and unrealised capital losses. Any such dividend will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. The Directors anticipate that any dividends declared will be announced at the end of March, June, September and December in each year. Dividends will usually be paid by telegraphic transfer within six weeks of the relevant declaration date or on the earliest possible date thereafter and in any event within 3 months of the relevant declaration date.

The Company will operate equalisation with respect to income Shares. Shares purchased during a distribution period will contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. This will be calculated daily and will be available upon request from the Administrator or Manager.

Class B (Accumulation) Shares and Class Z (Accumulation) Shares are accumulation shares; thus any

net income attributable to Class B (Accumulation) Shares and Class Z (Accumulation) Shares respectively shall be retained within the Fund and the Net Asset Value of Shares of such classes shall reflect such retained amounts.

## **ADDITIONAL RISK FACTORS**

The Fund will invest substantially in short dated corporate bonds and therefore will carry a lower degree of interest rate risk than funds investing predominately in long term fixed income or equity securities. There can be no assurance that the securities in which the Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or other instruments. The Fund may bear the risk of settlement default with parties with whom it trades.

### **Investing in Fixed Income Securities**

The price of any security which is constituted as a bond is affected by the issuer's or counterparty's credit quality. Changes in financial condition and general economic conditions can affect the ability to honour financial obligations and therefore credit quality. Lower quality bonds are generally more sensitive to these changes than higher quality bonds. Even within bonds considered investment grade, differences exist in credit quality and some investment grade debt securities may have speculative characteristics. A security's price may be adversely affected by the market's opinion of the security's credit quality level even if the issuer or counterparty has suffered no degradation in ability to honour the obligation. Lower rated securities generally have a greater risk of default than higher rated securities.

Not all government securities are backed by the full faith and credit of the relevant national government. Some are backed only by the credit of the issuing agency or instrumentality. Accordingly, there is at least a chance of default on these government securities in which the Funds may invest, which may subject a Fund to additional credit risk.

To the extent a Fund invests in medium or low-rated securities and unrated securities of comparable quality, the Fund may realise a higher current yield than the yield offered by higher-rated securities, but investment in such securities involves greater volatility of price and risk of loss of income and principal, including the probability of default by or bankruptcy of the issuers of such securities. Low-rated and comparable unrated securities (collectively referred to as "low-rated" securities) likely have quality and protective characteristics that, in the judgment of a rating organisation, are outweighed by large uncertainties or major risk exposures to adverse conditions, and are predominantly speculative with respect to an issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation.

When economic conditions appear to be deteriorating, these medium or low-rated securities may decline in value due to heightened concern over credit quality, regardless of the prevailing interest rates. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities are not generally meant for short-term investing.

Adverse economic developments can disrupt the market for low-rated securities, and severely affect the ability of issuers, especially highly leveraged issuers, to service their debt obligations or to repay their obligations upon maturity, which may lead to a higher incidence of default on such securities. Low-rated securities are especially affected by adverse changes in the industries in which the issuers are engaged and by changes in the financial condition of the issuers.

Debt securities rated below BBB- (or its equivalent) and comparable unrated securities are considered below investment grade and are commonly known as "junk bonds". They are considered to be of poor standing and mainly speculative, and those in the lowest rating category may be in default and are generally regarded by the rating agency as having extremely poor prospects of attaining any real investment standing. The lower ratings of these debt securities reflect a greater possibility that the issuer may be unable or unwilling to make timely payments of interest and principal and thus default. If this happens, or is perceived as likely to happen, the values of those debt securities will usually be more volatile. A default or expected default could also make it difficult for the Fund to sell the debt securities at prices approximating the values the Fund had previously placed on them. Because junk bonds are traded mainly by institutions, they usually have a limited market, which may at times make it difficult for the Fund to establish their fair value.

**Market Risk**

Some of the exchanges and markets on which each Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which the 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 Fund. Furthermore, the performance of the Fund may be affected by changes in economic and marketing conditions and in legal, regulatory and tax requirements. Losses may be made due to adverse movements in equity, bond, commodity, currency and other market prices and to changes in the volatility of any of these. The key factors driving changes in these market prices include economic growth and inflation, both of which themselves depend to a greater or lesser extent on official economic and interest rate policy.

**Pricing Risk**

The price at which an asset is valued by the Fund may not be realisable in the event of sale. This could be due to a mis-estimation of the asset's value or due to a lack of liquidity in the relevant market.

The investments of the Fund are subject to normal market fluctuations and other risks, as described in the section entitled **Risk Warnings** in Appendix I below, inherent in investing in corporate bonds, and fixed interest securities.



## SMITH & WILLIAMSON ENTERPRISE FUND

### INVESTMENT OBJECTIVE AND FUND OVERVIEW

**Objective:** To achieve positive returns on a rolling 12 months basis, with low risk and low volatility expected.

**Fund Overview:** The Fund will have an underlying exposure through direct investment, and on a leveraged basis (through use of derivatives), to a portfolio of assets consisting primarily of the equities and equity-related securities (as described below) of companies incorporated or domiciled in the United Kingdom, or other companies where these derive a substantial proportion of their revenue or profits from investments or business conducted in or with the United Kingdom, in each case listed or traded on a Recognised Market.

The Investment Manager shall endeavour to achieve the Investment Objective by adopting a 'long short' strategy. This means taking long positions in equities that are expected to rise in value and short positions in equities that are expected to decrease in value. Although the Regulations prohibit the short selling of physical securities, they allow the creation of synthetic short positions (synthetic in this context meaning essentially achieving the same economic outcome without actually selling short) through the use of financial derivative instruments (**FDIs**), including contracts for differences, futures and options, as set out in more detail below. The Fund intends to maintain a net long bias ('net' here meaning the position once synthetic short positions are subtracted from long positions typically the net long position will be between 10% and 50%.

The aim of this strategy is to minimize exposure to the market in general, i.e. maximise upside while controlling downside, through the use of equity and equity-related securities and derivatives. The methodology the Investment Manager employs for making long term gains is instigated by valuation, quality and momentum in areas where the Investment Manager believes it has expertise. The Investment Manager has experience of investing funds in line with this strategy since 2001.

### INVESTMENT POLICY

The Fund will seek to achieve its investment objective by investing primarily in, but not limited to equities and equity-related securities such as convertible bonds and warrants which are, or for which the underlying securities are, issued in respect of companies incorporated or domiciled in the United Kingdom, or other companies where these derive a substantial proportion of their revenue or profits from investments or business conducted in or with the United Kingdom, in each case listed or traded on a Recognised Market.

In normal market conditions it is expected that the Fund will invest primarily in the above securities. However, the Fund also has the flexibility to invest up to 25% of its Net Asset Value in the above securities on a global ex-UK basis, listed or traded on a Recognised Market. To the extent that the Fund will invest in the securities listed or traded in what the Investment Manager reasonably believes to be emerging markets, such investment will not exceed 20% of the Net Asset Value of the Fund.

Notwithstanding the above, the Fund may invest up to 10% of its Net Asset Value in unlisted securities of the type set out above.

The Fund may also invest up to 10% of its Net Asset Value in other collective investment schemes, including any money market funds invested in for cash management purposes and exchange-traded funds.

**The Fund may invest in financial derivative instruments for investment and efficient portfolio management purposes.** Such financial derivative instruments include futures, forwards, options and contracts for difference. The use of derivatives for the purposes of investment may on occasions lead to an increase in risk profile of the Fund or result in a fluctuation in the expected level volatility (however, the Investment Manager expects this to remain low overall). Please see below the section entitled "**Risk Factors**" in relation to such risks. In addition, the use of derivatives will be fully supported by a risk management process (**RMP**) to ensure that the use of derivatives continue to be commensurate with the overall investment objective of the Fund. To the extent that the Fund is leveraged as a result of the use of derivatives for investment and efficient portfolio management purposes, such leverage will not exceed the

100% of NAV. The total exposure of the Fund (which is calculated taking leverage into account) will not exceed 200% of NAV and will be monitored on a daily basis to ensure that the total exposure does not exceed this stated maximum.

The following is a description of the types of financial derivative instruments which may be used by the Fund:

***Futures:*** Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. The commercial purpose of futures contracts can be to allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Using futures to achieve a particular strategy instead of using the underlying or related security or index may result in lower transaction costs being incurred. The Fund may use Futures to gain exposure to a particular equity index or commodity. The purpose of these will be to act as a hedge on exposures that exist within the Fund.

***Forwards:*** The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates, as well as to enhance the return of the Fund by gaining an exposure to a particular foreign currency. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering in a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, and shifting exposure to currency fluctuations from one currency to another and hedging classes denominated in a currency (other than the Base Currency) to the Base Currency. Currency forwards are transacted OTC. The only type of Forwards that will be used by the Fund are Currency Forwards and the purpose of these will be to hedge out any exposure that exists between the US dollar share classes and base currency of the assets which will be calculated in Sterling.

***Options:*** There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. Options may also be cash settled. The Fund may be a seller or buyer of put and call options. The Fund may occasionally use Options to gain exposure to a particular equity, equity index or commodity. The purpose of these will be to act as a hedge on exposures that exist within the Fund.

***Contracts for Difference (CFDs):*** The Fund may enter into CFDs for both efficient portfolio management purposes and investment purposes. CFDs may be used to change the sensitivity of the portfolio to individual equity price movements. The Fund may enter into CFDs as a replacement for direct investment in transferable securities in order to avail of cost or liquidity advantages of FDI over transferable securities. CFD are also utilised to obtain synthetic short exposures to particular issuers. CFD allows a direct exposure to the market, a sector or an individual security. Unlike a forward contract, there is no final maturity, the position being closed out at the discretion of the position taker. CFD are used to gain exposure to share price movements without buying the shares themselves. A CFD on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and when the contract is closed. In a long CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have increased in value had it

been invested in the underlying security or securities, plus any dividends that would have been received on those stocks. In a short CFD contract, the counterparty agrees to pay the Fund the amount, if any, by which the notional amount of the CFD contract would have decreased in value had it been invested in the underlying security or securities. The Fund must also pay the counterparty the value of any dividends that would have been received on those stocks. CFDs are OTC FDIs and the counterparty will usually be an investment bank or broker.

The Fund may use derivatives (i) as a substitute for taking a position in an underlying asset, (ii) to tailor the Fund's interest rate exposure to the Investment Manager's outlook for interest rates, and/or (iii) to gain an exposure to the composition and performance of a particular index (including a financial index). For example, the Fund may make use of CFDs to gain exposure to an index or individual stocks.

Derivatives may also be used in order to take tactical decisions. Futures, options, forwards and contracts for difference may be used to gain or reduce the Fund's exposure to credit spreads or a particular security or market for periods of time to be determined by the Investment Manager, either in advance of a longer term allocation or reappraisal of the Fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use derivatives for this purpose.

The Investment Manager may use futures, options, forwards and contracts for difference to increase or reduce the beta, interest rate duration or spread duration of all or part of the Fund's portfolio to take account of changing levels of volatility in the market while at the same time maintaining exposure to the market.

The Fund may use FDIs (subject to the investment and borrowing limits set out herein) for efficient portfolio management (**EPM**) purposes and in order to hedge against exchange rate risk and accordingly may enter into spot/forward currency hedging contracts, futures, and traded options including puts and calls. Forward currency sales and purchases can be used solely to reduce risks, costs or a combination of both subject to the relevant restrictions set out by the Central Bank. The use of derivatives for the purposes of EPM is not otherwise expected to raise the risk profile of the Fund or result in higher volatility. Please see Appendix I of the Prospectus under the heading "**EFFICIENT PORTFOLIO MANAGEMENT**" for more details.

The Company on behalf of the Fund employs a risk management process which helps it to accurately measure, monitor and manage the various risks associated with FDIs. 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. The Fund will only utilise FDIs which have been included in the risk management process report that has been cleared by the Central Bank.

It is the policy of the Fund that the portfolio will remain predominantly fully invested although the Investment Manager is permitted the flexibility to increase the percentage of the portfolio held in cash (for cash management and ancillary liquid purposes) and other liquid instruments including bank deposits, commercial paper, investment grade certificates of deposit, treasury bills and money market funds, having a minimum credit rating of from a recognised agency of A1-P1 ('money market instruments') or equivalent. The Fund may from time to time be solely invested in cash if the Investment Manager considers this in the best interests of the Fund's Shareholders.

The Directors, when calculating the subscription and redemption price for the Fund may adjust the subscription and redemption price by applying a dilution levy in order to preserve the value of the underlying assets of the Fund, as more particularly detailed in the section of Appendix III entitled "**Valuation of Assets And Temporary Suspension of Determination Of Net Asset Value**".

## **KEY INFORMATION FOR PURCHASING AND REPURCHASING**

### **Class A Shares**

**Minimum Initial Investment for Class A Shares:** £100,000.

**Minimum Additional Investment for Class A Shares:** £500.

**Minimum Holding for Class A Shares:** £100,000

### **Class B Shares**

**Minimum Initial Investment for Class B Shares:** US\$150,000.

**Minimum Additional Investment for Class B Shares:** US\$750.

**Minimum Holding for Class B Shares:** US\$150,000

### **Class C Shares**

**Minimum Initial Investment for Class C Shares:** £100,000

**Minimum Additional Investment for Class C Shares:** £500

**Minimum Holding for Class C Shares:** £100,000

### **Class D Shares**

**Minimum Initial Investment for Class D Shares:** US\$150,000

**Minimum Additional Investment for Class D Shares:** US\$750

**Minimum Holding for Class D Shares:** US\$150,000

### **Class E Shares**

**Minimum Initial Investment for Class E Shares:** £1,000

**Minimum Additional Investment for Class E Shares:** £500

**Minimum Holding for Class E Shares:** £1,000

### **Class F Shares**

**Minimum Initial Investment for Class F Shares:** €150,000

**Minimum Additional Investment for Class F Shares:** €750

**Minimum Holding for Class F Shares:** €150,000

### **Class Z Shares**

**Minimum Initial Investment for Class Z Shares:** £50,000,000

**Minimum Additional Investment for Class Z Shares:** £1,000

**Minimum Holding for Class Z Shares:** £1,000

Class A Shares, Class B Shares, Class C Shares, Class D Shares, Class E Shares, Class F Shares and Class Z Shares are available for subscription at the current issue price determined by reference to the Net Asset Value per Share (plus duties and charges as applicable) calculated on the relevant Dealing Day.

Share classes that are denominated in a currency other than the Base Currency of the Fund shall be hedged versus the Base Currency of the Fund. The cost and any gains or losses associated with these hedging transactions will be allocated solely to the relevant hedged Share classes. The adoption of this strategy may substantially limit holders of the Euro Shares or US Dollar Shares from benefiting if the Euro or US Dollar respectively falls against the Base Currency of the Fund and/or against the other currencies in which the assets of the Fund are denominated. It is intended that any hedging into Euro or US Dollars

will not exceed 100% of the net assets of the relevant hedged Share class. Over hedged positions will not be permitted to exceed 105% of the net assets of the relevant Share class on any Dealing Day. Hedged positions will be kept under review to ensure that the permitted level is not exceeded and such review will incorporate a procedure to ensure that positions materially in excess of 100% will not be carried forward month to month.

**Base Currency:** Sterling.

**Dealing Day:** Each Business Day

**Dealing Deadline:** 5.00 p.m. (Irish time) on the relevant Dealing Day (or such later time as the Directors permit in exceptional circumstances) provided the application is received before the Valuation Point for the relevant Dealing Day.

**Valuation Date:** Each Business Day

**Valuation Point:** 11.59 pm (Irish time) on each Valuation Date

**Sales and Repurchase Charges:** A sales charge of up to 3% of the subscription price may be added to the subscription price of the Shares in the Fund. No repurchase charge will be deducted from repurchase monies. These charges may be waived or reduced at the discretion of the Directors.

## **FEES AND EXPENSES**

**Management Fee for Class A Shares:** 1.5 % of the Net Asset Value of the Fund.

**Management Fee for Class B Shares:** 1.5 % of the Net Asset Value of the Fund.

**Management Fee for Class C Shares:** 0.9 % of the Net Asset Value of the Fund.

**Management Fee for Class D Shares:** 0.9 % of the Net Asset Value of the Fund.

**Management Fee for Class E Shares:** 1.75 % of the Net Asset Value of the Fund.

**Management Fee for Class F Shares:** 0.9 % of the Net Asset Value of the Fund.

**Management Fee for Class Z Shares:** 0.9 % of the Net Asset Value of the Fund.

### **Performance Fee:**

The Investment Manager will also be entitled to receive a Performance Fee (the **Performance Fee**) out of the assets of the Fund in respect of each class of Shares. The Performance Fee will be calculated and accrue on each Valuation Point and will be payable either quarterly in arrears in respect of each calendar quarter (i.e. the three month period ending on 31 March, 30 June, 30 September and 31 December each year) (a **Performance Period**); or if any Shares are redeemed during a Performance Period, the Performance Fee in respect of the current Performance Period will be calculated and paid as though the date of redemption were the end of the relevant Performance Period. The first Performance Period for the Fund will be the period commencing on the close of the Initial Offer Period for the relevant class of Shares and ending on 31 March 2010.

The Performance Fee will normally be payable to the Investment Manager in arrears within 14 days of the end of each Performance Period. However, in the case of Shares redeemed during a Performance Period, the accrued Performance Fee in respect of those Shares will be payable within 14 days after the date of repurchase as though the date of redemption was the end of the relevant Performance Period for such Shares.

The Performance Fee in respect of each Share will be as set out below.

The Performance Fee is a percentage of the amount by which the Net Asset Value per Share on the last Business Day of the relevant Performance Period (the **Calculation Day**), without deduction of any

accrued Performance Fee, exceeds the Performance Fee High Watermark (as defined below), at the following rates:

- Class A Shares: 10%
- Class B Shares: 10%
- Class C Shares: 20%
- Class D Shares: 20%
- Class E Shares: 20%
- Class F Shares: 20%
- Class Z Shares: 10%

In order for a Performance Fee to be payable in respect of a Performance Period, the Net Asset Value per Share of the relevant class on the relevant Calculation Day without deduction of any accrued Performance Fee (the **Final Net Asset Value per Share**) must exceed the Performance Fee High Watermark (as defined below).

Where the Performance Fee High Watermark is exceeded, the Performance Fee payable per class of Shares is equal to 10% or 20% (as applicable) of the amount by which the Final Net Asset Value per Share of the relevant class exceeds the Performance Fee High Watermark multiplied by the Shares in issue at the relevant Calculation Day.

**Performance Fee High Watermark** means the higher of (i) the initial issue price of the relevant class of Shares (excluding any sales charge or anti-dilution levy) and (ii) the last Final Net Asset Value per Share of the relevant class upon which a Performance Fee was paid, adjusted for any Performance Fees paid since such date. The Performance Fee High Watermark will be adjusted for the issue of new Shares to ensure that Shareholders are only charged a Performance Fee in respect of such Shares for the period during which those Shareholders remain invested. The Performance Fee High Watermark for the first Performance Period will be the initial issue price of the relevant class of Shares.

For the purpose of calculating the Performance Fee, the Net Asset Value per Share of the relevant class at the end of the Performance Period will be calculated after adding back any net income distributed to Shareholders (if any) since the payment of the last relevant Performance Fee but without accounting for the Performance Fee payable in respect of the relevant Performance Period.

If the determination of the Net Asset Value per Share of the relevant Class is suspended on any Calculation Day, the calculation of the Performance Fees on that date will be based upon the next available determination of that Net Asset Value per Share and the amount of any Performance Fees accrued will be adjusted accordingly.

**Where Performance Fees are payable, these will be based on net realised and net unrealised gains and losses as at each Calculation Day. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.**

If the Investment Manager receives a Performance Fee with respect to the performance of the Fund during a Performance Period, and the Fund suffers losses in a subsequent period, the Investment Manager is under no obligation to, and will not, refund such Performance Fees.

If the Investment Management Agreement is terminated during a Performance Period, the Performance Fee in respect of the current Performance Period will be calculated and paid as though the date of termination were the end of the relevant Performance Period. Upon termination of the Fund the Investment Manager will receive the Performance Fee for the Performance Period in which the termination occurs. The Investment Manager shall receive the amount of the Investment Management Fee prorated through the effective date of the termination of the Fund, as appropriate.

The calculation of the Performance Fee will be verified by the Depositary.

Details of further charges and expenses are set out in the section of Appendix II entitled “**Charges and Expenses**”.

## **ESTABLISHMENT COSTS**

The cost of establishing the Fund, obtaining authorisation from any authority, filing fees, the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it which are estimated not to exceed GBP £10,000 (plus VAT where applicable) will be borne by the Fund and such amounts amortised over the first five years of the Fund's operation. The Investment Manager may initially incur all or part of the costs referred to above on behalf of the Fund, in which case they will be entitled to be reimbursed out of the assets of the Company for such expenditure.

## INVESTMENT RESTRICTIONS

In addition to the investment restrictions set out in the section of Appendix I entitled "**Investment Restrictions**", the following shall also apply:

- (xx) not more than 10% of the Fund's net assets may be invested in other collective investment schemes; and
- (xxi) Not more than 5% of the Net Asset Value of the Fund may be invested in warrants.

