

**IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, LEGAL ADVISOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISOR (“PROFESSIONAL ADVISORS”)**

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

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**Granahan Funds plc**

(an open-ended investment company with variable capital constituted as an umbrella fund with segregated liability between its Funds under the laws of Ireland authorised and regulated by the Central Bank of Ireland pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended)

**PROSPECTUS**

Dated 5 August 2021

(This Prospectus replaces the Prospectus dated 10 March 2021)

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The Funds of the Company are referred to in the section “IMPORTANT INFORMATION” which lists the existing Funds of the Company. The Directors do not anticipate that any active secondary market will develop in Shares of any Fund. The Company issues a Supplement to this Prospectus at the time of establishing each Fund. Each Supplement forms part of, and should be read in the context of and together with, this Prospectus.

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## **IMPORTANT INFORMATION**

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All capitalised terms used in this Prospectus shall have the meanings given to them in the section “DEFINITIONS” unless the context requires otherwise.

### **Investor Responsibility**

Prospective investors should review this Prospectus carefully and in its entirety and should consult with their professional advisors in relation to (i) the legal requirements in their own countries for the purchase, holding, exchanging, redeeming or disposing of Shares; (ii) any foreign exchange restrictions to which they are subject; (iii) the legal, tax, financial or other consequences of subscribing for, purchasing, holding, exchanging, redeeming, or disposing of Shares; and (iv) the provisions of this Prospectus.

### **Central Bank Authorisation**

The Company is both authorised and supervised by the Central Bank. Authorisation does not constitute a warranty by the Central Bank and the Central Bank shall not be liable for the performance or default of the Company. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of the Prospectus.

### **Investment Risks**

The price of Shares and the income from them may go down as well as up and investors may not get back the amount invested. There can be no assurance that any Fund will achieve its investment objective. Investors should consider the investment risks described in the section “INVESTMENT RISKS AND SPECIAL CONSIDERATIONS” before investing in the Company or any Fund.

### **Investors’ Reliance on US Federal Tax Advice in this Prospectus**

The discussion contained in this Prospectus as to US federal tax considerations is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed in this Prospectus. Each taxpayer should seek US federal tax advice based on the taxpayer’s particular circumstances from an independent tax advisor.

### **Key Investor Information Documents**

A Key Investor Information Document is available for the Funds of the Company. In addition to summarising some important information in this Prospectus, the Key Investor Information Documents may contain information on the historical performance and the ongoing charges for each of the Funds. The Key Investor Information Documents can be obtained, from the registered office of the Company which is set out in the section “DIRECTORY” or at [www.granahanfunds.com](http://www.granahanfunds.com) prior to a subscription in any Fund.

### **Restrictions on Distribution and Sale of Shares**

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation by or to 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.

Shares are offered only on the basis of the information contained in this Prospectus and the latest audited annual accounts and any subsequent half-yearly report when available. The Prospectus, the latest audited annual accounts and any subsequent half-yearly reports will be made available to the public at the office of the Administrator.

Any further information or representations given or made by any person should be disregarded and accordingly, should not be relied upon.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale or redemption of the Shares other than those contained in this Prospectus, the relevant KIID, the relevant Application Form(s) and, once published, the latest published annual report and accounts of the Company and any such advertisement, information or representations, if given or made, must not be relied upon as having been authorised by the Company.

Neither the delivery of this Prospectus, the latest published annual report or accounts of the Company (once published) nor the offer, placement, allotment or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus or in any such report is correct as of any time subsequent to the date thereof or that the affairs of the Company have not changed since the date thereof.

Statements in this Prospectus are based on law and practice currently in force in Ireland and are made as at the date of this Prospectus and are subject to change.

No information or advice herein contained shall constitute advice to a proposed investor in respect of his personal position. Accordingly, no representations or warranties of any kind are intended or should be inferred with respect to the economic return or the tax consequences of an investment in the Company. No assurance can be given that existing laws will not be changed or interpreted adversely. Prospective investors are not to construe this document as legal or tax advice.

The Shares are not, and are not expected to be liquid, except as described in this Prospectus

The distribution of this Prospectus in some jurisdictions may require the translation of this Prospectus into other languages specified by the regulatory authorities of those jurisdictions provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland.

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

### **Other Jurisdictions**

The Company may make an application to register and distribute its Shares in jurisdictions outside Ireland as determined by the Investment Manager. In the event that such registrations take place, the Company may appoint or be required to appoint paying agents, representatives, distributors or other agents in the relevant jurisdictions.

### **United Kingdom**

The Company is registered as a “recognised scheme” for the purposes of Section 264 of the UK Financial Services and Markets Act 2000 (the “FSMA”) and may be promoted and sold directly to the public in the UK subject to compliance with the FSMA and applicable regulations made thereunder and is open for investment by any resident of the UK.

Potential investors in the UK should be aware that some or all of the rules made under the FSMA for the protection of retail clients will not apply to an investment in the Company, and compensation under the Financial Services Compensation Scheme of the UK will not be available.

### **United States**

The Shares have not been, and will not be, registered under the 1933 Act or qualified under any applicable state statutes, and the Shares may not be transferred, offered or sold in the United States of America (including its territories and possessions) or to or for the benefit of, directly or indirectly, any U.S. Person or U.S. Taxpayer (as defined in Schedule III), except pursuant to registration or an applicable exemption. The Company has not, and will not be, registered under the 1940 Act, and investors will not be entitled to the benefits of such registration. Any re-sales or transfers of the Shares in the U.S. or to U.S. Persons may constitute a violation of U.S. law and requires the prior written consent of the Company. The Company, however, reserves the right to make a private placement of its Shares to a limited number or category of U.S. Persons. Any re-sales or transfers of the Shares in the U.S. or to U.S. Persons may constitute a violation of U.S. law and requires the prior written consent of the Company. Applicants for Shares will be required to certify whether they are a U.S. Person and will be required to declare whether they are Irish Residents.

The Directors have the power to impose restrictions on the shareholdings by (and consequently to redeem Shares held by), or the transfer of Shares to, any U.S. Person (unless permitted under certain exceptions under the laws of the United States), or by any person who appears to be in breach of the laws or requirements of any country or government authority, or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other 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 any other pecuniary disadvantage which the Company might not otherwise have incurred or suffered. See the section "ADMINISTRATION OF THE COMPANY: Compulsory Redemption or Transfer".

The Shares have not been approved or disapproved by the SEC, any state securities commission or other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

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## DEFINITIONS

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In this Prospectus, the following words and phrases shall have the meanings indicated below:-

<b>“1933 Act”</b>	the U.S. Securities Act of 1933 (as amended);
<b>“1940 Act”</b>	the U.S. Investment Company Act of 1940 (as amended);
<b>“Accounting Date”</b>	31 December in each subsequent year;
<b>“Accounting Period”</b>	a period ending on the Accounting Date and commencing, in the case of the first such period, on the date of incorporation of the Company and, in subsequent such periods, on the day following expiry of the last Accounting Period;
<b>“Accumulating Classes”</b>	Classes in which the Directors intend to accumulate and to automatically reinvest all earnings, dividends and other distributions of whatever kind pursuant to the investment objectives of the relevant Fund for the benefit of Shareholders in the relevant Fund and which are identified by the word “Accumulating” in their title;
<b>“Administration Agreement”</b>	the amended and restated administration agreement dated 25 May 2020 between the Company, the Manager and the Administrator as may be amended from time to time;
<b>“Administrator”</b>	RBC Investor Services Ireland Limited, or such other person as may be appointed in accordance with the requirements of the Central Bank to provide administration services to the Company.
<b>“ADR”</b>	American Depositary Receipt, a negotiable certificate issued by a U.S. bank representing a specified number of shares (or one share) in a foreign stock that is traded on a U.S. exchange;
<b>“Anti-Dilution Levy”</b>	an adjustment in a Fund’s Net Asset Value to cover dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of a Fund;
<b>“Application Form”</b>	the application form, obtainable from the Administrator, to be completed by subscribers for Shares of any Fund or Class as prescribed by the Company from time to time;
<b>“Auditor”</b>	Deloitte & Touche or such other person as may be appointed from time to time in accordance with the

	requirements of the Central Bank to act as auditor to the Company;
<b>“Base Currency”</b>	the base currency of account of a Fund as determined by the Directors and set out in this Prospectus and/or Supplement for the relevant Fund;
<b>“Benchmark Regulations”</b>	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;
<b>“Business Day”</b>	each day (except Saturdays and Sundays and normal bank holidays) on which banks in Dublin and New York are open for regular business and such other day or days as may be determined by the Directors with prior notice to the Manager;
<b>“Central Bank”</b>	the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the Company;
<b>“Central Bank UCITS Regulations”</b>	the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 as may be amended or consolidated from time to time;
<b>“Class”</b>	any class of Shares each representing interests in a Fund;
<b>“Code”</b>	the U.S. Internal Revenue Code of 1986, as amended;
<b>“Companies Act”</b>	Irish Companies Act 2014 as amended, consolidated, supplemented or re-enacted from time to time including any regulations issued pursuant thereto, insofar as they apply to open-ended investment companies with variable capital;
<b>“Company”</b>	Granahan Funds plc;
<b>“Company Secretary”</b>	Dechert Secretarial Limited, the secretary of the Company or such other persons as may be appointed by the Company in accordance with the requirements of the Companies Act;
<b>“Constitution”</b>	the memorandum and articles of association of the Company for the time being in force and as may be modified from time to time;
<b>“Currency Class”</b>	the currency of denomination of a Class;

<b>“Depositary”</b>	RBC Investors Services Bank S.A., Dublin Branch, the depositary to the Company or such other person as may be appointed in accordance with the requirements of the Central Bank;
<b>“Depositary Agreement”</b>	the amended and restated depositary agreement dated 25 May 2020 between the Company, the Manager and the Depositary;
<b>“Dealing Day”</b>	each Business Day, or such other Business Day as the Directors may determine, in consultation with the Manager, and notify in advance to Shareholders provided that there shall be at least two Dealing Days in each calendar month carried out at regular intervals;
<b>“Dealing Deadline”</b>	in the case of subscriptions and redemptions, 5 pm (Irish time) on the Business Day immediately preceding the relevant Dealing Day;
<b>“Delegated Regulations”</b>	the Commission Delegated Regulation (EU) 2016/438 supplementing Directive 2009/65/EU as amended by Directive 2014/91 of the European Parliament and of the Council of 17 December 2015;
<b>“Directors”</b>	the directors of the Company for the time being and any duly constituted committee thereof;
<b>“Distributing Classes”</b>	Classes in which the Directors intend to declare a dividend in respect of the Shares and which are identified by the word “Distributing” in their title;
<b>“Duties and Charges”</b>	all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange and/or other dealing spreads, interest, transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the Company or the creation, issue, sale, switch or redemption of shares or the purchase or sale of investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion or in the event of the transaction or dealing in respect of which such duties and charges are, or may be, payable, which may include, when calculating Subscription Prices and Redemption Prices, any provision for spreads (to take into account the difference between the price at which assets may be valued for the purpose of calculating the Net Asset Value and the price at which such assets may be acquired or may be sold or realised), but shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes,



	charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares;
<b>“EEA”</b>	the European Economic Area, comprising the Member States, Norway, Iceland and Liechtenstein;
<b>“ESMA”</b>	the European Securities and Market Authority.
<b>“EU”</b>	the European Union;
<b>“FATCA” or “Foreign Account Tax Compliance Act”</b>	sections 1471 through 1474 of the Code, any current or future regulations or official interpretations thereof, and any agreement entered into pursuant to Section 1471(b) of the Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of these sections of the Code;
<b>“FDIs”</b>	financial derivative instruments;
<b>“Financial Account”</b>	a “Financial Account” as used in the intergovernmental agreement between the U.S. and Ireland for the purposes of FATCA;
<b>“Financial Institution”</b>	a “Financial Institution” as defined in FATCA;
<b>“Fund” or “Funds”</b>	a portfolio of assets established by the Directors (with the prior approval of the Central Bank) and constituting a separate Fund invested in accordance with the investment objective and policies applicable to such Fund as specified in this Prospectus or any supplement thereto;
<b>“GDR”</b>	Global Depositary Receipt, a bank certificate issued in more than one country for shares in a foreign company. The shares are held by a foreign branch of an international bank. The shares trade as domestic shares, but are offered for sale globally through the various bank branches;
<b>“Initial Offer Price”</b>	the price at which a Class of Shares is first offered or at which it is reoffered as specified in the section “ADMINISTRATION OF THE COMPANY: How to Purchase Shares”;
<b>“Investment Management Agreement”</b>	the amended and restated investment management agreement dated 25 May 2020 between the Company, the Manager and the Investment Manager;
<b>“Investment Manager”</b>	Granahan Investment Management, Inc.
<b>“Management Agreement”</b>	means the management agreement dated 25 May 2020 between the Company and the Manager as may be amended, supplemented or otherwise modified

	from time to time in accordance with the requirements of the Central Bank;
<b>“Manager”</b>	means KBA Consulting Management Limited or any successor thereto duly appointed in accordance with the requirements of the Central Bank;
<b>“Member”</b>	a Shareholder, or a person who is registered as the holder of one or more Non-Participating Shares;
<b>“Member State”</b>	a member state of the EU;
<b>“MiFID II”</b>	collectively, Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, the Commission Delegated Directive (EU) 2017/593 of 7 April 2016 and the Markets in Financial Instruments (MiFIR) Regulation (EU) No 600/2014;
<b>“MiFID Regulations”</b>	S.I. No 375 of 2017 European Union (Markets in Financial Instruments) Regulations 2017, as amended from time to time and any regulations or conditions made thereunder by the Central Bank;
<b>“Money Market Instrument”</b>	instruments normally dealt in on the money markets which are liquid, have a value which can be accurately determined at any time and include, but are not limited to, government debt, commercial paper, bankers acceptances, certificates of deposit and other short term debt securities as ancillary liquid assets;
<b>“Net Asset Value” or “NAV”</b>	the Net Asset Value of the Company or of a Fund or Class, as appropriate, calculated as in the section “DETERMINATION OF NET ASSET VALUE”;
<b>“Net Asset Value per Share”</b>	in respect of any Shares, the Net Asset Value attributable to the Shares issued in respect of a Fund or Class, divided by the number of Shares in issue in respect of the Fund or Class;
<b>“Non-Participating Shares”</b>	a redeemable non-participating share in the capital of the Company issued in accordance with, and having rights provided for, in the Constitution;
<b>“OECD”</b>	the Organisation for Economic Co-Operation and Development;
<b>“Prospectus”</b>	this document and any Supplements or addenda thereto, issued by the Company in accordance with the requirements of the Central Bank;
<b>“Redemption Price”</b>	the price payable in respect of redeemed Shares as specified in the section “CALCULATION OF

	SUBSCRIPTION AND REDEMPTION PRICES: Redemption Price”;
<b>“Regulated Market”</b>	a regulated market as set out in Schedule I or otherwise determined in accordance with guidance from the Central Bank;
<b>“SEC”</b>	the Securities and Exchange Commission in the U.S.;
<b>“Share” or “Shares”</b>	a participating share or shares in the Company or a Fund, as the context so requires;
<b>“Shareholders”</b>	holders of Shares and each a “Shareholder”;
<b>“Subscription Price”</b>	the subscription price in respect of Shares of any Class on any Dealing Day as specified in the section “DETERMINATION OF NET ASSET VALUE: Calculation of Subscription and Redemption Prices”;
<b>“Supplement”</b>	a supplement including any addenda thereto, which is supplemental to this Prospectus setting out information specific to a Fund;
<b>“UCITS”</b>	an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;
<b>“UCITS Regulation” or “UCITS Regulations”</b>	the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2019, as may be amended, supplemented or consolidated from time to time;
<b>“UCITS Rules”</b>	the Central Bank UCITS Regulations and any guidance or Q&A document issued by the Central Bank from time to time pursuant to the Central Bank UCITS Regulations; or any document published by the Central Bank which sets down all of the conditions which the Central Bank imposes on UCITS, their management companies and depositaries;
<b>“Umbrella Cash Account”</b>	an account maintained at the level of the Company;
<b>“Underlying Collective Investment Scheme”</b>	any collective investment scheme which meets the requirements of the UCITS Regulations for investment by a UCITS, pursuant to the restrictions set out therein and, for the avoidance of doubt, includes other Funds, regulated collective investment schemes and regulated non-UCITS domiciled in the EU, EEA, Guernsey, Jersey, the Isle of Man or the United Kingdom;

<b>“U.S.”</b>	the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
<b>“U.S. Taxpayer”</b>	a “U.S. Taxpayer” as defined in Schedule III herein;
<b>“U.S. Reportable Account”</b>	A Financial Account held by a U.S. Reportable Person;
<b>“U.S. Reportable Person”</b>	(i) a “U.S. Taxpayer” who is not an Excluded U.S. Taxpayer or (ii) a Passive U.S. Controlled Foreign Entity. See Schedule III herein for a complete definition of U.S. Reportable Person, Excluded U.S. Taxpayer, and Passive U.S. Controlled Foreign Entity;
<b>“Valuation Point”</b>	the day and time(s) with reference to which the assets and liabilities of each Fund will be valued for the purpose of calculating the Net Asset Value and the Net Asset Value per Share. The Valuation Point shall be close of business of the New York Stock Exchange on the relevant Dealing Day.

In this Prospectus, all references to the “Euro” or “EUR” or “€” are to the currency referred to in the second sentence of Article 2 of the Council Regulation (EC) No. 974/98 of 3 May 1998 and as adopted as the single currency of the participating member states of the European Union and any successor currency as determined at the discretion of the Directors, all references to “US Dollars” or “\$” or “US\$” or “USD” are to the lawful currency of the United States of America and all references to “Pounds” or “Pounds Sterling” or “GBP” are to the lawful currency of the United Kingdom.

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## DIRECTORY

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### ***Board of Directors***

Jane M. White (U.S. Resident)  
Brian S. Granahan (U.S. Resident)  
Vincent Dodd (Irish Resident)  
Lisa Martensson (Irish Resident)

### **Manager**

KBA Consulting Management Limited  
5 George's Dock  
IFSC  
Dublin D01 X8N7  
Ireland

### ***Investment Manager***

Granahan Investment Management, Inc.  
404 Wyman Street  
Suite 460  
Waltham  
Massachusetts 02451  
U.S.A

### ***Independent Auditors***

Deloitte & Touche  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin D02 AY28  
Ireland

### ***Administrator, Registrar and Transfer Agent***

RBC Investor Services Ireland Limited  
4<sup>th</sup> Floor  
One George's Quay Plaza  
George's Quay  
Dublin 2  
Ireland

### ***Depositary***

RBC Investors Services Bank S.A., Dublin Branch  
4<sup>th</sup> Floor  
One George's Quay Plaza  
George's Quay  
Dublin 2  
Ireland

### ***Legal Advisors as to Irish law***

Dechert  
Second Floor  
5 Earlsfort Terrace  
Dublin 2  
Ireland

### ***Legal Advisors as to US law***

Dechert LLP  
One International Place  
40th Floor  
100 Oliver Street  
Boston  
Massachusetts 02110-2605  
U.S.A

### ***Company Secretary***

Clifton Fund Consulting Limited  
5 George's Dock  
I.F.S.C.  
Dublin 1, Dublin  
D01 X8N7

### ***Registered Office of the Company***

5 George's Dock  
IFSC  
Dublin D01 X8N7  
Ireland

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## INTRODUCTION

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### **Establishment and Incorporation**

The Company is an open-ended umbrella investment company with variable capital and segregated liability between its Funds and is organised under the laws of Ireland as a public limited company pursuant to the Companies Act. The Company is authorised by the Central Bank pursuant to the UCITS Regulations. The Company was incorporated on 3 October 2013 under registration number 533587.

The life of the Company is unlimited.

The activities of the Company are governed by its Constitution and this Prospectus and the details concerning the Company contained herein.

The Constitution provides that the Company may offer separate Classes of Shares, each representing interests in a Fund, with each Fund comprising a separate and distinct portfolio of investments. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund and the assets and liabilities of each Fund are segregated as a matter of Irish law. The value of the Shares of each Fund shall at all times equal their Net Asset Value. The Base Currency of each Fund will be determined by the Directors and will be set out in the Prospectus and/or Supplement for the relevant Fund.

The Company has obtained the approval of the Central Bank for the establishment of three Funds:

- Granahan US Focused Growth Fund;
- Granahan US Small Cap Discoveries Fund; and
- Granahan US SMID Select Fund

Additional Funds may be established by the Company with the prior approval of the Central Bank.

### **Share Classes**

A Fund may consist of one or more Classes of Shares. A separate pool of assets will not be maintained for each Class within a Fund. The Shares of each Class allocated to a Fund will rank pari passu with each other in all respects provided that Classes may differ as to certain matters including, without limitation as to all or any of the following: currency of denomination of the Class, distribution policy, the amount of fees and expenses to be charged (including any Share Class specific expenses) and the minimum subscription and redemption amounts. The Classes of Shares are more fully described in the section "SHARE CLASSES" and disclosed in the Supplement for the relevant Fund.

Further classes of Shares may be issued with the prior approval of the Central Bank.

## **Authorised Share Capital**

The authorised share capital of the Company at the date of this Prospectus is 500,000,000,000 Shares of no par value and 300,002 redeemable Non-Participating Shares of €1.00 each. Non-Participating Shares do not entitle the holders thereof to any dividend. On a winding up, the Non-Participating Shares entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Non-Participating Shares are held on behalf of Granahan Investment Management, Inc.

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## **INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS**

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The Company intends to provide investors with a choice of Funds offering an array of investment objectives. Each Fund aims to achieve its investment objective while spreading investment risks through investment in transferable securities or liquid financial assets or Underlying Collective Investment Schemes or other permitted investments in accordance with the UCITS Regulations. The transferable securities and liquid financial assets in which a Fund may invest must generally be listed and/or traded on a Regulated Market except that up to 10% of the Net Asset Value of a Fund may be invested in transferable securities and liquid financial assets which are not so listed, traded or dealt. Details of the range of investments permitted under the UCITS Regulations and the applicable restrictions are set out in SCHEDULE II. The Regulated Markets in which a Fund's investments will be traded are set out in Schedule I.

The assets of each Fund will be invested separately in accordance with the investment objective and policies of the Fund and which are set out in the relevant Supplement.

The investment return to Shareholders in a particular Fund is related to the Net Asset Value of that Fund which in turn is primarily determined by the performance of the portfolio of investments held by that Fund.

Subject to the requirements of the Central Bank, each Fund may invest its cash balance or may invest up to 20% of its Net Asset Value for temporary defensive purposes in cash deposits, Money Market Instruments and in short-term securities such as commercial paper, bankers' acceptances, certificates of deposit, and government securities issued by an OECD member country or by any supranational entity provided that the securities are listed, traded or dealt in on a Regulated Market in an OECD member country and are rated investment grade or better by Moody's or by Standard & Poor's.

## **ESG and Sustainable Investments Integration**

Unlike investment vehicles which specifically promote environmental, social and governance ("ESG") characteristics or with a specific sustainability or impact objective that may have a constrained investment universe, the Funds are primarily aimed at maximising financial performance. ESG factors are input factors within the investment process that the Investment Manager considers appropriate to pursue the Funds' investment objective. The Investment Manager is a signatory to the United Nations' Principles for Responsible Investment and as such does fundamental research on companies that will be on the right side of environmental and social objectives, believing that these companies will be able to maximise growth over the long term. These companies will likely have sustainable models that will maximise financial performance for

our clients. ESG analysis is included as a section of the Investment Manager's standard review process. As part of the process, the Investment Manager reviews the ESG ratings from its third-party vendor, ISS ESG, and supplements the ESG ratings provided by ISS ESG by using its own internal qualitative fundamental analysis that is aligned with the Investment Manager's views on the ESG factors that can affect a company performance.

Environmental areas of focus include climate change, natural resources stewardship, pollution and waste management. Social considerations include human capital management, customer well-being, supply chain management, cost reducing healthcare that also improves health outcomes, positive industry innovation, peace, justice and social opportunities initiatives and community relations. From a governance perspective, the key focus is on board composition, minority shareholder treatment, management incentives, corporate culture and management and board commitment to sustainability objectives.