## DIVIDEND POLICY

The Directors intend that the Fund will distribute substantially all its net income annually and may distribute as dividend both realised and unrealised capital gains less realised and unrealised capital losses.

Any dividend will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. The Directors anticipate that any dividends declared will be announced at the end of December in each year. Any dividends will usually be paid by telegraphic transfer within six weeks of the relevant declaration date or on the earliest possible date thereafter and in any event within 3 months of the relevant declaration date.

## RISK FACTORS

Please see Appendix I of the Prospectus under the heading "**RISK WARNINGS**" for more details of the risks applicable to this Fund, in particular the section thereof entitled "**Investment in Financial Derivative Instruments**".

In addition the following risk factors will apply:

**Concentration of Investments:** Although it is the policy of the Fund to diversify its investment portfolio, the Fund may at certain times hold relatively few investments. The Fund could be subject to significant losses if it holds a large position in a particular investment that declines in value or is otherwise adversely affected, including default of the issuer.

**Foreign exchange/currency risk:** Although Shares may be denominated in the base currency of the Fund, the Fund may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of a company as expressed in the base currency of the Fund will fluctuate in accordance with the changes in the foreign exchange rate between the base currency of the Fund and the currencies in which the Fund's investments are denominated. The Fund may therefore be exposed to a foreign exchange/currency risk. It may not be possible or practicable to hedge against the consequent foreign exchange/ currency risk exposure. The Investment Manager may enter into hedging transactions at their sole discretion.

**Currency Exposure:** the Shares in the Fund are denominated in Sterling and US Dollars classes and Shares are issued and redeemed in these currencies. Although it is expected that a majority of the assets comprised in the Fund will be denominated in Sterling, certain of the assets of the Fund may, however, be invested in securities and other investments which are denominated in other currencies, some of which may not be freely convertible. Accordingly, the value of such assets may be affected favourably or unfavourably by fluctuations in currency rates. The Fund may (but is not obliged to) seek to hedge its foreign currency exposure, but may not be possible or practicable to hedge against such exposure and so will necessarily be subject to foreign exchange risks. The Investment Manager may enter into hedging transactions at its sole discretion. In addition, prospective investors whose assets and liabilities are

predominantly in other currencies should take into account the potential risk of loss arising from fluctuations in value between the Base Currency and such other currencies.

**Investment Management Risk:** The investment performance of the Fund is substantially dependent on the services of certain key employees of the Investment Manager. In the event of the death, incapacity, departure, insolvency or withdrawal of any of these individuals, the performance of the Fund may be adversely affected.

**Liquidity Risk:** Certain securities may be difficult or impossible to sell at the time and the price that the seller would like. The seller may have to lower the price to effect a secondary market sale, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on fund management or performance.

**Use of leverage:** The use of leverage by the Fund will accentuate any change in the Net Asset Value of the Fund and thereby result in increased volatility. The use of leverage creates special risk and may significantly increase the Fund's investment risk. Leverage will create an opportunity for greater yield and total return but, at the same time, will increase the Fund's exposure to capital risk and interest costs. Any investment income and gain earned on investments made through the use of leverage that are in excess of the interest costs associated therewith may cause the Net Asset Value to increase more rapidly than would otherwise be the case. Conversely, where the associated interest rate costs are greater than such income and net gains and losses, the Net Asset Value may decrease more rapidly than would otherwise be the case.

**Equity risk:** Equities as a class have historically outperformed other types of investments over the long term. Individual stock prices, however, tend to go up and down more dramatically over the short term. These price movements may result from factors affecting individual companies or industries, or the securities market as a whole.

#### **PROFILE OF A TYPICAL INVESTOR**

Investment in the Fund is suitable for investor seeking positive returns on a rolling 12 month basis and who are prepared to accept a low level of volatility.



## SMITH & WILLIAMSON GLOBAL INFLATION LINKED BOND FUND

**Objective:** To Fund aims to provide long term capital growth.

There can be no assurance that the Fund will achieve its investment objective.

### INVESTMENT POLICY

The Fund will endeavour to achieve its investment objective by investing the majority of its Net Asset Value in debt securities including inflation linked bonds, nominal bonds and other debt securities (unless market conditions, in the opinion of the Investment Manager, dictate that the Fund should hold a majority of its Net Asset Value in cash or ancillary liquid assets (including money market instruments such as bank deposits and treasury bills) and only for so long as market conditions so dictate). The bonds may be index-linked and may be fixed or floating rate.

Up to 100% may be invested in UK or non-UK government debt securities, subject to (where the Fund invests more than 35% of its Net Asset Value in any one government security as listed in section 2.12 of Appendix I to this Prospectus) there being at least 6 different issues of securities, with securities from any one issue not exceeding 30% of the Fund's net assets

The Investment Manager will not be restricted by credit quality measured by rating agencies, maturity or duration of securities when making investment decisions. Therefore no minimum credit rating or maximum maturity will apply to the investments of the Fund, which may be rated investment grade or below investment grade as determined by Standard & Poor's, Moody's or Fitch rating agencies.

Securities invested in will primarily be listed or traded on stock exchanges or markets as set out in Appendix IV. However, up to 10% of the Net Asset Value of the Fund may be invested in fixed income securities not listed or traded on stock exchanges or markets as set out in Appendix IV.

The investment process to be adopted by the Investment Manager will be influenced by evaluating global economic trends, including but not limited to inflationary and deflationary trends and investor sentiment which influences market trends. These trends will assist the Investment Manager in selecting its portfolio of assets.

It is the policy of the Fund that the portfolio will remain predominantly fully invested. However, the Fund may also, pending reinvestment, if this is considered appropriate to the investment objective, retain amounts in cash, cash equivalents and money market instruments (including, but not limited to, cash deposits, commercial paper, certificates of deposit and treasury bills), or collective investment schemes (including but not limited to collective investment schemes which themselves invest in cash or money market instruments or debt securities which are predominantly of investment grade) . Any investment in collective investment schemes shall not exceed in aggregate 10% of the Net Asset Value of the Fund. The Fund may from time to time be solely invested in cash or ancillary liquid assets.

The Fund may also use FDIs (subject to the investment and borrowing limits set out herein) in order to hedge against exchange rate risk and accordingly may enter into spot/forward currency hedging contracts, futures and traded options including puts and calls. Forward currency sales and purchases can be used solely to reduce risks, costs or a combination of both subject to the relevant restrictions set out by the Central Bank. FDIs will not be entered into for speculative purposes. Please see the section of Appendix I entitled "**Efficient Portfolio Management**" for more details. The Fund will not be leveraged through the use of derivatives. The Fund will use the commitment approach to measure global exposure.

Where the Fund utilises FDIs, it will at all times comply with the requirements of the Regulations and/or the Central Bank UCITS Regulations, as applicable. The Company on behalf of the Fund employs a risk management process which helps it to accurately measure, monitor and manage the various risks associated with FDIs. Before utilising any particular FDI, the Company on behalf of the Fund will file an updated risk management process report (where necessary and not covered by the Company's current risk management process report) with the Central Bank which shall be required to be cleared in advance by the Central Bank. The aim of utilising FDIs will be to reduce costs or risks or to generate additional capital or income for the Fund with an appropriate level of risk taking into account the risk profile of the

Fund and the general provisions of the Regulations. 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.

The Directors, when calculating the subscription and redemption price for the Fund may adjust the subscription and redemption price by applying an anti-dilution levy in order to preserve the value of the underlying assets of the Fund, as more particularly detailed in the section of Appendix III entitled “**Valuation of Assets And Temporary Suspension of Determination Of Net Asset Value**”. The Directors only intend to use this anti-dilution levy to preserve the value of the holdings of the continuing Shareholders in the event of substantial or recurring net repurchases or net issues of Shares.

## **KEY INFORMATION FOR PURCHASING AND REPURCHASING**

### **Class X (Income) Shares**

**Minimum Initial Investment for Class X (Income) Shares:** £20,000,000.

**Minimum Additional Investment for Class X (Income) Shares:** £1,000.

**Minimum Holding for Class X (Income) Shares:** £20,000,000.

### **Class X (Accumulation) Shares**

**Minimum Initial Investment for Class X (Accumulation) Shares:** £20,000,000.

**Minimum Additional Investment for Class X (Accumulation) Shares:** £1,000.

**Minimum Holding for Class X (Accumulation) Shares:** £20,000,000.

### **Class Z (Income) Shares**

**Minimum Initial Investment for Class Z (Income) Shares:**£1,000.

**Minimum Additional Investment for Class Z (Income) Shares:**£1,000.

**Minimum Holding for Class Z (Income) Shares:** £1,000.

### **Class Z (Accumulation) Shares**

**Minimum Initial Investment for Class Z (Accumulation) Shares:**£1,000.

**Minimum Additional Investment for Class Z (Accumulation) Shares:**£1,000.

**Minimum Holding for Class Z (Accumulation) Shares:**£1,000.

Class X (Income) Shares, Class X (Accumulation) Shares, Class Z (Income) Shares and Class Z (Accumulation) Shares are available for subscription at the current issue price determined by reference to the Net Asset Value per Share (plus duties and charges as applicable) calculated on the relevant Dealing Day.

### **Sales, Repurchase and Switching Charges:**

A sales charge of up to 5% of the subscription price may be added to the subscription price of the Shares in the Fund. No repurchase charge will be deducted from repurchase monies. No switching fee will be charged.

**Dealing Day:** Each Business Day

**Dealing Deadline:** 5 p.m. Irish time on the Dealing Day

<b>Valuation Point:</b>	11.59 p.m. Irish time on the Dealing Day
<b>Valuation Date:</b>	Each Dealing Day
<b>Base Currency:</b>	Sterling.
<b>Management Fee for Class Z (Income) Shares:</b>	up to 0.45% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled “ <b>Charges and Expenses</b> ”.
<b>Management Fee for Class Z (Accumulation) Shares:</b>	up to 0.45% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled “ <b>Charges and Expenses</b> ”.
<b>Management Fee for Class X (Income) Shares:</b>	up to 0.25% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled “ <b>Charges and Expenses</b> ”.
<b>Management Fee for Class X (Accumulation) Shares:</b>	up to 0.25% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled “ <b>Charges and Expenses</b> ”.

## **ESTABLISHMENT COSTS**

The cost of establishing the Fund, obtaining authorisation from any authority, filing fees, the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it which are estimated not to exceed GBP £10,000 (plus VAT where applicable) will be borne by the Fund and such amounts amortised over the first five years of the Fund’s operation. The Investment Manager may initially incur all or part of the costs referred to above on behalf of the Fund, in which case they will be entitled to be reimbursed out of the assets of the Company for such expenditure.

## **INVESTMENT RESTRICTIONS**

In addition to the investment restrictions set out in the section of Appendix I entitled “**Investment Restrictions**”, not more than 10% of the Fund’s net assets may be invested in other collective investment schemes.

## **DIVIDEND POLICY**

In respect of Class X (Income) Shares and Class Z (Income) Shares, the Directors anticipate that any dividends declared will normally be announced at the end of June and December in each year. Dividends will usually be paid by telegraphic transfer within six weeks of the relevant declaration date or on the earliest possible date thereafter and in any event within 3 months of the relevant declaration date.

Class X (Accumulation) Shares and Class Z (Accumulation) Shares are accumulation shares; thus any net income attributable to Class X (Accumulation) Shares and Class Z (Accumulation) Shares respectively shall be retained within the Fund and the Net Asset Value of Shares of such classes shall reflect such retained amounts.

The Company will operate equalisation with respect to income Shares. Shares purchased during a distribution period will contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. This will be calculated daily and will be available upon request from the Administrator or Manager.

## **ADDITIONAL RISK FACTORS**

The Fund will invest substantially in government bonds and therefore will carry a lower degree of credit risk than funds investing predominantly in fixed income or equity securities. There can be no assurance that the securities in which the Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or other instruments. The Fund may bear the risk of settlement default with parties with whom it trades.

### **Investing in Fixed Income Securities**

The price of any security which is constituted as a bond is affected by the issuer's or counterparty's credit quality. Changes in financial condition and general economic conditions can affect the ability to honour financial obligations and therefore credit quality. Lower quality bonds are generally more sensitive to these changes than higher quality bonds. Even within bonds considered investment grade, differences exist in credit quality and some investment grade debt securities may have speculative characteristics. A security's price may be adversely affected by the market's opinion of the security's credit quality level even if the issuer or counterparty has suffered no degradation in ability to honour the obligation. Lower rated securities generally have a greater risk of default than higher rated securities.

Not all government securities are backed by the full faith and credit of the relevant national government. Some are backed only by the credit of the issuing agency or instrumentality. Accordingly, there is at least a chance of default on these government securities in which the Funds may invest, which may subject a Fund to additional credit risk.

To the extent a Fund invests in medium or low-rated securities and unrated securities of comparable quality, the Fund may realise a higher current yield than the yield offered by higher-rated securities, but investment in such securities involves greater volatility of price and risk of loss of income and principal, including the probability of default by or bankruptcy of the issuers of such securities. Low-rated and comparable unrated securities (collectively referred to as "low-rated" securities) likely have quality and protective characteristics that, in the judgment of a rating organisation, are outweighed by large uncertainties or major risk exposures to adverse conditions, and are predominantly speculative with respect to an issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation.

When economic conditions appear to be deteriorating, these medium or low-rated securities may decline in value due to heightened concern over credit quality, regardless of the prevailing interest rates. Investors should carefully consider the relative risks of investing in high yield securities and understand that such securities are not generally meant for short-term investing.

Adverse economic developments can disrupt the market for low-rated securities, and severely affect the ability of issuers, especially highly leveraged issuers, to service their debt obligations or to repay their obligations upon maturity, which may lead to a higher incidence of default on such securities. Low-rated securities are especially affected by adverse changes in the industries in which the issuers are engaged and by changes in the financial condition of the issuers.

Debt securities rated below BBB- (or its equivalent) and comparable unrated securities are considered below investment grade and are commonly known as "junk bonds". They are considered to be of poor standing and mainly speculative, and those in the lowest rating category may be in default and are generally regarded by the rating agency as having extremely poor prospects of attaining any real investment standing. The lower ratings of these debt securities reflect a greater possibility that the issuer may be unable or unwilling to make timely payments of interest and principal and thus default. If this happens, or is perceived as likely to happen, the values of those debt securities will usually be more volatile. A default or expected default could also make it difficult for the Fund to sell the debt securities at prices approximating the values the Fund had previously placed on them. Because junk bonds are traded mainly by institutions, they usually have a limited market, which may at times make it difficult for the Fund to establish their fair value.

### **Market Risk**

Some of the exchanges and markets on which the Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which the 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 Fund. Furthermore, the performance of the Fund may be affected by changes in

economic and marketing conditions and in legal, regulatory and tax requirements. Losses may be made due to adverse movements in equity, bond, commodity, currency and other market prices and to changes in the volatility of any of these. The key factors driving changes in these market prices include economic growth and inflation, both of which themselves depend to a greater or lesser extent on official economic and interest rate policy.

### **Pricing Risk**

The price at which an asset is valued by the Fund may not be realisable in the event of sale. This could be due to a mis-estimation of the asset's value or due to a lack of liquidity in the relevant market.

The investments of the Fund are subject to normal market fluctuations and other risks, as described in the section entitled **Risk Warnings** in Appendix I below, inherent in investing in bonds and fixed interest securities.

## **PROFILE OF A TYPICAL INVESTOR**

Investment in the Fund should be viewed as an investment which should be held for a minimum period of 2 years.

The suitability of this Fund will depend on the investor's own requirements and their attitude to risk. The Fund is designed for investors who:

- wish to achieve some inflation protection while still retaining exposure to fixed-income investments;
- would like to invest globally in high-quality inflation-linked bonds;
- are seeking low levels of volatility of their invested capital but understand that the capital values of index-linked bonds may fluctuate.

If you have any doubts as to whether the investment is suitable for you, please contact a financial adviser.

## SMITH & WILLIAMSON MEDIUM DATED CORPORATE BOND FUND

**Objective:** To achieve income returns and ready access to capital.

### INVESTMENT POLICY

The Fund will invest the majority of its Net Asset Value in a variety of Sterling, US Dollar and Euro medium-dated investment grade corporate bonds (not limited to any particular sector or geographical region), of between 6 and 12 years maturity (unless market conditions, in the opinion of the Investment Manager, dictate that the Fund should hold a majority of its Net Asset Value in cash or ancillary liquid assets (including money market instruments such as bank deposits and treasury bills) and only for so long as market conditions so dictate). The corporate bonds may be unrated or rated investment grade or, to a lesser extent, below investment grade by Standard & Poor's, Moody's or Fitch rating agencies.

The Fund may invest up to a maximum of 30% of its Net Assets in bonds issued by governments, their agencies, local authorities, instrumentalities, and public international bodies, including without limitation supranational bonds and debt obligations issued or guaranteed by supranational entities and public international bodies including but not limited to international organisations designated or supported by governmental entities including the Asian Development Bank, the European Bank for Reconstruction and Development, the Inter-American Development Bank, the International Monetary Fund, the European Investment Bank and International Bank for Reconstruction and Development (the World Bank). These bonds will be rated investment grade as determined by Standard & Poor's, Moody's or Fitch rating agencies and will have a maturity of between 6 and 12 years.

The bonds invested in may be fixed or floating.

Securities invested in or issuers of such securities will be domiciled, listed or traded primarily in the UK but also domiciled globally or listed or traded on stock exchanges or markets as set out in Appendix IV. To the extent that the Fund will invest in the securities listed or traded in what the Investment Manager reasonably believes to be emerging markets, such investment will not exceed 20% of the Net Asset Value of the Fund.

Notwithstanding the above, up to 10% of the Net Asset Value of the Fund may be invested in securities not listed or traded on stock exchanges or markets as set out in Appendix IV.

It is the policy of the Fund that the portfolio will remain predominantly fully invested. However, the Fund may also, pending reinvestment, if this is considered appropriate to the investment objective, retain amounts in cash, cash equivalents and money market instruments (including, but not limited to, cash deposits, commercial paper, certificates of deposit and treasury bills), or collective investment schemes (including but not limited to collective investment schemes which themselves invest in cash or money market instruments or debt securities which are rated or unrated). Any investment in collective investment schemes shall not exceed in aggregate 10% of the Net Asset Value of the Fund. The Fund may from time to time be solely invested in cash or ancillary liquid assets.

The Fund may also use FDIs (subject to the investment and borrowing limits set out herein) for efficient portfolio management purposes and in order to hedge against exchange rate risk and accordingly may enter into spot/forward currency hedging contracts. Forward currency sales and purchases can be used solely to reduce risks, costs or a combination of both subject to the relevant restrictions set out by the Central Bank. Please see the section of Appendix I entitled "**Efficient Portfolio Management**" for more details. The Fund will not be leveraged through the use of derivatives. The Fund will use the commitment approach to measure global exposure.

Where the Fund utilises FDIs, it will at all times comply with the requirements of the Regulations and/or the Central Bank UCITS Regulations, as applicable. The Company on behalf of the Fund employs a risk management process which helps it to accurately measure, monitor and manage the various risks associated with FDIs. Before utilising any particular FDI, the Company on behalf of the Fund will file an updated risk management process report (where necessary and not covered by the Company's current risk management process report) with the Central Bank which shall be required to be cleared in advance

by the Central Bank. The aim of utilising FDIs will be to reduce costs or risks or to generate additional capital or income for the Fund with an appropriate level of risk taking into account the risk profile of the Fund and the general provisions of the Regulations. FDIs will not be entered into for speculative purposes. 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.

The Directors, when calculating the subscription and redemption price for the Fund may adjust the subscription and redemption price by applying an anti-dilution levy in order to preserve the value of the underlying assets of the Fund, as more particularly detailed in the section of Appendix III entitled “**Valuation of Assets And Temporary Suspension of Determination Of Net Asset Value**”. The Directors only intend to use this anti-dilution levy to preserve the value of the holdings of the continuing Shareholders in the event of substantial or recurring net repurchases or net issues of Shares.

## **KEY INFORMATION FOR PURCHASING AND REPURCHASING**

### **Class A Shares**

**Minimum Initial Investment for Class A Shares:** £1,000.

**Minimum Additional Investment for Class A Shares:** £500

**Minimum Holding for Class A Shares:** £1,000

### **Class B Shares**

**Minimum Initial Investment for Class B Shares:** £250,000.

**Minimum Additional Investment for Class B Shares:** £500.

**Minimum Holding for Class B Shares:** £1,000

Class A Shares and Class B Shares are available for subscription at the current issue price determined by reference to the Net Asset Value per Share (plus duties and charges as applicable) calculated on the relevant Dealing Day.

### **Sales, Repurchase and Switching Charges:**

A sales charge of up to 5% of the subscription price may be added to the subscription price of the Shares in the Fund. No repurchase charge will be deducted from repurchase monies. No switching fee will be charged.

<b>Dealing Day:</b>	Each Business Day same
<b>Dealing Deadline:</b>	5 p.m. Irish time on the Dealing Day
<b>Valuation Point:</b>	11.59 p.m. Irish time on the Dealing Day
<b>Valuation Date:</b>	Each Dealing Day
<b>Base Currency:</b>	Sterling.

**Management Fee for Class A Shares:** 1% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled “**Charges and Expenses**”.

**Management Fee for Class B Shares:** 0.55% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled “**Charges and Expenses**”.

## ESTABLISHMENT COSTS

The cost of establishing the Fund, obtaining authorisation from any authority, filing fees, the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it which are estimated not to exceed GBP £10,000 (plus VAT where applicable) will be borne by the Fund and such amounts amortised over the first five years of the Fund's operation. The Investment Manager may initially incur all or part of the costs referred to above on behalf of the Fund, in which case they will be entitled to be reimbursed out of the assets of the Company for such expenditure.

## INVESTMENT RESTRICTIONS

In addition to the investment restrictions set out in the section of Appendix I entitled "**Investment Restrictions**", not more than 10% of the Fund's net assets may be invested in other collective investment schemes.

## DIVIDEND POLICY

The Directors intend that the Fund will distribute substantially all its net income in each accounting period and may distribute as dividend both realised and unrealised capital gains less realised and unrealised capital losses. Any such dividend will be paid out of income arising indirectly from its holdings in investments and from any other income that may accrue to the Fund. The Directors anticipate that any dividends declared will be announced at the end of March, June, September and December in each year. Dividends will usually be paid by telegraphic transfer within six weeks of the relevant declaration date or on the earliest possible date thereafter and in any event within 3 months of the relevant declaration date.

The Company will operate equalisation with respect to income Shares. Shares purchased during a distribution period will contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. This will be calculated daily and will be available upon request from the Administrator or Manager.

## ADDITIONAL RISK FACTORS

The Fund will invest substantially in corporate bonds with a maturity between 6 and 12 years and therefore will carry a lower degree of interest rate risk than funds investing predominantly in longer term fixed income or equity securities. There can be no assurance that the securities in which the Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or other instruments. The Fund may bear the risk of settlement default with parties with whom it trades.

**It should be noted that an investment in the Fund is different in nature from a bank deposit. In particular investors should note that the principal in the Fund is capable of fluctuation.**

### Investing in Fixed Income Securities

The price of any security which is constituted as a bond is affected by the issuer's or counterparty's credit quality. Changes in financial condition and general economic conditions can affect the ability to honour financial obligations and therefore credit quality. Lower quality bonds are generally more sensitive to these changes than higher quality bonds. Even within bonds considered investment grade, differences exist in credit quality and some investment grade debt securities may have speculative characteristics. A security's price may be adversely affected by the market's opinion of the security's credit quality even if the issuer or counterparty has suffered no degradation in ability to honour the obligation. Lower rated securities generally have a greater risk of default than higher rated securities, such ratings being determined by rating agencies.

Not all government securities are backed by the full faith and credit of the relevant national government. Some are backed only by the credit of the issuing agency or instrumentality. Accordingly, there is at least a chance of default on these government securities in which the Funds may invest, which may subject a Fund to additional credit risk.

To the extent a Fund invests in below investment grade securities and unrated securities of comparable



quality, the Fund may realise a higher yield to maturity than the yield to maturity offered by higher-rated securities, but investment in such securities involves greater volatility of price and risk of loss of income and principal, including the probability of default by or bankruptcy of the issuers of such securities. Below investment grade and comparable unrated securities are likely to have quality and protective characteristics that, in the judgment of a rating organisation, are outweighed by large uncertainties or major risk exposures to adverse conditions, and are predominantly speculative with respect to an issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation. A default or expected default could also make it difficult for a Fund to sell the debt securities at prices approximating the values the Fund had previously placed on them. Because such bonds are traded mainly by institutions, they usually have a limited market, which may at times make it difficult for the Fund to establish their fair value.

When economic conditions appear to be deteriorating, all fixed income securities, but in particular below investment grade and comparable unrated securities, may decline in value due to heightened concern over credit quality, regardless of the prevailing interest rates. Investors should understand that such securities are not generally meant for short-term investing.

Adverse economic developments can disrupt the market for all fixed income securities, and in particular below investment grade and comparable unrated securities, and severely affect the ability of issuers, especially highly leveraged issuers, to service their debt obligations or to repay their obligations upon maturity, which may lead to a higher incidence of default on such securities.

### **Market Risk**

Some of the exchanges and markets on which the Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which the Fund may liquidate positions to meet repurchase requests or other funding requirements. Furthermore, the performance of the Fund may be affected by changes in economic and marketing conditions and in legal, regulatory and tax requirements. Losses may be made due to adverse movements in bond, commodity, currency and other market prices and to changes in the volatility of any of these. The key factors driving changes in these market prices include economic growth and inflation, both of which themselves depend to a greater or lesser extent on official economic and interest rate policy.

### **Pricing Risk**

The price at which an asset is valued by the Fund may not be realisable in the event of sale, as valuation of the asset by the Fund may not correlate with the realisation price of the asset.

The investments of the Fund are subject to normal market fluctuations and other risks, as described in the section entitled **Risk Warnings** in Appendix I below, inherent in investing in corporate bonds, and fixed interest securities.

## **PROFILE OF A TYPICAL INVESTOR**

Investment in the Fund is suitable to investors seeking income and ready access to capital and who are prepared to accept a medium degree of volatility. Investment in the Fund should be viewed as an investment which should be held for a minimum period of 1 year.

## SMITH & WILLIAMSON BLAIRMORE GLOBAL EQUITY FUND

**Objective:** To achieve capital appreciation through investment in an actively managed long-only portfolio consisting primarily of global equities.

### INVESTMENT POLICY

The Fund will invest in the following instruments (together the **Fund Assets**) in order to achieve its investment objective:

- (1) at least 65% of its Net Asset Value in global listed equities across all sectors including large, mid and smaller capitalisation stocks;
- (2) up to 35% of its Net Asset Value in liquid instruments such as cash and near cash instruments (e.g. money market instruments (including, but not limited to, cash deposits, commercial paper, certificates of deposit, treasury bills and money market funds)) which may be held both for investment purposes and for ancillary liquid purposes;
- (3) up to 20% of its Net Asset Value in debt securities such as government, supranational, agency and corporate issues and bank notes, and which may include mortgage backed securities (which will not embed derivatives or leverage and may be fixed or floating; investment grade or below investment grade; rated or unrated). Investment in below investment grade securities will not exceed 10% of the Fund's Net Asset Value;
- (4) up to 20% of its Net Asset Value in shares or units of closed-ended exchange traded funds (which may embed leverage and will constitute transferable securities) listed or traded on the markets/exchanges listed in Appendix IV to the Prospectus in order to gain exposure to equities listed and/or or traded globally and to other small and large capitalisation equities (including emerging market equities) and debt securities (such as high yield, government, supranational, agency and corporate issues and bank notes, which may be fixed or floating) and structured financial instruments (including but not limited to asset-backed and mortgage backed securities, collateralised debt obligations and collateralised loan obligations, all of which will not embed derivatives or leverage ). Such exchange traded funds (which may embed leverage and will constitute transferable securities) may also provide an exposure to global real estate markets, commodity markets, hedge funds and alternative investment strategies;
- (5) up to 10% of its Net Asset Value in units in open-ended CIS and exchange traded funds which are regulated as UCITS (pursuant to the UCITS Directive 85/611/EEC) and listed or traded on the markets/exchanges listed in Appendix IV to the Prospectus and AIFs (which may consist of regulated CIS which may be domiciled in a member state of the EEA, the US, Jersey, Guernsey or the Isle of Man in accordance with the Central Bank's Guidance Note 2/03). Investment in open-ended CIS and exchange traded funds which are regulated as UCITS will not be leveraged and will provide exposure to the asset classes listed in this Investment Policy. The maximum annual management fees that will be charged by the CIS are estimated to be 1% of the Fund's Net Asset Value. For the avoidance of doubt, such collective investment schemes include money market funds invested in for investment and liquid purposes provided for in (2) above;
- (6) up to 10% of its Net Asset Value in FDI such as currency forwards for investment purposes, with the Fund Assets as underlying instruments, and for hedging purposes. The Fund may enter into forward currency contracts to purchase or sell a specific currency at a future date at a price set at the time of the contract. Forward currency contracts are mainly used for the purpose of hedging foreign exchange risk arising on share classes denominated in a currency other than the Base Currency. The Fund may also invest in forward currency contracts to gain exposure to currencies to benefit from the movement in such currencies.

The Fund's asset allocation process combines a top-down approach with analysis of potential investment opportunities at an individual security level. The top-down analysis is led by the formulation of a global macro perspective (which takes into account considerations such as interest rates, performance of GDP, unemployment, monetary and fiscal trends), based on the Investment Manager's interpretation of geopolitical risk factors (such as declining oil prices,

military conflicts and political change) and regional economic trends. Beneath this, the Investment Manager seeks long-term themes that offer attractive structural growth opportunities. These themes may include; US energy self-sufficiency, emerging market consumption growth and tech innovation. Having determined themes, the team use both valuation screening, and an extensive broker network to select Fund Assets that most effectively offer exposure to these themes. The Fund will invest primarily in global listed equities with the remaining portfolio invested in the asset classes set out at (2) to (6) inclusive above.

Investment in emerging markets will fluctuate but at no time will exceed 40% of the Fund's Net Asset Value. The Fund may invest up to 10% of its Net Asset Value in securities traded on Russian markets.

The Fund may invest up to 10% of its Net Asset Value in aggregate in unlisted transferable securities (such as global equities and debt securities), in accordance with the Regulations. With the exception of permitted investment in unlisted securities and open-ended CIS, investment by the Fund is restricted to securities listed or traded on the markets/exchanges listed in Appendix IV of the Prospectus.

### Leverage

The Fund will only be leveraged through its use of FDI. The Fund will calculate any leverage generated by the use of FDIs using the commitment approach and leverage will not exceed 100% of the Net Asset Value of the Fund. Due to the strategy of Fund, it is expected that the actual leverage generated will typically be quite low.

The Company 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 FDIs. 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.

The Directors, when calculating the subscription and redemption price for the Fund may adjust the subscription and redemption price by applying an anti-dilution levy in order to preserve the value of the underlying assets of the Fund, as more particularly detailed in the section of Appendix III entitled "**Valuation of Assets And Temporary Suspension of Determination Of Net Asset Value**". The Directors only intend to use this anti-dilution levy to preserve the value of the holdings of the continuing Shareholders in the event of substantial or recurring net repurchases or net issues of Shares.

## **INVESTMENT RESTRICTIONS**

In addition to the investment restrictions set out in the section of Appendix I entitled "**Investment Restrictions**" not more than 10% of the Fund's net assets may be invested in other collective investment schemes.

## **KEY INFORMATION FOR PURCHASING AND REPURCHASING**

### **Class A USD Shares**

**Minimum Initial Investment for Class A USD Shares:** US\$100,000.

**Minimum Additional Investment for Class A USD Shares:** US\$1,000.

**Minimum Holding for Class A USD Shares:** US\$1,000.

### **Class B GBP Shares**

**Minimum Initial Investment for Class B GBP Shares:** USD\$100,000 (or currency equivalent).

**Minimum Additional Investment for Class B GBP Shares:** USD\$1,000 (or currency

equivalent).

**Minimum Holding for Class B GBP Shares:** USD\$1,000 (or currency equivalent).

#### **Class C EUR Shares**

**Minimum Initial Investment for Class C EUR Shares:** USD\$100,000 (or currency equivalent).

**Minimum Additional Investment for Class C EUR Shares:** USD\$1,000 (or currency equivalent).

**Minimum Holding for Class C EUR Shares:** USD\$1,000 (or currency equivalent).

Class A USD Shares and Class B GBP Shares are available for subscription at the current issue price determined by reference to the Net Asset Value (plus duties and charges as applicable) calculated on the relevant Dealing Day.

#### **Sales, Repurchase and Switching Charges:**

A sales charge of up to 5% of the subscription price may be added to the subscription price of the Shares in the Fund. A repurchase charge of up to 0.5% of the redemption price may be deducted from repurchase monies. A switching fee of up to 1% of the subscription price of the class switched into may be charged.

**Dealing Day:** Each Business Day

**Dealing Deadline:** 5 p.m. Irish time on the Dealing Day

**Valuation Point:** 11.59 p.m. Irish time on the Dealing Day

**Valuation Date:** Each Dealing Day

**Base Currency:** US dollar

#### **Management Fee for Class A USD, Class B GBP and Class C EUR Shares:**

1.00% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled “**Charges and Expenses**”.

#### **Depository fees for Class A USD Class B GBP and Class C EUR Shares:**

up to 0.02% of the Net Asset Value of the Fund per annum, subject to a minimum annual fee of £2,000 (or its equivalent in US dollar) (plus VAT where applicable). The fees shall accrue daily and be payable monthly in arrears.

In addition, the Depository or its affiliate is entitled to be reimbursed all reasonable out of pocket expenses and the reasonable safekeeping fees and transaction charges of sub-depositaries appointed by it which shall be charged at normal commercial rates.

#### **Administrator fees for Class A USD Class B GBP and Class C EUR Shares:**

up to 0.15% of the Net Asset Value of the Fund per annum, subject to a minimum annual fee of £12,500 (or its equivalent in US dollar) (plus VAT where applicable). The fees shall accrue daily and be payable monthly in arrears.

In addition, the Administrator is entitled to be reimbursed all reasonable out of pocket expenses and transaction charges as may be agreed between the Manager and the Administrator from time to time.

## **ESTABLISHMENT COSTS**

The cost of establishing the Fund, obtaining authorisation from any authority, filing fees, the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it which are estimated not to exceed GBP £10,000 (plus VAT where applicable) will be borne by the Fund and such amounts amortised over the first five years of the Fund's operation. The Investment Manager may initially incur all or part of the costs referred to above on behalf of the Fund, in which case they will be entitled to be reimbursed out of the assets of the Company for such expenditure.

## **DIVIDEND POLICY**

Class A USD, Class B GBP and Class C EUR Shares are accumulation shares; thus any net income attributable to Class A USD, Class B GBP and Class C EUR Shares respectively shall be retained within the Fund and the Net Asset Value of Shares of such classes shall reflect such retained amounts.

The Company will operate equalisation with respect to income Shares. Shares purchased during a distribution period will contain in their purchase price an amount called equalisation which represents a proportion of the net income of the Fund that has accrued up to the date of purchase. This will be calculated daily and will be available upon request from the Administrator or Manager.

**The Directors intend to apply for reporting status for the Fund. There can be no guarantee that reporting status will be granted.**

## **SHARE CLASS CURRENCY HEDGING**

Share classes that are denominated in a currency other than the Base Currency of the Fund shall be hedged versus the Base Currency of the Fund. All hedging transactions will be clearly attributable to a specific class of Shares and therefore, currency exposures of different classes of Shares shall not be combined or offset and currency exposures of assets of the Fund shall not be allocated to separate classes of Shares. To the extent that hedging is successful, the performance of the relevant class of Shares is likely to move in line with the performance of the underlying assets and investors in a hedged class of Shares will not benefit if the currency of the class of Shares falls against the currency in which the assets of the Fund are held.

It is expected that the extent to which such currency exposure will be hedged will range from 95% to 105% of the Net Asset Value attributable to the relevant class of Shares. Where the value of the hedges in place in respect of a given class of Shares is less or more than 100% of the Net Asset Value attributable to that class of Shares, the Investment Manager shall keep the situation under review and will ensure that over-hedged positions do not exceed 105% of the Net Asset Value. Positions materially in excess of 100% of the Net Asset Value will not be carried forward from month to month. While it is not the intention of the Fund, over-hedged or under-hedged positions may arise due to factors outside the control of the Fund.

The Company may incur transaction costs in respect of entering into any currency hedging. Any costs and gains/losses of the hedging transactions will accrue solely to the relevant class of Shares.

## **ADDITIONAL RISK FACTORS**

Please see Appendix I of the Prospectus under the heading "RISK WARNINGS" for more details of the risks applicable to this Fund, in particular the section thereof entitled "**Investment in Financial Derivative Instruments**".

In addition the following risk factors will apply:

- (a) The Fund's exposure is linked to the performance of the Fund Assets. The Fund is therefore exposed to general market movements and trends in equities and debt securities, which are occasionally partially affected by irrational factors. Such factors may lead to a more significant and longer lasting decline in prices affecting the entire market.
- (b) This Fund is not capital protected nor is it guaranteed. In certain market conditions, the Fund may be faced with losses. Such market conditions could mean that investors could, in certain circumstances, face minimal or no returns, or may even suffer a loss, on such investments.
- (c) The sub-funds of the Company are segregated as a matter of Irish law and as such, in Ireland, the assets of one sub-fund will not be available to satisfy the liabilities of another sub-fund. However, it should be noted that the Company is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation. There can be no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability as set out above.

### **Risks Associated With Reliance on the Investment Manager**

The management of the investments of the Fund will be vested exclusively with the Investment Manager. Persons should not invest in the Fund unless they are willing to entrust all aspects of the management of the Fund and its investments to the complete discretion of the Investment Manager. Here are some of the risks an investor should consider:

#### *Investment Selection*

The success of the Fund's investment strategy will depend on the management, skill and acumen of the Investment Manager. Investors will have no opportunity to select or evaluate in advance any of the Fund's investments or strategies.

#### *No Input into Fund Affairs*

Except for the voting rights attaching to the Shares, investors will have no right to take part in the conduct, management, operation or control of the Fund or the Fund's business.

#### *Valuations of Fund Investments*

The Fund's investments will be valued in accordance with the terms of the Memorandum and Articles of Association for purposes of calculating, among other things, the Net Asset Value of the Fund and, thereby, fees of the Manager, Investment Manager, Administrator and Depositary. The value assigned to an investment at a certain time in accordance with the Fund's valuation procedures may differ from the value that the Fund is ultimately able to realise. In such a case, any fees paid will not be subject to reversal.

#### *Conflicts of Interest*

Decisions made by the Investment Manager will be subject to a number of inherent conflicts of interests.

### **Risks Associated with the Fund's Investment Strategy**

#### *General Investment and Market Risks*

There can be no guarantee of the success of the Investment Manager's investment strategy and the Fund's activities may be significantly and adversely affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, and national and international political circumstances. These factors may affect the level and volatility of securities prices and the liquidity of the Fund's investments. Unexpected volatility or illiquidity could impair the Fund's profitability or result in losses.

#### *Emerging Markets*

The Fund may invest in emerging markets around the world, which can be extremely volatile and may involve a higher than average risk compared with Funds covering established markets. For example, the systems and standards of trading, settlement, registration and custody of securities in these markets may not be as high as those of developed markets. In particular, some of the

markets in which the Fund may invest do not provide for settlement on a delivery versus payment basis and the risk in relation to such settlements has to be borne by the Fund. In addition, lack of liquidity and inefficiency in certain emerging stock markets and foreign exchanges may mean that securities are less marketable than in more developed markets, resulting in greater price fluctuation. Such markets can also experience significant currency volatility and, accordingly, the country may have exchange controls.

#### *Investment in Russian Securities*

Investors should be aware of the risks associated with the Russian legal system including (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, Presidential decrees and Government and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms and (vii) the unpredictability of enforcement of foreign judgements and foreign arbitration awards. In addition, equity securities in Russia are dematerialised and the only evidence of ownership is entry of the shareholder's name on the share register of the issuer. The concept of fiduciary duty is not well established and shareholders may, therefore, suffer dilution or loss of investment due to the actions of management of the relevant issuer without satisfactory legal remedy. Furthermore, rules regulating corporate governance are undeveloped and therefore may offer little protection to shareholders. In so far as the Fund invests in any securities which are listed/traded in Russia, such investment shall only be made in securities that are listed/traded on the Moscow Exchange.

#### *No Independent Counsel*

No independent legal counsel has been retained to represent the interests of the investors. Neither the Memorandum and Articles of Association of the Company nor the Investment Management Agreement has been reviewed by any attorney on behalf of the investors. Each prospective investor is therefore urged to consult its own counsel as to the terms and provisions of the Shares and with regard to all other related documents. Legal counsel to the Investment Manager does not represent the Fund or any other service providers acting in respect of the Fund other than the Investment Manager.

#### *Effect of Substantial Redemptions*

Substantial redemptions within a short period of time could require the Fund to liquidate securities positions more rapidly than would otherwise be desirable, possibly reducing the value of the Fund's assets and/or disrupting the Investment Manager's investment strategy.

#### *Suspension of Redemptions and Distributions*

The Directors, on the recommendation of the Investment Manager, may suspend the right of any investor to redeem its Shares in the Fund if, in the Director's judgment, such a suspension would be in the best interest of the Fund.