The Investment Manager seeks to avoid investing in companies that do not respect global norms and conventions, and companies that derive a significant portion of their revenues from activities that the Investment Manager deems not to be compliant with sustainable investment principles, including, but not limited to revenues drawn from:

- for the Granahan US Focused Growth Fund - tobacco, alcohol, conventional weapons, and fossil fuel enterprises; and
- for the Granahan US SMID Select Fund and the Granahan US Small Cap Discoveries Fund - tobacco, alcohol, conventional weapons, and companies whose products are particularly harmful to the environment.

Companies that are subject to sanctions or that manufacture cluster munitions are also excluded. In determining whether or not to invest based upon these principles, the Investment Manager will incorporate industry accepted screening tools from vendors that it deems to be reliable.

In addition, ESG factors and risks are also covered across the Investment Manager's broader and ongoing assessment of a company's competitive positioning; its relationship with various constituents including suppliers, customers, employees and regulators; as well as an evaluation of the risks of the businesses they are in. As set out above, governance in particular has always been core to the Investment Manager's investment process, long before it began incorporating third-party ESG services.

As part of its ongoing monitoring of ESG integration, the Investment Manager receives information in respect of any changes to ESG ratings of companies within its portfolio from ISS ESG. The Investment Manager will consider the changes to a company's ESG rating and may divest from such holdings if it believes that the reason for the change to the rating is inconsistent with the Investment Manager's fundamental approach to ESG integration. However, because data is generally unavailable, US small companies do not have strong ESG ratings. For example, the Russell 2000 Growth Index has an average company rating of "C-".

In addition to the investment restrictions set out above, the Investment Manager may adopt certain additional internal investment criteria which may further restrict investments, such as internal policies limiting or prohibiting investments in businesses that engage in certain types of natural resource activities or are identified as failing to meet certain criteria put forth by the United Nations or other global organisations (including "sanctions" lists).



As quality data becomes more accessible, the Investment Manager will incorporate that data into its fundamental research process. Currently there is no universal approach for companies to determine the best reporting standards to apply and also there is little to determine the materiality level of these issues. The number of rating agencies has grown over the years, together with the number of different rating systems. The lack of standardisation and transparency in the data collection and scoring methodologies pose enormous challenges, particularly in the US small cap arena. Drawing comparisons among the companies that are rated is a daunting task as the agency scores often conflict.

The Investment Manager analyses ESG related risks to determine if its clients will be appropriately compensated. If the Investment Manager determines any risk – including those related to ESG – is too significant and could present significant downside exposure, it would typically not invest.

#### *No Consideration of Adverse Impacts on Sustainability Factors*

Given the investment objectives and policies of the Funds and the nature and scale of the Investment Manager's business, the Investment Manager does not currently consider the adverse impacts of investment decisions on sustainability factors as it believes focusing on the selection of investment opportunities for the Funds to be a greater use of its resources. The decision whether to consider adverse impacts of investment decisions on sustainability factors will be reviewed periodically.

#### **Changes to the Investment Objective or Investment Policies of a Fund**

Any change in the investment objective or a material change in the investment policies of a Fund will be subject to prior approval on the basis of a majority of votes cast by an ordinary resolution of Shareholders of the relevant Fund passed at a general meeting or by all of the Shareholders of the relevant Fund by way of a written resolution.

Subject thereto, non-material changes to the policy of a Fund may be amended from time to time by the Directors, following consultation with the Manager, if they shall deem it to be in the best interest of the relevant Fund to do so. In the event of a change of investment objective and/or policies, the relevant Supplement will be updated and a reasonable notification period will be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.

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## **USE OF FINANCIAL DERIVATIVE INSTRUMENTS**

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### **Use of FDIs**

#### *Efficient Portfolio Management*

Each Fund may, subject to the conditions and within the limits laid down by the Central Bank use techniques and instruments relating to transferable securities provided that such techniques and

instruments are used for efficient portfolio management purposes or to provide protection against exchange risk.

The use of techniques for efficient portfolio management is not expected to raise the risk profile of a Fund or result in higher volatility.

As is required to be disclosed in this Prospectus by Regulation 58(1) (c) of the Central Bank UCITS Regulations, a responsible person shall ensure that all revenues from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the relevant Fund. Direct and indirect operational costs and fees arising from efficient portfolio management techniques (which shall not include hidden revenue) will be paid to the securities lending agent or counterparty to the relevant agreement, who shall not be related to the Company, Manager, Investment Manager or the Depositary. The identity of the counterparties will be disclosed in the annual accounts of the Company.

Currently, the Funds only intend to utilise currency forward contracts to provide protection against foreign exchange risk at Share Class level. The Funds will not hedge currency exposure at portfolio level.

Forward contracts are over the counter (“OTC”) agreements between two parties to buy or sell an asset at a specified price on a future date.

A Fund may use currency forward contracts for Class Currency hedging purposes only as further described in the section “Class Currency Hedging” below. Generally, these instruments allow a Fund to lock in a specified exchange rate for a period of time.

A Fund may also use futures contracts to hedge against market risk, to change a Fund's interest rate sensitivity or to gain exposure to an index or underlying market as described further in the section “Futures” below.

Further details on the use of FDI by any Fund will be set out in the relevant Supplement. Where a Fund does not use FDI, the Supplement will confirm this.

### *Risk Management*

The Investment Manager operates a risk management process on behalf of each Fund in relation to the use of FDIs which allows it to accurately measure, monitor and manage the various risks associated with FDIs and other investments, and which is intended to ensure that the Fund's investments including FDI exposure remains within the limits described below. This risk management process also takes into account any exposure created through FDIs embedded in investments held by the Funds. In particular, the Investment Manager will manage exposure risk using either the commitment approach or an absolute Value at Risk (“VaR”) methodology in accordance with the Central Bank's requirements. The risk management process is described in a statement, a copy of which has been filed with the Central Bank, and which will be updated from time to time to include any additional FDIs which the Investment Manager proposes to employ on behalf of the Funds (“Risk Management Process”). Until such time as an updated risk management statement has been approved by the Central Bank, however, the Investment Manager will not use any FDI which is not for the time being included in the Risk Management Process. The Funds will utilise the commitment approach. The commitment approach is a mathematical measure used to calculate the global exposure of the relevant Fund in respect of derivative use at a given time which may not exceed the Net Asset Value of that Fund.

### *Class Currency Hedging*

The Company may enter into certain transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class designated as a hedged Class into the relevant Class Currency for the purposes of efficient portfolio management. While not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of the Company. Each Fund may employ such techniques and instruments provided that the level of the currency exposure hedged does not exceed 105% of the Net Asset Value of a Class. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed this level and that positions materially in excess of 100% of the Net Asset Value of a Class are not carried forward from month to month. Over-hedged positions will not be permitted to exceed 105% of the Net Asset Value of the Class. All over-hedged positions will be included in the calculation of a Fund's global exposure in accordance with Regulation 26(3) of the Central Bank UCITS Regulations. Otherwise, a Fund will not be leveraged as a result of the transactions entered into for the purposes of hedging. Under-hedged positions will not be permitted to fall short of 95% of the portion of Net Asset Value of the Class which is to be hedged and will be kept under review to ensure that any under-hedged position will not be carried forward from month to month. While the Company may attempt to hedge against currency exposure at a Class level, there can be no guarantee that the value of a Class will not be affected by fluctuations in the value of the Base Currency relative to the Class Currency (if different). Any costs related to such hedging shall be borne separately by the relevant Class. All gains/losses which may be made by any Class of any Fund as a result of such hedging transactions shall accrue to the relevant Class of Shares. Hedging transactions shall be clearly attributable to the relevant Class of Shares. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. The use of Class hedging strategies may substantially limit holders of Shares in the relevant Class from benefiting if the Class Currency falls against the Base Currency and/or the currency in which the assets of the relevant Fund are denominated.

In the case of Classes designated as unhedged Classes, a currency conversion will take place on subscription, redemption and conversion and any distributions at prevailing exchange rates. The value of a Class Currency denominated in a currency other than the Base Currency will be subject to share currency designation risk in relation to the Base Currency.

### *Futures*

The Company or a Fund may enter into futures contracts, which involve the purchase or sale of a contract to buy or sell a specified security or other financial instrument at a specific future date and price on an exchange or over-the-counter (OTC) market. A Fund may enter into such

contracts to hedge against market risk, to change the Fund's interest rate sensitivity or to gain exposure to an index or underlying market.

### *Warrants and Rights*

Warrants and rights may be passively acquired, for example, as a result of corporate action or may be acquired on the secondary market as an alternative to purchasing the underlying reference securities.

### *Collateral Policy*

For the purposes of limiting the Funds' credit risk in respect of OTC transactions, collateral may be received from, or posted to, counterparties on behalf of the Funds. Collateral will normally comprise cash and/or securities issued or guaranteed by certain member states of the OECD or by their public or local authorities or by their supranational institutions and organisations provided such collateral complies with the requirements of the Central Bank.

Where collateral is received it will comply with the requirements set out below:

- **Liquidity:** Collateral received, other than cash, should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral that is received should also comply with the provisions of Regulation 74 of the UCITS Regulations;
- **Valuation:** Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place;
- **Issuer credit quality:** Collateral received must be of high quality and will be evaluated in accordance with the issuer credit assessment process requirements as set out in the Central Bank UCITS Regulations.
- **Correlation:** Collateral received must be issued by an entity that is independent from the counterparty and is not expected, on reasonable grounds, to display a high correlation with the performance of the counterparty;
- **Diversification (asset concentration):** Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value of a Fund. When a Funds is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer;

The Funds may be fully collateralised using transferable securities and money market instruments issued or guaranteed by any Member State, one or more of its local authorities, a third country or a public international body of which one or more Member States belongs provided the Funds should receive securities from at least 6 different issues and securities from any single issue shall not account for more than 30% of the relevant Fund's net asset value. It is expected that the Funds will receive collateral of more than 20% of the net asset value of each Fund in transferable securities or money market instruments issued by the U.S. Government and EU Member State Governments.

- Immediately available: Collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
- Safekeeping: Collateral received on a title transfer basis should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral

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

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

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

In accordance with the Central Bank UCITS Regulations, invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or a related entity.

Where a Fund receives collateral for at least 30% of its assets, it will put in place an appropriate stress testing policy, to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

- design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- reporting frequency and limit/loss tolerance threshold/s; and
- mitigation actions to reduce loss including haircut policy and gap risk protection.

A Fund will have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, a Fund should take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with the above paragraph. This policy will be documented and will justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.

From time to time and subject to the above requirements, the policy levels of collateral required and haircuts may be adjusted, at the discretion of the Investment Manager, where this is determined to be appropriate in the context of the specific counterparty, the characteristics of the

asset received as collateral, market conditions or other circumstances. The haircuts applied (if any) by the Investment Manager, are adapted for each class of assets received as collateral, taking into account the characteristics of the assets such as the credit standing and/or the price volatility, as well as the outcome of any stress tests performed in accordance with the requirements set out above. Each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets will be justified on the basis of this policy.

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

#### *Reference to Ratings*

The European Union (Alternative Investment Fund Managers) (Amendment) Regulations 2014 (S.I. No. 379 of 2014) (the "Amending Regulations") transpose the requirements of the Credit Ratings Agencies Directive (2013/14/EU) ("CRAD") into Irish Law. CRAD aims to restrict the reliance on ratings provided by credit rating agencies and to clarify the obligations for risk management. In accordance with the Amending Regulations and the CRAD, notwithstanding anything else in this Prospectus, the Investment Manager shall not solely or mechanistically rely on credit ratings in determining the credit quality of an issuer or counterparty.

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### **INVESTMENT RESTRICTIONS**

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Each of the Fund's investments will be limited to investments permitted by the UCITS Regulations, as set out in Schedule II. If the UCITS Regulations are altered during the life of the Company, the investment restrictions may be changed to take account of any such alterations. Changes to the investment restrictions shall be in accordance with the requirements of the Central Bank and may be subject to prior approval and/or notification of Shareholders. Shareholders will be advised of such changes in the next succeeding annual or half-yearly report of the Company.

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### **BORROWING AND LENDING POWERS**

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The Company may borrow up to 10% of a Fund's Net Asset Value at any time for the account of any Fund and the Directors may instruct the Depositary to charge the assets of such Fund as security for any such borrowing, provided that such borrowing is only for temporary purposes. Credit balances (for example, cash) may not be offset against borrowings when determining the percentage of borrowings outstanding. 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 Schedule II, the Company may not lend to, or act as guarantor on behalf of, third parties.

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 purposes of the UCITS Regulations, provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding.

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## INVESTMENT RISKS AND SPECIAL CONSIDERATIONS

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### General

The risks described in this Prospectus should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. Investment in the Company carries with it a degree of risk. There can be no assurance that a Fund will achieve its investment objective. Different risks may apply to different Funds and/or Classes. Prospective investors should review this Prospectus carefully and in its entirety and consult with their professional advisors before making an application for Shares.

On its own an investment in a Fund may be deemed speculative and is not intended as a complete investment program. A subscription for Shares should be considered only by persons financially able to maintain their investment and who can bear the risk of loss associated with an investment in a Fund. Investors should review closely the investment objectives and investment strategies to be utilised by the relevant Fund as outlined herein and in the relevant Supplement to familiarise themselves with the risk associated with an investment in a Fund. There is no assurance that a Fund will be able to achieve its investment objective or that a Fund will generate a profit. There is potential for an investor to lose some of all of its investment in the Company.

The securities and instruments in which the Company invests are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur.

In addition, 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 recent developments in the risk and yield characteristics of the main categories of investments applicable to the relevant Fund.

Prospective investors should consider, among others, the following factors before subscribing for Shares in a Fund:

#### **Lack of Operating History Risk**

The past investment performance of the Investment Manager cannot be construed as an indication of the future results of an investment in a Fund and its Shares. Investors should be aware that the past performance by those involved in the investment management of a Fund should not be considered as an indication of future results.

#### **Income Risk**

An investment in a Fund is not suitable for an investor seeking an income from such investment.

## **Business Risk**

**The investment results of each Fund will be reliant on the success of the Investment Manager.** Past performance may not necessarily be repeated and is no guarantee or projection of future results.

### **United Kingdom's Withdrawal from the European Union**

*United Kingdom's Withdrawal from the European Union* – The United Kingdom (the “**UK**”) withdrew from the EU and the EEA on 31 January 2020.

Following withdrawal from the EU, the UK has entered a transition period, during which EU law will continue to apply in the UK. New EU legislation that takes effect before the end of the transition period will also apply to the UK. The transition period will last until 31 December 2020 but may be extended. During and following the transition period, there is likely to be considerable uncertainty as to the UK's post-transition framework, and in particular as to the arrangements which will apply to its relationships with the EU and with other countries.

This process and/or the uncertainty associated with it may, at any stage, adversely affect the Company and its investments. There may be detrimental implications for the value of the Company's investments and/or its ability to implement its investment programme. This may be due to, among other things:

- (i) increased uncertainty and volatility in UK., EU and other financial markets;
- (ii) fluctuations in asset values;
- (iii) fluctuations in exchange rates;
- (iv) increased illiquidity of investments located, listed or traded within the U.K., the EU or elsewhere;
- (v) changes in the willingness or ability of financial and other counterparties to enter into transactions, or the price at which and terms on which they are prepared to transact; and/or
- (vi) changes in legal and regulatory regimes to which the Company, certain of its assets and/or service providers are or become subject.

The UK's vote to leave the EU has created a degree of political uncertainty, as well as uncertainty in monetary and fiscal policy, which is expected to continue during the transition period. It may have a destabilising effect on some of the remaining members of the EU, the effects of which may be felt particularly acutely by Member States within the Eurozone.

The withdrawal of the UK from the EU could have a material impact on the UK's economy and its future growth, impacting adversely the Company's investments in the UK.. It could also result in prolonged uncertainty regarding aspects of the UK economy and damage customers' and investors' confidence. Any of these events could have a material adverse effect on the Company.



## **Management Risk**

Any actively managed investment portfolio is subject to the risk that its investment manager will make poor investment decisions. The Investment Manager will apply its investment techniques and risk analysis in making investment decisions for a Fund, but there can be no guarantee that they will produce the desired results, generally or in any period.

## **Sustainability Risk**

The Investment Manager considers that sustainability risks are relevant to the returns of each Fund.

A 'sustainability risk' means an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. If a sustainability risk associated with an investment materialises, it could lead to the loss in value of an investment.

Sustainability risks may vary from investment to investments and could include, but are not limited to, risks of environmental damage, social risks (including public health, safety and human rights violations and exploitation), governance risks (inadequate oversight and internal governance of the companies, including management and board structure, compensation and approach to anti-bribery and anti-corruption), litigation risks linked to ESG issues, as well as the risk of political and regulatory changes on investments related to each of the foregoing.

In addition, sustainability risks can either represent a risk of their own or have an impact on other risks and may contribute significantly to risks such as market risks, operational risks, liquidity risks or counterparty risks.

The Investment Manager integrates sustainability risks into investment decisions made in relation to the Funds by following the process outlined in the "ESG and Sustainable Investments Integration" section of this Prospectus. The Investment Manager expects the impact of sustainability risks on the Funds' returns to be low.

## **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. The Investment Manager will not engage in currency hedging transactions at Fund level, but may do so at currency class level. As a result, Shareholders should be aware that investments may go up or down solely as a result of changes in currency exchange rates.

## **Forward Foreign Currency Contract Risk**

Forward foreign currency contracts are contractual agreements to purchase or sell a specified currency at a specified future date (or within a specified time period) at a price set at the time of the contract. A Fund may not fully benefit from, or may lose money on, forward foreign currency transactions if changes in currency exchange rates do not occur as anticipated or do not correspond accurately to changes in the value of a Fund's holdings. A Fund's ability to use forward foreign currency transactions successfully depends on a number of factors, including the forward foreign currency transactions being available at attractive prices, the availability of liquid markets

and the ability of the portfolio managers to accurately predict the direction of changes in currency exchange rates. Currency exchange rates may be volatile and may be affected by, among other factors, the general economics of a country, the actions of U.S. and foreign governments or central banks, the imposition of currency controls and speculation. Currency transactions are also subject to the risk that the other party in the transaction will default its contractual obligation, which would deprive a Fund of unrealized profits or force a Fund to cover its commitments for purchase or sale of a currency, if any, at the current market price.

### **Potential Indemnification Obligations Risk**

Under certain circumstances, a Fund might be subject to significant indemnification obligations in favour of the Investment Manager and other service providers. The Fund will not carry any insurance to cover such potential obligations and, to the Investment Manager's knowledge, none of the foregoing parties will be insured for losses for which the Fund has agreed to indemnify them. Any indemnification paid by the Fund would reduce the Net Asset Value of the Fund and, by extension, the value of the Shares.

### **US Foreign Account Tax Compliance Act ("FATCA") Risk**

Pursuant to FATCA, the Company (and each Fund) will be required to comply with extensive new reporting and withholding requirements designed to inform the US Department of the Treasury of US-owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the Fund/Funds of the Company to U.S. withholding taxes on certain US-sourced income and (effective 1 January 2017) gross proceeds. Pursuant to an intergovernmental agreement between the United States and Ireland, the Fund/Funds of the Company may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports US taxpayer information directly to the government of Ireland. Shareholders may be requested to provide additional information to the Fund/Funds of the Company or its agents to enable the Fund/Funds of the Company to satisfy these obligations. Failure to provide requested information or (if applicable) satisfy its own FATCA obligations may subject a Shareholder to liability for any resulting US withholding taxes, US tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's investment in Shares of the Fund/Funds of the Company. The Company may be unable to comply with its FATCA obligations if Shareholders do not provide the required certifications or information. In such circumstances, the Company could become subject to US FATCA withholding tax in respect of its U.S. source income if the U.S. Internal Revenue Service specifically identified the Company as being a 'non-participating financial institution' for FATCA purposes. Any such U.S. FATCA withholding tax would negatively impact the financial performance of the Company and all Shareholders may be adversely affected in such circumstances. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future operations of the Company (and each Fund). The administrative cost of compliance with FATCA may cause the operating expenses of the Company (and each Fund) to increase, thereby reducing returns to investors. FATCA may also require the Company (or each Fund) to provide to the Irish government (for exchange with the U.S. Internal Revenue Service) private and confidential information relating to certain investors. See section headed "Taxation."

### **Common Reporting Standards ("CRS") Risk**

Ireland has implemented the Common Reporting Standards ("CRS") and, as such, the Company is required to comply with CRS due diligence and reporting requirements. Failure to provide

the additional information to enable the Company to comply (or be deemed compliant) with the CRS will subject the Company (or a Fund) to withholding taxes in other jurisdictions on certain income sourced outside of Ireland and gross proceeds. Shareholders may be required to provide additional personal information to allow the Company to fulfil its reporting requirements. Failure to provide requested information or (if applicable) satisfy its own CRS obligations may subject a Shareholder to liability for any resulting withholding taxes, tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in its Shares. The Company may be unable to comply with its CRS obligations if Shareholders do not provide the required certifications or information. In such circumstances, the Company could become subject to withholding tax in respect of its foreign source income which would negatively impact the performance of the Fund. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. The administrative cost of compliance with CRS may cause the operating expenses of the Company (and each Fund) to increase, thereby reducing returns to investors. CRS may also require the Company (or each Fund) to provide to the Irish government (for exchange with other revenue services globally) private and confidential information relating to certain investors.

### **Lack of Independent Experts Representing Shareholders**

Each of the Funds and the Investment Manager have consulted with a single legal counsel regarding the formation and terms of the Fund and the offering of the Shares. Shareholders have not, however, been independently represented. Therefore, to the extent that a Fund, Shareholders or this offering could benefit by further independent review, such benefit will not be available. Each prospective investor should consult his or her own legal, tax and financial advisors regarding the desirability of purchasing Shares and the suitability of investing in a Fund.

### **American Depositary Receipts / Global Depositary Receipts**

American depositary receipts and global depositary receipts are a representation of a stock, rather than an actual holding in the company and are subject to particular risks such as currency risks, political risk and inflation risk. For example, if the value of the US Dollar rises against the value of the company's home currency, a good deal of the company's intrinsic profit might be wiped out in the transaction. ADR/GDR status does not insulate a company's stock from the inherent risk of its home country's political stability. Revolution, nationalisation, currency collapse or other potential disasters may be greater risk factors in other parts of the world than in the U.S., and those risks will be clearly translated through any ADR/GDR that originates in an affected nation. Countries around the globe may be more or less prone to inflation than the US economy is at any given time.

### **Equity Investments Risk**

Equity investments are subject to greater fluctuations in market value than other asset classes as a result of such factors as a company's business performance, investor perceptions, stock market trends and general economic conditions. A Fund's Net Asset Value may be correspondingly impacted.

### **Liquidity and Settlement Risk**

A Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. Some of the markets in which a Fund will invest may be less liquid and more volatile than the world's leading stock markets and this may result in fluctuations in the price

of the Shares. In addition, market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risks. The Shares in the Funds will not be traded on Regulated Markets.

## **FDI Risk**

Certain risks associated with the use of FDIs are as follows:

### *Market Risk*

This is a general risk that the value of a particular FDI may change in a way which may be detrimental to a Fund's interests and the use of FDI techniques may not always be an effective means of, and sometimes could be counter-productive to achieving a Fund's investment objective.

### *Control and Monitoring*

FDIs are highly specialised and require specific techniques and risk analysis. In particular, the use and complexity of FDI require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a FDI may add to a Fund and the ability to forecast the relative price, interest rate or currency rate movements correctly.

### *Liquidity Risk*

Liquidity risk exists when a particular instrument is difficult to purchase or sell. If an FDI transaction is particularly large or if the relevant market is illiquid (as is the case with many privately negotiated FDIs), it may not be possible to initiate a transaction to liquidate a position at an advantageous price, to assess or value a position or to assess the exposure to risk. An adverse price movement in a FDIs position may also require a cash payment to counterparties that might in turn require, if there is insufficient cash available in a Fund, the sale of investments under disadvantageous conditions.

### *Counterparty and Settlement Risk*

A Fund may enter into FDI transactions in over-the-counter markets, which will expose the Fund to the credit of its counterparties and their ability to satisfy the terms of such contracts. A Fund may be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of the bankruptcy or insolvency of a counterparty, a Fund could experience delays in liquidating the position as well as significant losses, including declines in value during the period in which the Fund seeks to enforce its rights, the inability to realise any gains during such period and fees and expenses incurred in enforcing its rights. The fact that the FDI may be entered into over-the-counter, rather than on a Regulated Market, may increase the potential for loss by a Fund.