#### *Resignation of the Investment Manager*

The success of the Fund will depend on the ability of the Investment Manager to develop and implement investment strategies to achieve the Fund's investment objective. The Fund's investment performance could be materially affected if the Investment Manager were to cease to be involved in the active management of the Fund's investment portfolio.

#### *Tax Risks*

The tax aspects of an investment in the Fund are complicated and each prospective investor should have them reviewed by professional advisors familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles. The Fund is not intended and should not be expected to provide any tax shelter.

### **PROFILE OF A TYPICAL INVESTOR**

The Fund is suitable for investors seeking capital growth in the medium to long term who are prepared to accept a moderate to high degree of risk and volatility.

## SMITH & WILLIAMSON ARTIFICIAL INTELLIGENCE FUND

**Objective:** To achieve capital appreciation.

There can be no assurance that the Fund will achieve its investment objective

### INVESTMENT POLICY

The Fund will endeavour to achieve its investment objective by investing primarily in equity and equity-related securities issued by companies:

- engaged in the development and/or production of artificially intelligent systems (such as smart applications on phones) or products (such as sensing technology described below);
- which provide services and/or technology which enable third party entities (such as online retailers, online auction houses or online travel agencies) to sell or deliver their products and services through an online platform; and
- which produce, develop or deliver products and/or services that have an artificially intelligent component which can enhance an existing product or service (such as artificially intelligent technologies that are embedded in insurance applications to provide more accurate underwriting standards and rates).

The Fund may invest in equities and equity-related securities such as preferred stocks, convertible bonds (which may embed a derivative) issued by companies and warrants (which may embed a derivative) as well as depository receipts for such securities (such as American depository receipts traded in markets based in the United States and global depository receipts traded in other world markets), issued by companies worldwide.

The Fund may also invest up to 10% of its Net Asset Value in other collective investment schemes, including money market funds for cash management purposes and exchange-traded funds (**ETFs**) where it is a more efficient means of seeking exposure to the equity securities that the Fund may invest in.

Securities invested in by the Fund will primarily be listed or traded on stock exchanges or markets as set out in Appendix IV. However, up to 10% of the Net Asset Value of the Fund may be invested in securities not listed or traded on stock exchanges or markets as set out in Appendix IV.

The Investment Manager will construct the portfolio of assets based on geographic regions, sectors and market capitalisations taking into consideration the macro environment (such as interest rates, gross domestic product, unemployment, monetary and fiscal trends) at the time of selection. Accordingly, allocation at any time is determined by the Investment Manager on an unconstrained basis.

The Investment Manager when evaluating and identifying companies for investment by the Fund will focus on companies that are engaged (whether by way of research and development and/or in the provision of services) in the main activities currently associated with artificial intelligence, namely:

- *Sensing*

This refers to the development of technology or tools that detect and respond to some type of input from the physical environment. The specific input could be light, heat, motion, moisture, pressure and so on. Examples of sensory devices are cameras, LED sensors or pressure sensors.

- *Data Ownership and Data Storage*

Data ownership refers to the ownership and protection of data, such as that held by weather forecasting companies, insurance companies, banks or healthcare providers. Data storage refers to the archiving of data in electromagnetic or other form for use by an electronic device, such as a computer. Examples of such companies include those providing cloud computing services, or providing electronic storage devices.



- *Algorithms*

An algorithm is a step by step method of solving a problem. It is commonly used for data processing, calculation and other related computer and mathematical operations. These coded instructions process data using high powered computing to derive knowledge and information from data.

- *Applications*

An application is any program, or group of programs, that is designed for the end user. When artificial intelligence is developed, the product or output may be an application which is software which can be sold to interested parties. Examples of an application include social media, intelligent transport and navigation applications.

- *High Powered Computing (HPC)*

HPC refers to the use of new configurations of computers using modern semiconductor processors to deliver much higher performance than can be achieved by typical desktop computers. HPC is used to solve complex computational tasks involving very large amounts of data and highly complex algorithms. Examples of HPC companies include those involved in design and manufacturing of semiconductor processors, and those that own or operate HPC facilities, such as cloud computing companies, or financial institutions engaged in algorithmic trading.

The market for artificial technology develops quickly. The examples given in this investment policy are intended to be indicative only and examples may be updated from time to time to reflect market development without obtaining shareholder approval.

The Investment Manager will use all reasonable information to determine whether a company is active in the areas listed above. The Investment Manager may also use companies' annual reports and all other available financial information to establish whether the proportion of the target company's revenue is derived from the above activities and the growth of the target company's revenue. The above steps will enable the Investment Manager to create a universe of stocks from which the portfolio will be populated.

It is the policy of the Fund that the portfolio will aim to remain predominantly fully invested. However, the Fund may also, if it is considered appropriate to the investment objective, retain amounts in cash, cash equivalents and money market instruments (including, but not limited to, cash deposits, commercial paper, certificates of deposit and treasury bills), or collective investment schemes (including but not limited to collective investment schemes which themselves invest in cash or money market instruments or debt securities which are rated or unrated). The Fund may from time to time be solely invested in cash or ancillary liquid assets. The situations in which liquid assets (as set out above) may be held by the Fund may include: (i) where the Investment Manager considers that there are no sufficient suitable investment opportunities; (ii) to protect the value of the Fund and maintain liquidity at times in falling or volatile markets; (iii) to facilitate the Fund's ability to meet redemption requests; and (iv) where the Fund has received subscriptions that are awaiting investment.

## *FDI*

The Fund may use FDI (subject to the investment and borrowing limits set out herein) for EPM purposes and hedging purposes only. FDI that the Fund may utilise are futures, forwards and options. The Fund may use FDI to hedge against exchange rate risk and accordingly may enter into spot/forward currency hedging contracts, futures, and traded options including puts and calls. Forward currency sales and purchases can be used solely to reduce risks, costs or a combination of both subject to the relevant restrictions set out by the Central Bank. The use of FDI for EPM purposes is not otherwise expected to raise the risk profile of the Fund or result in higher volatility. Please see Appendix I of the Prospectus under the heading "**EFFICIENT PORTFOLIO MANAGEMENT**" for more details. The Fund does not intend to be leveraged as a result of using FDI as the holding by the Fund of FDI relating to a financial asset and cash which is invested in low risk assets will be equivalent to holding a cash position in the given financial assets and this does not generate incremental exposure or leverage.

The Company on behalf of the Fund employs a risk management process which helps it to accurately measure, monitor and manage the various risks associated with FDIs. Before utilising any particular FDI, the Company on behalf of the Fund will file an updated risk management process report (where necessary and not covered by the Company's current risk management process report) with the Central

Bank which shall be required to be cleared in advance by the Central Bank. 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.

The following is a description of the types of FDI which may be used by the Fund:

*Futures:* Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. The commercial purpose of futures contracts can be to allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Using futures to achieve a particular strategy instead of using the underlying or related security or index may result in lower transaction costs being incurred. The Fund may use futures to gain exposure to a particular equity index. The purpose of these will be to act as a hedge on exposures that exist within the Fund.

*Forwards:* The Fund may buy and sell currencies on a spot and forward basis, subject to the limits and restrictions adopted by the Central Bank from time to time to reduce the risks of adverse changes in exchange rates, as well as to enhance the return of the Fund by gaining an exposure to a particular foreign currency. In forward foreign exchange contracts, the contract holders are obligated to buy or sell from another counterparty a specified amount of one currency at a specified price with another currency on a specified future date. Forward contracts may be cash settled between the parties. This reduces the Fund's exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will receive for the duration of the contract. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another currency. A contract to sell currency would limit any potential gain, which might be realised if the value of the hedged currency increases. These contracts cannot be transferred but they can be 'closed out' by entering in a reverse contract. Suitable hedging transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in such transactions at any given time or from time to time. Also, such transactions may not be successful and may eliminate any chance for the Fund to benefit from favourable fluctuations in relevant foreign currencies. The commercial purpose of a forward foreign exchange contract may include, but is not limited to, altering the currency exposure of securities held, hedging against exchange risks, increasing exposure to a currency, and shifting exposure to currency fluctuations from one currency to another and hedging classes denominated in a currency (other than the Base Currency) to the Base Currency. Currency forwards are transacted over the counter. The only type of forwards that will be used by the Fund are currency forwards and the purpose of these will be to hedge out any exposure that exists between the US dollar share classes and base currency of the assets which will be calculated in GBP.

*Options:* There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. Options may also be cash settled. The Fund may be a seller or buyer of put and call options. The Fund may occasionally use options to gain exposure to a particular equity and equity index. The purpose of these will be to act as a hedge on exposures that exist within the Fund.

*Warrants:* A warrant is a contract which gives the contract buyer the right, but not the obligation, to exercise a feature of the warrant, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). The 'writer' (seller) has the obligation to honour the specified feature of the contract. A warrant in the classic sense is a security that entitles the holder to buy stock of the company that issued it at a specified price. Warrants have similar characteristics to call options, but are typically issued together with preferred stocks or bonds or in connection with corporate actions and are usually of little value. Warrants are longer-dated options and are generally traded over the counter. The commercial purpose of warrants can be to hedge against the movements of a particular market or financial instrument, including futures, or to gain exposure to a particular market or financial instrument instead of using a physical security.

*Convertible Bonds:* A convertible bond is a security which is convertible into the common equity of a company.

The Fund may use FDI (i) as a substitute for taking a position in an underlying asset, and/or (ii) to gain an exposure to the composition and performance of a particular index (including a financial index).

FDI may also be used in order to take tactical decisions. Futures and options may be used to increase or reduce the Fund's exposure to a particular security or market for periods of time to be determined by the Investment Manager, either in advance of a longer term allocation or reappraisal of the Fund's commitment to the asset or market in question, or purely on a temporary basis where it is more efficient to use derivatives for this purpose.

The Investment Manager may use futures, options and forwards to increase or reduce the beta of all or part of the Fund's portfolio to take account of changing levels of volatility in the market while at the same time maintaining exposure to the market.

The Directors, when calculating the subscription and redemption price for the Fund may adjust the subscription and redemption price by applying an anti-dilution levy in order to preserve the value of the underlying assets of the Fund, as more particularly detailed in the section of Appendix III entitled "**Valuation of Assets And Temporary Suspension of Determination Of Net Asset Value**". The Directors only intend to use this anti-dilution levy to preserve the value of the holdings of the continuing Shareholders in the event of substantial or recurring net repurchases or net issues of Shares.

## **INVESTMENT RESTRICTIONS**

In addition to the investment restrictions set out in the section of Appendix I entitled "**Investment Restrictions**", the Fund may not invest more than 10% of the Fund's net assets in other collective investment schemes.

## **KEY INFORMATION FOR PURCHASING AND REPURCHASING**

### **Class B Shares**

Minimum Initial Investment for Class B Shares: £100,000

Minimum Additional Investment for Class B Shares: £1,000

Minimum Holding for Class B Shares: £100,000

### **Class C Shares**

Minimum Initial Investment for Class C Shares: \$100,000

Minimum Additional Investment for Class C Shares: \$1,000

Minimum Holding for Class C Shares: \$100,000

### **Class X Shares**

Minimum Initial Investment for Class X Shares: \$10,000,000

Minimum Additional Investment for Class X Shares: \$1,000

Minimum Holding for Class X Shares: \$10,000,000

### **Class Z Shares**

Minimum Initial Investment for Class Z Shares: £10,000,000

Minimum Additional Investment for Class Z Shares: £1,000

Minimum Holding for Class Z Shares: £10,000,000

**Sales, Repurchase and Switching Charges:** A sales charge of up to 5% of the subscription price may be added to the subscription price of the Shares in the Fund. No repurchase charge will be deducted from repurchase monies. No switching fee will be charged.

**Dealing Day:** Each Business Day

**Dealing Deadline:** 5p.m. Irish time on the Dealing Day

**Initial Offer Price for Class B Shares:** £1.00

**Initial Offer Price for Class C Shares:** \$1.00

**Initial Offer Price for Class X Shares:** \$1.00

**Initial Offer Price for Class Z Shares:** £1.00

**Initial Offer Period:** From 9.00 am (Irish time) on 23 June 2017 to 5p.m. (Irish time) on 22 September 2017 (or such other shorter or longer period as the Directors may determine and notify the Central Bank).

**Valuation Point:** 11.59 p.m. (Irish time) on the Dealing Day

**Valuation Date:** Each Dealing Day

**Base Currency:** GBP

**Management Fee for Class B Shares:** 0.80% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled "**Charges and Expenses**".

**Management Fee for Class C Shares:** 0.80% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled "**Charges and Expenses**".

**Management Fee for Class X Shares:** 0.50% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled "**Charges and Expenses**".

**Management Fee for Class Z Shares:** 0.50% of the Net Asset Value of the Fund. Details of further charges and expenses are set out in the section of Appendix II entitled "**Charges and Expenses**".

## **DIVIDEND POLICY**

It is not the current intention of the Fund to pay dividends.

## **ESTABLISHMENT COSTS**

The cost of establishing the Fund, obtaining authorisation from any authority, filing fees, the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it which are estimated not to exceed €40,000 (plus VAT where applicable) will be borne by the Fund and such amounts amortised over the first five years of the Fund's operation. The Investment Manager may initially incur all or part of the costs referred to above on behalf of the Fund, in which case they will be entitled to be reimbursed out of the assets of the Company for such expenditure.

Details of further charges and expenses are set out in the section of Appendix II entitled "**Charges and Expenses**".

## **ADDITIONAL RISK FACTORS**

Please see Appendix I of the Prospectus under the heading "**RISK WARNINGS**" for more details of the risks applicable to this Fund, in particular the section thereof entitled "**Investment in Financial Derivative Instruments**".

In addition, the following risk factors will apply:

**Equity Risk:** Equities as a class have historically outperformed other types of investments over the long term. Individual stock prices, however, tend to go up and down more dramatically over the short term. These price movements may result from factors affecting individual companies or industries, or the securities market as a whole.

**Depository Securities and Receipts Risk:** In some cases, a Fund may hold securities through a depository security and receipt. A depository receipt is issued by a bank or trust company to evidence its ownership of securities of a non-local corporation. The currency of a depository receipt may be different than the currency of the non-local corporation to which it relates. The value of a depository receipt will not be equal to the value of the underlying non-local securities to which the depository receipt relates as a result of a number of factors. These factors include the fees and expenses associated with holding a depository receipt, the currency exchange relating to the conversion of foreign dividends and other foreign cash distributions into local currencies, and tax considerations such as withholding tax and different tax rates between the jurisdictions. In addition, the rights of the Fund, as a holder of a depository receipt, may be different than the rights of holders of the underlying securities to which the depository receipt relates, and the market for a depository receipt may be less liquid than that of the underlying securities. The foreign exchange risk will also affect the value of the depository receipt and, as a consequence, the performance of the Fund holding the depository receipt. As the terms and timing with respect to the depository for a depository receipt are not within the control of the Fund or the Investment Manager and if the Investment Manager chooses only to hold depository receipts rather than the underlying security, the Fund may be forced to dispose of the depository receipt, thereby eliminating its exposure to the non-local corporation, at a time not selected by the Investment Manager of the Fund, which may result in losses to the Fund or the recognition of gains at a time which is not opportune for the Fund.

**Convertible Securities:** The risks associated with convertible bonds, are similar to the risks associated with normal bonds, i.e. there is interest rate risk (the risk that the interest rate associated with the bond is below the prevailing market rate), credit risk (the risk that the bond par value is not paid back in part or in full), liquidity risk (the bond may not trade frequently with a resulting large spread between the price at which bonds are sold or purchased).

**Warrants:** Warrants often involve a high degree of gearing, so that a relatively small movement in the price of the underlying security results in a disproportionately large movement, favourable or unfavourable in the price of the warrant. The prices of warrants can therefore be volatile.

**Investment Management Risk:** The investment performance of the Fund is substantially dependent on the services of certain key employees of the Investment Manager. In the event of the death, incapacity, departure, insolvency or withdrawal of any of these individuals, the performance of the Fund may be adversely affected.

**Liquidity Risk:** Certain securities may be difficult or impossible to sell at the time and the price that the seller would like. The seller may have to lower the price to effect a secondary market sale, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on fund management or performance.

## PROFILE OF A TYPICAL INVESTOR

Investment in this Fund will be considered appropriate depending on an investor's own attitude to risk. This Fund is designed for investors who:

- wish to achieve capital growth and who are specifically seeking exposure to companies that are leaders in or beneficiaries of artificial intelligence.
- are able meet the minimum investment levels.
- are able to take the risk of losing part or all of their investment.
- understand and are willing to take the risks involved in investing in this Fund.

If you have any doubts as to whether the investment is suitable for you, please contact a financial adviser.

## **APPENDIX I**

### **INVESTMENT RESTRICTIONS**

The investment restrictions for each Fund will be formulated by the Directors at the time of the creation of the Fund. The Articles provide that investments may only be made as permitted by the Articles and the Regulations and any regulations made thereunder by the Central Bank. In any event, each Fund will comply with the Regulations and/or the Central Bank UCITS Regulations, as applicable.

The following general investment restrictions apply to each Fund together with any additional restrictions specified in the Supplement for the relevant Fund.

#### **1. Permitted Investments**

Investments of a UCITS are confined to:

- 1.1. transferable securities and money market instruments, as prescribed in the Regulations and/or the Central Bank UCITS Regulations, as applicable, which are either admitted to official listing on a stock exchange in an EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU Member State or non-EU Member State.
- 1.2. recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 1.3. money market instruments, as defined in the Regulations and/or the Central Bank UCITS Regulations, as applicable, other than those dealt on a regulated market.
- 1.4. Units of UCITS.
- 1.5. Units of AIFs as set out in the Regulations and/or the Central Bank UCITS Regulations, as applicable.
- 1.6. Deposits with credit institutions as prescribed in the Regulations and/or the Central Bank UCITS Regulations, as applicable.
- 1.7. Financial derivative instruments as prescribed in the Regulations and/or the Central Bank UCITS Regulations, as applicable.

#### **2. Investment Limits**

- 2.1 A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2 Subject to the second paragraph of this section 2.2. a Fund shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the Regulations apply. Paragraph (1) does not apply to an investment by a Fund in US Securities known as "Rule 144 A securities" provided that:
  - 2.2.1 the relevant securities have been issued with an undertaking to register the securities with the U.S. Securities and Exchange Commission within one year of issue; and
  - 2.2.2 the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, which they are valued by the Fund.

- 2.3 A UCITS may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 Subject to the prior approval of the Central Bank, the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in an EU Member State and is subject by law to special public supervision designed to protect bondholders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS.
- 2.5 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.
- 2.6 The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.7 Deposits with any one credit institution, other than a credit institution specified in Regulation 7 of the Central Bank UCITS Regulations held as ancillary liquidity shall not exceed:
- 2.7.1 10% of the NAV of the UCITS; or
- 2.7.2 where the deposit is made with the Depositary 20% of the net assets of the UCITS.
- 2.8 The risk exposure of a UCITS to a counterparty to an over the counter (**OTC**) derivative may not exceed 5% of net assets.
- This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July, 1998 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- 2.9.1 investments in transferable securities or money market instruments;
- 2.9.2 deposits, and/or
- 2.9.2 counterparty risk exposures arising from OTC derivatives transactions.
- 2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- 2.11 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12 A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international bodies of which one or more EU Member States are members. The following are permitted issuers for the purposes of this investment restriction:

OECD Member States (provided the relevant issues are investment grade)  
 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

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

### 3. **Investment in Collective Investment Schemes (CIS)**

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

### 4. **Index Tracking UCITS**

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

### 5. **General Provisions**

- 5.1 The Manager acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 A UCITS may acquire no more than:
  - 5.2.1 10% of the non-voting shares of any single issuing body;
  - 5.2.2 10% of the debt securities of any single issuing body;
  - 5.2.3 25% of the units of any single CIS;
  - 5.2.4 10% of the money market instruments of any single issuing body.

The limits laid down in 5.2.2, 5.2.3 and 5.2.4 above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.

5.3 5.1 and 5.2 shall not be applicable to:

- 5.3.1 transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
- 5.3.2 transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
- 5.3.3 transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
- 5.3.4 shares held by a UCITS in the capital of a company incorporated in a non-EU Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6 and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;
- 5.3.5 shares held by the Company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at shareholders' request exclusively on their behalf.

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

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

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

5.7 A UCITS may not carry out uncovered sales of:

- 5.7.1 transferable securities;
- 5.7.2 money market instruments;
- 5.7.3 units of CIS; or
- 5.7.4 financial derivative instruments.

5.8 A UCITS may hold ancillary liquid assets.

## 6. **FDI**

6.1 UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to the OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

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

- 6.3 The UCITS global exposure (as prescribed in the Regulations and/or the Central Bank UCITS Regulations, as applicable) relating to FDI must not exceed its total net asset value.
- 6.4 Investment in FDIs is subject to the conditions and limits laid down by the Central Bank.

### EFFICIENT PORTFOLIO MANAGEMENT

The Company, on behalf of a Fund, may employ techniques and instruments relating to transferable securities and/or other financial instruments in which it invests for efficient portfolio management purposes. The use of techniques and instruments for efficient portfolio management purposes is subject to the conditions and within the limits laid down by the Regulations and/or the Central Bank UCITS Regulations, as applicable.