### *Legal Risk*

There is a possibility that the agreements governing the FDI techniques may be terminated due, for instance, to supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. There is also a risk if such agreements are not legally

enforceable or if the derivative transactions are not documented correctly.

### *Other Risks*

Other risks in using FDIs include the risk of differing valuations of FDIs arising out of different permitted valuation methods and the inability of FDIs to correlate perfectly with underlying securities, rates and indices. Many FDIs, in particular over-the-counter FDIs, are complex and often valued subjectively and the valuation can only be provided by a limited number of market professionals which often are acting as counterparties to the transaction to be valued. Inaccurate valuations can result in an increased cash payment to counterparties or a loss of value to a Fund. FDIs do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track.

### **Collateral Management Risk**

In seeking to reduce credit risk through the posting or receiving of collateral in OTC transactions, securities lending agreements and repurchase/reverse repurchase agreements, the management of the collateral posted/received will be subject to liquidity and counterparty risks associated with the relevant collateral instruments. Collateral is also subject to other types of risks as set out below:

- Operational risks: including that the valuation of the underlying instrument for which it is posted is inaccurate due to inadequate or failed internal processes, people or systems which may cause the relevant Fund to have an incorrect level of margin posted or received.
- Legal risks: including risks associated with contracts and change of regulations in the relevant jurisdiction, etc. as well as the risk that collateral provided in cross-border transactions could result in conflicts of law preventing the Fund from recovering collateral lost or from enforcing its rights in relation to collateral received.
- Custody risk: collateral received by the Funds on a title transfer basis will be safekept by the Depository and will be subject to custody risks associated with those entities. Collateral pledged by the Funds will continue to be safekept by the Depository.
- Reinvestment of Cash Collateral: cash collateral that is reinvested may realize a loss, which would reduce the value of the collateral and result in the relevant Fund being less protected if there is a counterparty default.

While commercially reasonable efforts are utilised to ensure that collateral management is effective, such risks cannot be eliminated.

### **Custodial Risk**

If a Fund invests in assets that are financial instruments that can be held in custody ("**Custody Assets**"), the Depository is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depository is required to return identical assets to those lost or a corresponding

amount to the Fund without undue delay. If a Fund invests in assets that are not financial instruments that can be held in custody ("**Non-Custody Assets**"), the Depositary is only required to verify the Fund's ownership of such assets and to maintain a record of those assets which the Depositary is satisfied that the Fund holds ownership of. In the event of any loss of such assets, the Depositary will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary Agreement.

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

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

### **Fees and Expenses Risk**

The Company and each Fund will pay fees and expenses regardless of whether it experiences any profits. In addition to the fees and expenses of the Manager, Investment Manager, the Administrator, the Depositary, the Company Secretary and the Directors, each Fund will bear costs of brokerage commissions, option premiums and other transaction costs. These fees and expenses will arise regardless of whether the Company realises any profits.

Please refer to the section "FEES AND EXPENSES" for more details.

### **Tax Risk**

Each of the Funds may invest in securities that produce income or capital gains that is subject to withholding and other taxes in respect of income or gains derived from its investments in underlying investee countries. Shareholders and potential investors are advised to consult their Professional Advisors concerning possible taxation or other consequences of subscribing, holding, selling, converting or otherwise disposing of Shares in the Funds under the laws of jurisdictions in which they may be subject to tax. Taxation law and practice and the levels and bases of and reliefs from taxation relating to the Funds and to its investors may change from time to time. In addition, developing or emerging countries typically have less well defined tax laws and procedures and such laws may permit retroactive taxation so that a Fund could in the future become subject to local tax liabilities it could not have reasonably anticipated in conducting its investment activities or valuing its interests. A summary of some of the Irish tax consequences applicable to the Company is set out in the section "TAXATION". However, Shareholders and potential investors should note that the information contained in that section does not purport to deal with all of the tax consequences applicable to the Company or all categories of investors, some of whom may be subject to special rules.

## **Dependence on Key Personnel**

Trading decisions made by the Investment Manager are based on a combination of fundamental factors supported by technical analysis and the judgment of certain key employees of the Investment Manager. No assurance can be given that the Investment Manager's trading methods and strategies and its trading decisions for the Funds will be successful under all or any market conditions. Moreover, if such certain key employees were to die or become disabled or otherwise terminate their relationship with the Investment Manager, or if the Investment Manager were to terminate its relationship with the Company, such event could have a material adverse effect on the performance of the Funds.

## **Recent Developments in Financial Markets Risk**

Recent developments in the global financial markets illustrate that the current environment is one of extraordinary and possibly unprecedented uncertainty. In light of such recent market turmoil and the overall weakening of the financial services industry, the Company, the Investment Manager and other financial institutions' financial condition may be adversely affected and they may become subject to legal, regulatory, reputational and other unforeseen risks that could have a material adverse effect on the Company's business and operations.

## **Financial Markets and Regulatory Change Risk**

The laws and regulations affecting businesses continue to evolve in an unpredictable manner. Laws and regulations, particularly those involving taxation, investment and trade, applicable to the Company's activities can change quickly and unpredictably, and may at any time be amended, modified, repealed or replaced in a manner adverse to the interests of the Company. The Company and the Investment Manager may be or may become subject to unduly burdensome and restrictive regulation. In particular, in response to significant recent events in international financial markets, governmental intervention and certain regulatory measures have been or may be adopted in certain jurisdictions, including restrictions on short selling of certain securities in certain jurisdictions; restrictions on leverage or other activities of funds; increased disclosure requirements; requirements as regards appointment of service providers; and requirements as regards valuations. The extent to which the underlying causes of these recent events are pervasive throughout global financial markets and have the potential to cause further instability is not yet clear. These recent events, and their underlying causes, are likely to be the catalyst for changes in global financial regulation for some time, and may result in major and unavoidable losses to the Company.

## **Change of Law Risk**

The Company must comply with regulatory constraints, such as a change in the laws affecting the applicable investment restrictions, which might require a change in the investment policy and objectives followed by a Fund.

## **EU General Data Protection Regulation**

The EU General Data Protection Regulation (the "GDPR") which came into effect on 25 May 2018 introduces new obligations on data controllers and rights for data subjects, including, among others:

- accountability and transparency requirements, which will require data controllers to demonstrate and record compliance with the GDPR and to provide more detailed information to data subjects regarding processing;
- enhanced data consent requirements, which includes “explicit” consent in relation to the processing of sensitive data;
- obligations to consider data privacy as any new products or services are developed and limit the amount of information collected, processed, stored and its accessibility;
- constraints on using data to profile data subjects;
- providing data subjects with personal data in a useable format on request and erasing personal data in certain circumstances; and
- reporting of breaches without undue delay (72 hours where feasible).

A breach of the GDPR could expose the Company or relevant service provider to regulatory sanction including potentially significant fines. The GDPR identifies a list of points to consider when imposing fines (including the nature, gravity and duration of the infringement).

The implementation of the GDPR will require substantial amendments to the Company’s policies and procedures. The changes could adversely impact the Company’s business by increasing its operational and compliance costs. Further, there is a risk that the measures will not be implemented correctly or that individuals within the business will not be fully compliant with the new procedures. If there are breaches of these measures, the Company could face significant administrative and monetary sanctions as well as reputational damage which may have a material adverse effect on its operations, financial condition and prospects.

### **Benchmark Regulations**

In circumstances where the Funds are using benchmarks in accordance with the Benchmarks Regulation, the Company is required to ensure that the benchmark is either included in the register maintained by ESMA (the “**ESMA Register**”) or the benchmark administrator is included in the ESMA Register. The Benchmarks Regulation contains transitional provisions allowing existing EU benchmark administrators until 1 January 2020 to apply for authorisation or registration under the Benchmarks Regulation. As at the date of this Prospectus, benchmarks used by the Funds are provided by a benchmark administrator included in the ESMA Register, are included in the ESMA Register or the transitional provisions are being availed of by the relevant benchmark administrators.

### **Redemption Risk**

Large redemptions of Shares in a Fund might (i) cause the liquidation of investments at a time that could adversely affect the value of a Fund or the risk profile of the remaining investments of a Fund, or (ii) result in a determination to terminate a Fund.



## **Suspension Risk**

Investors are reminded that, in certain exceptional circumstances, their right to purchase and sell Shares may be suspended (see the Section “DETERMINATION OF NET ASSET VALUE: Temporary Suspension of Valuation of the Shares and of Sales and Redemptions”).

## **Investment and Counterparty Risk**

A Fund will be subject to the risk of the inability of any counterparty to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes. A Fund may pass cash or other assets to its counterparties as collateral in accordance with the requirements of the Central Bank. At any one time, a Fund may be exposed to the creditworthiness of its counterparties in respect of all or part of such collateral. In the event of the insolvency of a counterparty, a Fund might not be able to recover cash or assets of equivalent value in full.

## **Paying Agent Risk**

Where an investor chooses or is obliged under local regulations to subscribe/redeem via an intermediary entity rather than directly to the Administrator, the investor bears a credit risk against the intermediary entity with respect to (i) subscription payments prior to the transmission of such payment to the Depositary for the account of the Fund and (ii) redemption payments payable by such intermediate entity to the Shareholder. Local regulations in EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid. The fees of such paying agents and local representatives will be borne by the Company.

## **Segregated Liability Risk**

The Company is an umbrella company with segregated liability between its Funds. As a result, as a matter of Irish law, any liability attributable to a particular Fund may only be discharged out of the assets of that Fund and the assets of other Funds may not be used to satisfy the liability of that Fund. These provisions are binding both on creditors and in any insolvency but do not prevent the application of any enactment or rule of law which would require the application of the assets of one Fund to discharge some, or all liabilities of another Fund for example, on the grounds of fraud or misrepresentation. In addition, whilst these provisions are binding in an Irish court which would be the primary venue for an action to enforce a debt against the Company, these provisions have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of one Fund in satisfaction of an obligation owed in relation to another Fund in a jurisdiction which may not recognise the principle of segregation of liability between Funds.

## **Small and Mid-Capitalisation Company Risk**

Small to medium companies may offer greater opportunities for capital appreciation than larger companies, however they tend to be more vulnerable to adverse developments and investments in such companies may involve certain special risks. Small to medium companies may pose greater market and liquidity risk than larger, more established companies, because of limited product lines and/or operating history, limited financial resources, limited trading markets, and the potential lack of management depth. In addition, the securities of such companies are typically more volatile than securities of larger capitalisation companies.

### **Issuer Concentration Risk**

A Fund may be subject to issuer concentration risk resulting from an excessive concentration of exposure to, *inter alia*, a single issuer or group of related issuers, specific financial instrument(s), an individual transaction or a specific industry sector. There can be no assurance that issuers of the securities or other instruments in which a Fund invests will not be subject to credit difficulties or other market conditions leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. The values of such securities may decline for a number of reasons that directly relate to the issuer, such as management performance, financial leverage, and reduced demand for the issuer's goods and services. Such issuer-specific risk, often referred to as "idiosyncratic risk," can be mitigated through diversification. There is no assurance that a Fund may be entirely successful in mitigating idiosyncratic risk through its portfolio diversification efforts.

### **Cash Position Risk**

To the extent that a Fund holds assets in cash and cash equivalents, the ability of a Fund to meet its investment objective may be limited.

### **Cybersecurity Risk**

The Funds may be exposed to the risk of cyber security breaches occurring. Intentional cyber security breaches include: unauthorized access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents of cyber security breaches can also occur. Such unintentional cyber security breaches can include, among others, the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws).

A cyber security breach, whether intentional or unintentional, could result in the loss or theft of customer data of the Funds, the inability to access electronic systems ("denial of services"), loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause a Funds, the Investment Manager, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. In addition, such incidents could affect issuers in which Funds invest, and thereby cause Funds to lose value.

In addition to cyber security risks to the Funds, investors are advised to ensure communication methods with the Administrator and any financial advisors, including the Investment Manager are secure so as to prevent fraudulent change of details or fraudulent redemption requests from being submitted through, for example, their email accounts.

### **Umbrella Cash Account Risk**

Subscriptions monies received by a Fund in advance of the issue of Shares will be held in the Umbrella Cash 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 relevant Fund until such Shares are issued, and will not benefit from any appreciation in the NAV of the relevant Fund or any other shareholder rights (including dividend entitlement) until such time as Shares are issued. In the event of an insolvency of the

relevant Fund or the Company, there is no guarantee that the Fund or Company will have sufficient funds to pay unsecured creditors in full.

Payment by the relevant Fund of redemption proceeds and dividends 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 Fund, from the relevant redemption date. Pending redemptions and distributions, including blocked redemptions or distributions, will, pending payment to the relevant Shareholder, be held in the Umbrella Cash Account in the name of the Company. Redeeming Shareholders and Shareholders entitled to such distributions will be unsecured creditors of the Fund, and will not benefit from any appreciation in the NAV of the relevant Fund or any other shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount held by the relevant Fund. In the event of an insolvency of the relevant Fund or the Company, there is no guarantee that the Fund or 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, recovery of any amounts to which the relevant Fund is entitled, but which may have transferred to such Fund as a result of the operation of the Umbrella Cash Account, will be subject to the principles of Irish company law and the terms of the operational procedures for the Umbrella Cash 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 relevant Fund.

### **Performance Fee Risk**

Any performance fee payable shall be based on net realised and net unrealised gains and losses as at the end of each calculation period (as will be set out in the relevant Supplement for a Fund) and as a result, incentive fees may be paid on unrealised gains which may subsequently never be realised

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## DISTRIBUTION POLICY

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Under the Constitution, the Directors are entitled to pay such dividends on any Class of Shares at such times as they think appropriate and as appear to be justified out of the profits of the relevant Fund. The amount available for distribution in respect of any Accounting Period or part thereof shall be the net income of the relevant Fund (whether in the form of dividends, interest or otherwise) and/or net realised gains (i.e. realised gains net of realised and unrealised losses) or net realised and unrealised gains (i.e. realised and unrealised gains net of realised and unrealised losses) during the Accounting Period, subject to such adjustments as may be determined by the Directors to be appropriate in accordance with the Constitution.

For all Accumulating Classes, the Directors intend to accumulate and to automatically reinvest all earnings, dividends and other distributions of whatever kind pursuant to the investment objectives and policies of the relevant Fund for the benefit of Shareholders in the relevant Fund. The Directors intend to declare a dividend in respect of the Distributing Classes. Any change to the distribution policy of a Fund will be notified in advance to Shareholders and will be noted in an addendum or a revision to the Prospectus.

UK Shareholders in a Class which has reporting fund status should be aware that they may be treated as receiving taxable income for UK tax purposes even if sums are not actually distributed to them. UK Shareholders are referred to the Section "TAXATION: Taxation in the UK".

Any dividends payable (and not applied to the purchase of further Shares of the relevant Class) will be paid by electronic transfer at the Shareholder's risk, the cost of which will normally be passed on to the Shareholder, although the Directors have the discretion to determine that these charges should be borne by the relevant Fund. Payment of dividends may be withheld, without payment of interest, where the identity of the recipient has not been sufficiently established for anti-money laundering purposes in accordance with the procedures set out in the section "ADMINISTRATION OF THE COMPANY; Anti-Money Laundering Procedures".

No dividends, returns of capital or other amounts payable to any Shareholder shall bear interest against the Company.

All unclaimed amounts payable as aforesaid by the Company on behalf of the relevant Fund may be invested or otherwise made use of for the benefit of the relevant Fund until claimed. Payment by the Company of any unclaimed amount payable in respect of a Share into a separate account shall not constitute the Company a trustee in respect thereof. Any dividend or return of capital unclaimed after 6 years from the date when it first became payable shall be forfeited automatically and shall revert back to the relevant Fund, without the necessity for any declaration or other action by the Company.

Shareholders should note that any dividend income being paid out by a Fund and held in the Umbrella Cash Account shall remain an asset of the relevant Fund until such time as the income is released to the Shareholder and that during this time the Shareholder will rank as a general unsecured creditor of the Company.

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## MANAGEMENT AND ADMINISTRATION

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### The Directors

The Directors control the affairs of the Company and are responsible for the formulation of investment objectives and policies of each Fund. The Directors have delegated the day-to-day management of the Company to the Manager. The Manager has appointed the Administrator to provide the day-to-day administration of the Company's affairs (including the calculation of the Net Asset Value and the NAV per share, shareholder registration and transfer agency services and related services). The Manager has also appointed the Investment Manager to manage the assets and investments of the Company. The Depositary has also been appointed to hold the assets of each Fund.

The Central Bank UCITS Regulations refer to the "responsible person", being the party responsible for compliance with the relevant requirements of the Central Bank UCITS Regulations on behalf of a particular Irish authorised UCITS. The Manager assumes the role of the responsible person for the Company.

The Directors of the Company are as set out below:

#### **Jane M. White** (U.S. Resident)

Jane M. White is co-founder and President and CEO of Granahan Investment Management, Inc. as well as a Managing Director serving on the Executive Committee. As a portfolio manager, Jane M. White oversees a portion of the Small Cap and SMID-Cap portfolios. Her research has an emphasis in the technology sector.

Prior to founding Granahan Investment Management, Inc. in 1985, Jane M. White worked at Granahan-Everitt Investments as a research analyst. Jane M. White started her investment career at Loomis-Sayles in Boston in 1980 where she was a research assistant. Jane M. White received her B.A. from Boston University and is a member of the CFA Institute and the Boston Security Analysts Society.

#### **Brian S. Granahan** (U.S. Resident)

Brian S. Granahan is a Senior Vice President and, since 2004, has served as Granahan Investment Management, Inc's Chief Compliance Officer and Director of Information Systems. Previously, Brian S. Granahan was an analyst covering the technology sector from 1995 to 2004. Brian S. Granahan received his BS from Bentley College in 1995. Brian S. Granahan holds the Chartered Financial Analyst designation and is a member of the CFA Institute.

#### **Vincent Dodd** (Irish Resident) (Chairman)

Vincent Dodd has over 25 years' experience in fund management, fund administration and private banking. Since 2003, he has acted as an adviser and independent director to a number of Irish and IFSC financial entities, UCITS and exchange listed mutual funds. Vincent Dodd established and was appointed Head of Private Banking at KBC Bank Ireland from 1997 to 2003. Before joining KBC bank, Vincent Dodd was Head of Business Development at Bank of Ireland Securities Services, the custody and fund administration arm of the Bank of Ireland from 1993 to 1997. Prior

to joining Bank of Ireland Securities Services, he was a senior manager in the Private Clients Group of the Investment Bank of Ireland. Vincent Dodd received his B.A. in Economics and Politics from University College Dublin in 1986, his D.B.A. in Corporate Finance and Business Administration in 1987 from Queens University Belfast, and his Professional Diploma in Corporate Governance in 2010 from the Smurfit Business School at University College Dublin.

### **Lisa Martensson (Irish Resident)**

Lisa is a Swedish national with residency in Ireland since 2002. She left HSBC Securities Services (Ireland) DAC in 2019, where she was Chair of the board and Global Head of Client Experience. Lisa studied Economics at the University of Stockholm in Sweden and holds a Certificate and Diploma (distinction), in Company Direction from the Institute of Directors (IOD). Lisa Martensson has over 30 years' experience in the asset management, securities services and investment funds' industry. For the last seventeen years she has held various senior executive positions within HSBC Securities Services in the areas of sales, business development and relationship management. From 1998 to 2001 Lisa Martensson held a position in client services with Bank of New York in Brussels, Belgium. Prior to that she worked ten years with SEB Asset Management in Sweden and Luxembourg.

### **The Manager**

KBA Consulting Management Limited has been appointed as manager for the Company pursuant to the Management Agreement. Under the terms of the Management Agreement, the Manager has responsibility for the management and administration of the Company's affairs, subject to the overall supervision and control of the Directors. The Board of the Company retains the discretion to delegate as determined by the Directors.

The Manager was incorporated as a limited liability company in Ireland under the Companies Act 2014 (as may be amended) under registration number 430897 on 4 December 2006 and is authorized by the Central Bank to act as a management company on behalf of UCITS funds pursuant to the Regulations. The Manager has an authorised share capital of €1,000,000 of which €1,000,000 is paid up. The Manager's main business is the provision of fund management and administration services to collective investment schemes such as the Company. The secretary of the Manager is KB Associates.

The Manager has remuneration policies and practices in place consistent with the requirements of the Regulations and will procure that any delegate, including the any sub-investment manager, to whom such requirements also apply will have equivalent remuneration policies and practices in place. A summary of the Manager's remuneration policy including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits and the composition of the remuneration committee (if applicable) is available on [www.kbassociates.ie](http://www.kbassociates.ie) and a paper copy will be made available to Shareholders free of charge upon request.

### **Terms of Appointment**

The Management Agreement may be terminated by either party on 90 days' written notice to the other party, or such shorter period as may be agreed by the Company not to be less than 30 days, or immediately by written notice to the other party if such other party;

- (a) is unable to perform its duties under the Management Agreement due to a change in law or regulatory practice;
- (b) is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof;
- (c) is the subject of any petition for the appointment of a receiver, liquidator or an examiner or similar officer to it or in respect of its affairs or assets;
- (d) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues;
- (e) has committed a material breach of the provisions of this Agreement or the Regulations and, in the case of a breach capable of remedy, such breach has not been remedied by the defaulting party within thirty (30) days (or such other period as may be agreed between the parties) after the service of notice requiring it to be remedied;
- (f) is the subject of an effective resolution for its winding up (except a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the non-defaulting party); or
- (g) is the subject of a court order for its winding up.

This Management Agreement may also be terminated at any time by the Manager on giving not less than thirty days' prior written notice to the Company where it determines and has notified the ICAV in writing that the Manager cannot ensure compliance with the requirements of the Regulations and the Company has failed to rectify such matter within thirty days' of receipt of such notification.

The Management Agreement provides that neither the Manager nor any of its directors, officers, employees or agents shall be liable for any loss or damage arising directly or indirectly out of or in connection with the performance by the Manager of its obligations and duties under the Management Agreement unless such loss or damage arose out of or in connection with the negligence, wilful default, fraud, recklessness, or bad faith of or by the Manager or any of its delegates in the performance of its duties hereunder. The Management Agreement provides further that the Company shall be liable and shall indemnify and keep indemnified and hold harmless the Manager and each of its directors, officers, employees, delegates and agents (each a "Manager Indemnitee") from and against any and all actions, proceedings, claims, demands, losses, damages, costs and expenses (including reasonable legal and professional fees and expenses arising therefrom or incidental thereto) which may be made or brought against or suffered or incurred by the Manager arising out of or in connection with the performance of its obligations and duties hereunder in the absence of any negligence, wilful default, fraud, recklessness, or bad faith of or by the Manager or any Manager Indemnitee in the performance of its duties hereunder or as otherwise may be required by law.

The Directors of the Manager are described below:

#### Mike Kirby (Irish resident)

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

#### Peadar De Barra (Irish Resident)

Mr De Barra is an executive director and Chief Operating Officer of the Manager with responsibility for risk, operations and compliance. Prior to his appointment to the Manager, he was a senior consultant within KB Associates' consulting business where he was responsible for advising investment funds on a range of risk and compliance matters. In this role, he was responsible for developing risk management programmes for funds operating across a range of investment strategies. Mr. De Barra joined KB Associates in 2008. Prior to this, Mr. De Barra was Vice-President at Citi Fund Services (Ireland) Ltd (formerly BISYS), where he was responsible for the Financial Administration team (2003 to 2007). Prior to this, Mr. De Barra was an accountant and auditor with PricewaterhouseCoopers Dublin and Boston (1998 to 2002) and was an assistant manager at AIB/BNY Fund Management (Ireland) Ltd (2002 to 2003) with responsibilities for statutory reporting. In addition, Mr. De Barra also acts as a director to a number of investment funds, investment managers and management companies. Mr. De Barra holds a Bachelor of Commerce Degree from National University of Ireland Galway and is a Fellow of the Institute of Chartered Accountants in Ireland.

#### John Oppermann (Irish Resident) (Organisational Effectiveness Director)

Mr Oppermann has been involved in the financial services sector for over 30 years in both London and Dublin. He has extensive experience with investment funds domiciled in various locations across a variety of asset classes and investment strategies. He co-founded The Fund Governance Boardroom Panel in 2014 and previously established JPO Corporate Services to provide corporate services to entities establishing operations in Ireland. Since 2008, Mr. Oppermann has also acted as a consultant within the hedge fund industry. From 2004 to July 2008, Mr. Oppermann served as General Manager of Olympia Capital Ireland Limited, a fund administration company based in Dublin. Mr. Oppermann held senior roles with RMB International in Dublin from 2003 to 2004 (part of the First Rand Group) and International Fund Services (IFS) from 2001 to 2004. He established Capita's Registrar operations in Ireland and was Country Manager from 1998 to 2001. Mr. Oppermann was a member of the senior management team at Mellon Fund Administration (Ireland) from 1995 to 1998. He held a number of senior financial and operational positions in the investment management, pensions and financial services divisions with The Prudential Corporation in London from 1987 to 1995. Mr. Oppermann is a Fellow of the Chartered Association of Certified Accountants and holds an MBA from the Michael Smurfit Graduate School of Business. He has received the accreditation of Certified Investment Fund Director from the Institute of Banking School of Professional Finance. Mr. Oppermann is a non-executive director for a number of companies and is a member of the Institute of Directors.

#### Samantha McConnell (Irish Resident)



Ms McConnell has over 20 years' experience in the financial and pensions industry covering administration, investment services, change and integration management as well as expert in devising solutions to complex issues. Ms. McConnell is the independent non-executive director on the board of, and is the Chair of the Investment Committee within, the Manager. The function of the Investment Committee is the formulation, approval and oversight of the implementation of each Fund's investment objectives and policies by the relevant investment manager. The Investment Committee also evaluates the market overview, each Fund's performance and any changes of investment objective of a Fund. Ms. O'Connell is also an independent non-executive director and interim chair for another significant fund management company as well as independent non-executive director of a self-managed fund company. Samantha is a director for Willis HC&B as well as non-executive director for CFA Ireland. Samantha holds a first class honours degree in commerce from UCD and graduated first in Ireland in the ACCA exams. She is a CFA Charterholder, a holder of the Institute of Directors Diploma in Company Direction and was awarded the Graduate of Merit award from the Institute of Directors.

#### Frank Connolly (Irish Resident)

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

#### **The Investment Manager**

The Manager has appointed Granahan Investment Management, Inc. as the discretionary investment manager for the Company pursuant to an Investment Management Agreement (further details of which are set out within the section "STATUTORY AND GENERAL INFORMATION: Material Contracts" below). The Investment Manager is a registered investment adviser regulated by the SEC.

The Investment Manager is also the promoter of the Company and is approved by the Central Bank to act as investment manager to Irish collective investment schemes including the Company.

The Investment Manager has extensive experience in managing assets for institutional investors in the United States. The Investment Manager focuses exclusively on small to medium capitalisation growth investment strategies and employs a disciplined risk/reward strategy to its investments in this universe.

The Investment Manager is responsible for the implementation of the investment policies of the Fund(s) and for making investment decisions on behalf of the Fund(s). The Investment Manager has overall responsibility for managing the day-to-day undertaking of the Fund(s).

The Investment Manager also assists the Fund(s) in relation to marketing of the Fund(s), and to act as a distributor of shares not otherwise sold through another registered dealer.

### **The Administrator**

The Company and the Manager have appointed RBC Investor Services Ireland Limited as administrator and registrar of the Company pursuant to the Administration Agreement with responsibility for the day-to-day administration of the Company's affairs. The responsibilities of the Administrator include share registration, transfer agency services, calculation of the Net Asset Value per Share and the preparation of the Company's annual reports, subject to the overall supervision of the Directors.

The Administrator is a company incorporated on 31 January 1997 with limited liability in Ireland and is authorised by the Central Bank under the Investment Intermediaries Act 1995. The Administrator is a wholly-owned subsidiary of the Royal Bank of Canada Group. The Administrator is engaged in the business of, inter alia, providing fund administration services to collective investment undertakings.

The Administration Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by either party giving to the other not less than 90 days written notice although in certain circumstances the Administration Agreement may be terminated forthwith by notice in writing by either party to the other. The Administration Agreement contains indemnities in favour of the Administrator except to the extent that the Administrator wilfully defaults, is negligent or fraudulent in the performance of its duties and obligations, and provisions regarding the Administrator's responsibilities.

The Administration Agreement is described in more detail in the Section "STATUTORY AND GENERAL INFORMATION: Material Contracts".

### **The Depositary**

The Company has appointed RBC Investor Services Bank S.A., Dublin Branch as depositary of its assets pursuant to the Depositary Agreement.

The principal activity of the Depositary is to provide depositary services for investment funds such as the Company. The Depositary acts as depositary of all of the Company's securities, cash and other assets and will discharge all depositary duties in respect of such securities, cash and other assets in accordance with the provisions of the Depositary Agreement, the Constitution and the UCITS Rules. The Depositary is responsible for the safe-keeping of all the Company's assets held within its custody network. The Depositary shall be liable to the Shareholders and the Company for any loss suffered by them as a result of its negligent or intentional failure to properly perform its obligations.

The Depositary is incorporated with limited liability in Luxembourg, operating through its Dublin Branch. The head office of RBC Investor Services Bank S.A. is 14, Porte de France L 4360 Esch sur Alzette Luxembourg, Luxembourg. The Depositary has been approved by the Central Bank to act as depositary for the Company.

The Depositary may enter into arrangements with third party sub-custodians. The Depositary shall be reimbursed out of the assets of the Company for the fees and transaction charges (which shall be at normal commercial rates) and reasonable out-of-pocket expenses of any third party

sub-custodians. The Depositary must exercise (1) all due skill, care and diligence in the selection of a third party sub-custodian so as to ensure that such sub-custodian has and maintains the expertise, competence and standing appropriate to discharging the responsibilities concerned; (2) exercise all due skill care and diligence in the review, monitoring of and supervision over the third party sub-custodian; (3) make appropriate enquires from time to time to confirm that the obligations of the sub-custodians continue to be competently discharged; and (4) provide, on request, details of the criteria used to select sub-custodians and steps take to monitor their activities.

The Depositary shall not have any investment decision-making role in relation to the Company. Decisions relating to the purchase and sale of assets for the Company.

Under the terms of the Depositary Agreement the Depositary has full power to delegate the whole or any part of its custodial functions, but the liability of the Depositary will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safe-keeping.

The Depositary is responsible for the safe-keeping of all the assets of the Company. The key duties of the Depositary are to perform on behalf of the Company the depositary duties referred to in the UCITS Regulations and the Delegated Regulations essentially consisting of:

- a) monitoring and verifying the Company's cash flows;
- b) safekeeping of the assets of the Company, including inter alia verification of ownership;
- c) ensuring that the issue, redemption, cancellation and valuation of Shares are carried out in accordance with the Constitution and applicable law, rules and regulations;
- d) ensuring that in transactions involving assets of the Company any consideration is remitted to the Company within the usual time limits;
- e) ensuring that the Company's income is applied in accordance with the Constitution, applicable law, rules and regulations; and
- f) carrying out instructions from the Investment Manager unless they conflict with the Constitution or applicable law, rules and regulations.

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 UCITS 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.

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, the Company maintains other business relationships with any of the Depositary's delegates or the delegate's sub-delegates, where 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, where 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, where 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 Schedule IV.

Any conflicts of interest that may arise are set out in the Section "CONFLICTS OF INTEREST" and will be kept up to date and made available to Shareholders upon request.

Information in relation to the identity of the Depositary, a description of the Depositary's duties, a description of conflicts of interest that may arise and a description of any safekeeping functions delegated by the depositary (including, if applicable, a list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegate) will be kept up to date and is available to Shareholders upon request.

The Depositary Agreement is described in more detail in the Section "STATUTORY AND GENERAL INFORMATION: Material Contracts".

### **Paying Agents and Local Representatives**

The Company or the Manager, as the case may be, may appoint such paying agents and local representatives as may be required to facilitate the authorisation or registration of the Company, any Fund and/or the marketing of any of its Shares in any jurisdictions. Fees of such paying agents and local representatives shall be charged at normal commercial rates.

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## **FEES AND EXPENSES**

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### **Establishment Costs**

The preliminary expenses incurred in the establishment of each new Fund or Class will be charged to the respective Fund and will be amortised over the first five financial years of the relevant Fund's life. The Directors may in their absolute discretion, following consultation with the Depositary, shorten the period over which said expenses are amortised.

This practice is not in accordance with International Financial Reporting Standards and, although this is not anticipated by the Directors, could result in a qualified audit opinion.

### **Directors Remuneration**

The Constitution provides that the Directors shall be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors. Directors affiliated with the Investment Manager shall waive their entitlement to a fee. The aggregate amount of Directors' remuneration in any one year shall not exceed €100,000 without the approval of the Directors. All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties.

### **Service Provider Fees and Expenses**

#### **Manager Fees**

The Manager shall be entitled to receive out of the assets of the relevant Fund, an annual fee, accrued on each Dealing Day and payable quarterly in arrears, at an annual rate of up to and not exceeding 0.01% of the Net Asset Value of the Company subject to a minimum fee of up to €50,000 per annum for the initial Fund and €10,000 for each incremental Fund thereafter. The Manager is also entitled to be reimbursed out of the assets of each Fund for the reasonable out-of-pocket costs and expenses incurred by the Manager in the performance of its duties (plus VAT thereon, if any).

#### **Investment Management Fee and Expense Limitation**

Save as otherwise stated in the relevant Supplement, the Company will pay to the Investment Manager a maximum fee at an annual rate equal to the percentage of the Net Asset Value of the relevant Class of the relevant Fund as set out in the Schedule to the relevant Supplement (the "Schedule"). The investment management fee shall accrue and be calculated daily and shall be payable monthly in arrears. In addition, the Investment Manager shall be entitled to be reimbursed its reasonable vouched out-of-pocket expenses. The Fund shall bear pro rata its share of such out-of-pocket expenses.

The Investment Manager may also, from time to time and at its sole discretion, use part of its investment management fee to remunerate certain financial intermediaries and may pay reimbursements or rebates to certain institutional shareholders in circumstances where its fees are charged directly to such intermediaries and/or institutional shareholders and not to the relevant Fund. The Investment Manager may pay trail or service fees out of its investment management fee to financial intermediaries who assist in the sales of Shares of the relevant Fund and provide on-going services to the Shareholders.

In respect of certain Classes, the Investment Manager has committed to reimburse the Class expenses in order to keep the operating expenses of such Classes from exceeding an annual rate of the daily Net Asset Value of the Class as set out in the Schedule (the “Expense Limitation”). The expenses subject to the Expense Limitation shall include the Depositary’s fee and Administrator’s fee as set out below but shall not include the investment management fee. The Investment Manager may revise or discontinue this arrangement at any time upon prior notification to Shareholders.

The Expense Limitation will have the effect of lowering the relevant Fund’s overall expense ratio and increasing the yield or investment return to the Shareholders.

### **Depositary’s Fee**

Save as otherwise stated in the relevant Supplement, the Depositary shall be entitled to receive an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 2.5 bps of the Net Asset Value of the relevant Fund (plus VAT thereon, if any), subject to a monthly minimum of USD 1,167 per Fund (plus VAT, if any).

In addition, the Depositary shall also be entitled to receive, in respect of cash-flow monitoring and reconciliation, a monthly fee of USD 550 per Fund (plus VAT, if any).

The combined Depositary fees accrue and are calculated on each Dealing Day and are payable monthly in arrears.

The Depositary shall also be entitled to receive out of the assets of the relevant Fund all agreed sub-custodian fees, transaction charges (which will be charged at normal commercial rates) together with reasonable out-of-pocket expenses (plus VAT thereon, if any) incurred by the Depositary in the performance of its duties under the Depositary Agreement.

### **Administrator’s Fee**

Save as otherwise stated in the relevant Supplement, the Administrator is entitled to receive out of the assets of the Fund an annual fee of up to 2.5 bps point of the Net Asset Value of the relevant Fund which will be accrued and payable monthly in arrears, subject to a monthly minimum fee for the Fund of USD 2,530 per Fund. The Administrator may also receive out of the assets of the relevant Fund such additional charges as agreed at normal commercial rates. The Administrator shall be reimbursed out of the assets of the relevant Fund for all reasonable and vouched out-of-pocket expenses incurred by it.

### **Other Expenses**

The Company will bear all costs and expenses incurred in relation to its ongoing operation including, without limitation, all its operating costs, expenses, or costs incurred by the Manager, the Investment Manager, the Administrator, Company Secretary and the Depositary in connection with the ongoing management, administration and operation of the Company and other costs including but not limited to:

- (a) out-of-pocket expenses incurred by the Investment Manager, the Depositary, Company Secretary and the Administrator in the performance of their duties to the Company on such basis as may be determined by the Directors from time to time;

- (b) all clerical expenses and stamp duty (other than any payable by an applicant for Shares or a Shareholder) or other tax or duty which may be levied or payable from time to time on or in respect of the Company, a Fund or any Class of Shares or on creation, issue or redemption of Shares or any Class Shares or arising in any other circumstance;
- (c) all brokerage, stamp, fiscal and purchase or fiscal and sale charges and expenses arising on any acquisition or disposal of investments;
- (d) all expenses incurred in relation to the registration of any investments into and transfer of any investments out of the name of Company, a Fund or the Depositary, or any sub-Depositary or their nominees or the holding of any investment or the custody of investments and/or any documents or title thereto (including bank charges, insurance of documents of title against loss in shipment, transit or otherwise) and charges made by the registrar or agents of the Depositary or any sub-Depositary for acceptance of documents for safe custody, retention and/or delivery;
- (e) all expenses incurred in the collection of income and administration of the Company;
- (f) all costs and expenses of Shareholders' meetings and preparing resolutions of Shareholders;
- (g) all taxation payable in respect of the holding of or dealings with or income from the Company's property and in respect of allocation and distribution of income to Shareholders other than tax of Shareholders or tax withheld on account of Shareholders' tax liability;
- (h) all commissions, charges, stamp duty, VAT and other costs and expenses of or incidental to any acquisition, holding, realisation or other dealing in investments of any nature whatsoever and including any foreign exchange options, financial futures or of any other derivative instruments or the provision of cover or margin therefor or in respect thereof or in connection therewith;
- (i) all stationery, telephone, facsimile, printing, translation and postage costs in connection with the preparation, publication and distribution of the Net Asset Value, the Net Asset Value per Share, any cheques, warrants, tax certificates, statements, accounts and reports made, issued or dispatched;
- (j) all legal and other professional advisory fees incurred by the Company, including but not limited to the fees and expenses of the Company's auditors and company secretarial fees, and professional consulting fees;
- (k) any statutory fees payable, including any fees payable to the Companies Registration Office, the Central Bank or to any regulatory authority or fiscal authority in any country or territory, the costs and expenses (including legal, accountancy and other professional charges and printing costs) incurred in meeting on a continuing basis the notification, registration, tax reporting and costs of qualifying the Shares for favourable tax treatment in any of the jurisdictions where the Shares are marketed and other requirements of each such regulatory

or fiscal authority, and any fees and expenses of representatives or facilities agents in any such other country or territory;

- (l) all fees and costs relating to a scheme of reconstruction and amalgamation (to the extent it has not been agreed that such expenses should be borne by other parties and subject to the applicable requirements set out in Regulation 26(3) of the Central Bank UCITS Regulations);
- (m) any interest on any borrowings of the Company;
- (n) all expenses and fees relating to any periodic update of the Prospectus or any other documentation relating to the Company;
- (o) expenses and fees related to any specialised risk management or research services or software utilised by the Investment Manager in managing the assets of the Company;
- (p) all fees and expenses of the Directors and any Directors' insurance premia;
- (q) the costs of winding up the Company, a Fund or terminating any Class; and
- (r) all costs and expenses incurred by the Company and any of their appointees which are permitted by the Constitution.

Notwithstanding the above, the Investment Manager may in its discretion pay certain expenses on behalf of the Company.

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## SHARE CLASSES

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The following is a description of the Classes of Shares being offered:

### **Class A Shares**

The Class A Shares are offered to retail investors outside of the United Kingdom. Class A Shares are, however, also available for non-advised execution only clients and discretionary sales in the United Kingdom.

If, in any country in which Shares are offered, local law or practice requires a lower initial sales charge than the charge stated above for any individual purchase order, the Investment Manager may sell Class A Shares, and may otherwise allow distribution agents to sell Class A Shares, within such country at a lower initial sales charge, but in accordance with the amounts permitted by the law or practice of such country.

### **Class F Shares**

The Class F Shares are offered to retail investors outside of the United Kingdom. Class F Shares are, however, also available for non-advised execution only clients and discretionary sales in the United Kingdom.

Purchases of Class F Shares are not subject to an initial sales charge .



If, in any country in which Shares are offered, local law or practice requires a lower sales charge than the charge stated above for any individual purchase order, the Investment Manager may sell Class F Shares, and may otherwise allow distribution agents to sell Class F Shares, within such country at a lower sales charge, but in accordance with the amounts permitted by the law or practice of such country.

### **Class I Shares**

Class I Shares are offered to (i) institutional investors in certain limited circumstances at the discretion of the Investment Manager; (ii) retail investors purchasing Shares through distribution agents who have separate fee arrangements with such investors, (iii) product structures that purchase the Shares directly, or on behalf of an end investor and assess such investor a fee at the product level; and (iv) other investors at the Investment Manager's discretion where such offering and/or sale takes place outside the EU.

With respect to distribution within the EU, no portion of fees charged by the Company involving Class I Shares is paid to distribution agents, except maintenance and/or administration fees (where legally permissible). Accordingly, within the EU, Class I Shares are available for purchase by (or on behalf of) customers of: (i) distribution agents providing independent advice (e.g., independent financial investment advisors) or portfolio management services (e.g., discretionary investment managers); and (ii) distribution agents purchasing Class I Shares on behalf of their clients where either an arrangement with their client or applicable law prohibits such distribution agents from receiving any payment from a third-party in relation to the provision of investment advice on an independent basis with regards to an investment in Class I Shares.

The typical minimum initial investment amount is USD 10,000,000 or equivalent in another authorised currency. The typical minimum holding amount is USD 10,000,000 or equivalent in another authorised currency.

Purchases of Class I Shares are not subject to an initial sales charge.

### **Class P Shares**

Class P Shares are offered to (i) institutional investors at the discretion of the Investment Manager; (ii) product structures that purchase the Shares directly, or on behalf of an end investor and assess such investor a fee at the product level; and (iii) other investors at the Investment Manager's discretion where such offering and/or sale takes place outside the EU.

With respect to distribution within the EU, no portion of fees charged by the Company involving Class P Shares is paid to distribution agents, except maintenance and/or administration fees (where legally permissible). Accordingly, within the EU, Class P Shares are available for purchase by (or on behalf of) customers of: (i) distribution agents providing independent advice (e.g., independent financial investment advisors) or portfolio management services (e.g., discretionary investment managers); and (ii) distribution agents purchasing Class P Shares on behalf of their clients where either an arrangement with their client or applicable law prohibits such distribution agents from receiving any payment from a third-party in relation to the provision of investment advice on an independent basis with regards to an investment in Class P Shares.

The typical minimum initial investment amount is USD 50,000,000 or equivalent in another authorised currency. The typical minimum holding amount is USD 50,000,000 or equivalent in another authorised currency.

Purchases of Class P Shares are not subject to an initial sales charge.

Class P Shares are subject to a performance fee, further details of which will be set out in the relevant Supplement.

### **Class X Shares**

Class X Shares are only offered to institutional investors who have entered into a separate agreement with the Investment Manager, in certain limited circumstances.

### **Class Z Shares**

Class Z Shares are offered to (i) retail and institutional investors purchasing Shares through distribution agents who have separate fee arrangements with such investors, (ii) product structures that purchase the Shares directly, or on behalf of an end investor and assess such investor a fee at the product level; and (iii) other investors at the Distributor's discretion where such offering and/or sale takes place outside the EU.

With respect to distribution within the EU, no portion of fees charged by the Investment Manager involving Class Z Shares is paid to distribution agents, except maintenance and/or administration fees (where legally permissible). Accordingly, within the EU, Class Z Shares are available for purchase by (or on behalf of) customers of: (i) distribution agents providing independent advice (e.g., independent financial investment advisors) or portfolio management services (e.g., discretionary investment managers); and (ii) distribution agents purchasing Class Z Shares on behalf of their clients where either an arrangement with their client or applicable law prohibits such distribution agents from receiving any payment from a third-party in relation to the provision of investment advice on an independent basis with regards to an investment in Class Z Shares.

Purchases of Class Z Shares are not subject to an initial sales charge or distribution fee. No portion of the fee charged for Class Z Shares will be paid to distribution agents, except maintenance and/or administration fees (where legally permissible).

The following is a description of the Classes of Shares being offered in respect of the Granahan US Small Cap Discoveries Fund only:

### **Founders Shares**

Founders Shares are available to certain early investors in the Granahan US Small Cap Discoveries Fund.

### **Investor Shares**

Investor Shares are offered to retail investors. The typical minimum initial investment amount is USD 2,500 or equivalent in another authorised currency. The typical minimum for each subsequent investment is USD 1,000 or equivalent in another authorised currency. The typical minimum holding amount is USD 2,500 or equivalent in another authorised currency.

### **Institutional Shares**

Institutional Shares are offered to institutional investors. The typical minimum initial investment amount is USD 1,000,000 or equivalent in another authorised currency. The typical minimum for

each subsequent investment is USD 100,000 or equivalent in another authorised currency. The typical minimum holding amount is USD 1,000,000 or equivalent in another authorised currency.

**Class X Shares**

Class X Shares are only offered to institutional investors who have entered into a separate agreement with the Investment Manager, in certain limited circumstances.

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## ADMINISTRATION OF THE COMPANY

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### **How to Purchase Shares**

The terms and conditions applicable to the subscription for Shares including the initial offer period, the Initial Offer Price, minimum initial investment and minimum subsequent investment amounts are set out in the Supplement for the relevant Fund.

### **Subscriptions Following the Initial Offer Period**

Following the close of the initial offer period, investors may apply to subscribe for Shares in respect of each Dealing Day at the Subscription Price for the relevant Class calculated as at the Valuation Point in respect of the relevant Dealing Day.

The Subscription Price for the relevant Class will be calculated in accordance with the procedures referred to in the Section "DETERMINATION OF NET ASSET VALUE: Calculation of Subscription and Redemption Prices".

Subscription monies should be paid to the account specified in the Application Form (or such other account as may be specified by the Administrator) so as to be received in cleared funds by the Administrator no later than two Business Days after the relevant Dealing Day or such earlier or later day or time as the Directors may determine following consultation with the Manager (in exceptional circumstances only) in respect of specific applications only provided that the application is received prior to the Valuation Point.

Applicants should be aware that if they fail to pay subscription monies to the Company or if payment in respect of a subscription has not been received by the relevant deadline as set out above, the Company or its delegate may cancel the issue of Shares and/or charge the subscriber for any loss, cost, expense (including interest) suffered by the Company or relevant Fund as a result of such failure to pay or late settlement of subscription monies. The interest that may be borne in by a subscriber shall be the cost of borrowing to the relevant Fund plus, at the discretion of the Directors, interest at 2% plus the LIBOR rate for each late settlement transaction.

Subsequent facsimile subscription requests may be processed without the need to submit original subscription documentation, provided that cleared funds in respect of the subscription are received by the Administrator in the manner set out in the preceding paragraph and prior to the issuance of the relevant Shares.

The Directors following consultation with the Manager may limit or close, permanently or on a temporary basis, subscriptions for Shares of a Fund or any Class in their discretion.

### **Subscription Procedure**

Application for Shares of each Class should be made by written application using the Application Form available from the Administrator. Applicants should subscribe for Shares in accordance with the instructions contained in the Application Form. Signed original Application Forms, duly completed, should be sent to the Company c/o the Administrator in accordance with the instructions contained in the Application Form.

It is the responsibility of the investor or his or her agent to ensure that Application Forms are correctly completed and monies submitted in accordance with the terms of this Prospectus. Applications not in accordance with the terms of the Prospectus may be rejected without notice. Amendments to an investor's registration details and payment instructions will only be made following on receipt of original written instructions. Applications will be irrevocable unless the Directors otherwise agree. Any subsequent application may be sent by facsimile or by letter. Applications by facsimile will be treated as definite orders and no application will be capable of withdrawal after acceptance by the Administrator.