The specific techniques and instruments to be utilised by each Fund (if any) are set out in the Supplement for the relevant Fund. Any such technique or instrument should be reasonably believed by the Investment Manager to be economically appropriate to the efficient portfolio management of the relevant Fund, i.e., the use of such a technique or instrument may only be undertaken for the purpose of one or more of the following:

- (i) a reduction in risk;
- (ii) a reduction in cost; or
- (iii) an increase in capital or income returns to a Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the Regulations and Central Bank UCITS Regulations, as appropriate.

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

Where applicable, the entities to which such direct and indirect operational costs and/or fees have been paid during the annual period to the relevant accounting year end of the Fund (including whether such entities are related to the Company or Depositary) will be disclosed in the annual report for such period.

All revenues from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the relevant Fund.

Please see the **Risk Factors** section below and refer to the section headed Portfolio Transactions and Conflicts of Interest for detail on counterparty risk and conflicts of interest in the context of efficient portfolio management.

#### *FDI*

The Company, on behalf of a Fund, may use a variety of different FDI's in accordance with the Regulations. It is anticipated that such FDI's would primarily be used in circumstances such as currency hedging, managing short-term inflows and making changes to portfolio exposure more cost effective. Use of FDI's will not contravene any relevant investment objectives or limits and will never be entered into by way of speculation.

The FDI's that may be used include, but are not limited to, forward foreign exchange contracts, futures, swaps, put options and call options, spot (i.e. for immediate delivery) or forward contracts. These could be used for the following reasons and in the following manner:-

Asset allocation: FDI's can be used to allow immediate or efficient exposure to different asset classes.

Hedging: FDI's can be used to realise profits or to immunise the portfolio from adverse market moves and thus reduce risk, leaving the portfolio indifferent to such moves.

Insurance: FDI's can be used to insure the portfolio or sectors or securities against adverse market moves and thus reduce risk.

Currency forward contract positions will only be undertaken when a Fund has purchased non-sterling denominated securities and is at the discretion of the Investment Managers. On these occasions, as a sterling based fund, the foreign currency exposure will be hedged back into sterling. These contracts will typically mature within three months and in any case will never exceed one year.

Foreign exchange transactions will be entered into for the purposes of purchasing or selling investments denominated in different currencies to the base currency of the Company (Pound Sterling). The Company may employ techniques and instruments to protect against exchange rate risk, for example if a decline in the US Dollar is expected, to protect the value in Sterling terms of US Dollar denominated investments held in the portfolio US Dollars would be sold forward against Sterling.

The risk with the above mentioned strategy is if the Dollar does not move in the manner anticipated, in this case the position could still be run to expiry or alternatively the position could be closed out, in either case the underlying asset value and the forex position act in opposing directions, thus a hedged position.

The purpose behind the use of purchased futures is to serve as a long hedge of the investments of a Fund. The purpose behind the use of sold futures is to serve as a limited short hedge of the investments of a Fund. Futures may also be used to equitise cash balances, both pending investment of a cash flow and with respect to fixed cash targets.

The purpose behind the use of forward contracts by a Fund include hedging and currency risk management (limiting the foreign currency exposure arising out of the non-Base Currency denomination of investments of the Fund).

The purpose behind the purchase of call options by a Fund is to:

- provide exposure to increases in the market (e.g., with respect to temporary cash positions);
- hedge against an increase in the price of securities or other investments that a Fund intends to purchase;

The purpose behind the purchase of put options by a Fund is to:

- hedge against a decrease in the market generally;
- hedge against the price of securities or other investments held by a Fund.

The purpose behind a Fund using options on futures contracts in lieu of writing or buying options directly on underlying securities or purchasing and selling underlying futures contracts may be summarised as follows:

- to hedge against a possible decrease in the value of its portfolio securities, a Fund may purchase put options or write call options on futures contracts rather than sell futures contracts; and
- to hedge against a possible increase in the price of securities which such Fund expects to purchase, a Fund may purchase call options or write put options on futures contracts as a substitute for the purchase of futures contracts.

Swaps can be used to enable an investment manager to exchange a benefit (e.g. a floating rate of exchange) in one financial market for a corresponding benefit (e.g. a fixed rate of exchange) with a party in another market. As such they are very useful instruments for the management of risk.

Where such operations concern the use of FDI's, the Fund must employ a risk-management process which enables it to monitor and measure at any time the risk of a Sub-Fund's positions and their contribution to the overall risk profile of the portfolio of assets of a Fund. It must employ a process for accurate and independent assessment of the value of OTC derivatives. Before investing in any FDI's on behalf of a Fund, the Company must file a risk management process report with the Central Bank and in accordance with particular requirements of the Central Bank shall specify, for that purpose, the types of derivative instruments, the underlying risks, the quantitative limits and the methods which are chosen in order to estimate the risks associated with transactions in any derivative instruments applicable to a

Fund. A revised risk management process report will be submitted to the Central Bank before any FDI which has not been included in the risk management process is utilised. The Company will ensure that a Fund's global exposure to FDIs does not exceed the total net asset value of its portfolio and that counterparty risk exposure to any OTC derivative transactions never exceeds the limits permitted under the Regulations.

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.

### **Use of Repurchase/Reverse Repurchase and Stocklending Agreements**

The Company may not enter into stocklending/reverse and repurchase agreements.

### **Collateral Policy**

#### **1. Permitted Types of Collateral**

##### *1.1 Non-Cash Collateral*

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

- 1.1.1 Liquidity: Non-cash collateral should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations;
- 1.1.2 Valuation: Collateral must be capable of being valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- 1.1.3 Issuer credit quality: Collateral received should be of high quality;
- 1.1.4 Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;
- 1.1.5 Diversification (asset concentration): Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value. When Funds are exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer;
- 1.1.6 Immediately available: Collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the relevant counterparty; and
- 1.1.7 Non-cash collateral received cannot be sold, pledged or reinvested by the Company.

##### *1.2 Cash collateral*

- 1.2.1 Reinvestment of cash collateral must at all times, meet with the following requirements:
  - (i) Cash received as collateral may only be invested in the following:
    - (a) deposits with an EU credit institution, a bank authorised in the remaining Member States of the European Economic Area (EEA) (Norway, Iceland, Liechtenstein), a bank authorised by a

signatory state, other than an EU Member State or a Member State of EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States) or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand (the **Relevant Institutions**);

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

1.2.2 Invested cash collateral must be diversified in accordance with the requirements in 1.1.5 above;

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

## 2. Level of collateral required

The levels of collateral required are as follows:

OTC derivatives	Such collateral to ensure, in any event, that counterparty exposure is managed within the limits set out the section of Appendix I entitled "Investment Restrictions".
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## 3. Haircut policy

The Company only accepts cash collateral and therefore no haircut policy is required. Prior to accepting non-cash collateral, the Prospectus will be updated.

## BORROWING POWERS

The Company may borrow up to 10% of a Fund's net assets at any time for the account of any Fund and the Depositary may charge the assets of such Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding. Assets of a Fund may not be passed outside the Depositary's custody network to secure borrowings. Any particular borrowing restrictions for a Fund will appear in the Supplement for the relevant Fund. Without prejudice to the powers of the Company to invest in transferable securities, money market instruments and other financial instruments referred to in paragraph 1 of the **Investment Restrictions** under the heading **Permitted Investments**, the Company may not lend to, or act as guarantor on behalf of, third parties. A Fund may acquire transferable securities, money market instruments and other financial instruments referred to in paragraph 1 of the **Investment Restrictions** under the heading **Permitted Investments** which are not fully paid. The Company may not carry out uncovered sales of transferable securities, money market instruments and other financial instruments.

The Company may acquire foreign currency by means of a back to back loan agreement(s). Foreign currency obtained in this manner is not classified as borrowing for the above mentioned 10% limit provided that the offsetting deposit (a) is denominated in the Base Currency of the Fund and (b) equals or exceeds the value of the foreign currency loan outstanding.

## RISK WARNINGS

### General

The investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities or other instruments and there can be no assurance that any appreciation in value of investments will occur. In particular the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies.

The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. An investment should only be made by those persons who are able to sustain a loss on their investment.

There can be no guarantee that the investment objectives of any Fund will actually be achieved. Due to adverse market movements a Fund may become valueless.

Depending on the investor's currency of reference, currency fluctuations may adversely affect the value of an investment.

Changes in exchange rates between currencies may also cause the value of an investment to diminish or increase.

The difference, at any one time, between the sale and repurchase price of the Shares means that any investment in the Company should be viewed in the medium to long term.

It should be noted that, where a Fund invests principally in short term securities, debt related instruments and ancillary liquid assets, subscription for shares in such a Fund is not the same as placing funds on deposit with a bank or other deposit-taking body. The value of such a Fund is capable of fluctuation and may be affected by the creditworthiness of issuers of the Fund's investments. Notwithstanding the policy of the Fund of investing in short-term instruments, the value of the Fund may also be affected by substantial adverse movements in interest rates.

## **REITS**

The ability to trade in REITs (real estate investment trusts) in the secondary market can be more limited than other stocks.

## **Suspension of Valuation**

The ability to subscribe for, redeem or convert Shares may be affected by a temporary suspension of the determination of Net Asset Value which may take place upon the occurrence of certain events as described in Appendix III.

## **Liability for other Funds**

Each Fund is a segregated portfolio of assets and will accordingly bear its own liabilities and will be solely liable to third parties for all of the liabilities of the relevant 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 credit claims.

## **Emerging Markets Risk**

Emerging markets securities bear most of the foreign exposure risks discussed below. In addition, there are greater risks involved in investing in emerging markets than in developed foreign markets. Specifically, the economic structures in emerging markets countries are less diverse and mature than those in developed countries, and their political systems are less stable. Investments in emerging markets countries may be affected by national policies that restrict foreign investment. Information about emerging market issuers may not be readily available and report and disclosure requirements may be less sophisticated than in developed markets. Emerging markets countries may have less developed legal structures, and the small size of their securities markets and low trading volumes can make investments illiquid and more volatile than investments in developed countries. As a result, a Fund investing in emerging markets may be required to establish special custody or other arrangements before investing.

Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to some companies in emerging markets in which a Fund may invest may differ from those applicable in developed countries.

## **Custody and Settlement Risks**

Market practices in relation to settlement of securities transactions and custody of assets in emerging markets can provide increased risk to a Fund and may involve delays in obtaining accurate information on the value of securities (which may as a result affect the calculation of the Net Asset Value). Shareholders should also note that settlement mechanisms in emerging and less developed markets are generally less developed and reliable than those in more developed countries and that this therefore increases the risk of settlement default, which could result in substantial losses for the Company and the relevant Fund in respect to investments in emerging markets. Shareholders should also note that the securities of small capitalisation companies as well as the securities of companies domiciled in emerging and less developed markets are less liquid and more volatile than more developed stock markets and this may result in fluctuations in the price of the Shares of the relevant Fund.

### **Registration Risk**

In some emerging market countries evidence of legal title to shares is maintained in “book-entry” form. In order to be recognised as the registered owner of the shares of a company, a purchaser or purchasers’ representative must physically travel to a registrar and open an account with the registrar (which, in certain cases, requires the payment of an account opening fee). Thereafter, each time that the purchaser purchases additional shares of the company, the purchasers’ representative must present to the registrar powers of attorney from the purchaser and the seller of such shares, along with evidence of such purchase, at which time the registrar will debit such purchased shares from the seller’s account maintained on the register and credit such purchased shares to the purchaser’s account to be maintained to the register.

The role of the registrar in such custodial and registration processes is crucial. Registrars may not be subject to effective government supervision and it is possible for the Company to lose its registration through fraud, negligence or mere oversight on the part of the registrar. Furthermore, while companies in certain emerging market countries may be required to maintain independent registrars that meet certain statutory criteria, in practice, there can be no guarantee that this regulation has been strictly enforced. Because of this possible lack of independence, management of companies in such emerging market countries can potentially exert significant influence over the shareholding in such companies. If the company register were to be destroyed or mutilated, the Company’s holding in respect of a Fund of the relevant shares of the company could be substantially impaired, or in certain cases, deleted. Registrars often do not maintain insurance against such occurrences, nor are they likely to have assets sufficient to compensate the Company and, therefore, a Fund as a result thereof. While the registrar and the company may be legally obliged to remedy such loss, there is no guarantee that either of them would do so, nor is there any guarantee that the Company would be able to successfully bring a claim in respect of a Fund against them as a result of such loss. Furthermore, the registrar or the relevant company could willfully refuse to recognise the Company as the registered holder of shares previously purchased in respect of a Fund due to the destruction of the company’s register.

### **Foreign Exposure Risk**

Investing in foreign securities, or securities of entities with significant foreign operations, involves additional risks which can affect a Fund’s performance. Foreign markets, particularly emerging markets, may be less liquid, more volatile and subject to less government supervision than an investor’s home market. There may be difficulties enforcing contractual obligations, and it may take more time for transactions to clear and settle. Less information may be available about foreign entities. The costs of buying and selling foreign securities, including tax, brokerage and custody costs, may be higher than those involving domestic transactions. The specific risks of investing in foreign securities include:

**Currency Risk:** The values of foreign investments may be affected by changes in currency rates or exchange control regulations. If the local currency gains strength against the domestic currency, the value of the foreign security increases in domestic currency terms. Conversely, if the local currency weakens against the domestic currency, the value of the foreign security declines in domestic security terms.

**Political/Economic Risk:** *Changes* in economic, tax or foreign investment policies, government stability, war or other political or economic actions may have an adverse effect on a Fund’s foreign investments.

**Regulatory Risk:** *Foreign* companies often are not subject to uniform accounting, auditing and financial



reporting standards or to other regulatory practices and requirements common to US companies.

### **Fund investing in other Funds**

**Duplication of Costs:** Each Fund incurs costs and fees paid to the Manager and other service providers. In addition, a Fund incurs costs in its capacity as an investor in other funds (Underlying Funds) which in turn pay fees to their Underlying Fund managers and other service providers.

Some of the Underlying Funds may be required to pay performance fees to their Underlying Fund manager. Under these arrangements the Underlying Fund managers will benefit from the appreciation, including unrealised appreciation of the investments of such Underlying Funds, but they are not similarly penalised for realised or unrealised losses. Potential investors should further be aware that there may be a further duplication of fees if an Underlying Fund in turn invests in another Underlying Fund.

As a consequence, the costs of a Fund may represent a higher percentage of the Net Asset Value than would typically be the case with direct investment or in the case of investment funds which invest directly.

### **Withholding Tax**

The income and gains of a Fund from its assets may suffer withholding tax which may not be reclaimable in the countries where such income and gains arise. If this position changes in the future and the application of a lower rate results in a repayment to the relevant Fund, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders of the relevant Fund rateably at the time of repayment.

### **Collateral Risk**

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

### **Currency Risk**

The Net Asset Value per Share will be computed in the Base Currency of the relevant Fund, whereas each 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 Investment Manager may consider it desirable not to hedge against such risk. The Investment Manager may enter into cross currency hedging transactions solely for the purpose of efficient portfolio management.

### **Market Risk**

Some of the recognised exchanges on which each Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which each 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 Fund.

### **Valuation Risk**

A Fund may invest in unquoted securities. Such investment will be valued at the probable realisation value as determined in accordance with the valuation provisions set out in the Calculation of Net Asset Value/Valuation of Assets section below. Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. Each 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 in the Calculation of Net Asset Value/Valuation of Assets section below reflects the exact amount at which the instrument may be "closed out".

## **Use of Umbrella Cash Accounts Risk**

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

Payment of redemption proceeds and dividends in respect of a particular Fund is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, and will be unsecured creditors of the particular Fund, from the relevant Dealing Day. Pending redemptions and distributions, including blocked redemptions or distributions, will, pending payment to the relevant Shareholder, be held in the Umbrella Cash Subscriptions and Redemptions Account in the name of the Company. Redeeming Shareholders and Shareholders entitled to such distributions will be unsecured creditors of the relevant Fund, and will not benefit from any appreciation in the NAV of the Fund or any other holder rights (including further dividend entitlement), with respect to the redemption or distribution amount held in the Umbrella Cash Subscriptions and Redemptions Account. In the event of an insolvency of the relevant Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of another Fund of the Company (the Insolvent Fund), recovery of any amounts held in the Umbrella Cash Subscriptions and Redemptions Account to which another Fund is entitled (the Entitled Fund), but which may have transferred to the Insolvent Fund as a result of the operation of the Umbrella Cash Subscriptions and Redemptions Account, will be subject to the principles of Irish insolvency law and the terms of the operational procedures for the Umbrella Cash Subscriptions and Redemptions Account.

There may be delays in effecting and / or disputes as to the recovery of such amounts, and the Insolvent Fund may have insufficient funds to repay amounts due to the Entitled Fund.

## **Investment in FDI**

### **Derivatives**

#### **(i) Derivatives General Risk**

Different derivative instruments (and the manner in which trades are implemented) involve levels of exposure to risk. Investors should be aware of the following points:

The prices of derivative instruments, including futures and swap prices, are highly volatile. There is a general risk that the value of a particular derivative may change in a way which may be detrimental to the Fund's interests and the use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

The use of these techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the price movements of the derivatives and price movements of related instruments, (3) the fact that skills needed to use these instruments are different from those needed to select the securities owned by the Fund, (4) the possible absence of a liquid market for any particular instrument at any particular time which may result in possible impediments to effective portfolio management or the ability to meet redemptions. The Fund may invest in certain derivative instruments, which may involve the assumption of obligations as well as rights and assets. Assets deposited as 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

### **Off-Exchange Transactions Risk**

While some off-exchange markets are highly liquid, transactions in off-exchange, or non transferable, derivatives may involve greater risk than investing in on-exchange derivatives because there is no exchange market on which to close out an open position. It may be impossible to liquidate an existing position, to assess the value of the position arising from an off-exchange transaction or to assess the exposure to risk. Bid and offer prices need not be quoted, and even where they are, they will be established by dealers in these instruments and, consequently, it may be difficult to establish what a fair price is.

### **Clearing House Protections Risk**

On many exchanges, the performance of a transaction by a broker (or the third party with whom he is dealing on the Fund's behalf) is "guaranteed" by the exchange or clearing house. However, this guarantee is unlikely in most circumstances to cover the Fund as the customer and may not protect the Fund if the broker or another party defaults on its obligations to the Fund. There is no clearing house for traditional options, nor normally for off-exchange instruments which are not traded under the rules of a recognised or designated investment exchange.

### **Suspensions of Trading**

Under certain trading conditions it may be difficult or impossible to liquidate a position. This may occur, for example, at times of rapid price movement if the price rises or falls in one trading session to such an extent that under the rules of the relevant exchange trading is suspended or restricted. Placing a stop-loss order will not necessarily limit losses to the intended amounts, because market conditions may make it impossible to execute such an order at the stipulated price.

### **Insolvency**

A derivative broker's insolvency or default, or that of any other brokers involved with the Fund's transactions, may lead to positions being liquidated or closed out without the Fund's consent. In certain circumstances, the Fund may not get back the actual assets which it lodged as collateral and the Fund may have to accept any available payment in cash.

### **Correlation Risk**

Derivatives do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the Investment Manager's use of derivative techniques may not always be an effective means of, and sometimes could be counter-productive to, the Fund's investment objective. An adverse price movement in a derivative position may require cash payments of variation margin by the Investment Manager that might in turn require, if there is insufficient cash available in the portfolio, the sale of the relevant Fund's investments under disadvantageous conditions.

### **Hedging Risk**

The Fund may utilise different financial instruments to seek to hedge against declines in the values of the Fund's positions as a result of market movements. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible for the Company to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that the Company is not able to enter into a hedging transaction at a price sufficient to protect the Company from the decline in value of the portfolio position anticipated as a result of such a fluctuation

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

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

### **Settlement Risk**

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

### **Counterparty Risk**

Counterparty risk occurs when a party to a contract fails to honour and defaults on its obligations thereunder. The Fund may have credit exposure to counterparties by virtue of investment positions in options and forward exchange rate and other contracts held by the Fund. 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. The Investment Manager may engage in various portfolio strategies on behalf of the Fund through the use of futures and options. Due to the nature of futures, cash to meet margin monies may be held by a broker with whom the Fund has an open position. In the event of the insolvency, bankruptcy or default of the broker, there can be no guarantee that such monies will be returned to the Fund. On execution of an option, the 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. Funds which are party to these risks can incur considerable losses.

### **(ii) Derivatives Instrument Specific Risks**

The Fund will transact a number of derivative instruments as part of its investment strategy. These instruments will include, but are not restricted to: OTC options, Exchange traded Future and Options, Forward Rate Agreements and currency options.