Where payment is accepted in a currency other than the currency of denomination of the relevant Class subscribed, a currency conversion will take place on subscription at prevailing exchange rates. The value of the Share expressed in the Class currency will be subject to exchange rate risk in relation to the Base Currency.

The Company has standing arrangements in place for subscription monies to be paid by telegraphic transfer as specified in the Application Form available from the Administrator.

The Company is under no obligation to consider the allotment and issue of Shares to an applicant unless and until it has received the relevant subscription documentation including the completed original Application Form for initial applications and cleared funds by the Dealing Deadline or such earlier or later day and/or time as the Directors may determine (in exceptional circumstances only) in respect of specific applications or generally provided that the application is received prior to the Valuation Point.

In accordance with the Constitution, the Company has established an Umbrella Cash Account in the name of the Company through which subscription and redemption proceeds for the Funds will be channelled. The Company will ensure that at all times the records of this account identify the cash as proceeds belonging to the individual Funds of the Company.

The Company may issue fractional Shares rounded to two decimal places. Fractional Shares may be issued to the nearest one hundredth of a Share and shall not carry any voting rights at general meetings of the Company and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

For the purposes of complying with its automatic exchange of information obligations under the OECD's CRS as implemented in Irish law the Company is required to collect certain information in respect of each investor, and in respect of certain controlling persons in the case of the investor being an entity rather than an individual, (e.g. name, address, jurisdiction of residence, tax identification number (TIN), date and place of birth (as appropriate), the "account number" and the "account balance" or value at the end of each calendar year) so as to identify "accounts" which are reportable to the Revenue Commissioners under the CRS. Such information may in turn be exchanged by the Revenue Commissioners with the tax authorities of other jurisdictions in accordance with the requirements of the CRS.

Further information in relation to CRS can be found on the Automatic Exchange of Information (AEOI) webpage on [www.revenue.ie](http://www.revenue.ie).

### **Payment for Shares**

The Company reserves the right to reverse any allotment of Shares in the event of a failure by the Shareholder to settle the subscription monies by the Dealing Deadline. In such circumstances,

the Company shall compulsorily redeem any Shares issued and the Shareholder shall be liable for any loss suffered by the Company in the event that the redemption proceeds are less than the amount originally subscribed for. For the avoidance of doubt, the relevant Shareholder shall not be entitled to any profit arising from such a redemption of Shares in the event that the redemption proceeds are worth more than the amount originally subscribed for.

The Company has segregated liability between its Funds and accordingly in the event of the insolvency of a Fund, only Shareholders of that Fund will be affected.

### **Right to Reject Applications**

The Directors reserve the right to reject any application in whole or in part, in which event the application monies or any balance thereof will be returned to the applicant without interest at its own risk within a reasonable period following the closing of the initial offer period, or, in respect of subsequent applications, the relevant Dealing Day. Where applications are accepted, notification of the allotment and issue of Shares of the relevant Classes will be sent as soon as possible after the closing of the initial offer period and following the completion of the Net Asset Value computation after the relevant Dealing Day for subsequent issues.

### **Anti-Money Laundering Procedures**

#### *Verification of Identity*

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

Existing Shareholders may be required to provide additional or updated identification documents from time to time pursuant to the Company's ongoing client due diligence requirements relevant to anti-money laundering legislation.

#### *Right to Reject Applications for AML purposes*

In the event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Administrator on behalf of the Company, the Manager and the Directors may each refuse to accept the application and subscription monies and return all subscription monies (or balance thereof) or compulsorily redeem such Shareholder's Shares and/or payment of redemption proceeds may be delayed (no redemption proceeds will be paid if the Shareholder fails to produce such information). None of the Company, the Manager, the Directors, the Investment Manager or the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily redeemed or payment of redemption proceeds is delayed in such circumstances. If an application is rejected, the Administrator will return application monies or the balance thereof by telegraphic transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Administrator will be obliged to refuse to pay or delay payment of redemption

proceeds where the requisite information for verification purposes has not been produced by a Shareholder.

#### *Right to Terminate Relationship for Anti-Money Laundering purposes*

In the event of failure by an investor or applicant to provide documentation required to complete verification purposes, within a reasonable period of time after subscription, the Administrator on behalf of the Company, the Manager and the Directors may each terminate the relationship with such Shareholder and redeem the Shareholder's Shares. Where such failure to provide the requisite documentation is associated with a suspicion of money-laundering, the Administrator on behalf of the Company, the Manager and the Directors will not be able to return said monies to the relevant former Shareholder until such time as the money laundering concerns are addressed.

#### **Written Confirmations of Ownership**

The Administrator shall be responsible for maintaining the Company's register of Shareholders in which all issues, redemptions, conversions, and transfers of Shares will be recorded. Written confirmations of ownership will be issued in relation to the Shares. Shares will be in registered form. The Administrator will not issue a Share certificate in respect of Shares. A Share may be registered in a single name or in up to four joint names. The register of Shareholders will be conclusive evidence of ownership and an extract report of a Shareholder's own entry will be available for inspection by Shareholders upon reasonable notice at the registered office of the Company during normal business hours.

#### **In Specie or In Kind Subscriptions**

The Directors, at their discretion reserve the right to accept subscriptions satisfied by way of in specie or in kind transfers of assets, the nature of which shall be within the investment policy and restrictions of the relevant Fund.

Any in specie or in kind subscription that meets the investment criteria will be valued by the Directors in accordance with the valuation procedures of the Company set out in the section "DETERMINATION OF THE NET ASSET VALUE: Calculation of Net Asset value".

The Directors reserve the right to decline to register any prospective investor on the register of Shareholders until the subscriber has been able to prove title to the assets in question and make a valid transfer thereof. Unless otherwise determined by the Directors, any in specie or in kind transfer will be at the investor's risk and the costs of such a transfer will be borne by the investor. Shares will not be issued until the investments have been vested or arrangements are made to vest the investments with the Depositary or its sub-Depositary to the Depositary's satisfaction, and the number of Shares to be issued will not exceed the amount that would be issued if cash equivalent of investments had been invested and the Depositary is satisfied that the terms of such exchange shall not be such as are likely to result in any material prejudice to the existing Shareholders.

#### **How to Redeem Shares**

Shareholders may request the redemption of Shares on each Dealing Day at the Redemption Price per Share of the relevant Class calculated as of the Valuation Point in respect of the relevant Dealing Day, subject to any applicable prior notice requirement as may be determined by the Directors.

The Redemption Price per Share of each Class is calculated in accordance with the procedures referred to under “DETERMINATION OF NET ASSET VALUE: Calculation of Subscription and Redemption Prices”.

### **Redemption Procedure**

Requests for redemption of Shares should be addressed to the Company c/o the Administrator and may be made by fax or otherwise in writing by way of a signed redemption request as provided for in the Application Form. Requests for redemption by fax may only be processed where payment is made to the bank account specified in the Application Form. To be effective, requests for redemption of Shares, duly completed, must be received by the Administrator by the Dealing Deadline. This notice period may be waived by the Directors in exceptional circumstances provided the request is received prior to the Valuation Point. Other than in the event of a temporary suspension of the determination of the Net Asset Value, or where otherwise determined by the Directors, requests for redemption once made may not be withdrawn.

Redemption requests are not required to be accepted or payment made in respect thereof unless cleared funds are received by the relevant Dealing Deadline and completed documents (including the original Application Form and documentation relating to anti-money laundering prevention checks) are in place in relation to original subscriptions and the anti-money laundering procedures have been completed. No interest is payable to Shareholders in respect of any delay in paying such monies.

In circumstances where there is outstanding documentation on behalf of a Shareholder, the Administrator will process any redemption request received. However, as the investor upon redemption is no longer the holder of the Shares in the Fund the proceeds of that redemption shall remain an asset of the relevant Fund and the investor will rank as a general creditor of the Fund until such time as the Administrator is satisfied that its anti-money laundering procedures have been fully complied with, following which redemption proceeds will be release. To avoid delays in the payment of redemption proceeds, issues in relation to outstanding documentation should be addressed promptly by investors.

The amount payable to a Shareholder upon redemption will be paid in the designated currency of the relevant Class generally within 5 Business Days of the relevant Dealing Day and in any event within 10 Business Days of the deadline for receipt of the redemption request for such Dealing Day.

The Company will, if required by the laws of any relevant jurisdiction, make a withholding from any redemption proceeds payable to a redeeming Shareholder.

Partial redemptions of shareholdings may be effected. The Company will have the right compulsorily to redeem any holding of Shares where the Net Asset Value of that holding is less than the minimum holding applicable to the relevant Class (if any).

Any failure to supply the Company or the Administrator with any documentation requested by them for anti-money laundering or anti-fraud purposes, as described above, may result in a delay in the settlement of redemption proceeds. In such circumstances, the Administrator will process any redemption request received by a Shareholder, however the proceeds of that redemption shall remain an asset of the Fund and the Shareholder will rank as a general creditor of the Company until such time as the Administrator is satisfied that its anti-money-laundering and anti-



fraud procedures have been fully complied with, following which redemption proceeds will be released.

In the event of failure by an investor to provide documentation required to complete the verification process, the Administrator on behalf of the Company and the Directors may each determine that the redemption proceeds of such an investor be held in a non-interest bearing account until such time as all outstanding documentation is provided.

### **Deferral of Redemption Requests**

The Directors following consultation with the Manager reserve the right to refuse to redeem Shares of the Company where the redemptions made and requested in respect of a Dealing Day would otherwise exceed 10% of the Net Asset Value of the relevant Fund as at such Dealing Day. If they so refuse, the requests for redemption on such Dealing Day shall be reduced rateably and the Shares to which each request relates which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all the Shares to which the original request related have been redeemed.

The Constitution provides that the Directors may set limits on the number of Shares that the Company will be obliged to redeem lower than the prescribed levels outlined above, from time to time, in accordance with the requirements of the Central Bank. This power may be exercised by the Directors following consultation with the Manager and acting in the best interests of Shareholders, with the consent of the Depositary, in extraordinary market circumstances.

### **In Specie or In Kind Redemptions**

The Directors following consultation with the Manager may with the consent of the redeeming Shareholder satisfy any request for redemption of Shares in whole or in part by the transfer in specie or in kind to such Shareholder of assets of the Company having a value equal to the Redemption Price for the Shares redeemed as if the redemption proceeds were paid in cash less any expenses of the transfer. Where such request for redemption represents 5% or more of the Net Asset Value of the Company, the Directors following consultation with the Manager may in their absolute discretion arrange to satisfy a redemption in whole or in part in specie or in kind by way of the transfer of shares, securities and/or other assets of the Company's portfolio having a value equal to the Redemption Price for the Shares redeemed as if the redemption proceeds were paid in cash. In this event the Company will, if requested, sell the assets on behalf of the Shareholder. The costs of effecting such transfer or sale shall be deducted from the redemption proceeds. In the case of a redemption in specie or in kind, the asset allocation will be subject to the prior approval of the Depositary in accordance with the requirements of the Central Bank.

### **Compulsory Redemption or Transfer**

The Company may compulsorily redeem all of the Shares of the Company if the Net Asset Value of the Company is less than US\$ 30,000,000 or compulsorily redeem all of the Shares of a Fund if the Net Asset Value of that Fund is less than US\$ 30,000,000.

The Company has the right at any time compulsorily to redeem or transfer Shares if in the reasonable belief of the Directors such Shares are acquired or held directly or beneficially by: (i) any person in breach of the law or requirements of any country or governmental authority by virtue

of which such person is not qualified to hold Shares including without limitation any exchange control regulations; (ii) by any person who holds less than the minimum holding for the relevant Class (if any) or who does not supply any information or declaration required under the Constitution or the Application Form; (iii) where the continued ownership of such Shares by the Shareholder is deemed to be harmful or injurious to the business or reputation of the Company or a Fund; or (iv) by any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons, connected or not, or any other circumstance appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Company or Fund or the Shareholders as a whole or of any Fund or Class incurring any liability to taxation or suffering legal, pecuniary, regulatory or material administrative disadvantage which the Company or Fund or the Shareholders as a whole or of any Class might not otherwise have incurred or suffered.

Any such compulsory redemption or compulsory transfer shall, as determined by the Directors taking due account of the interests of the remaining Shareholders of a Fund or Class, be made at a price equal to the Redemption Price less interest accrued or costs or penalties, if any.

The Company may apply the proceeds of such compulsory redemption or transfer in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by a Shareholder including any interest or penalties payable thereon. Each Shareholder will indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the occurrence of an event giving rise to a charge to taxation.

#### *Transfer of Shares*

All transfers of Shares shall be effected by transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor and the transferee and the form must be submitted to the Administrator in writing or via fax. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Share register in respect thereof. Where the transferee is not an existing Shareholder in a Fund, the transferee must complete an Application Form and comply with the relevant anti-money laundering procedures.

The Directors may decline to register any transfer of Shares if in consequence of such transfer the transferor or transferee would hold less than the minimum holding for the relevant Fund (if any) or would otherwise infringe the restrictions on holding Shares outlined above or otherwise be inconsistent with the terms of this Prospectus. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided always that such registration shall not be suspended for more than 30 days in any year. The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the Company or at such other place as the Directors may reasonably require together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

#### **Withholdings and Deductions**

The Company may be required to account for tax on the value of the Shares redeemed or transferred at the applicable rate unless it has received from the transferor a declaration in the prescribed form confirming that the Shareholder is not an Irish Resident or unless the Company

has implemented equivalent measures acceptable to the Irish Revenue Commissioners prohibiting the sale of Shares to Irish Resident investors in respect of whom it is necessary to deduct tax (see the section "TAXATION" below for further details). The Company reserves the right to redeem such number of Shares held by a transferor as may be necessary to discharge the tax liability arising therefrom. The Company reserves the right to refuse to register a transfer of Shares until it receives a declaration as to the transferee's residency or status in the form prescribed by the Irish Revenue Commissioners.

### **Conversion of Shares**

With the consent of the Directors, a Shareholder may convert Shares of one Fund or Class into Shares of another Fund or Class on giving notice to the Administrator in such form as the Company or its delegate may require provided that all the criteria for applying for Shares in the new Fund or Class have been complied with and that such conversion is in accordance with the terms of this Prospectus. Conversion is not intended to facilitate short-term or excessive trading. The conversion is effected by arranging for the redemption of Shares of one Fund and subscribing for the Shares of the other Fund with the proceeds.

Conversion will take place in accordance with the following formula:

$$NS = \frac{[(A \times B - (Tc)) \times C]}{D}$$

where:

- NS = the number of Shares in the new Fund to be allotted;
- A = the number of the Shares in the original Fund to be converted;
- B = the Redemption Price of the Shares in the original Fund to be converted on the relevant Dealing Day;
- C = the currency conversion factor (if any) as determined by the Directors as representing the effective rate of exchange on the relevant Business Day between the Base Currency of the original Fund or designated currency of the original Class and the new Fund (where the base currencies or designated currencies are different);
- D = the Subscription Price per Share in the new Fund applicable to subscription applications received on the relevant Dealing Day plus; and
- Tc = a conversion fee (where applicable) incurred in connection with the proposed transaction which shall not in any event exceed 3% of the Net Asset Value per Share.

If NS is not an integral number of Shares the Directors reserve the right to issue fractional Shares in the new Fund or Class or to return the surplus arising to the Shareholder seeking to convert the Shares.

The length of time for completion of a conversion will vary depending on the Fund(s) involved and the time when the conversion is initiated. In general, the length of time for completion of a

conversion will depend upon the time required to obtain payment of redemption proceeds from the Fund whose Shares are being acquired. As the conversion of Shares requires the consent of the Directors, once a request is made the need for such consent may result in Shares being converted on a Dealing Day subsequent to the Dealing Day on which the Shareholder initially wished to have the Shares converted. Any conversion will take place at prevailing exchange rates as the value of the Shares expressed in the Class currency in which the Shareholder wishes to have the Shares converted to and will be subject to exchange rate risk in relation to the Base Currency.

### **Excessive Trading**

Investment in the Fund(s) is intended for medium to long-term purposes only. The Company will take reasonable steps to seek to prevent excessive short-term trading. Excessive short-term trading (or market timing) into and out of a Fund or other abusive trading practices may disrupt portfolio investment strategies and may increase expenses, and adversely affect investment returns, for all Shareholders, including long-term Shareholders who do not generate these costs. The Company reserves the right to reject any application for Shares (including any conversion or transfer requests) by any investor or group of investors for any reason without prior notice, including, in particular, if it believes that the trading activity would be disruptive to a Fund. For example, the Company may refuse a subscription order (or to execute a transfer request) if the Investment Manager believes it would be unable to invest the money effectively in accordance with a Fund's investment policy or a Fund would otherwise be adversely affected due to the size of the transaction, frequency of trading or other factors.

The trading history of accounts under common ownership or control may be considered in enforcing these policies. Transactions placed through the same financial intermediary on an omnibus basis may be deemed a part of a group for purposes of this policy and may be rejected in whole or in part by a Fund.

Transactions accepted by a financial intermediary in violation of the Company's excessive trading policy are not deemed accepted by the Company and may be cancelled or revoked by the Company on the next Business Day following receipt.

Investors should be aware that there are practical restraints both in determining the policy which is appropriate in the interests of long term investors, and in applying and enforcing such policy. For example, the ability to identify and prevent covert trading practices or short-term trading where investors act through omnibus accounts is limited. Also, investors such as fund of funds and asset allocation funds will change the proportion of their assets invested in a Fund in accordance with their own investment mandate or investment strategies. The Company will seek to balance the interests of such investors in a way that is consistent with the interests of long-term investors but no assurance can be given that the Company will succeed in doing so in all circumstances. For example, it is not always possible to identify or reasonably detect excess trading that may be facilitated by financial intermediaries or made difficult to identify by the use of omnibus accounts by those intermediaries.

The Company will endeavour to monitor “round trips”. A “round trip” is a redemption or conversion out of a Fund (by any means) followed by a purchase or conversion back into the same Fund (by any means). The Company may limit the number of round trips carried out by a Shareholder.

### **Data Protection Notice**

Prospective investors should note that by completing the Application Form they are providing personal information, which may constitute personal data within the meaning of the Irish Data Protection Act, 1988, as amended by the Data Protection (Amendment) Act, 2003 (the “Data Protection Legislation”). This data will be used for the purposes of client identification, administration, transfer agency, statistical analysis, research and disclosure to the Company, its delegates, and agents. By signing the Application Form, prospective 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: (i) to manage and administer the investor’s holding in the Company and any related accounts on an ongoing basis; (ii) for any other specific purposes where the investor has given specific consent; (iii) to carry out statistical analysis and market research; (iv) to comply with legal, tax and regulatory obligations applicable to the investor and the Company including legal obligations under company law, tax law and anti-money laundering legislation; (v) for disclosure or transfer, whether in Ireland or countries outside of the EEA, including without limitation the U.S., which countries may not have the same data protection laws as Ireland, to third parties including financial advisors, regulatory bodies, taxation authorities, 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; or (vi) for other legitimate business interests of the Company.

Additionally, by signing the applicable form, prospective investors acknowledge and accept that the Company and/or its delegate, for purposes of FATCA, may be required to disclose personal data relating to U.S. Reportable Accounts and, in certain cases, their Controlling U.S. Persons and nonparticipating FFIs (as defined in FATCA), to the Irish Revenue Commissioners and the U.S. Internal Revenue Service, under FATCA who may exchange this information with the tax authorities of participating CRS jurisdictions. In addition, the Company and/or its delegate may be required to disclose personal data regarding individuals in CRS jurisdictions to the Irish Revenue Commissioners and/or the tax authorities of the country or countries in which the financial accounts are maintained and subsequently exchanged with tax authorities of another country or countries in which a Shareholder may be resident pursuant to the CRS. Further information can be obtained from the Automatic Exchange of Information webpage of revenue.ie ([www.revenue.ie/en/business/aeoi](http://www.revenue.ie/en/business/aeoi)).

Pursuant to the 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 the Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with the Legislation.

The General Data Protection Regulation or “GDPR”, Regulation (EU) 2016/679, was adopted on 27 April 2016 and becomes enforceable in EU member States including Ireland from 25 May 2018 (the “Effective Date”), when it will replace the existing European data protection regime provided

for in the Data Protection directive (officially Directive 95/46/EC) of 1995, as amended, and which was implemented in Ireland through the Data Protection Legislation. The GDPR will significantly revise the current legal regime relating to the collection, control and processing of personal data from the Effective Date. The Company will implement procedures in advance of the Effective Date in accordance with GDPR including an update to the Application form.

### **Point of Sale Disclosure**

MiFID II requires certain distribution agents appointed by the Investment Manager (in its capacity as distributor of the Company) to disclose to Shareholders and potential Shareholders on an ex-ante and ex-post basis a reasonable estimation of all costs and charges related to an investment in a Class of Shares of a Fund (e.g., management fees, custodian fees, exit and entry charges, research charges, etc.). The Investment Manager intends to provide such distribution agents with the requisite information for such agents to comply with their point of sale obligations under MiFID II.

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## **DETERMINATION OF NET ASSET VALUE**

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

Except when the determination of the Net Asset Value has been temporarily suspended in the circumstances set out in the section “Temporary Suspension of Valuation of the Shares and of Sales and Redemptions” below, the Net Asset Value of the assets of the Company will be calculated as at the Valuation Point and rounding the resulting total to two decimal places (or such other number of decimal places as the Directors in consultation with the Manager and Administrator may determine) in respect of each Dealing Day or more frequently if required by the Manager.

The Net Asset Value of a Fund is the value of assets less the total liabilities of a Fund. These assets include the sum of all cash, accrued interest and the value of all investments held by the Company which are in each case so attributable. Total liabilities include borrowings, all accrued expenses and any contingencies (including tax) for which reserves are determined to be required which are in each case so attributable.

The method of calculating the value of the assets of a Fund is as follows:-

- (a) the value of an investment which is quoted, listed or normally dealt in on a Regulated Market shall be the last traded price (or if no last traded price is available the latest mid-market price) on such Regulated Market as at the Valuation Point provided that:
  - i. if an investment is quoted, listed or normally dealt in on more than one Regulated Market, the Directors may, in their absolute discretion, select any one of such markets for the foregoing purposes (provided that the Directors have determined that such market constitutes the main market for such investment or provides the fairest criteria for valuing such securities) and once selected a market shall be used for future calculations of the Net Asset Value with respect to that investment unless the Directors (with the approval of the Depositary) otherwise determine;

- ii. in the case of any investment which is quoted, listed or normally dealt in on a Regulated Market but in respect of which for any reason, prices on that market may not be available at any relevant time, or, in the opinion of the Directors, may not be representative, the value thereof shall be the probable realisation value thereof estimated with care and in good faith by a competent person, firm or association (including the Investment Manager) appointed by the Directors following consultation with the Manager and approved for the purpose by the Depositary; and
  - iii. in the case of any investment which is quoted, listed or normally dealt in on a Regulated Market but which was acquired at a premium or at a discount outside or off the relevant market, the level of premium or discount at the date of valuation may be taken into account when valuing such investment provided the Depositary ensures that the adoption of such procedure is justifiable in the context of establishing the probable realisation value thereof.
- (b) the value of any investment which is not quoted, listed or normally dealt in on a Regulated Market shall be the probable realisable value estimated with care and in good faith by a competent person, firm or association (including the Manager/ Investment Manager) appointed by the Directors following consultation with the Manager and approved for the purpose by the Depositary;
  - (c) the value of prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount 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 following consultation with the Manager may consider appropriate in such case to reflect the true value thereof;
  - (d) the value of cash (in hand or deposit) is valued at face/nominal value plus accrued interest from the date on which the same were acquired or made;
  - (e) the value of units or shares in Underlying Collective Investment Schemes (other than those valued pursuant to paragraph (a) above) shall be valued at the latest available net asset value as published by the relevant collective investment scheme or (if bid and offer prices are published) the latest published bid price;
  - (f) the value of exchange traded FDIs shall be based on the settlement price, as determined by the market in question, as at the Valuation Point, 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 as at the Valuation Point, such value shall be the probable realisation value thereof estimated with care and in good faith by a competent person, firm or association (including the Manager/Investment Manager) appointed by the Directors following consultation with the Manager and approved for the purpose by the Depositary;
  - (g) the value of forward foreign exchange contracts which are dealt on a Regulated Market shall be calculated by reference to freely available market prices at which a new forward contract of the same size, currency and maturity could be effected at the Valuation Point, provided that if such market price is not available for any

reason, such value shall be calculated in the same manner as over the counter FDI outlined in paragraph (h) below;

- (h) the value of any over the counter (“OTC”) FDI shall be:
  - i. the valuation from the counterparty provided that such valuation is provided on a daily basis and verified at least weekly by a person independent of the counterparty and who is approved for the purpose by the Depositary; or
  - ii. where an alternative valuation is used (i.e. a valuation that is provided by a competent person, firm or association (including the Investment Manager) appointed by the Directors following consultation with the Manager and approved for that purpose by the Depositary, the valuation principles employed must follow best international practice established by bodies such as IOSCO (International Organisation for Securities Commission) and AIMA (the Alternative Investment Management Association). Any such valuation shall be reconciled to that of the counterparty on a monthly basis and if significant differences arise the Company shall arrange for these to be investigated promptly and seek explanations from the relevant parties.
- (i) the value of interest rate swap contracts shall be valued in accordance with paragraph (h) above or, alternatively, by reference to freely available market quotations.
- (j) the value of certificates of deposit, where they do not fall under (a) above shall be valued if the Directors deem it necessary by reference to the latest available sale price for certificates of deposit of like maturity, amount and credit risk at the Valuation Point or, if such price is not available, at the latest bid price or, if such price is not available or is unrepresentative in the opinion of Directors of the value of such certificates of deposit, at the probable realisation value estimated with care and in good faith by a competent person, firm or association (including the Investment Manager) appointed by the directors following consultation with the Manager and approved for the purpose by the Depositary;
- (k) the value of short-term money market instruments shall be valued using the amortised cost method of valuation only in relation to Funds which comply with the Central Bank’s requirements for short-term money market funds and where a review of the amortised cost method of valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank’s guidelines;
- (l) the value of money market instruments in a non-money market fund shall be valued on an amortised basis in accordance with the Central Bank’s requirements; and
- (m) the Directors may, with the approval of the Depositary, adjust the value of any investment if having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.

In the event of it being impossible or incorrect to carry out a valuation of a specific asset in accordance with the valuation rules set out in paragraph (a) to (m) above, or if such valuation is



not representative of an asset's fair market value, the Directors (or their delegate) are entitled to use other generally recognised valuation methods in order to reach a proper valuation of that specific asset, provided that the Directors following consultation with the Manager deem it necessary and any alternative method of valuation is approved by the Depositary. The rationale or methodologies used to determine the alternative method of valuation will be clearly documented by the Company. The Net Asset Value of the assets of a Fund will be expressed in the Base Currency. The value of any assets or liabilities expressed in terms of currencies other than the Base Currency will be translated into the Base Currency of the relevant Fund at prevailing market rates as determined by the Administrator.

None of the Directors, the Manager, the Company, the Depositary, the Administrator or the Investment Manager shall have any liability in the event that any price or valuation used in good faith in connection with the above procedures proves to be an incorrect or an inaccurate estimate or determination of the price or value of any part of the property of the Company.

### **No liability for breach of investment policies or NAV errors from third party pricing sources**

The Administrator is not, and nor shall be, responsible for the management of the Company's investments or any other assets of the Company, including (but not limited to) the management, verification and/or monitoring of adherence to the investment policies, objectives, guidelines and restrictions applicable thereto from time to time. Consequently, the Administrator is not, nor shall be, liable to the Company, the Shareholders or the Investment Manager or any other person for any loss or damage suffered by any such person as a result of any breach of investment policies, objectives, guidelines and/or restrictions applicable in respect of the Company. Without prejudice to the foregoing, any procedures implemented by the Administrator to monitor compliance by the Company with its investment policies, objectives, guidelines and/or restrictions shall not be relied upon by the Company, the Investment Manager or any other person as being accurate or complete. The Company shall be solely responsible for compliance with any notification or other requirement of any jurisdiction relating to or affecting the Company's beneficial ownership of the Investments and the Administrator shall incur no liability for any loss, expense claim or liability suffered as a result of non-compliance with such requirements.

In calculating the Net Asset Value of the Company, the Administrator shall not be liable for any loss suffered by the Company by reason of any error resulting from any inaccuracy in the information provided by any pricing service. In circumstances where the Administrator is directed by the Company to use particular pricing services, brokers, market makers or other intermediaries, the Administrator shall not be liable for any loss suffered by the Company or any Shareholder by reason of error in the calculation of Net Asset Value resulting from any inaccuracy in the information provided by such pricing services, brokers, market makers or other intermediaries.

### **Calculation of Net Asset Value per Share**

The Net Asset Value of a Fund calculated as provided above shall be allocated between each Class in accordance with the respective values in the Base Currency, represented by subscriptions and redemptions of Shares of each Class received or made from time to time and as further adjusted for any dividends paid.

Where different entitlements, costs or liabilities apply in respect of different Classes, these are for this purpose excluded from the initial calculation of the Net Asset Value and shall be applied separately to the Net Asset Value allocated to each relevant Class. The portion of the Net Asset

Value attributable to each Class shall then be converted into the relevant currency of denomination of the Class (if different) at prevailing exchange rates applied by the Administrator and shall be divided by the number of Shares of the relevant Class in issue as at the relevant Valuation Point in order to calculate the Net Asset Value per Share of the relevant Class.

### **Publication of the Prices of the Shares**

The most-up-to-date Net Asset Value per Share of each Fund is published on Bloomberg on each Dealing Day. In addition, the most-up-to-date Net Asset Value per Share of each Fund is available on request from the Administrator during normal business hours.

### **Calculation of Subscription and Redemption Prices**

#### *Subscription Prices*

The price at which Shares of each Class may be subscribed on a Dealing Day is the Subscription Price per Share of the relevant Class and is calculated as at the Valuation Point in respect of the relevant subscription Dealing Day.

The Subscription Price per Share of each Class is ascertained by:-

- (a) determining the Net Asset Value per Share of the relevant Class as at the Valuation Point for the relevant Dealing Day;
- (b) adding thereto a provision for Duties and Charges, if the Directors so determine; and
- (c) in the event of subscription applications exceeding redemption requests for any Dealing Day, and if the Directors following consultation with the Manager so determine, adding thereto such provision representing an Anti-Dilution Levy to provide for dealing costs and preserve the value of the underlying assets of the relevant Fund as the Directors may determine.

#### *Redemption Prices*

The price at which Shares may be redeemed on a Dealing Day is the Redemption Price per Share of the relevant Class and is calculated as at the Valuation Point in respect of the relevant redemption Dealing Day.

The Redemption Price per Share of the relevant Class is ascertained by:-

- (a) determining the Net Asset Value per Share of the relevant Class as at the Valuation Point for the relevant Dealing Day;
- (b) deducting therefrom a provision for Duties and Charges, if the Directors so determine; and
- (c) in the event of requests for redemption exceeding subscription applications for the Company on any Dealing Day, and if the Directors following consultation with the Manager so determine, deducting therefrom such provision representing an Anti-

Dilution Levy to provide for dealing costs and preserve the value of the underlying assets of the relevant Fund as the Directors determine.

The Subscription Price and the Redemption Price of Shares of each Class is available from the Administrator on request.

### **Temporary Suspension of Valuation of the Shares and of Sales and Redemptions**

The Company, following consultation with the Manager, may temporarily suspend the determination of the Net Asset Value and the sale or redemption of Shares in the Company or any Fund during:

- (a) any period (other than ordinary holiday or customary weekend closings) when any market or Regulated Market is closed which is the main market for a significant part of a Fund's investments, or when trading thereon is restricted or suspended;
- (b) any period during which disposal or valuation of investments which constitute a substantial portion of the assets of a Fund is not practically feasible or if feasible would be possible only on terms materially disadvantageous to Shareholders;
- (c) any period when, in the opinion of the Directors following consultation with the Manager, for any reason the prices of any investments of a Fund cannot be reasonably, promptly, or accurately ascertained by the Administrator;
- (d) any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments of a Fund cannot, in the opinion of the Directors following consultation with the Manager, be carried out at normal rates of exchange;
- (e) any period when the volume of requests for the redemption of Shares on any Dealing Day would, in the opinion of the Directors following consultation with the Manager, require the sale of a substantial proportion of the liquid assets of the portfolio of the Fund to the detriment of the remaining Shareholders;
- (f) any period when, in the opinion of the Directors following consultation with the Manager, for any reason the latest Net Asset Value preceding the notice of suspension is determined not to be reliable;
- (g) any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from a Fund's account;
- (h) any period the service on the Shareholders of a notice to consider a resolution to wind up the Company or close a Fund;
- (i) upon mutual agreement between the Company, the Manager and the Depositary for the purpose of winding up the Company; or
- (j) any other reason makes it impossible or impracticable to determine the value of a substantial portion of the investments of the Company.

Notice of any such suspension and notice of the termination of any such suspension shall be published by the Company in such manner as the Directors may deem appropriate to notify the

persons likely to be affected thereby and given without delay and in any event within the same Business Day to the Central Bank. All reasonable steps will be taken to bring a period of suspension to an end as soon as possible.

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## CONFLICTS OF INTEREST

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The Manager, the Investment Manager, the Administrator and the Depositary, any of their respective directors, members, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an “Interested Party”) may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company. In particular, Interested Parties may provide services similar or identical to those provided to the Company to other entities and shall not be liable to account for any profit earned from any such services. The Directors shall endeavour to procure that such parties shall at all times have due regard to their duties owed to the Company. For example, an Interested Party may acquire investments in which a Fund may invest on behalf of other clients and the Interested Party. However, where the Investment Manager could (i) allocate an investment between two or more funds or accounts which it manages (including a Fund) or (ii) make a disposal of investments held by two or more such funds or accounts, it will act fairly as between the relevant funds or accounts in making such allocation or disposal, having regard to, inter alia, factors such as cash availability and portfolio balance. In addition, other client accounts and Interested Parties may take differing or opposite transaction for accounts.

A Fund may acquire securities from or dispose of securities to any Interested Party or any investment fund or account advised or managed by any such person.

An Interested Party may provide professional services to the Company (provided that no Interested Party shall act as auditor to the Company) or hold Shares and buy, hold and deal in any investments for their own accounts notwithstanding that similar investments may be held by a Fund. An Interested Party may contract or enter into any financial or other transaction with any Shareholder or with any entity any of whose securities are held by or for the account of a Fund, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions to which it or he is contractually entitled in relation to any sale or purchase of any investments of a Fund effected by it for the account of a Fund, provided that in each case the terms are no less beneficial to a Fund than a transaction involving a disinterested party and any commission shall be in line with market practice.

Where the “competent person” valuing unlisted securities is a related party to the Company possible conflict of interests which may arise include the fact that a valuation provided by that entity may result in it obtaining a higher fee where its fee is based on a percentage of the Net Asset Value of the Company. Where it is a party related to the OTC counterparty (even one which, in accordance with the requirements of the Central Bank, constitutes an independent unit within the counterparty’s group and which does not rely on the same pricing models employed by the counterparty) possible conflicts of interest which may arise include the fact that a valuation provided by that entity may result in a greater or lesser exposure for the counterparty, including related margin requirements. In these scenarios reconciliations will take place on a monthly basis and significant differences arising will be promptly investigated and explained at that stage but accordingly there is a risk of differences arising and persisting in the interim leading to the risks highlighted above.

There is no prohibition on transactions with the Company by Interested Parties including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the Company and none of them shall have any obligation to account to the Company for any profits or benefits made by or derived from or in connection with any such transaction provided that (i) such transactions are consistent with the best interests of the Company and Shareholders in a Fund; (ii) dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis; and (iii) are subject to:

- (a) a certified valuation by a person approved by the Depositary (or, in the case of a transaction entered into by the Depositary, the Directors) as independent and competent; or
- (b) execution on best terms reasonably obtainable on organised investment exchanges under their rules; or
- (c) where (a) and (b) are not practical, execution on terms which the Depositary is (or, in the case of a transaction entered into by the Depositary, the Directors are) satisfied conform with the principle that such transactions be carried out as if effected on normal commercial terms negotiated at arm's length and in the best interests of the Company and Shareholders in a Fund.

The Depositary or the Company and the Manager, in the case of transactions involving the Depositary, will document how it complies with (a) – (c) above. Where transactions are conducted in accordance with (c), the Depositary, or the ICAV and the Manager in the case of transactions involving the Depositary, must document their rationale for being satisfied that the transactions conformed to the principles above.

Up to date conflicts of interest information will be made available to investors upon request. In the event of a conflict of interest arising, the Directors and/or the Manager will endeavour to ensure that it is resolved fairly. There are no other agreements in place involving the Directors acting in a personal capacity other than those disclosed in this document.

The Investment Manager has adopted a policy in relation to personal trading by certain of its employees in order to avoid any actual or potential conflicts between such personal trading and the interests of the investment funds managed by the Investment Manager and the Investment Manager's other clients.

The Investment Manager may enter into referral arrangements whereby it pays a fee for the referral of a client to the Investment Manager or to the Fund. No such payments will be made unless the referred investors are advised of the arrangement and all applicable securities laws are complied with.

From time to time, conflicts may arise in the Depositary's performance of its duties in circumstances where, including without limitation, the ICAV maintains other business relationships with the Depositary or any of the Depositary's affiliates, where the ICAV'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 ICAV or where the Depositary may have a relationship with another party that may conflict with the Depositary's duties to the ICAV and

ICAV's interests. In the event of any potential conflicts of interest which may arise during the normal course of business, the Depository will have regard to the applicable laws.

At the date of this Prospectus, the Directors have the following potential conflict of interest with the Company:

Jane White is Co-Founder, CEO and Managing Director of the Investment Manager.

Brian Granahan is a Senior Vice President, Chief Executive Compliance Officer and Director of Information Systems of the Investment Manager.

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## **SOFT COMMISSIONS**

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Soft commission arrangements occur when brokers have agreed to provide other services (relating to research and trade execution) at no cost to the Investment Manager in exchange for brokerage business from the Investment Manager's managed accounts and investment funds. Although the brokers involved in soft commission arrangements do not necessarily charge the lowest brokerage commissions, the Investment Manager will nonetheless enter into such arrangements where the brokers have agreed to provide best execution and/or the value of the research and other services exceeds any incremental commission costs. Details of any such soft commission arrangements will be disclosed in the period reports of the relevant Fund.

The Investment Manager intends to enter into soft commission arrangements in accordance with industry standards when it is of the view that the arrangements enhance the quality of the provision of the investment services to the Company. While such arrangements are designed to be for the benefit of its clients, not all soft commission arrangements will benefit all clients at all times.

In selecting brokers or dealers to execute transactions and negotiating their commission rates, the Fund is expected to consider one or more of such factors as price, execution capabilities, reputation, reliability, financial resources, the quality of research products and services and the value and expected contribution of such services to the performance of the Fund. It is not possible to place a dollar value on information and services received from brokers and dealers, as they only supplement the research efforts of the Fund. If the Fund determines in good faith that the amount of the commissions charged by a broker or dealer is reasonable in relation to the value of the research products or services provided by such broker or dealer, the Fund may pay commissions to such broker or dealer in an amount greater than the amount another broker or dealer might charge.

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## TAXATION

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### GENERAL

*The following is of a general nature and does not purport to deal with all of the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. Shareholders and potential investors should consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.*

*Distributions and interest receipts on securities issued in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not be able to benefit from a reduction in the rate of withholding tax under any double taxation agreement in operation between Ireland and other countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of the repayment.*

*The following general statements on taxation are based on advice received by the Directors regarding the law and practice in force at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the date of this Prospectus will apply at any other date.*

### TAXATION IN IRELAND

#### Taxation of the Company

The Company intends to conduct its affairs so that it is Irish tax resident. On the basis that the Company is Irish tax resident, the Company qualifies as an 'investment undertaking', as defined in Section 739B(1) of the Taxes Acts and, consequently, is exempt from Irish tax on its income and gains.

The Company will be obliged to account for Irish tax to the Irish Revenue Commissioners if Shares are held by non-exempt Irish resident Shareholders (and in certain other circumstances), as described below. Explanations of the terms 'resident' and 'ordinarily resident', together with other important terms, are set out at the end of this summary.

#### Taxation of non-Irish Shareholders

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Company will not deduct any Irish tax in respect of the Shareholder's Shares once the Relevant Declaration set out in the application form has been received by the Company confirming the Shareholder's non-resident status. The declaration may be provided by an Intermediary who holds Shares on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary's knowledge, the investors are not resident (or ordinarily resident) in Ireland. An explanation of the term 'Intermediary' is set out at the end of this summary.

If this Relevant Declaration is not received by the Company, the Company will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). The Company will also deduct Irish tax if the Company has information which reasonably suggests that a Shareholder's declaration is incorrect. A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company and holds the Shares through an Irish branch and in certain other limited circumstances. The Company must be informed if a Shareholder becomes Irish tax resident.

Generally, Shareholders who are not Irish tax resident will have no other Irish tax liability with respect to their Shares. However, if a Shareholder is a company which holds its Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax in respect of profits and gains arising in respect of the Shares (on a self-assessment basis).

### **Taxation of exempt Irish Shareholders**

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in Section 739D(6) of the Taxes Act, the Company will not deduct Irish tax in respect of the Shareholder's Shares once the Relevant Declaration set out in the application form has been received by the Company confirming the Shareholder's exempt status. An Intermediary may also be regarded as an exempt Irish Shareholder.

If this Relevant Declaration is not received by the Company in respect of a Shareholder, the Company will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company within the charge to Irish corporation tax and in certain other limited circumstances.

The categories listed in Section 739D(6) of the Taxes Act can be summarised as follows:

1. Pension schemes (within the meaning of Section 774, Section 784 or Section 785 of the Taxes Act).
2. Companies carrying on life assurance business (within the meaning of Section 706 of the Taxes Act).
3. Investment undertakings (within the meaning of Section 739B of the Taxes Act).
4. Investment limited partnerships (within the meaning of section 739J TCA).
5. Special investment schemes (within the meaning of Section 737 of the Taxes Act).
6. Unauthorised unit trust schemes (to which Section 731(5)(a) of the Taxes Act applies).
7. Charities (within the meaning of Section 739D(6)(f)(i) of the Taxes Act).
8. Qualifying managing companies (within the meaning of Section 734(1) of the Taxes Act).
9. Qualifying fund and savings managers (within the meaning of Section 739D(6)(h) of the Taxes Act).
10. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) of the Taxes Act).



11. Irish credit unions (within the meaning of Section 2 of the Credit Union Act 1997).
12. Irish Resident companies (being a company within the meaning of Section 739D(6)(k)(I) of the Taxes Act) investing in money market funds.
13. The National Asset Management Agency.
14. The National Treasury Management Agency or a Fund investment vehicle.
15. Qualifying companies (within the meaning of Section 110(1) of the Taxes Act).
16. Any other person resident (or ordinarily resident) in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Shares in the Company without requiring the Company to deduct or account for Irish tax.

Irish resident Shareholders who claim exempt status will be obliged to account for any Irish tax due in respect of Shares on a self-assessment basis.

### **Taxation of other Irish Shareholders**

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and is not an 'exempt' Shareholder (see above), the Company will deduct Irish tax on distributions, redemptions and transfers and, additionally, on 'eighth anniversary' events, as described below.

#### *Distributions by the Company*

If the Company pays a distribution to a non-exempt Irish resident Shareholder, the Company will deduct Irish tax from the distribution. The amount of Irish tax deducted will be:

1. 25% of the distribution, where the distributions are paid to a Shareholder who is a company and that company has made the appropriate declaration to the Company confirming its corporate status; and
2. 41% of the distribution, where the distributions are paid to a Shareholder who is not a company.

The Company will pay this deducted tax to the Irish Revenue Commissioners.

Generally, a Shareholder will have no further Irish tax liability in respect of the distribution. However, if the Shareholder is a company for which the distribution is a trading receipt, the gross distribution (including the Irish tax deducted) will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

#### *Redemptions of Shares*

If the Company redeems Shares held by a non-exempt Irish resident Shareholder, the Company will deduct Irish tax from the redemption payment made to the Shareholder. The amount of Irish tax deducted will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being redeemed and will be equal to:

1. 25% of such gain, where the Shareholder is a company and that company has made the appropriate declaration to the Company confirming its corporate status; and
2. 41% of the gain, where the Shareholder is not a company.

The Company will pay this deducted tax to the Irish Revenue Commissioners.

Generally, a Shareholder will have no further Irish tax liability in respect of the redemption payment. However, if the Shareholder is a company for which the redemption payment is a trading receipt, the gross payment (including the Irish tax deducted) less the cost of acquiring the Shares will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

If Shares are not denominated in Euro, a Shareholder may be liable (on a self-assessment basis) to Irish capital gains taxation, currently at the rate of 33%, on any currency gain arising on the redemption of the Shares.

#### *Transfers of Shares*

If a non-exempt Irish resident Shareholder transfers (by sale or otherwise) an entitlement to Shares the Company will account for Irish tax in respect of that transfer. The amount of Irish tax deducted will be calculated by reference to the gain (if any) which has accrued to the Shareholder on the Shares being transferred and will be equal to:

1. 25% of such gain, where the Shareholder is a company and that company has made the appropriate declaration to the Company confirming its corporate status; and
2. 41% of the gain, where the Shareholder is not a company.

The Company will pay this deducted tax to the Irish Revenue Commissioners. To fund this Irish tax liability, the Company may appropriate or cancel other Shares held by the Shareholder. This may result in further Irish tax becoming due.

Generally, a Shareholder will have no further liability to Irish tax in respect of any payment received in respect of the transfer of Shares. However, if the Shareholder is a company for which the payment is a trading receipt, the gross payment (including the Irish tax deducted but less the cost of acquiring the Shares) will form part of its taxable income for self-assessment purposes and the Shareholder may set off the deducted tax against its corporation tax liability.

Additionally, if Shares are not denominated in Euro, a Shareholder may be liable (on a self-assessment basis) to Irish capital gains tax, currently at the rate of 33%, on any currency gain arising on the transfer of the Shares.

#### *Eighth Anniversary' Events*

If a non-exempt Irish resident Shareholder does not dispose of Shares within eight years of acquiring them, the Shareholder will be deemed for Irish tax purposes to have disposed of the Shares on the eighth anniversary of their acquisition (and any subsequent eighth anniversary). On such deemed disposal, the Company will account for Irish tax in respect of the increase in

value (if any) of those Shares over that eight year period. The amount of Irish tax accounted for will be equal to:

1. 25% of such increase in value, where the Shareholder is a company and that company has made the appropriate declaration to the Company confirming its corporate status; and
2. 41% of the increase in value, where the Shareholder is not a company.

The Company will pay this tax to the Irish Revenue Commissioners. To fund the Irish tax liability, the Company may appropriate or cancel Shares held by the Shareholder. This may result in further Irish tax becoming due.

However, if less than 10% of the Shares (by value) in the relevant Fund are held by non-exempt Irish resident Shareholders, the Company may elect not to account for Irish tax on this deemed disposal. To claim this election, the Company must:

1. confirm to the Irish Revenue Commissioners, on an annual basis, that this 10% requirement is satisfied and provide the Irish Revenue Commissioners with details of any non-exempt Irish resident Shareholders (including the value of their Shares and their Irish tax reference numbers); and
2. notify any non-exempt Irish resident Shareholders that the Company is electing to claim this exemption.

If the exemption is claimed by the Company, any non-exempt Irish resident Shareholders must pay to the Irish Revenue Commissioners on a self-assessment basis the Irish tax which would otherwise have been payable by the Company on the eighth anniversary (and any subsequent eighth anniversary).

Any Irish tax paid in respect of the increase in value of Shares over the eight year period may be set off on a proportionate basis against any future Irish tax which would otherwise be payable in respect of those Shares and any excess may be recovered on an ultimate disposal of the Shares.

### *Share Exchanges*

Where a Shareholder exchanges Shares on arm's length terms for other Shares in the Company or for Shares in another Fund of the Company and no payment is received by the Shareholder, the Company will not deduct Irish tax in respect of the exchange.

### **Stamp Duty**

No Irish stamp duty (or other Irish transfer tax) will apply to the issue, transfer or redemption of Shares. If a Shareholder receives a distribution *in specie* of assets from the Company, a charge to Irish stamp duty could potentially arise.