### **Forwards**

A forward is a contract between two parties agreeing that at a certain time in the future one party will deliver a pre-agreed quantity of some underlying asset (or its cash equivalent in the case of non-tradable underlyings) and the other party will pay a pre-agreed amount of money for it. This amount of money is called the forward price. Once the contract is signed, the two parties are legally bound by its conditions: the time of delivery, the quantity of the underlying and the forward price. Forward contracts are instruments traded over-the-counter (**OTC**). Performance may be strongly influenced by movements in FX rates because currency positions held by the Fund may not correspond with the securities positions held.

### **Futures**

Futures are standardised forwards which are traded on exchanges. Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Fund's position with cash. They carry a high degree of risk. The "gearing" or "leverage" often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Fund's investment, and this can work against the Fund as well as for the Fund. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

### **Options**

The Company may purchase and sell (**write**) options on securities and currencies on a variety of securities exchanges and over-the-counter markets. The seller (**writer**) of a put option which is uncovered (i.e., the writer has a short position in the underlying security or currency) assumes the risk of an increase in the market price of the underlying security or currency above the sales price (in establishing the short position) of the underlying security or currency plus the premium received, and gives up the opportunity for gain on the underlying security or currency below the exercise price of the

option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is **fully hedged** if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security or currency below the exercise price of the option. The buyer of a put option assumes the risk of losing its entire investment in the put option. If the buyer of the put holds the underlying security or currency, the loss on the put will be offset in whole or in part by any gain on the underlying security or currency.

The writer of a call option which is covered (e.g., the writer holds the underlying security or currency) assumes the risk of decline in the market price of the underlying security or currency below the value of the underlying security or currency less the premium received, and gives up the opportunity for gain on the underlying security or currency above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security or currency above the exercise price of the option. The buyer of the call option assumes the risk of losing its entire investment in the call option. If the buyer of the call sells short the underlying security or currency, the loss on the call will be offset, in whole or in part, by any gain on the short sale of the underlying security or currency. In entering into a closing purchase transaction, the company may be subject to the risk of loss to the extent that the premium paid for entering into a closing purchase transaction exceeds the premium received when the option was written

### **Contracts for Differences**

Futures and options contracts can also be referred to, as well as include, contracts for differences. These can be options and futures on any index, as well as currency and interest rate swaps. However, unlike other futures and options, these contracts can only be settled in cash. Investing in a contract for differences carries the same risks as investing in a future or option. Transactions in contracts for differences may also have a contingent liability and an investor should be aware of the implications of this as set out below.

### **Contingent Liability Transactions**

Contingent liability transactions which are margined require the Fund to make a series of payments against the purchase price, instead of paying the whole purchase price immediately. If the Fund trades in futures, contracts for differences or sells options, the Fund may sustain a total loss of the margin it deposits with the broker to establish or maintain a position. If the market moves against the Fund, the Fund may be called upon to pay substantial additional margin at short notice to maintain the position. If the Fund fails to do so within the time required, its position may be liquidated at a loss and the Fund will be liable for any resulting deficit. Even if a transaction is not margined, it may still carry an obligation to make further payments in certain circumstances over and above any amount paid when the contract was entered into. Contingent liability transactions which are not traded on or under the rules of a recognised or designated investment exchange may expose you to substantially greater risks.

Due to the nature of futures, cash to meet margin monies will be held by a broker with whom the 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 Fund.

### **Over-the-Counter Markets Risk**

Where any Fund acquires securities on over-the-counter markets, there is no guarantee that the 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.

### **Legal and Regulatory Risks**

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

**Specific Risks of the Fund**

Specific risk warnings (if any) in relation to particular Funds are contained in Part Two.

**APPENDIX II**  
**MANAGEMENT AND ADMINISTRATION**  
**DIRECTORS**

The Directors of the Company are:

**Peter Blessing** (Irish) – Mr Blessing is an executive director of Corporate Finance Ireland Limited, an independent corporate finance boutique, which he joined in 1996. He is also a director of and consultant to a number of International Financial Services Centres (**IFSC**) companies. Mr. Blessing was Managing Director of Credit Lyonnais Financial Services Limited, Dublin (**CLYFS**) since its establishment in 1991 until 1995. CLYFS is Credit Lyonnais' IFSC subsidiary and is engaged in a wide variety of financial activities including asset finance, corporate treasury management and securities trading. Before joining CLYFS, Mr. Blessing worked with Allied Irish Banks p.l.c. as director of its IFSC subsidiary from 1988 to 1991 and as a senior executive in its Corporate Finance division from 1982 to 1988.

**William Cussans** (British) – Mr Cussans is the Managing Director of Smith & Williamson Investment Funds plc and is a partner of Smith & Williamson Investment Management LLP where he has been since 1999. He came to Smith & Williamson from the US bank Bessemer Trust, where he was Vice President for UK and European investments. His previous experience included international equity management at Baring Asset Management, Henderson Investors and the Central Board of Finance of the Church of England. Mr Cussans is a graduate of Reed College, Portland, Oregon, USA. He is a member of the CFA Institute, an Associate of the Society of Investment Professionals and a Chartered Fellow of the Chartered Institute for Securities and Investment.

**Noel Medici** (British) – Mr Medici is Chief Operating Officer and a partner of Smith & Williamson Investment Management LLP. He qualified as a Chartered Accountant with Touche Ross (now Deloitte) and thereafter moved into financial services. Over the last twenty five years he has worked for a variety of multinational banks, brokers and wealth managers, including Nat West, Old Mutual and Moneycorp. In his most recent roles, he has operated at main board level as Chief Operating Officer and/or Chief Financial Officer, with responsibility for operations, finance, business development and risk management.

**Desmond Miller** (Irish) – Mr Miller was a General Practice Partner in KPMG in Dublin for over 25 years. He is a Past President of both the Dublin Chamber of Commerce and the Chambers of Commerce in Ireland. Mr Miller was Chairman of the International Chamber of Commerce in Ireland from 1984 to 1999 and is a non-executive director of several public and private companies. Mr Miller is a fellow of the Institute of Chartered Accountants and a Member of the Institute of Directors.

**Paul Wyse** (Irish) – Mr Wyse is the Managing Partner of Smith & Williamson Freaney, a Dublin based firm of accountants. He is a fellow of the Institute of Chartered Accountants in Ireland. A partner with Oliver Freaney & Company since 1988, which became Smith & Williamson Freaney in January 2009 following a merger with Smith & Williamson, Mr Wyse specialises in the area of corporate finance and business advisory services.

No Director has:

1. any unspent convictions in relation to indictable offences; or
2. been bankrupt or the subject of a voluntary arrangement, or has had a receiver appointed to any asset of such Director; or
3. been a director of any company which, while he was a Director with an executive function or within 12 months after he ceased to be a Director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or Company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors; or
4. been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary

arrangement, or had a receiver appointed to any partnership asset; or

5. had any public criticism by statutory or regulatory authorities (including recognised professional bodies); or
6. been disqualified by a court from acting as a Director or from acting in the management or conduct of affairs of any Company.

## **MANAGER**

The Manager has been appointed to manage the investments of the Company and carry on the general administration of the Company pursuant to the Amended and Restated Management Agreement. The Manager is a private limited company incorporated in Ireland on 31 January 2000, and is ultimately the wholly owned subsidiary of The Smith & Williamson Group (**The Group**). Subject to the prior approval of the Central Bank, the manager may delegate functions to other direct and indirect wholly owned subsidiaries of the Smith & Williamson Group and other external managers and divided staff who are approved for the purpose by the Central Bank.

Founded in 1881, The Group combines a firm of chartered accountants with an investment management and private banking house. The Group is a leading provider of investment management, financial advisory and accountancy services to private clients, smaller and medium sized companies and professional partnerships in the UK. The Group is wholly owned by partners, directors and staff, with the private asset manager AGF of Canada holding a minority stake.

The Manager may also provide investment management services to third parties. The issued and paid-up share capital of the Manager at the date hereof is US\$2 and 1125,000.

The directors of the Company are also directors of the Manager.

Goodbody Secretarial Limited acts as both secretary to the Company and the Manager.

## **INVESTMENT MANAGER AND DISTRIBUTOR AND SMITH & WILLIAMSON INVESTMENT SERVICES LIMITED**

The Investment Manager has been appointed as investment manager to the Company pursuant to the Investment Management Agreement. The Investment Manager is a limited liability partnership incorporated in the United Kingdom and is regulated by the Financial Conduct Authority. The Investment Manager provides a range of discretionary asset management services to private clients, charities and pension.

The Investment Manager manages the investment and reinvestment of the assets of the Company on behalf of each Fund and reviews, supervises and administers all investments.

The Manager has appointed Smith & Williamson Investment Services Limited to provide dealing and instructing settlement services in respect of the Company, pursuant to the Investment Management Agreement.

Smith & Williamson Investment Services Limited is a limited liability company incorporated in the United Kingdom with a registered address at 25 Moorgate, London, EC2R 6AY. It is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The company provides custody services, dealing services, banking services and the operation of client money accounts.

Smith & Williamson Investment Services Limited is responsible for placing orders for the purchase and sale of investments directly with brokers or dealers selected by it in its discretion. See **Portfolio Transactions and Related Party Dealings** in Appendix II.

## **DEPOSITARY**



The Company appointed BNP Paribas Securities Services, Dublin Branch as Depositary of all of its assets pursuant to a Depositary Agreement (summarised under the heading “Material Contracts” below).

The Depositary is a branch of BNP Paribas Securities Services SCA, a company incorporated in France as a partnership limited by shares and is authorised by the ACP (Autorité de Contrôle Prudentiel) and supervised by the AMF (Autorité des Marchés Financiers), whose head office is at 3 rue d'Antin, 75002 Paris, France. The Depositary has its principal place of business at Trinity Point, 10-11 Leinster Street South, Dublin 2, Ireland and is authorised and regulated by the Central Bank of Ireland.

### **Depositary's Duties**

The Depositary has been entrusted with following main duties:

- oversight of the Company including the valuation policies and procedures
- oversight of the subscriptions and redemptions procedures
- monitoring of each Fund's cash;
- safe-keeping of each Fund's assets
- oversight of certain transactions and operations relating to each of the Funds.

The main duties referred to in the foregoing paragraph as well as any additional duties which the Depositary has been entrusted with, are more fully described in the Depositary Agreement, a copy of which is available at the registered office of the Company.

The Depositary may not retire or be removed from office until a new depositary approved by the Central Bank is appointed as a replacement. If no depositary has been appointed within a period of three months from the date on which the Depositary notifies the Company of its intention to retire or from the date on which the Company notifies the Depositary of its desire to terminate its appointment, then (i) a general meeting will be convened at which an ordinary resolution, or such a resolution passed by such majority as specified in the constitutive documents, to wind up or otherwise dissolve the Company is proposed; and (ii) the appointment of the Depositary may be terminated only upon the revocation of the Company's authorisation by the Central Bank.

The Depositary is liable for any loss suffered by the Company in respect of its Funds or the Shareholders as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under the Regulations. In the event of the loss of a financial instrument held in custody, the Depositary must return a financial instrument of identical type or the corresponding amount to the Company. Notwithstanding the foregoing, in the case of such a loss, the Depositary will not be liable if it can prove that such loss has arisen as result of an external event beyond the reasonable control of the Depositary, the consequences of which are unavoidable despite all reasonable efforts to the contrary.

### **Delegation**

Subject to certain conditions, the Depositary may delegate its duty to safe-keep financial instruments and its duty to verify the ownership of, and the maintenance of a record of, other assets to third parties in accordance with the Regulations. Notwithstanding the foregoing, the Depositary will not delegate its oversight and cash monitoring duties to any third party. The Depositary's liability for the loss of a financial instrument shall not be affected by any delegation of its safekeeping duties. The Depositary will exercise all due skill, care and diligence in the selection and the appointment of its delegates and will continue to exercise all due skill, care and diligence in the periodic review and ongoing monitoring of any delegate and of the arrangements of the delegate in respect of the matters delegated. Conflicts of interest may arise in the Depositary's performance of its duties in circumstances where, including without limitation, the Management Company or the Company maintains other business relationships with the Depositary or any of the Depositary's affiliates, where the Company's assets may include an investment or property held by the Depositary or managed by an affiliate of the Depositary, where the Depositary or an affiliate may have a holding in financial instruments purchased or sold by the Depositary on behalf of the Company or where the Depositary may have a relationship with another party that may conflict with the Depositary's duties to the Company and Company's interests.

To enable the Company to meet their investment objectives, the Depositary may appoint certain entities as its delegates for the purposes of providing sub-custodial functions in countries where the Depositary

does not have a direct local presence. Conflicts of interest may arise in circumstances where, including without limitation:

- (xxii) the Management Company or the Company maintains other business relationships with any of the Depositary's delegates or the delegate's sub-delegates;
- (xxiii) the Company's assets may include an investment or property held by the delegate or sub-delegate or managed by the delegate or sub-delegate;
- (xxiv) the delegate or its sub-delegate has a holding in financial instruments purchased or sold by the delegate or sub-delegate on behalf of the Company;
- (xxv) a delegate or sub-delegate may have a relationship with another party that may conflict with the delegate's or sub-delegate's duties to the Company and the Company's interests.

The list of delegates appointed by the Depositary and sub-delegates appointed by the delegate, as of the date of this prospectus, are set forth in Appendix VI attached to this prospectus. Up-to-date information regarding the delegates that have been appointed by the Depositary and any sub-delegates that have been appointed by the Depositary's delegate will be made available to investors on request.

## **ADMINISTRATOR**

The Company appointed BNP Paribas Fund Services Dublin Limited as administrator and registrar of the Company pursuant to the Administration Agreement with the responsibility for the day to day administration of the Company's affairs. The responsibilities of the Administrator include share registration and transfer agency services, valuation of the Company's assets and calculation of the Net Asset Value per Share and the preparation of the Company's annual reports.

With effect from 11.59pm on 30 December 2015, BNP Paribas Fund Services Dublin Limited and BNP Paribas Fund Administration Services (Ireland) Limited merged pursuant to Chapter 3 of Part 9 of the Companies Act 2014 pursuant to which the assets and liabilities of BNP Paribas Fund Services Dublin Limited were transferred to BNP Paribas Fund Administration Services (Ireland) Limited and BNP Paribas Fund Services Dublin Limited was dissolved by operation of law. As a consequence of this merger (as further detailed under the heading "Material Contracts" below), BNP Paribas Fund Administration Services (Ireland) Limited became the administrator of the Company.

BNP Paribas Fund Administration Services (Ireland) Limited was incorporated in Ireland on 6 August, 2010 as a private company limited by shares and is an investment business firm authorised by the Central Bank to carry out the administration of collective investment schemes. It is ultimately a wholly owned subsidiary of BNP Paribas Security Services S.C.A, which is owned up to 94.7% by BNP Paribas S.A., one of Europe's largest banks.

BNP Paribas Fund Administration Services (Ireland) Limited as the Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Company and is not responsible for the preparation of this document, other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it.

## **AUDITORS**

Deloitte & Touche have been appointed auditors to the Company. This appointment is subject to approval at each annual general meeting.

## **PORTFOLIO TRANSACTIONS, RELATED PARTY DEALINGS AND CONFLICTS OF INTEREST**

Subject to the provisions of this section, the Directors, the Manager, the Investment Manager, Smith & Williamson Investment Services Limited, the Administrator, the Depositary, the Distributor, any

Shareholder and any of their respective subsidiaries, affiliates, associates, agents or delegates (**Connected Persons**) may contract or enter into any financial, banking, stockbroking 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 of the Company or placing orders with connected stockbrokers who may charge normal commission, or be interested in any such contract or transactions and in particular, without limitation, they may invest in and deal with Shares relating to the Company 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, provided that no such transactions or dealings shall result in Shares being acquired for or on behalf of an Irish Person.

In addition, any cash of the Company may be deposited, subject to the provisions of the Authority Acts, 1942 to 1998 as amended by the Central Bank and Financial Services Regulatory Authority of Ireland Act 2003 of Ireland, 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, are consistent with the best interests of Shareholders and

- (i) a certified valuation of such transaction by a person approved by the Depositary as independent and competent has been obtained, or
- (ii) such transaction has been executed on best terms on an organised investment exchange under its rules, or
- (iii) where (i) and (ii) 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 arms length.

The Manager, Investment Manager, Distributor and Smith & Williamson Investment Services Limited may, 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 Manager, Investment Manager, Distributor and Smith & Williamson Investment Services Limited will, however, have regard in such event to its obligations under the Amended and Restated Management Agreement, Investment Management Agreement and Distribution Agreement respectively and, in particular, to 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. Insofar as the Manager and the Investment Manager may value any investments of the Company a possible conflict of interest may arise (eg the value of the Fund affects the amount of the Manager's fees) and in such event the Manager and/or the Investment Manager will have regard to its obligations to act in the best interest of the Company. In the event that a conflict of interest does arise the Directors will endeavor to ensure that such conflicts are resolved fairly.

The Investment Manager may have a conflict of interest when allocating investment opportunities between the Company and other clients. However, when making investments where a conflict of interest may arise, the Investment Manager will endeavour to act in a fair and equitable manner as between the Company and other clients.

### **SOFT COMMISSIONS**

The Investment Manager and Smith & Williamson Investment Services Limited may effect transactions by or through the agency of another person with whom the Investment Manager or Smith & Williamson Investment Services Limited has an arrangement under which that party will from time to time provide to or procure for the Investment Manager goods, services, or other benefits. All transactions effected by the Investment Manager or Smith & Williamson Investment Services Limited on behalf of the Company under such soft commission arrangements will be effected in accordance with the Central Bank. 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, employee salaries or direct money payments. Details of any such arrangements shall be included in the Company's annual and half-yearly reports. The Investment Manager has no such arrangements in place as of the date of this Prospectus.

## **CHARGES AND EXPENSES**

### **Management Fees**

Unless otherwise detailed in Part Two, the Manager will be entitled to receive out of the net assets of each Fund an annual fee at an annual rate of the net assets of each Fund. The fee will accrue and be calculated on each Valuation Date and be payable monthly in arrears. The Manager will bear its own out of pocket expenses from its own fee. See Part Two for details.

Unless otherwise detailed in Part Two, all Investment Management and distribution costs and expenses and the fees and expenses of Smith & Williamson Investment Services Limited will be borne by the Manager from its own fee.

The Manager may, at its discretion and in accordance with applicable law and regulation, rebate part or all of the management fees set out in Part Two charged to any Shareholder. Further information is available from the Manager on request.

### **Custody, Administration and Registrar Fees**

Unless otherwise detailed in Part Two, all custody, administration and registrar fees and expenses (including out of pocket expenses) will be borne by the Manager from its own annual management fee of not more than 1.5% of the Net Asset Value payable by the Company.

### **Directors Fees**

The Directors will be entitled to remuneration by the Company for their services as Directors provided however that the aggregate emoluments of each Director in respect of any twelve month accounting period shall not exceed €30,000 or such higher amount as may be approved by the Company in general meeting. In addition, the Directors will also be entitled to be reimbursed for their reasonable and vouched out of pocket expenses incurred in discharging their duties as Directors.

Any Director 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 as the Directors may determine.

### **General Expenses**

The Company will pay out of the assets of each Fund the fees payable to the Manager and the fees and expenses payable to the Directors (as referred to above), 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, and the fees and expenses of the auditors, tax and legal advisers. 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.

### **Establishment Costs**

The establishment costs of the Company have been fully paid.

### **APPENDIX III**

#### **VALUATION OF ASSETS AND TEMPORARY SUSPENSION OF DETERMINATION OF NET ASSET VALUE**

The Net Asset Value of each Fund and of each share class of each Fund is calculated at the relevant Valuation Point for each Fund. The Valuation Point for new Funds will be decided by the Directors at the time of the creation of such Fund.

Where more than one class of Shares is in issue in respect of a Fund, the Net Asset Value of the relevant Fund shall be allocated between each class in accordance with the respective values in the Base Currency of the Fund represented by subscriptions and redemptions of Shares of each class of the Fund received or made from time to time. Where different entitlements, fees, charges, costs or liabilities apply in respect of different classes, these are excluded from the initial calculation of the Net Asset Value of the Fund and applied separately to the Net Asset Value allocated to the relevant class. The portion of the Net Asset Value of each Fund attributable to each class shall then be converted into the relevant currency of denomination of the class at prevailing exchange rates and shall be divided by the number of Shares of the relevant class outstanding in order to calculate the Net Asset Value per Share of the relevant class.

The Articles provide for the method of valuation of the assets and liabilities of each Fund. In particular, the Articles provide that the value of any investment which is quoted, listed or normally dealt in on a securities market will normally be the middle market price, if calculable, being the mean price between bid and offer prices for such security last available to the Directors at the Valuation Point. Where such security is listed or dealt in on more than one securities market the Directors may in their absolute discretion select any one of such markets for the foregoing purposes, which Market shall be the one which constitutes the main Market or the one which the Directors determine to provide the fairest criteria in a value for the security.

The value of any investment which is not listed or dealt in on a securities market or which is normally listed or dealt in on a market but in respect of which no price is currently available shall be the probable realisation value thereof estimated with care and in good faith by a competent person approved, for such purpose, by the Depositary. In determining the probable realisation value of any such investment, a certified valuation by a competent third person, approved for such purposes by the Depositary, shall be sufficient.

The value of any cash in hand or on deposit, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be face value thereof unless in any case the Directors 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 may consider appropriate in such case to reflect the true value thereof.

The value of any demand notes, promissory notes and accounts receivable shall be deemed to be the face value or full amount thereof after making such discount as the Directors may consider appropriate to reflect the true current value thereof.

Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments which are listed shall be valued in the same manner as listed investments (detailed above) and those which are unlisted shall be valued in the same manner as unlisted investments (detailed above).

Forward foreign exchange contracts shall be valued by reference to the price as at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken.

The value of any off-exchange derivative contracts shall be at the bid quotation from the counterparty to such contracts and shall be valued daily. The valuation will be approved or verified at least weekly by a party independent of the counterparty who has been approved for such purpose by the Depositary.

The value of any futures contracts, share price index futures contracts and options which are dealt in on a securities market shall be the settlement price as determined by the market in question, provided that where it is not the practice for the relevant market to quote a settlement price or such settlement price is not available for any reason, shall be the probable realisation value thereof approved by the Depositary

and estimated with care and good faith by the Directors or a competent person provided that the Directors or such competent person shall have been approved for such purpose by the Depositary.

The value of units or shares or other similar participation in any collective investment scheme which provides for the units or shares or other similar participation therein to be redeemed at the option of the holder out of the assets of that undertaking shall be valued at the last available net asset value per unit or share or other similar participation as at a Valuation Point or (if bid and offer prices are published) the price midway between the last available bid and offer prices.

Notwithstanding the generality of the foregoing, the Directors may, with the approval of the Depositary, adjust the value of any investment if, having regard to currency, marketability and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof.

If in any case a particular value is not ascertainable as above provided or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant investment then in such case the method of valuation of the relevant investment shall be such as the Directors in their absolute discretion determine, such method of valuation to be approved by the Depositary.

The Directors may in calculating the Repurchase Price or the Subscription Price on the advice of the Manager adjust the value attributed to any investment to reflect the value of such investment assuming the investment (excluding short positions) was valued using the lowest market dealing bid price or the highest market dealing offer price on the relevant market at the relevant time. The Directors only intend to use this anti-dilution levy to preserve the value of the holdings of the continuing Shareholders in the event of substantial or recurring net repurchases or net issues of Shares.

Notwithstanding the foregoing, where at the time of any valuation any asset of the Company has been realised or contracted to be realised there shall be included in the assets of the Company in place of such asset the net amount receivable by the Company in respect thereof provided that if such amount is not then known exactly then its value shall be the net amount estimated by the Directors as receivable by the Company provided that if the net amount receivable is not payable until some future time after the time of any valuation the Directors shall make such allowance as they consider appropriate to reflect the true current value thereof.

The Directors may, at any time, temporarily suspend the calculation of the Net Asset Value and the issue or repurchase of any particular Fund during (i) any period when any stock exchange on which a substantial part of the investments of the relevant Fund are quoted is closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended; (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 investments of the relevant Fund is not reasonably practicable without this being seriously detrimental to the interests of owners of Shares of the relevant class or if, in the opinion of the Directors, repurchase prices cannot fairly be calculated; (iii) any breakdown in the means of communication normally employed in determining the value of the investments of the relevant Fund; or (iv) any period during which the Directors are unable to repatriate funds required for the purpose of making payments due on repurchase of Shares or during which the transfer of funds involved in the acquisition or realisation of investments or payments due on repurchase cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange or (v) any period when the Directors consider it to be in the best interests of the Company.

Shareholders who have requested repurchases of any Shares will be notified of any such suspension and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the Dealing Day next following that on which the suspension is lifted.

Any such suspension will be notified to the Central Bank without delay and in any event within the same Business Day on which such suspension occurs and will be published in the Financial Times if, in the opinion of the Directors, it is likely to exceed 14 days. In addition, where possible, all reasonable steps will be taken to bring any such suspension to an end at the earliest opportunity.

## **PUBLICATION OF PRICES**

Details of the most recent price of Shares in each Fund will be available on [www.fundlistings.com](http://www.fundlistings.com) and may be obtained from the Administrator during normal business hours.

## CONDITIONS RELATING TO REPURCHASE OF SHARES

The Directors are entitled, under the Articles; to limit the number of Shares of any Fund repurchased by the Company, on any Dealing Day, to 10% of the total number of Shares of the relevant Fund in issue. In such circumstances, the limitation will be applied pro rata so that all Shareholders applying to have their Shares repurchased on that Dealing Day realise the same proportion of such Shares. The balance of the Shares not repurchased by the Company will be carried forward for repurchase to the Dealing Day immediately following and will be dealt with on a rateable basis to subsequently received repurchase requests. If requests for repurchase are so carried forward, the Directors will inform the Shareholders affected.

Requests for the redemption of Shares, should be made to the Company in writing (requests by facsimile will be treated as definite orders) and must be received prior to the Dealing Deadline for the relevant Dealing Day. If sent by facsimile, the original signed redemption request form must be promptly sent by courier or airmail to the Company. Redemption requests received after a Dealing Deadline shall be treated as having been received by the next following Dealing Deadline. A redemption request will not be capable of withdrawal after submission to the Company, unless such withdrawal is approved by the Company, acting in its absolute discretion. The redemption price will be the Net Asset Value of the Shares less any redemption fee (up to 5% of the Net Asset Value of the Shares). If requested, the Company may, in its absolute discretion and subject to the prior approval of the Depositary, and on prior written notification to the Shareholders, agree to designate additional Dealing Days and Valuation Points for the redemption of Shares.

If Shares are held in certificate form, the duly endorsed share certificate together with the redemption request form must be received by the Company prior to the Dealing Deadline for the relevant Dealing Day. Payment of redemption proceeds will be made to the registered Shareholder or in favour of the joint registered Shareholders, as appropriate.

The amount due on redemption of Shares will be paid by electronic transfer at the Shareholder's expense, within 2 Business Days of the relevant Dealing Day. The proceeds of the redemption of the Shares will only be paid on receipt by the Company of the original redemption request form and the share certificate, if any, issued in respect of the Shares to be redeemed and all supporting documentation required by the Administrator, including any document in connection with anti-money laundering requirements or other requirements and any documentation deemed necessary for regulatory or taxation purposes. At the discretion of the Company, payment proceeds may be made prior to the receipt of an original redemption request form.

The Articles contain special provisions where repurchase requests received from any one Shareholder would result in more than 5% of the Net Asset Value of Shares of the relevant Fund being repurchased by the Company on any Dealing Day. In such a case, the Company may satisfy the repurchase request by a distribution of investments in specie and may elect by notice in writing to the Shareholder to appropriate and transfer to him such assets in satisfaction or part satisfaction of the repurchase price or any part of the said repurchase price, provided that no such distribution will cause material prejudice to the interests of remaining Shareholders. Where a notice of election is served on a Shareholder the Shareholder may, by a further notice served on the Company, require the Company instead of transferring the assets in question to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of sale.

Shares may not be repurchased during any period when the calculation of the Net Asset Value of any particular Fund is suspended in the manner described in the section of Appendix II entitled “**Valuation of Assets and Temporary Suspension of Determination Of Net Asset Value**”. Shareholders requesting repurchase will be notified of such suspension and, unless withdrawn, repurchase requests will be considered as at the next Dealing Day following the end of such suspension.

The Company may repurchase all Shares of any Fund if, at any time one year after the initial issue of such Shares or any date thereafter, the Net Asset Value of a Fund is less than stg£5 million or its equivalent in the currency in which the relevant Fund is denominated. In such event, notice of the

termination of the Fund will be given in writing to Shareholders of that Fund and such Shareholders will be deemed to have given a request in writing for the repurchase of their Shares pursuant to the Articles.

Shares acquired directly or indirectly by U.S. Persons (except pursuant to an exemption under the 1933 Act), persons in breach of any law or requirement of any country or persons who directly or indirectly may result in the Company incurring any liability to taxation or pecuniary disadvantage, are subject to compulsory repurchase by the Company.



## GENERAL INFORMATION

### INCORPORATION AND SHARE CAPITAL

The Company was incorporated under the laws of Ireland on 30 November, 1999 as a variable capital company, with registered number 316015, and is authorised under the Regulations.

At the date hereof the authorised share capital of the Company is 500 billion shares of no par value initially designated as unclassified shares which are available for issue as participating shares.

### DESCRIPTION OF SHARES

Subject to the exceptions set out in Part One regarding **Compulsory Transfer of Shares**, the Shares issued by the Company are freely transferable and entitled to participate equally in the profits and dividends of the relevant Fund and in its assets upon liquidation. The Shares, which are of no par value and which must be fully paid upon issue, carry no preferential or pre-emptive rights and are entitled to one vote each at all meetings of the relevant class of Shareholders. All Shares of each Fund will rank pari passu.

Where the amount subscribed is not equivalent to an exact number of Shares, fractions of Shares may be issued.

Shares in the Company will normally be issued in non-certificated form and will be evidenced by entries in the register and confirmed by the issue of written confirmations of ownership. Share certificates will only be issued on request.

### MEMORANDUM AND ARTICLES OF ASSOCIATION

The Memorandum of Association provides (at Clause 2) that the sole object of the Company is the collective investment in transferable securities and/or other liquid financial assets of capital raised from the public operating on the principle of risk-spreading in accordance with the Regulations.

The following section is a summary of the principal provisions of the Articles of Association of the Company. Defined terms in this section bear the same meanings as defined in the Company's Articles.

#### 1. Variation of Rights

The rights attached to any class may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths 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. The provisions of the Articles relating to general meetings shall apply to every such separate general meeting. The necessary quorum at any such meeting, other than an adjourned meeting, shall be two persons present in person or by proxy holding or representing at least one-third in nominal value of the issued Shares of the class in question or, at an adjourned meeting, one person holding Shares of the class in question or his proxy.

#### 2. Voting Rights

The Articles provide that on a show of hands at a general meeting of the Company every holder of Shares present in person or by proxy shall be entitled to one vote. Subject to the Companies Act, the Articles provide that a poll may be demanded by the Chairman of the meeting; by at least three members present (in person or by proxy) having the right to vote at the meeting; by any member or members present (in person or by proxy) representing not less than 1/10<sup>th</sup> of the total voting rights of all the members having the right to vote at the meeting; or by any member or members present (in person or by proxy) representing Shares on which an aggregate sum has been paid up equal to not less than 10 per cent of the total sum paid on all the Shares transferring the right to vote at the meeting. On a poll, every member present in person or by proxy shall have one vote for every share of which he is the holder.

### **3. Changes In Share Capital**

The Company may from time to time by Ordinary Resolution increase its capital by such amount as the resolution shall prescribe.

The Company may, by Ordinary Resolution, alter its capital by consolidating and dividing its share capital into shares of larger amount than its existing shares, by sub-dividing its shares into shares of smaller amount than that fixed by the Memorandum of Association of the Company, or by canceling any shares which, at the date of the passing of the Ordinary Resolution in that behalf have not been taken, or agreed to be taken, by any person, and diminish the amount of its share capital by the amount of the shares so cancelled.

### **4. Directors' Interests**

Provided the nature of his interest is or has been declared, a Director or intending Director may enter into any contract with the Company and such contract or arrangement shall not be liable to be avoided and the Director concerned shall not be liable to account to the Company for any profit realised by any such contract or arrangement by reason of his holding of that office or the fiduciary relationship so established and may hold any other office or place of profit with the Company in conjunction with the office of Director on such terms as to tenure of office and otherwise as the Directors may determine.

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 or in respect of any contract or arrangement in which he is materially interested. This prohibition does not apply (in the absence of some other material interest than is indicated below), inter alia, to:

- 4.1 the giving of any security or indemnity to him in respect of money lent or obligations incurred by him for the benefit of the Company;
- 4.2 any contract or arrangement by a Director to guarantee or underwrite shares or debentures of the Company;
- 4.3 any proposals concerning any other company in which he is directly interested whether as a director, shareholder, creditor or otherwise howsoever provided that he is not the holder of or beneficially interested in one per cent or more of any class of the issued equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company, any such interest being deemed for the purpose of the Articles to be a material interest in all circumstances.

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

### **5. Borrowing Powers**

The Directors may exercise all the powers of the Company to borrow money (including the power to borrow for the purpose of repurchasing Shares) and hypothecate, mortgage, charge or pledge its undertaking, property and assets (including its uncalled capital) or any part thereof, and to issue or other securities, whether outright or as collateral security for any debt liability or obligation of the Company.

### **6. Retirement Of Directors**

There is no provision for the retirement of Directors on their attaining a certain age.

### **7. Transfer Of Shares**

The Shares of any member may be transferred by instrument in writing in any usual or common form or any other form which the Directors may approve. Subject to certain exceptions in the case of U.S. Persons or certain other categories of persons specified in Part One regarding

**Compulsory Transfer of Shares**, the Shares in each Fund of the Company are freely transferable and entitled to participate equally in the profits and dividends of the Fund to which they relate and in its assets upon liquidation.

## **8. Unclaimed Dividend**

The Articles provide that any dividend unclaimed after a period of 6 years from the date of declaration of such dividend shall be forfeited and shall revert to the relevant Fund.

## **9. Funds**

The Directors are required to establish for each Fund, in respect of which there may be more than one class of Share, a separate Fund in the following manner:

- 9.1 separate records shall be kept for each Fund to record all transactions relating to the relevant Fund and, in particular, the proceeds of allotment, the Investments, and the liabilities income and expenditure attributable thereto
- 9.2 the proceeds from the issue of each class of Share shall be applied to the Fund established for that class of Share, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund in the manner outlined below;
- 9.3 any asset derived from another asset comprised in a Fund shall be applied to the same Fund as the asset from which it was derived and any increase or diminution in value of such an asset shall be applied to the relevant Fund;
- 9.4 in the case of any asset which the Directors do not consider as attributable to a particular Fund or Funds, the Directors shall have discretion, subject to the approval of the Depositary, to determine the basis upon which any such asset shall be allocated between Funds and the Directors shall, subject to the approval of the Depositary, have power at any time and from time to time to vary such basis;
- 9.5 any liability shall be allocated to the Fund or Funds to which in the opinion of the Directors it relates or if such liability is not attributable to any particular Fund, the Directors shall have discretion, subject to the approval of the Depositary, to determine the basis on which any asset shall be allocated between Funds and the Directors shall, subject to the approval of the Depositary, have power at any time and from time to time to vary such basis;
- 9.6 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 1407 of the Companies Act 2014 shall apply.

Different classes of Shares may be issued within a single Fund.

## **10. Winding Up**

The Articles contain provisions to the following effect:

- 10.1 Subject to the provisions of the Companies Act, if the Company shall be wound up the liquidator shall apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims relating to that Fund. The liquidator shall in relation to the assets available for distribution among the members make in the books of the Company such transfers thereof to and from Funds as may be necessary in order that the effective burden of such creditors' claims are attributed in accordance with the foregoing provision.
- 10.2 Following the deduction of the estimated expenses of the liquidation and the satisfaction of all creditors claims, the assets available for distribution among the members shall then be applied in the following priority:
  - 10.2.1 Firstly, in the payment to the holders of each class of Shares of each Fund of a sum in the currency in which that Fund is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the

liquidator) to the Net Asset Value of the Shares of such class held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund. To enable such payment to be made recourse shall be had:

- (1) firstly, to the assets of the Company not comprised within any of the Funds, and
- (2) secondly, to the assets remaining in the Funds for the other portfolios (after payment to the holders of the Shares of the Fund to which they relate of the amounts to which they are respectively entitled under this paragraph (i)) pro rata to the total value of such assets remaining within each such Fund.

10.2.2 Secondly, in the payment to the holders of each class of Shares in any Fund of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Shares of that class held.

10.2.3 Thirdly, in the payment to the holders of each class of Shares of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the number of Shares held.

10.3 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 and any other sanction required by the Companies Act, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be accepted and the Company dissolved, but so that no member shall be compelled to accept any assets in respect of which there is liability.

10.4 a Fund may be wound-up pursuant to section 1407 the Companies Act 2014 and in such event, the provisions of paragraphs 10.2 and 10.3 shall apply insofar as applicable to the winding-up of a Fund.

## **MATERIAL CONTRACTS**

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

### **Amended and Restated Management Agreement**

- (xxvi) Under the Amended and Restated Management Agreement between the Company and the Manager, the Manager has agreed to provide the Company with management services in relation to the assets of each Fund and to act with day to day authority, power and responsibility for the management of such assets.
- (xxvii) The Amended and Restated Management Agreement may be terminated by either party on 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.
- (xxviii) The Amended and Restated Management Agreement also contains certain indemnities in favour of the Manager which are restricted to exclude matters arising by reason of the negligence, fraud, bad faith, wilful default or recklessness of the Manager in the performance of its duties.

### **Investment Management Agreement**

- (xxix) Under the Investment Management Agreement between the Manager, the Investment Manager and Smith & Williamson Investment Services Limited the Investment Manager

has agreed to provide the Company with investment management services in relation to the investments of each Fund and to act with day to day authority, power and responsibility for the management of such investments and Smith & Williamson Investment Services Limited has agreed to provide dealing and instructing settlement services in respect of the Company.

- (xxx) The Investment Management Agreement may be terminated by either party on not less than 90 days written notice, although in certain circumstances the agreement may be terminated forthwith by notice in writing by one party to the other parties.
- (xxxi) The Investment Management Agreement also contains certain indemnities in favour of the Investment Manager and Smith & Williamson Investment Services Limited which are restricted to exclude matters arising by reason of the negligence, fraud, wilful default of the Investment Manager and Smith & Williamson Investment Services Limited in the performance or non-performance of their duties.

#### **Distribution Agreement**

- (xxxii) Under the Distribution Agreement between the Manager and the Distributor, the Manager has agreed to provide the Company with management services in relation to the assets of each Fund and to act with day to day authority, power and responsibility for the management of such assets.
- (xxxiii) The Distribution Agreement may be terminated by either party on 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.
- (xxxiv) The Distribution Agreement also contains certain indemnities in favour of the Distributor which are restricted to exclude matters arising by reason of the negligence, fraud, bad faith, wilful default or recklessness of the Distributor in the performance of its duties.

#### **Depository Agreement**

- (xxxv) Under the Depository Agreement between the Company and the Depository, the Depository has agreed to act as Depository of the Company's monies and assets. The Depository is entitled to appoint sub-depositaries for the safe custody of the Company's assets
- (xxxvi) The Depository Agreement may be terminated by either party on not less than three (3) months prior written notice to the other, although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other.
- (xxxvii) The Depository Agreement contains certain indemnities in favour of the Depository which are restricted to exclude matters arising by reason of loss arising as a result of its negligent or intentional failure to fulfil its obligations.

#### **Administration Agreement**

- (xxxviii) Under the Administration Agreement between the Manager and the Administrator, the Administrator has agreed to provide the Manager with certain fund administration, accounting and related services.
- (xxxix) The Administration Agreement may be terminated by either party on not less than 3 months written notice to the other which shall not expire until after the second anniversary of 30 June 2001 although in certain circumstances the Agreement may be terminated by 30 days notice in writing by either party to the other.
- (xl) The Administration Agreement contains certain indemnities in favour of the Administrator which are restricted to exclude matters arising by reasons of the fraud, negligence, bad faith, wilful misconduct, reckless disregard or wilful default on the part of the Administrator.

- (xli) On 30 December 2015, BNP Paribas Fund Services Dublin Limited merged with BNP Paribas Fund Administration Services (Ireland) Limited pursuant to Chapter 3 of Part 9 of the Companies Act 2014. By virtue of the merger any contract, agreement or instrument to which BNP Paribas Fund Services Dublin Limited was a party, notwithstanding anything contained in that contract, agreement or instrument, is to be read and have effect as if BNP Fund Administration Services (Ireland) Limited had been a party thereto instead of BNP Paribas Fund Services Dublin Limited. In addition, every contract, agreement or instrument to which BNP Paribas Fund Services Dublin Limited is a party, became a contract, agreement or instrument between BNP Paribas Fund Administration Services (Ireland) Limited and the counterparty with the same rights, and subject to the same obligations, liabilities and incidents (including rights to set off), as would have been applicable thereto if that contract, agreement or instrument had continued in force between BNP Paribas Fund Services Dublin Limited and the counterparty, and any money due and owing (or payable) by or to BNP Paribas Fund Services Dublin Limited under or by virtue of any such contract, agreement or instrument became due and owing (or payable) by or to BNP Paribas Fund Administration Services (Ireland) Limited instead of BNP Paribas Fund Services Limited. Therefore, as a consequence of the merger and by operation of law, the Administration Agreement is read as if BNP Paribas Fund Administration Services (Ireland) Limited had been a party thereto, instead of BNP Paribas Fund Services Dublin Limited and, thereby, any reference (however worded and whether express or implied) therein to BNP Paribas Fund Services Dublin Limited if by operation of law substituted for a reference to BNP Paribas Fund Administration Services (Ireland) Limited.