### **Gift and Inheritance Tax**

Irish capital acquisitions tax (at a rate of 33%) can apply to gifts or inheritances of Irish situate assets or where either the person from whom the gift or inheritance is taken is Irish domiciled,

resident or ordinarily resident or the person taking the gift or inheritance is Irish resident or ordinarily resident.

The Shares could be treated as Irish situate assets because they have been issued by an Irish company. However, any gift or inheritance of Shares will be exempt from Irish gift or inheritance tax once:

1. the Shares are comprised in the gift or inheritance both at the date of the gift or inheritance and at the “valuation date” (as defined for Irish capital acquisitions tax purposes);
2. the person from whom the gift or inheritance is taken is neither domiciled nor ordinarily resident in Ireland at the date of the disposition; and
3. the person taking the gift or inheritance is neither domiciled nor ordinarily resident in Ireland at the date of the gift or inheritance.

## **Exchange of Information**

### **OECD Common Reporting Standard**

The Council of the EU has adopted Directive 2014/107/EU, which amends Directive 2011/16/EU on administrative cooperation in the field of taxation. This 2014 directive provides for the implementation of the regime known as the “Common Reporting Standard” proposed by the Organisation for Economic Co-operation and Development and generalises the automatic exchange of information within the European Union. Under these measures, the Company is required to report to the Irish Revenue Commissioners information relating to Shareholders, including the identity and residence of Shareholders, and income, sale or redemption proceeds received by Shareholders in respect of the Shares. This information may be shared with tax authorities in other EU member states and jurisdictions which implement the OECD Common Reporting Standard.

The Common Reporting Standard replaced the previous European information reporting regime in respect of savings income under Directive 2003/48/EC (commonly known as the EU Savings Directive regime).

### **Financial transaction tax**

Eleven European Union Member States are proposing to implement a financial transaction tax (“FTT”), which is currently being discussed. In its proposed form, the FTT applies to certain transactions in financial instruments involving financial institutions where at least one party to which is located in a participating Member State, or where the financial instrument is issued in a participating Member State. The FTT is currently set to be levied at a minimum rate of 0.1% on all transactions other than derivatives which are to be taxed at a minimum rate of 0.01%. The FTT can be charged on both counterparties, depending on the nature of their activities, their location, and the subject matter of the transaction. The current proposals therefore do impact on certain financial institutions located outside the eleven participating Member States, as well as certain financial institutions located outside the European Union. The proposed FTT was due to take effect from 1 January 2014, although now has been delayed, initially with shares and certain

derivatives being within the scope of tax. Other instruments, products and derivatives may come within the scope of the tax at a later date.

There are currently eleven participating Member States, which are Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia. The proposal is still being discussed and so the precise timing and ultimate form of any legislation and related regulations implementing the proposed FTT are not yet fully known. The UK had launched a challenge in relation to the FTT, although the Court of Justice of the European Union found that challenge to be premature. The European Council's legal service has issued a legal opinion finding that the application of the FTT to a financial institution established outside the participating Member States due to it transacting with a person established within a participating Member State, is unlawful. However, the European Commission's own legal advisers have since rebutted that conclusion. As the FTT proposals develop, further challenges may be made.

Any changes to the current framework of the taxation of financial transactions within the EU, including changes contemplated by the proposed FTT, could adversely affect the cost of investment or hedging strategies pursued by the Fund as well as the value and liquidity of certain assets within the Fund, such as securities, derivatives and structured finance securities. Additionally, the proposed FTT contains certain anti-avoidance rules which would restrict the ability of the Fund to mitigate the impact of these charges. It should be noted that a similar tax has already been introduced in France and Italy and other EU member states may introduce a similar tax. Participating EU member states which implement the FTT, such as France and Italy, are expected to repeal any similar taxes with effect from the implementation of the FTT.

### ***Companies***

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is proposals develop, further challenges may be made.

Any changes to the current framework of the taxation of financial transactions within the EU, including changes contemplated by the proposed FTT, could adversely affect the cost of investment or hedging strategies pursued by a Fund as well as the value and liquidity of certain assets within a Fund, such as securities, derivatives and structured finance securities. Additionally, the proposed FTT contains certain anti-avoidance rules which would restrict the ability of a Fund to mitigate the impact of these charges. It should be noted that a similar tax has already been introduced in France and Italy and other EU member states may introduce a similar tax. Participating EU member states which implement the FTT, such as France and Italy, are expected to repeal any similar taxes with effect from the implementation of the FTT.

### **Meaning of Terms and Definitions**

#### ***Meaning of 'Residence' for Companies***

A company that is incorporated in Ireland will generally be regarded as resident for tax purposes in Ireland. However, incorporation in the Ireland does not result in a company being tax resident in Ireland if the company is regarded as resident in a territory other than Ireland, and not resident in Ireland, for the purposes of a double taxation treaty. In such a case, the tax treaty provisions override the general incorporation rule.

A company that is incorporated in a foreign jurisdiction and is centrally managed and controlled in Ireland will also be regarded as resident in Ireland for Irish tax purposes provided the company

is not otherwise regarded as resident in a territory other than Ireland, and not resident in Ireland, for the purposes of a double taxation treaty.

It should be noted that the determination of a company's residence for Irish tax purposes can be complex in certain cases, in particular in respect of companies incorporated in Ireland prior to 1 January 2015 and companies incorporated outside of Ireland. Declarants are referred to the specific legislative provisions which are contained in Section 23A of the Taxes Acts.

#### *Meaning of 'Residence' for Individuals*

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

1. spends 183 days or more in Ireland in that calendar year; or
2. has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that calendar year together with the number of days spent in Ireland in the preceding year. Presence in Ireland by an individual of not more than 30 days in a calendar year will not be reckoned for the purposes of applying this 'two year' test.

An individual is treated as present in Ireland for a day if that individual is personally present in Ireland at any time during that day.

#### *Meaning of 'Ordinary Residence' for Individuals*

The term 'ordinary residence' (as distinct from 'residence'), relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2016 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2019.

#### *Meaning of 'Intermediary'*

An 'intermediary' means a person who:

1. carries on a business which consists of, or includes, the receipt of payments from a regulated investment undertaking resident in Ireland on behalf of other persons; or
2. holds units or shares in such an investment undertaking on behalf of other persons.

#### *Meaning of "Taxes Act"*

The Taxes Consolidation Act 1997, as amended.

#### *Meaning of "Relevant Declaration"*

A completed and signed declaration on an Irish Revenue Commissioners prescribed form as set out in Schedule 2B of the Taxes Acts. A declaration by a non-Irish resident Shareholder or an Intermediary is only a Relevant Declaration where the Company has no reason to believe the declaration is incorrect.

In certain circumstances, the Company may seek to avoid the requirement to have a declaration in prescribed form in place for non-Irish resident Shareholders. This may apply where the Company has implemented equivalent measures acceptable to the Irish Revenue Commissioners prohibiting the sale of Shares to Irish Resident investors in respect of whom it is necessary to deduct tax, together with meeting other requirements.

## **TAXATION IN THE UK**

### **1. The Company**

As a UCITS the Company will not be treated as resident in the United Kingdom for United Kingdom tax purposes. Accordingly, and provided that the Company does not carry on a trade in the United Kingdom through a permanent establishment situated therein for United Kingdom corporation tax purposes or through a branch or agency situated in the United Kingdom which would bring it within the charge to income tax, the Company will not be subject to United Kingdom corporation tax or income tax on income and capital gains arising to it. The Directors intend that the affairs of the Company are conducted so that no such permanent establishment, branch or agency will arise insofar as this is within their control, but it cannot be guaranteed that the conditions necessary to prevent any such permanent establishment, branch or agency coming into being will at all times be satisfied.

Interest and other income received by the Company which has a United Kingdom source may be subject to withholding taxes in the United Kingdom.

### **2. Shareholders**

#### *General*

Subject to their personal circumstances, individual Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax in respect of any dividends or other distributions of income by the Company, whether or not such distributions are reinvested. In addition, Shareholders in classes approved as reporting funds for United Kingdom tax purposes may be treated as receiving reportable income in respect of income arising to such Shares (see section "*Shareholders in Classes with Reporting Fund Status*" below).

Companies within the charge to United Kingdom corporation tax should generally be exempt from United Kingdom corporation tax on distributions (including reportable income) made by the Company although this exemption is subject to certain exclusions (particularly in the case of "small companies" as defined in section 931S of the Corporation Tax Act 2009 ("CTA 2009")) and specific anti-avoidance rules.

Part 9A of Taxation (International and Other Provisions) Act 2010 ("TIOPA") subjects United Kingdom resident companies to tax on the profits of companies not so resident (such as the Company) in which they have an interest. The provisions, broadly, affect United Kingdom resident companies which hold, alone or together with certain other associated persons, shares which confer a right to at least 25 per cent. of the profits of a non-resident company (a "25% Interest") (or, in the case of an umbrella fund, a sub-fund thereof) where that non-resident company is controlled by persons who are resident in the United Kingdom and is subject to a lower level of taxation in its territory of residence. The legislation is not directed towards the taxation of capital gains. In addition, these provisions will not apply if the shareholder reasonably believes that it

does not hold a 25% Interest in the Company (or sub-fund) throughout the relevant accounting period.

The attention of persons resident in the United Kingdom for taxation purposes is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 (“section 13”). Section 13 applies to a “participator” for United Kingdom taxation purposes (which term includes a shareholder) if at any time when any gain accrues to the Company which constitutes a chargeable gain for those purposes, 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 on a just and reasonable basis 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-quarter of the gain. In addition, exemptions may also apply where none of the acquisition, holding or disposal of the assets had a tax avoidance main purpose or where the relevant gains arise on the disposal of assets used only for the purposes of genuine, economically significant business activities carried on outside the United Kingdom. In the case of United Kingdom resident individuals domiciled outside the United Kingdom, section 13 applies only to gains relating to United Kingdom situate assets of the Company and gains relating to non-United Kingdom situate assets if such gains are remitted to the United Kingdom.

Chapter 3 of Part 6 of CTA 2009 provides that, if at any time in an accounting period a corporate investor within the charge to United Kingdom corporation tax holds an interest in an offshore fund, and there is a time in that period when that fund fails to satisfy the “non-qualifying investments test”, the 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 CTA 2009 (the “Corporate Debt Regime”). The Shares will constitute interests in an offshore fund. In circumstances where the test is not so satisfied (for example where the relevant Fund or Class invests in cash, securities or debt instruments or open-ended companies that themselves do not satisfy the “non-qualifying investments test” and the market value of such investments exceeds 60% of the market value of all its investments at any time) the relevant Shares will be treated for corporation tax purposes as within the Corporate Debt Regime. As a consequence, all returns on such Shares in respect of each corporate investor’s accounting period during which the test is not met (including gains, profits and deficits and, exchange gains and losses) will be taxed or relieved as an income receipt or expense on a fair value accounting 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 provisions relating to non-reporting funds (outlined below) would not then apply to such corporate Shareholders and the effect of the provisions relating to holdings in controlled foreign companies (outlined above) would then be substantially mitigated.

The attention of individual Shareholders resident in the United Kingdom is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007, under which the income accruing to the Company may be attributed to such a Shareholder and may render them liable to taxation in respect of the undistributed income and profits of the Company. This legislation will, however, not apply if such a Shareholder can satisfy HM Revenue & Customs that either:



1. it would not be reasonable to draw the conclusion from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected; or
2. all the relevant transactions are genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the transactions was more than incidentally designed for the purpose of avoiding liability to taxation; or
3. all the relevant transactions were genuine, arm's length transactions and if the Shareholder were liable to tax under chapter 2 of part 13 in respect of such transactions such liability would constitute an unjustified and disproportionate restriction on a freedom protected by Title II or IV of Part Three of the Treaty on the Functioning of the European Union or Part II or III of the EEA Agreement.

A Shareholder who is resident in the United Kingdom and who, subsequent to subscription, wishes to switch Shares of one Class or Fund into Shares of a different Class or Fund in accordance with the procedure outlined in "*Conversions of Shares*" above should note that such a switch would give rise to a disposal triggering a potential liability to income tax or corporation tax if the original Class is a non-reporting fund or capital gains tax if the original Class is a reporting fund (see further below) as appropriate depending upon the value of the shareholding on the date of conversion.

Special tax rules apply to investments made in an offshore fund within the meaning of TIOPA. Individual Classes of shares within the same offshore fund are treated as separate offshore funds for these purposes. The tax treatment of Shareholders in a reporting Class differs in various respects from those in a non-reporting Classes and the tax treatment of each is set out separately below. The Directors reserve the right to seek reporting fund status in respect of any Class. Prospective investors are referred to the relevant Supplement for confirmation of those Classes in respect of which reporting fund status may be sought.

#### *Shareholders in Classes without Reporting Fund Status*

Each Fund or Class of Shares within a Fund will be deemed to constitute an "offshore fund" for the purposes of TIOPA. Under this legislation, any gain arising on the sale, disposal or redemption of shares in an offshore fund held by persons who are resident in the United Kingdom for tax purposes will be taxed at the time of such sale, disposal or redemption as income and not as a capital gain. This does not apply, however, where a Class or Fund is accepted by HM Revenue & Customs as a "reporting fund" throughout the period during which shares have been held. Shareholders who are resident in the United Kingdom for tax purposes and who invest in Classes without reporting fund status may be liable to United Kingdom income taxation in respect of any gain realised on disposal or redemption of such Shares. Any such gain may thus remain taxable notwithstanding any general or specific United Kingdom capital gains tax exemption or allowance available to a Shareholder and this may result in certain investors incurring a proportionately greater United Kingdom taxation charge. Any losses arising on the disposal of Shares in Classes without reporting fund status by Shareholders who are resident in the United Kingdom will be eligible for capital gains loss relief.

### *Shareholders in Classes with Reporting Fund Status*

Each Fund or Class of Shares within a Fund will be deemed to constitute an “offshore fund” for the purposes of TIOPA. The legislation provides that any gain arising on the sale, redemption or other disposal of shares of an offshore fund will be taxed at the time of such sale, redemption or disposal as income and not as a capital gain. These provisions do not apply if the relevant Class successfully applies for reporting fund status and retains such status throughout the period during which the Shares are held. Prospective investors are referred to the relevant Supplement for confirmation of those Classes in respect of which reporting fund status may be sought.

In order for a Fund or Class to qualify as a reporting fund, the Company must apply to HM Revenue & Customs for entry of the relevant Fund or Class into the regime. For each accounting period, the relevant Class must then report to investors 100% of the income attributable to the Class, that report being made within six months of the end of the relevant accounting period. United Kingdom resident individual investors will be taxable on such reported income, whether or not the income is actually distributed. Income for these purposes is computed by reference to income for accounting purposes as adjusted for capital and other items and will be based upon the reportable income of the relevant Fund. Provided the relevant Class retains reporting fund status, any gains realised on the disposal of Shares in such Class will be subject to taxation as capital and not as income unless the investor deals in securities. Any such gain may accordingly be reduced by any general or specific United Kingdom exemption in respect of capital gains available to a Shareholder and may result in certain investors incurring a proportionately lower United Kingdom taxation charge.

Chapter 6 of Part 3 of the Offshore Funds (Tax) Regulations 2009 (the “Tax Regulations”) provides that specified transactions carried out by a regulated fund, such as the Company, will not generally be treated as trading transactions for the purposes of calculating the reportable income of reporting funds that meet a genuine diversity of ownership condition. In this regard, the Directors confirm that all Classes are primarily intended for and marketed to the categories of retail and institutional investors. For the purposes of the Tax Regulations, the Directors undertake that interests in the Company will be widely available and will be marketed and made available sufficiently widely to reach the intended categories of investors and in a manner appropriate to attract those kinds of investors.

It should be noted that to the extent actual dividends are not declared in relation to all income of Shares in a Class with reporting fund status for a period, further reportable income under the reporting fund rules will be attributed only to those Shareholders who remain as Shareholders at the end of the relevant accounting period. The Tax Regulations enable (but do not oblige) a reporting fund to elect to operate dividend equalisation or to make income adjustments, which should minimise this effect. The Directors reserve the right to make such an election in respect of any Fund or Class with reporting fund status.

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## STATUTORY AND GENERAL INFORMATION

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### 1. Incorporation, Registered Office, Share Capital and Accounts

- (a) The Company was incorporated in Ireland on 3 October 2013 as an investment company with variable capital with limited liability under registration number 533587.
- (b) The registered office of the Company is as stated in the Directory at the front of this Prospectus.
- (c) The authorised share capital of the Company is 500,000,000,000 redeemable Shares of no par value and 300,002 redeemable Non-Participating Shares of no par value issued at €1 each. Non-Participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot Shares in the capital of the Company on such terms and in such manner as they may think fit. As of the date of this Prospectus, the Company has issued Non-Participating Shares to the value of €300,002. The Company reserves the right to redeem some or all of the Non-Participating Shares provided that the Company at all times has a minimum issued share capital of at least €300,000.
- (d) The Company's year-end is 31 December in each year. The annual report and audited accounts of the Company will be published within 4 months after the conclusion of each Accounting Date. The Company will also prepare a semi-annual report and unaudited accounts which will be published within 2 months after the six month period ending on 30 June in each year. The annual report and semi-annual report will, upon request, be supplied to subscribers and Shareholders free of charge and will be made available at the office of the Company.

### 2. Variation of Share Rights and Pre-Emption Rights

- (a) The rights attaching to the Shares issued in any Fund or 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 Fund or Class, or with the sanction of a special resolution passed at a general meeting of the Shareholders of that Fund or Class.
- (b) A resolution in writing signed by all the Shareholders and holders of Non-Participating Shares for the time being entitled to attend and vote on such resolution at a general meeting of the Company shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and if described as a special resolution shall be deemed to be a special resolution.
- (c) The rights attaching to the Shares shall not be deemed to be varied by the creation, allotment or issue of any further Shares ranking *pari passu* with Shares already in issue.

- (d) There are no rights of pre-emption upon the issue of Shares.

### **3. Voting Rights**

The rights conferred on Shareholders by virtue of their shareholdings are governed by the Constitution, the general law of Ireland and the Companies Act.

The following rules relating to voting rights apply:-

- (a) Fractions of Shares do not carry voting rights.
- (b) Every Shareholder or holder of Non-Participating Shares present in person or by proxy who votes on a show of hands shall be entitled to one vote, save with respect to Shares that are designated as non-voting Shares.
- (c) The chairman of a general meeting of a Class or any Shareholder of a Class present in person or by proxy at a meeting of a Class may demand a poll. The chairman of a general meeting of the Company or by one or more Members present in person or by proxy or any Shareholder or Shareholders present in person or by proxy representing at least one tenth of the Shares in issue having the right to vote at such meeting may demand a poll.
- (d) On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of Non-Participating Shares shall be entitled to one vote in respect of all Non-Participating Shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- (e) Any person (whether a Member or not) may be appointed to act as a proxy. A Member may appoint more than one proxy to attend on the same occasion.
- (f) Any instrument appointing a proxy must be deposited at the registered office of the Company, not less than 48 hours before the meeting or at such other place and by such time as is specified in the notice convening the meeting. The Directors may at the expense of the Company send by post or otherwise to the Shareholders instruments of proxy (with or without prepaid postage for their return) and may either leave blank the appointment of the proxy or nominate one or more of the Directors or any other person to act as proxy.
- (g) To be passed, ordinary resolutions of the Company or of the Shareholders of a particular Fund or Class will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the meeting at which the resolution is proposed. Special resolutions of the Company or of the Shareholders of a particular Fund or Class will require a majority of not less than 75% of the votes cast by the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Constitution.

#### **4. Meetings**

- (a) The Directors may, in accordance with the Companies Act, convene extraordinary general meetings of the Company at any time. The Directors shall convene an annual general meeting within six months of the end of each Accounting Period.
- (b) Not less than 21 days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and 14 days' notice must be given in the case of any other general meeting.
- (c) Two Members present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the rights of Shares in a Fund or Class shall be two Shareholders holding or representing by proxy Shares of the relevant Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum and in the case of a meeting of a Fund or Class convened to consider the variation of rights of Shareholders in such Fund or Class the quorum shall be one Shareholder holding Shares of the Fund or Class in question or his proxy. All general meetings will be held in Ireland.
- (d) The foregoing provisions with respect to the convening and conduct of meetings shall save as otherwise specified with respect to meetings of Funds or Classes and, subject to the Companies Act, have effect with respect to separate meetings of each Fund or Class at which a resolution varying the rights of Shareholders in such Class is tabled.

#### **5. Transfer of Shares**

Transfers of Shares may be effected in writing in any usual or common form, signed by or on behalf of the transferor and every transfer shall state the full name and address of the transferor and transferee.

The Directors may from time to time specify an initial charge for the registration of instruments of transfer provided that the maximum fee may not exceed 5% of the Net Asset Value of the Shares subject to the transfer as at the Valuation Point on the Dealing Day immediately preceding the date of the transfer.

The Directors following consultation with the Manager may decline to register any transfer of Shares if:-

- (a) in consequence of such transfer (i) the transferor or the transferee would hold a number of Shares less than the minimum holding of the relevant Fund (if any); or (ii) the transferee (being an initial investor in the Fund) would hold less than the minimum subscription;
- (b) all applicable taxes and/or stamp duties have not been paid in respect of the instrument of transfer;

- (c) the instrument of transfer is not deposited at the registered office of the Company or such other place as the Directors may reasonably require, accompanied by (i) the certificate, if any, for the Shares to which it relates (if any), (ii) such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, (iii) such relevant information and declarations as the Directors may reasonably require from the transferee including, without limitation, an Application Form duly completed by the proposed transferee, information and declarations of the type which may be requested from an applicant for Shares in a Fund and (iv) such fee as may from time to time be specified by the Directors for the registration of any instrument of transfer;
- (d) they are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares in contravention of any restrictions on ownership imposed by the Directors or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the Company, a Fund, a Class or Shareholders as a whole of the Company or of any Fund or Class;

If requested to do so by the Directors a transferee shall be required to deliver to the Company such certificates, opinions, statements or other evidence required by the Directors for any of the aforementioned purposes.

The registration of transfers may be suspended for such periods as the Directors may determine, provided always that each registration may not be suspended for more than 30 days.

## 6. Communications and Notices to Shareholders

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

MEANS OF DISPATCH	DEEMED RECEIVED
Post:	48 hours after posting.
Fax:	The day on which a positive transmission receipt is received.
Electronically:	The day on which the electronic transmission has been sent to the electronic information system designated by a Shareholder.
Publication of Notice or Advertisement of Notice:	The day of publication in a daily newspaper circulating in the country or countries where Shares are marketed.

## 7. Directors

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

- (a) unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors shall not be less than two nor more than nine;
- (b) a Director need not be a Shareholder;
- (c) the Constitution contains no provisions requiring Directors to retire on attaining a particular age or to retire on rotation;
- (d) a Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the Company or any company in which the Company is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment;
- (e) the Directors for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in the Prospectus and may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the Company or the discharge of their duties and may be entitled to additional remuneration if called upon to perform any special or extra services to or at the request of the Company;
- (f) a Director may hold any other office or place of profit under the Company, other than the office of Auditor, in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine;
- (g) no Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made;
- (h) a Director may not vote in respect of any contract or arrangement or any proposal whatsoever in which he has any material interest or a duty which conflicts with the interests of the Company and shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting unless the Directors resolve otherwise. However, a Director may vote and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer, shareholder, member, partner, employee, agent or otherwise. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting

arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in respect of the purchase of directors' and officers' liability insurance; and

- (i) the office of a Director shall be vacated in any of the following events namely:-
  - i. if he resigns his office by notice in writing signed by him in accordance with the requirements of the Central Bank and left at the registered office of the Company;
  - ii. if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - iii. in the opinion of a majority of the Directors, he becomes incapable by reason of unsound mind of discharging his duties as a Director;
  - iv. if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
  - v. if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
  - vi. if he is requested by a majority of the other Directors (not being less than two in number) to vacate office;
  - vii. if he is removed from office by ordinary resolution of the Company; or
  - viii. if the Central Bank requires him to resign.

## **8. Directors' Interests**

The interests of the Directors and their interests in companies associated with the management, administration, promotion and marketing of the Company and the Funds are set out below.