#### **Registrar Agreement**

- (xlii) Under the Registrar Agreement between the Manager and the Registrar, the Registrar has agreed to act as Registrar.
- (xliii) The Registrar Agreement may be terminated by either party on not less than 3 months notice to the other which shall not expire until after the second anniversary of 30 June 2001 although in certain circumstances the Agreement may be terminated by 30 days notice in writing by either party to the other.
- (xliv) The Registrar Agreement contains certain indemnities in favour of the Registrar which are restricted to exclude matters arising by reasons of the fraud, negligence, bad faith, wilful misconduct, reckless disregard or wilful default of the Registrar.

#### **Remuneration Policy**

Taking into account the internal organisation and the nature, scale and complexity of the Company's activities as outlined above, the Board has put in place a remuneration policy designed to ensure that any relevant conflicts of interest can be managed appropriately at all times, taking into consideration the need to align risks in terms of risk management and exposure to risk and for the policies to be in line with the business strategy, objectives and interests of the Company.

The Company has no employees to whom remuneration is paid. The directors are paid fixed fees in accordance with this Prospectus, as disclosed in the section entitled **Charges and Expenses**.

The Board is satisfied that the Company's remuneration policies for the Directors whose activities may have a material impact on the risk profiles of the Company are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Company. None of the Directors have a performance based variable component to their remuneration, therefore avoiding any potential conflicts of interest. The components of any variable element to remuneration arrangements will be in accordance with the Regulations, as will deferral payment thereof. The Board is satisfied that the Company's remuneration policies and practices for the Directors are consistent with and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profiles of the Company. The Investment Manager is subject to equally effective measures as the remuneration provisions set out in the Regulations and will

implement a remuneration policy in accordance with the requirements of the Regulations.

The details of the Company's remuneration policy are available on <http://www.sandwfunds.com/> and a copy will be made available free of charge on request.

### **Whistleblowing Policy**

The Company has in place appropriate procedures for its employees to report infringements internally through a specific, independent and anonymous channel, in compliance with the Regulations.

### **Litigation and Arbitration**

The Company is not engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.

### **Miscellaneous**

There are no service contracts in existence between the Company and any of its Directors nor are any such contracts proposed.

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.

William Cussans, director of the Company and the Manager is also a partner of the Investment Manager and the Distributor.

No share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.

No commission, discounts, brokerage or other special terms have been granted by the Company in relation to Shares issued or to be issued by the Company; on any issue or sale of Shares, the Investment Manager may, out of its own funds or out of the sales charges, pay commissions on applications received through brokers and other professional agents or grant discounts.

The Company does not have a place of business in the United Kingdom.

### **Service of Documents**

Any notices or other documents may be served on the Company at its registered office or at 25 Moorgate, London, EC2R 6AY, England.

### **Documents for Inspection**

Copies of the Memorandum and Articles of Association (as amended from time to time) and the latest financial reports of the Company may be obtained, free of charge, upon request at the registered office of the Company and will be sent on request to any Shareholder or prospective investor.

### **Information for UK Investors**

The Company has been granted by the Financial Conduct Authority the status of a "recognised scheme" in the UK for the purposes of section 264 of the Financial Services and Markets Act 2000 (**FSMA**). In connection with the Company's recognition under section 264 of the FSMA, the Company has appointed the Distributor to maintain the facilities required of a recognised scheme pursuant to the rules contained in the Collective Investment Schemes Sourcebook ("COLL") published by the Financial Conduct Authority as part of the Financial Conduct Authority's Handbook of Rules and Guidance governing recognised schemes. The Distributor is authorised and regulated by the Financial Conduct Authority to conduct investment business in the UK.

The facilities will be located at the offices of the Distributor at 25 Moorgate, London EC2R 6AY, England.

At these facilities, any person may:

M-6009-191

1. Inspect (free of charge), during normal business hours on weekdays (Saturdays and public holidays excepted), a copy of the following documents:
  - (a) the Memorandum and Articles of Association of the Company and any instruments amending these;
  - (b) the latest Prospectus and supplements;
  - (c) the key investor information documents;
  - (d) the latest annual and half-yearly reports; and
  - (e) any other documents required from time to time by COLL to be made available;
2. Obtain a copy (in English) of any of the above documents (free of charge in the case of documents (b) and (c));
3. Obtain information (in English) relating to the prices of Shares;
4. Redeem or arrange for the redemption of Shares (and obtain payment for such Shares); any redemption request received by the Distributor shall be sent to the Administrator for processing;
5. Make a complaint about the operation of the Company, which complaint the Distributor will transmit to the Company;
6. Obtain, free of charge, details or copies of any notices which have been given or sent to Shareholders.



## APPENDIX IV

### RECOGNISED STOCK EXCHANGES AND MARKETS

The Markets set out below are listed in accordance with the requirements of the Central Bank and the Central Bank does not issue a list of approved Markets.

With the exception of permitted investment in unlisted securities investment will be limited to the following stock exchanges and regulated markets:-

1.

(a) any stock exchange which is:

- located in an EEA Member State;
- located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States of America; or

(b) any stock exchange included in the following list:-

Brazil	-	Bolsa de Valores de Sao Paulo, Bolsa de Valores de Brasilia, Bolsa de Valores de Bahia-Sergipe - Alagoas, Bolsa de Valores de Extremo Sul, Bolsa de Valores de Parana, Bolsa de Valores de Regional, Bolsa de Valores de Santos, Bolsa de Valores de Pernambuco e Paraiba and Bolsa de Valores de Rio de Janeiro;
Chile	-	Santiago Stock Exchange and Valparaiso Stock Exchange;
China	-	Shanghai Stock Exchange, Fujian Stock Exchange, Hainan Stock Exchange and Shenzhen Stock Exchange;
Colombia	-	Bolsa de Bogota and Bolsa de Medellin;
Egypt	-	Cairo Stock Exchange and Alexandria Stock Exchange;
India	-	Mumbai Stock Exchange, Madras Stock Exchange, Delhi Stock Exchange, Ahmedabab Stock Exchange, Bangalore Stock Exchange, Cochin Stock Exchange, Guwahati Stock Exchange, Magadh Stock Exchange, Pune Stock Exchange, Hyderabad Stock Exchange, Ludhiana Stock Exchange, Uttar Pradesh Stock Exchange, Calcutta Stock Exchange and the National Stock Exchange of India;
Indonesia	-	Jakarta Stock Exchange and Surabaya Stock Exchange;
Israel	-	Tel Aviv Stock Exchange;
Malaysia	-	Kuala Lumpur Stock Exchange;
Mexico	-	Bolsa Mexicana de Valores;
Peru	-	Bolsa de Valores de Lima ;
Philippines	-	Philippines Stock Exchange;
Russia	-	Moscow Exchange;
Singapore	-	The Stock Exchange of Singapore;
South Africa	-	Johannesburg Stock Exchange;
South Korea	-	Korean Stock Exchange;
Sri Lanka	-	Colombo Stock Exchange;
Taiwan	-	Taipei Stock Exchange Corporation;
Thailand	-	The Stock Exchange of Thailand;
Turkey	-	Istanbul Stock Exchange;

(c) any of the following over the counter markets:

The market organised by the International Capital 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 FSA's Market Conduct Sourcebook and (ii) 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 (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)

(d) any of the following electronic exchanges:

NASDAQ;

KOSDAQ;Korea

SESDAQ;Singapore

TAISDAQ/Gretai Market;Taiwan

RASDAQ;Romania

2. In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is (i) located in an EEA Member State, (ii) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States (iii) the Channel Islands Stock Exchange (iv) listed at 1(d) above or (v) any of the following:

The Chicago Board of Trade;

The Mercantile Exchange;

The Chicago Board Options Exchange;

OMLX, The London Securities and Derivatives Exchange;

New York Mercantile Exchange;

New York Board of Trade;

New Zealand Futures and Options Exchange;

Hong Kong Futures Exchange;

Singapore Commodity Exchange;

Tokyo International Financial Futures Exchange;

## **APPENDIX V**

### **TERMS AND CONDITIONS OF APPLICATION**

1. The Company reserves the right to present all cheques and bankers drafts for payment on receipt and to retain all certificates in relation to Shares and surplus application monies pending clearance of the successful applicants' cheques.
2. By completing and delivering an Application Form you (as applicant(s)):
  - 2.1 offer to invest the amount specified in your Application Form at the Subscription Price per Share during the Offer Period and thereafter at the prevailing Net Asset Value per Share subject to the Prospectus these Terms and Conditions and the Memorandum and Articles of Association of the Company;
  - 2.2 authorise the Company or its appointees to send confirmation of ownership or, if specifically requested by you, a definitive share certificate for the number of Shares for which your application is accepted, and/or a crossed cheque for any monies returnable, by post to your address (or that of the first-named applicant) as set out in your Application Form and to procure that your name (together with the name(s) of any joint applicant(s)) is placed on the register of members of the Company in respect of such Shares;
  - 2.3 warrant that your remittance will be honoured on first presentation and agree that, if such remittance is not so honoured, you will not be entitled to receive a confirmation of ownership or if so requested a share certificate for the Shares applied for or to enjoy or receive any rights or distributions in respect of such Shares unless and until you make payment in cleared funds for such Shares and such payment is accepted by the Company (which acceptance shall be in the Company's sole and absolute discretion and shall be on the basis that you indemnify it against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and that at any time prior to unconditional acceptance by the Company of such late payment in respect of such Shares the Company may (without prejudice to any other rights it may have) treat the agreement to allot such Shares as void and may allot such Shares to some other person, in which case you will not be entitled to any refund or payment in respect of such Shares (other than the return of such late payment);
  - 2.4 agree that any confirmation or ownership or, if requested by you, share certificates and any monies returnable to you may be retained pending clearance of your remittance and that such monies will not bear interest for your account;
  - 2.5 agree that, in relation to all applications, acceptances of applications and contracts resulting from this Application Form, nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such applications, acceptances of applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
  - 2.6 warrant that, if you sign the Application Form on behalf of another party or on behalf of a corporation, you have due authority to do so and such person or corporation will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions and undertake to enclose your power of attorney or a copy thereof duly certified by a solicitor or bank where required by the instructions relating to the Application Form.
  - 2.7 agree that, in respect of those Shares for which your application has been received and processed and not refused, acceptance of your application shall be constituted by notification of acceptance thereof by the Company or its appointees;
  - 2.8 agree that all documents in connection with the offer and any returned monies will be sent at your risk and may be sent by post to you at your address (or, in the case of joint applicants, the address of the first-named applicant) as set out in the Application Form;
  - 2.9 agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information, statements of opinion and representations concerning the Company

contained therein;

- 2.10 confirm that in making such application you are not relying on any information or representation in relation to the Company other than those contained in the Prospectus and you accordingly agree that no person responsible solely or jointly for the Prospectus or any part thereof will have any liability for any such other information, statement of opinion or representation;
- 2.11 confirm that you have reviewed the restrictions contained in paragraphs 3 and 4 below and warrant as provided therein;
- 2.12 warrant that you are not under the age of 18;
- 2.13 agree that this Application Form is addressed to the Company;
- 2.14 agree to provide the Company with any information which it may request in connection with your application including without limitation evidence of identity to comply with applicable money laundering regulations and agree that in case of delay or failure to provide satisfactory information, the Company and its appointees may take such action as they see fit including declining this Application Form;
- 2.15 warrant that, in connection with your application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your application in any territory and that you have not taken any action which will or may result in the Company or its appointees acting in breach of the regulatory or legal requirements of any territory in connection with the offer for Shares in the Company or your application;
- 2.16 warrant that, if you are applying in your capacity as trustee, that you have the requisite authority to make such application and that you are acting pursuant to and in accordance with the powers conferred upon you as trustee under the relevant trust deed;
- 2.17 agree that any interest earned on subscription placed on deposit is for the account of the company or as it shall direct; and
- 2.18 acknowledge and agree that the Company reserves the right to cancel without notice any contract for which payment has not been received by the relevant Settlement Date, and in place of the right to cancel, the Company may charge you for any loss, damages, charges, interest or other costs of whatever nature suffered or incurred by the Company where payment has not been received or cleared by the relevant Settlement Date, and the Company reserves the right to sell or redeem all or part of your holding of Shares in order to meet those losses, damages, charges, interest or other costs of whatever nature.
- 3. No person receiving a copy of the Prospectus or an Application Form in any territory may treat the same as constituting an invitation or offer to him nor should he in any event use such Application Form unless the same could lawfully be used without contravention of any registration or other legal requirements. It is the responsibility of any person wishing to make an application hereunder to satisfy himself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
- 4. The Shares have not been and will not be registered under the United States Securities Act of 1933 (as amended) or under the securities laws of any state or other political sub-division of the United States and, subject to any applicable exemptions under US securities laws, may not be offered, sold, renounced, transferred or delivered directly or indirectly, in the United States, or as a result of a purchase order known to originate in the United States. In addition, the Company is not and will not be registered under the United States Investment Company Act of 1940 as amended. Persons subscribing for Shares shall be deemed to represent and warrant that they are not resident in the United States and (save for permitted exemptions under US Securities laws) will not, as principal or agent, offer, sell, transfer or deliver directly or indirectly, as part of the distribution of the Shares any Shares or otherwise assist in any such Shares being

purchased by any person in the United States or as a result of a purchase order known to originate in the United States.

5. The basis of allocation will be determined by the Company in its sole and absolute discretion. However, subject to receipt of correct purchase documentation and compliance with the criteria contained in the Prospectus and your Application Form, allocation will generally be on a first come first served basis. The right is reserved, notwithstanding the basis so determined, to reject in whole or in part and/or to scale down any application. The right is also reserved to treat as valid any application not complying fully with these Terms and Conditions of Application or not in all respects completed or delivered in accordance with the instructions accompanying your Application Form. In particular, but without limitation, the Company may accept applications made otherwise than by the completion of an Application Form where the applicant has agreed in some manner to apply in accordance with these Terms and Conditions and application accompanied by payment made net of any commission due to the applicant(s) from the Company has been made.
6. Save where the context requires otherwise, terms defined in the Prospectus bear the same meaning when used in these Terms and Conditions and in the Application Form.
7. Availability Of Prospectus

Copies of the Prospectus, including the Application Forms, can be obtained during normal business hours from the following:

**Smith & Williamson Investment Management (Ireland) Limited**  
**Trinity Point,**  
**10/11 Leinster Street South,**  
**Dublin 2.**  
**Ireland.**  
**Telephone No: 353 1 612 6476**  
**Facsimile No: 353 1 512 5362**

## APPENDIX VI

### LIST OF SUB-CUSTODIANS

COUNTRY	SUB-CUSTODIAN
Argentina	Euroclear Bank S.A., Brussels
Australia	BNP Paribas Securities Services Australia Branch, <b>Sydney</b>
Austria	BNP PARIBAS Securities Services, <b>Frankfurt</b>
Bahrain	HSBC Middle East, <b>Bahrain</b>
Belgium	BNP Paribas Securities Services, <b>Brussels</b> via BNP Paribas Securities Services, Paris
Benin	Standard Chartered Bank Côte d'Ivoire SA
Bosnia-Herzegovina	Unicredit Bank Austria AG, <b>Vienna</b>
Brazil	Banco BNP Paribas Brasil SA, Sao Paulo
Bulgaria	UniCredit Bulbank, <b>Sofia</b>
Burkina Faso	Standard Chartered Bank Côte d'Ivoire SA
Canada	RBC Dexia, <b>Toronto</b>
Chile	Citbank NA, <b>Santiago</b>
China / Shanghai	Hong Kong and Shanghai Banking Corporation Ltd., <b>Shanghai</b>
China / Shenzhen	Hong Kong and Shanghai Banking Corporation Ltd., <b>Shenzhen</b>
Colombia	BNP Paribas Securities Services Sociedad Fiduciaria S.A., <b>Colombia</b>
Croatia	Unicredit Bank Austria AG, <b>Vienna</b>
Cyprus	BNP Paribas Securities Services, <b>Athens</b>
Czech Republic	Citibank Europe PLC, <b>Prague</b>
Denmark	Nordea Bank Denmark, <b>Copenhagen</b>
Egypt	Citibank, Cairo
Estonia	SEB Pank, <b>Tallinn</b>
Finland	Nordea Securities Services, <b>Helsinki</b>
France	BNP PARIBAS Securities Services, <b>Paris</b>
Germany	BNP PARIBAS Securities Services <b>Frankfurt</b>
Ghana	Standard Chartered Bank, <b>Ghana</b>
Guinea Bissau	Standard Chartered Bank Côte d'Ivoire SA
Greece	BNP Paribas Securities Services, <b>Athens</b>
Hong Kong	BNP Paribas securities services, <b>Hong Kong</b>
Hungary	BNP Paribas Securities Services Hungary, <b>Budapest</b>
Iceland	Islandsbanki, <b>Reykjavik</b>
India	BNP Paribas, <b>Mumbai</b>
Indonesia	Hong Kong and Shanghai Banking Corporation Ltd., <b>Jakarta</b>
Ireland	BNP Paribas Securities Services, <b>London</b> Crest eligible securities only - non Crest bonds will be held in Clearstream
Israel	Citibank N.A., Israel
Italy	BNP PARIBAS Securities Services, <b>Milan</b>
Ivory Coast	Standard Chartered Bank Côte d'Ivoire SA
Japan	Hong Kong and Shanghai Banking Corporation Ltd., <b>Tokyo</b>
Jordan	Standard Chartered Bank, <b>Jordan</b>
Kenya	Standard Chartered Bank, <b>Kenya</b>
Korea	Hong Kong and Shanghai Banking Corporation Ltd., <b>Seoul</b>

Kuwait	HSBC Middle East, <b>Kuwait</b>
Latvia	SEB Banka, <b>Kekavas nov</b>
Lebanon	HSBC Middle East, <b>Beirut</b>
Lithuania	SEB Bankas, <b>Vilnius</b>
Luxembourg	Clearstream, <b>Luxembourg</b>
Malaysia	HSBC Bank Malaysia Bhd., <b>Kuala Lumpur</b>
Malta	HSBC Bank Malta
Mali	Standard Chartered Bank Côte d'Ivoire SA
Mauritius	HSBC <b>Mauritius</b>
Mexico	Banco Nacional de Mexico (Banamex)
Morocco	Banque Marocaine pour le Commerce et l'Industrie, <b>Casablanca</b>
Netherlands	BNP PARIBAS Securities Services Amsterdam via BNP Paribas Securities Services <b>Paris</b>
New Zealand	BNP Paribas Securities Services Australia Branch, <b>Sydney</b>
Niger	Standard Chartered Bank Côte d'Ivoire SA
Nigeria	Stanbic IBTC Bank PLC, <b>Nigeria</b>
Norway	Nordea Bank, <b>Oslo</b>
OMAN	HSBC Middle East, <b>Muscat</b>
Pakistan	Citibank, Karachi
Peru	Citibank NA, <b>Lima</b>
Philippines	Hong Kong and Shanghai Banking Corporation Ltd., <b>Manila</b>
Poland	BNP PARIBAS Securities Services, <b>Warsaw</b>
Portugal	BNP Paribas Securities Services, Lisbon via BNP Paribas Securities Services, <b>Paris</b>
Qatar	HSBC Middle East, <b>Qatar</b>
Romania	Citibank Europe Plc, Dublin - <b>Romania Branch</b>
Russia	ZAO Citibank, <b>Moscow</b>
Saudi Arabia	HSBC Saudi Arabia
Senegal	Standard Chartered Bank Côte d'Ivoire SA
Singapore	BNP Paribas Securities Services, Singapore UOB Singapore (for Singapore Government Bonds only)
Slovakia	Citibank Slovakia, <b>Bratislava</b>
Slovenia	UniCredit Banka Slovenija d.d.
South Africa	Standard Corporate and Merchant Bank, <b>Johannesburg</b>
Spain	BNP Paribas Securities Services, <b>Madrid</b>
Sri Lanka	Hong Kong and Shanghai Banking Corporation Ltd, <b>Colombo</b>
Sweden	Skandinaviska Enskilda Banken AB, <b>Stockholm</b>
Switzerland	BNP Paribas Securities Services, <b>Zurich</b>
Taiwan	Hong Kong and Shanghai Banking Corporation Ltd., <b>Taipei</b>
Thailand	Hong Kong and Shanghai Banking Corporation Ltd., <b>Bangkok</b>
Togo	Standard Chartered Bank Côte d'Ivoire SA
Tunisia	Societe Generale Securities Services, Tunis
Turkey	TEB Securities Services Istanbul
UAE	HSBC Middle East, <b>Dubai</b>
Uganda	Standard Chartered Bank, <b>Uganda</b>
UK	BNP Paribas Securities Services, <b>London</b>
Ukraine	Unicredit Bank Asutria Ag, Vienna
Uruguay	Banco Itau Uruguay SA
U.S.A.	BNP Paribas New York Branch
Venezuela	CITIBANK NA, <b>Caracas</b>