- i. The Directors or companies of which they are officers or employees, including the Investment Manager, may subscribe for Shares in a Fund. Their applications for Shares will rank *pari passu* with all other applications.
- ii. No Director has any interest, direct or indirect, in the promotion of or in any assets which are proposed to be acquired, disposed of by or leased to the Fund and no Director has a material interest in any contract or arrangement entered into by the Fund which is unusual in nature or conditions or significant in relation to the business of the Fund, nor has any Director had such an interest since the Fund was incorporated other than:
  - (i) Jane M. White who is a director of the Investment Manager, which receives fees in respect of services to the Company; and



- (ii) Brian S. Granahan who is a director of the Investment Manager, which receives fees in respect of services to the Company.

## 9. Winding Up

- (a) The Company may be wound up if:
  - i. within a period of three months from the date on which (a) the Depositary notifies the Company of its desire to retire in accordance with the terms of the Depositary Agreement and has not withdrawn notice of its intention to so retire, (b) the appointment of the Depositary is terminated by the Company in accordance with the terms of the Depositary Agreement, or (c) the Depositary ceases to be approved by the Central Bank to act as a depositary, and no new Depositary has been appointed (the appointment of the replacement Depositary and the replacement Depositary being subject to the prior approval of the Central Bank) with the approval of the Central Bank, the Directors shall instruct the Company's secretary to forthwith convene an extraordinary general meeting of the Company at which there shall be proposed an ordinary resolution to wind up the Company in accordance with the provisions in the Constitution. Notwithstanding anything set out above, the Depositary's appointment shall only terminate on revocation of the Company's authorisation by the Central Bank;
  - ii. the Shareholders resolve by special resolution to wind up the Company;
  - iii. the Directors, following consultation with the Manager, decide to wind down the Company.
- (b) In the event of a winding up, the liquidator shall apply the assets of the Company on the basis that any liability incurred or attributable to a Fund shall be discharged solely out of the assets of that Fund.
- (c) The assets available for distribution among the Shareholders shall be applied in the following priority:-
  - i. firstly, in the payment to the Shareholders of each Fund or Class of a sum in the Base Currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Fund or Class held by such Shareholders respectively as at the date of commencement of winding up;
  - ii. secondly, in the payment to the holders of Non-Participating Shares of sums up to the nominal amount paid up thereon out of the assets of the Company not comprised within a Fund's investment portfolio provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised within such Fund;

- iii. thirdly, in the payment to the Shareholders of each Fund or Class of any balance then remaining in the Company, in proportion to the number of Shares held in the relevant Fund or Class; and
  - iv. fourthly, any balance then remaining and not attributable to any Class shall be apportioned between the Funds or Classes pro-rata to the Net Asset Value of each Fund or Class or attributable to each Class immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that Fund or Class held by them.
- (d) The liquidator may, with the authority of an ordinary resolution of the Company, divide among the Shareholders (pro rata to the value of their respective shareholdings in the Company) in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the Company may be closed and the Company dissolved, provided that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the Company to a company or collective investment scheme (the "Transferee Company") on terms that Shareholders in the Company shall receive from the Transferee Company Shares or units in the Transferee Company of equivalent value to their shareholdings in the Company, subject to the requirements of the Central Bank.
- (e) The Shareholders of any Fund may, by way of special resolution, and subject to the requirements of the Central Bank, authorise the amalgamation/merger of the Fund with another Fund or any other collective investment schemes or schemes, which amalgamation/merger may involve the redemption of Shares of the relevant Fund and in the case of an amalgamation/merger with a collective investment scheme other than a Fund, may involve the transfer of the whole or part of the assets of the Fund to the Depositary/trustee (who may or may not be regulated by the Central Bank) or the relevant collective investment scheme.
- (f) Notwithstanding any other provision contained in the Constitution, should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to wind up the Company, the secretary shall forthwith at the Directors' request convene an extraordinary general meeting of the Company at which there shall be presented a proposal to appoint a liquidator to wind up the Company and if so appointed, the liquidator shall distribute the assets of the Company in accordance with the Constitution.

## **10. Termination of the Company, Funds or Classes**

The Directors, in their sole and absolute discretion, may terminate the Company, a Fund or a Class in any of the following events:-

- (a) If at any time the Net Asset Value of the Company, a Fund or Class shall be less than such amount as may be determined by the Directors in respect of that Fund or Class as disclosed in this Prospectus;
- (b) the Company, a Fund or a Class shall cease to be authorised or otherwise officially approved;
- (c) if there is any change in applicable law or regulation which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the Company, a Fund or Class;
- (d) if there is any change in material aspects of the business, in the economic or political situation relating to the Company, a Fund or Class which the Directors consider would have material adverse consequences on the investments of the Company, a Fund or Class;
- (e) if the Directors shall have resolved that it is impracticable or inadvisable for the Company, a Fund or Class to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders.

**The decision of the Directors in any of the above events shall be final and binding on all the parties concerned but the Directors shall be under no liability on account of any failure to terminate the relevant Fund pursuant to this clause or otherwise.**

## **11. Indemnities and Insurance**

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

## **12. Allocation of Assets and Liabilities**

The assets and liabilities of each Fund will be allocated in the following manner:

- (a) the proceeds from the issue of Shares representing a Fund shall be applied in the books of the Company of the Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Constitution;
- (b) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;
- (c) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund, as the case may be; and

- (d) where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depositary, shall be allocated to all the Funds pro rata to the Net Asset Value of each Fund.

Any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund, and, neither the Company nor any Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor be obliged to apply, the assets of any such Fund in satisfaction of any liability incurred on behalf of, or attributable to, any other Fund.

Any asset or sum recovered by the Company shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the relevant Fund.

In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to the Fund affected, the Directors, with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

A Fund is not a legal person separate from the Company but the Company may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, as between its Funds as apply at law in respect of companies and the property of a Fund is subject to orders of the court as it would have been if such Fund were a separate legal person.

Separate records shall be maintained in respect of each Fund.

### **13. Remuneration Policy**

The Manager has remuneration policies and practices in place consistent with the requirements of the UCITS Regulations and the ESMA Remuneration Guidelines. The Manager will procure that any delegate, including the Investment Manager, to whom such requirements also apply pursuant to the ESMA Remuneration Guidelines will have equivalent remuneration policies and practices in place.

The remuneration policy reflects the Manager's objective for good corporate governance, promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Funds or the Constitution. It is also aligned with the investment objectives of each Fund and includes measures to avoid conflicts of interest. The remuneration policy is reviewed on an annual basis (or more frequently, if required) by the board of directors of the Manager, to ensure that the overall remuneration system operates as intended and that the remuneration pay-outs are appropriate. This review will also ensure that the remuneration policy reflects best practice guidelines and regulatory requirements, as may be amended from time to time.

Details of the up-to-date remuneration policy of the Manager (including, but not limited to: (i) a description of how remuneration and benefits are calculated; (ii) the identities of persons responsible for awarding the remuneration and benefits; and (iii) the composition of the remuneration committee, where such a committee exists) will be available by means

of a website [www.kbassociates.ie](http://www.kbassociates.ie) and a paper copy will be made available to Shareholders free of charge.

#### **14. Material Contracts**

The following contracts have been entered into and are, or may be, material:

(a) Management Agreement

- i. By an agreement (the “Management Agreement”) dated 25 May 2020 between the Company, the Investment Manager and the Manager, the Manager has agreed to act as the manager of the Company;
- ii. Details of the fees payable to the Manager are set out in the section “FEES AND EXPENSES”;
- iii. The Management Agreement provides that the appointment of the Manager will continue unless and until terminated by either the Manager or the Company giving to the other party not less than 90 days’ written notice although in certain circumstances the Management Agreement may be terminated forthwith by notice in writing by either the Manager or the Company to the other party. The Management Agreement also provides that the Company shall, out of the assets of the relevant Fund, indemnify the Manager, its directors, officers, employees, delegates and agents from and against any and all action, proceedings, claims, demands, losses, damages, costs and expenses, which may be made or brought against or directly or indirectly suffered or incurred by the Manager in the performance or non-performance of its obligations or duties save to the extent that such claims are attributable to the fraud, negligence, wilful default or bad faith in the performance or non-performance by the Manager of its obligations;
- iv. The Management Agreement contains limited recourse provisions under which the recourse against the Company by the Manager in respect of any claims arising under or in relation to the Management Agreement is expressed to be limited to the Fund established in respect of the Shares to which such claims relate, and the Manager will have no recourse to any other assets of the Company or any other Fund in respect of any such claims.

(b) Investment Management Agreement

- i. By an agreement (the “Investment Management Agreement”) dated 25 May 2020 between the Company, the Manager and the Investment Manager, the Investment Manager has agreed to act as the investment manager of the Company;
- ii. Details of the fees payable to the Investment Manager are set out in the section “FEES AND EXPENSES”;
- iii. The Investment Management Agreement may be terminated by either party on not less than 90 days’ notice in writing. The Investment Management

Agreement may be terminated forthwith by written notice given by either party to the other in certain circumstances;

- iv. The Investment Manager is indemnified by the Company from and against any and all liabilities, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from fraud, negligence, bad faith, or wilful default on the part of the Investment Manager or of any delegate, servant or agent) which may be imposed on, incurred by or asserted against the Investment Manager in performing its obligations under the Investment Management Agreement.

(c) Administration Agreement

- i. By an agreement (the “Administration Agreement”) dated 25 May 2020 between the Company, the Manager and the Administrator, the Administrator will act as administrator and registrar to the Company.
- ii. Details of the fees and expenses payable to the Administrator are set out in the section “FEES AND EXPENSES: Administrator’s Fees and Expenses”.
- iii. The Administration Agreement may be terminated by either party on not less than 90 days’ written notice (or such shorter notice period as the other party may agree to accept). In addition, the Administration Agreement may be terminated immediately: (i) if a party commits any material breach of the provisions of the Administration Agreement and fails to remedy that breach (provided the material breach is capable of being remedied) within 30 days of receipt of notice service by the other party requiring it to do so; (ii) if the continued performance of the Administration Agreement for any reason ceases to be lawful; or (iii) in the event of a winding up of or the appointment of an administrator, examiner or receiver to the other or upon the happening of a like event at the discretion of an appropriate regulatory agency or court of competent jurisdiction.
- iv. The Administration Agreement contains an indemnity in favour of the Administrator, its officers, employees, agents, sub-contractors and representatives against, inter alia, certain liabilities, losses, claims, costs, damages, penalties, fines, obligations or expenses in connection with: (i) the Administrator’s performance of the services under the Administration Agreement; (ii) the Administrator’s reliance on information provided to it’s by the Company or on the Company’s behalf; and (iii) the actions or omissions of any broker, dealer, bank, Depositary or other person engaged by the Company. The indemnity does not apply with respect to any expense, loss, liability or damage caused by the Administrator’s fraud, negligence, bad faith, recklessness or wilful default of its duties.

(d) Depositary Agreement

- i. An agreement entered into between the Company, the Manager and the Depositary dated 25 May 2020 pursuant to which the Depositary was appointed as depositary of the Company’s assets.

- ii. The Depositary Agreement may be terminated by either party on not less than 90 days' written notice (or such shorter notice as the other party may agree to accept). In addition, the Depositary Agreement may be terminated immediately if:
  - a) a new depositary is appointed;
  - b) either party commits any material breach of its obligations under the Depositary Agreement and fails to remedy such breach (provided such breach is capable of remedy) within 30 (thirty) days of receipt of written notice from the notifying party requiring it to do so; or
  - c) the Company shall cease to be authorised under the Applicable Law as defined in the Depositary Agreement; or
  - d) the Depositary shall cease to be authorised to perform its duties and obligations under the Depositary Agreement; or
  - e) the Depositary is in a position to transfer the assets to an alternative entity identified in the contingency plan and the parties have not been in a position to find a viable solution within 10 (ten) days following the notification of such failure of the transfer by the Depositary; or
  - f) the Company fails to take actions satisfactory to the Depositary to reduce risks of which it has been notified by the Depositary in accordance with the Depositary's obligations under the Depositary Agreement; or
  - g) a Force Majeure Event (as defined in the Depositary Agreement) subsists of the obligations owing by either party to the Depositary Agreement, and suitable alternative arrangements have not been agreed the parties; or
  - h) the parties to the Depositary Agreement have completed the Escalation Process (as defined in the Depositary Agreement), but have failed to resolve any dispute or ensure the remedy of an Escalation Process Trigger (as defined in the Depositary Agreement); or
  - i) the Company invests or maintains investments in Prohibited Jurisdictions (as defined in the Depositary Agreement).
- iii. The Depositary may not retire or be removed from its appointment unless and until the appointment of a new depositary is approved by the Central Bank and has been appointed with the prior approval of the Central Bank.
- iv. The Depositary has the power to delegate its duties but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping.

- v. The Depositary Agreement provides that the Company shall indemnify the Depositary, its officers, employees, agents and representatives against all losses and damages suffered or incurred, sustained or threatened against the Depositary (including interests, expenses and legal fees), whether direct or indirect, on a full indemnity basis except to the extent to which such a loss results from or is caused by negligent or intentional failure of the Depositary, its Sub-custodians or its Delegates to perform its obligations under this Agreement or its improper performance of them.

#### **14. Supply and Inspection of Documents**

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted) at the registered office of the Company:

- (a) the certificate of incorporation and Constitution of the Company;
- (b) the Prospectus (as amended and supplemented);
- (c) the Key Investor Information Document(s);
- (d) the annual and semi-annual reports relating to the Company when available;
- (e) the material contracts referred to above;
- (f) the UCITS Regulations, the Central Bank UCITS Regulations and the UCITS Rules;
- (g) a list of past and current directorships and partnerships held by each Director over the last five years.

Copies of the Constitution of the Company (each as amended from time to time in accordance with the requirements of the Central Bank) and the latest financial reports of the Company, may be obtained, free of charge, upon request at the registered office of the Company.

The Company may provide certain additional reports (including in relation to certain performance measures, risk measures or general portfolio information) and/or accounting materials to any current or prospective Shareholders upon request, and, if deemed necessary by the Company, upon the execution of a confidentiality agreement and/or non-use agreement.



## SCHEDULE I

### Regulated Markets

The following exchanges and markets are listed in accordance with the regulatory criteria as defined in the Central Bank UCITS Regulations. **With the exception of permitted investments in unlisted securities and open-ended collective investment schemes investment by each Fund is restricted to these stock exchanges and markets.** The Central Bank does not issue a list of approved markets or exchanges.

(a) *without restriction in any stock exchange which is:*

- *located in any Member State of the European Union; or*
- *located in a Member State of the EEA*
- *located in any of the following countries:-*

*Australia  
Canada  
Japan  
New Zealand  
Hong Kong  
Switzerland  
United Kingdom  
United States of America*

(b) *without restriction in any of the following:-*

Argentina	Bolsa de Comercio de Buenos Aires
Argentina	Mercado Abierto Electrónico S.A.
Bahrain	Bahrain Bourse
Bangladesh	Dhaka Stock Exchange
Bangladesh	Chittagong Stock Exchange Ltd.
Bermuda	Bermuda Stock Exchange
Botswana	Botswana Stock Exchange
Brazil	BM&F BOVESPA S.A.
Chile	Bolsa de Comercio de Santiago
Chile	Bolsa Electrónica de Chile
Chile	Bolsa de Valparaiso
China, Peoples' Republic of	Shenzhen Stock Exchange
China, Peoples' Republic of	Shanghai Securities Exchange
China, Peoples' Republic of	Shanghai-Hong Kong Stock Connect
China, Peoples' Republic of	Shenzhen-Hong Kong Stock Connect
Colombia	Bolsa de Valores de Colombia
Croatia	Zagreb Stock Exchange
Egypt	Egyptian Exchange
Ghana	Ghana Stock Exchange

India	Bombay Stock Exchange, Ltd.
India	National Stock Exchange
Indonesia	Indonesia Stock Exchange
Israel	Tel-Aviv Stock Exchange
Jordan	Amman Stock Exchange
Kazakhstan (Rep. Of)	Kazakhstan Stock Exchange
Kenya	Nairobi Securities Exchange
Korea	Korea Exchange
Kuwait	Kuwait Stock Exchange
Lebanon	Bourse de Beyrouth
Malaysia	Bursa Malaysia Securities Berhad
Malaysia	Bursa Malaysia Derivatives Berhad
Mauritius	Stock Exchange of Mauritius
Mexico	Bolsa Mexicana de Valores
Mexico	Mercado Mexicano de Derivados
Morocco	Bourse de Casablanca
Namibia	Namibian Stock Exchange
Nigeria	Nigeria Stock Exchange
Oman	Muscat Securities Market
Pakistan	Islamabad Stock Exchange
Pakistan	Karachi Stock Exchange
Pakistan	Lahore Stock Exchange
Palestine	Palestine Exchange
Peru	Bolsa de Valores de Lima
Philippines	Philippine Stock Exchange
Qatar	Qatar Exchange
Russian Federation	Open Joint Stock Company Moscow Exchange MICEX-RTS (MICEX-RTS)
Saudi Arabia	Tadawul Stock Exchange
Saudi Arabia	Saudi Arabian Monetary Agency
Serbia	Belgrade Stock Exchange
Singapore	Singapore Exchange Limited
Singapore	CATALIST
South Africa	JSE Limited
South Africa	South African Futures Exchange
Sri Lanka	Colombo Stock Exchange
Taiwan (Republic of China)	Taiwan Stock Exchange
Taiwan (Republic of China)	Gre Tai Securities Market
Taiwan (Republic of China)	Taiwan Futures Exchange
Thailand	Stock Exchange of Thailand
Thailand	Market for Alternative Investments
Thailand	Bond Electronic Exchange
Thailand	Thailand Futures Exchange
Trinidad & Tobago	Trinidad & Tobago Stock Exchange Limited
Tunisia	Bourse des Valeurs Mobilières de Tunis
Turkey	Istanbul Stock Exchange
Turkey	Turkish Derivatives Exchange
Ukraine	Persha Fondova Torgoveln Systema
Ukraine	Ukrainian Interbank Currency Exchange
United Arab Emirates	Abu Dhabi Securities Exchange
UAE	Dubai Financial Market

UAE	NASDAQ Dubai Limited
Uruguay	Bolsa de Valores de Montevideo
Uruguay	Bolsa Electrónica de Valores del Uruguay SA
Venezuela	Bolsa de Valores de Caracas
Vietnam	Ho Chi Minh Stock Exchange
Vietnam	Hanoi Stock Exchange
Vietnam	Unlisted Public Companies Market (UPCOM)
Zambia	Lusaka Stock Exchange

(c) for the purposes of investment in Russia and the States of the Russian Federation a Fund may invest in the Moscow Exchange (the former MICEX-RTS Exchange);

(d) without restriction in any of the following:

the market organised by the International Capital Market Association;

the market conducted by the “listed money market institutions”, as described in the Bank of England publication “The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Non-U.S. Exchange and Bullion” dated April, 1988 (as amended from time to time);

AIM - the Alternative Investment Market in the United Kingdom, regulated and operated by the London Stock Exchange;

the French Markets for Titres de Créances Négociables (the Over-the-Counter markets in negotiable debt instruments);

the Over-the-Counter market in the United States of America regulated by the Financial Industry Regulatory Authority;

NASDAQ in the United States of America;

the Over-the-Counter market in Japan regulated by the Securities Dealers Association of Japan;

The China Interbank Bond Market regulated and supervised by the People's Bank of China;

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

the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

(e) In addition to those markets listed above on which financial derivative instruments are traded, the following regulated derivatives markets:

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

in a Member State;

in a Member State in the European Economic Area (the European Union, Norway, Iceland and Liechtenstein);

in the United Kingdom;

in Asia, on the

- Bursa Malaysia Derivatives Berhad
- Hong Kong Exchanges & Clearing;
- Jakarta Futures Exchange;
- Korea Futures Exchange;
- Korea Stock Exchange;
- Kuala Lumpur Options and Financial Futures Exchange;
- National Stock Exchange of India;
- Osaka Mercantile Exchange;
- Osaka Securities Exchange;
- Shanghai Futures Exchange (SHFE);
- Singapore Commodity Exchange;
- Singapore Exchange;
- Stock Exchange of Thailand;
- Taiwan Futures Exchange;
- Taiwan Stock Exchange;
- The Stock Exchange, Mumbai;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;

in Australia, on the

- Australian Stock Exchange;
- Sydney Futures Exchange;

in Brazil on the Bolsa de Mercadorias & Futuros (BM&F);

in Israel on the Tel-Aviv Stock Exchange;

in Mexico on the Mexican Derivatives Exchange (MEXDER);

in South Africa on the South African Futures Exchange (Safex);

in Switzerland on Eurex (Zurich);

in Turkey on Turkish Derivatives Exchange;

in the United States of America, on the

- American Stock Exchange;
- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex US;

- International Securities Exchange;
- New York Futures Exchange;
- New York Board of Trade;
- New York Mercantile Exchange;
- Pacific Stock Exchange;
- Philadelphia Stock Exchange;

in Canada on the

- Bourse de Montreal;
- Winnipeg Commodity Exchange (WCE).

- (f) For the purposes only of determining the value of the assets of a Fund, the term “Recognised Exchange” shall be deemed to include, in relation to any futures or options contract, any organised exchange or market on which such futures or options contract is regularly traded.

## **SCHEDULE II**

### **Investment Restrictions Applicable to the Funds**

#### **1 Permitted Investments**

**1.1** Investments of a UCITS are confined to:

Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.

**1.2** 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 other than those dealt on a regulated market.

**1.4** Units of UCITS.

**1.5** Units of AIFs

**1.6** Deposits with credit institutions

**1.7** Financial derivative instruments

#### **2 Investment Restrictions**

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

**2.2** Recently Issued Transferable Securities

Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.

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

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

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

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

- 2.4** 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 a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS.
- 2.5** The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6** The transferable securities and money market instruments referred to in 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 single credit institution other than a credit institution specified in Regulation 7 of the Central Bank UCITS Regulations held as ancillary liquidity shall not exceed:
- (a) 10% of the NAV of the UCITS; or
  - (b) where the deposit is made with the Depositary 20% of the net assets of the UCITS.
- 2.8** The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.
- This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 2.9** 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:
- investments in transferable securities or money market instruments;
  - 
  - deposits, and/or
  - 
  - 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, 2.6, 2.7 and 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 Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

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

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

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

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

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

### **4 Index Tracking UCITS**

- 4.1** A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate



an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank

**4.2** The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

## **5 General Provisions**

**5.1** An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

**5.2** A UCITS may acquire no more than:

- (i) 10% of the non-voting shares of any single issuing body;
- (ii) 10% of the debt securities of any single issuing body;
- (iii) 25% of the units of any single CIS;
- (iv) 10% of the money market instruments of any single issuing body.

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

**5.3** 5.1 and 5.2 shall not be applicable to:

(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;

(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;

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

(iv) shares held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 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.

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

- 5.4** UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- 5.5** The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.11, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
- 5.6** If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
- 5.7** Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:
- transferable securities;
  - money market instruments\*;
  - units of investment funds; or
  - financial derivative instruments.
- 5.8** A UCITS may hold ancillary liquid assets.

## **6 Financial Derivative Instruments ('FDIs')**

- 6.1** The UCITS global exposure relating to FDI must not exceed its total net asset value.
- 6.2** Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Central Bank UCITS Regulations.)
- 6.3** UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that
- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 6.4** Investment in FDIs are subject to the conditions and limits laid down by the Central Bank

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

## SCHEDULE III

### Definition of U.S. Person and U.S. Reportable Person

#### Regulation S Definition of U.S. Person

- (1) Pursuant to Regulation S of the 1933 Act, "U.S. Person" means:
  - (i) any natural person resident in the United States;
  - (ii) any partnership or corporation organized or incorporated under the laws of the United States;
  - (iii) any estate of which any executor or administrator is a U.S. Person;
  - (iv) any trust of which any trustee is a U.S. person;
  - (v) any agency or branch of a foreign entity located in the United States;
  - (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person;
  - (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; or
  - (viii) any partnership or corporation if:
    - (a) organized or incorporated under the laws of any non-U.S. jurisdiction; and
    - (b) formed by a U.S. Person principally for the purpose of investing in securities not registered under the Act, unless it is organized or incorporated, and owned by accredited investors (as defined in Rule 501(a) under the Act) who are not natural persons, estates or trusts.
- (2) Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States shall not be deemed a "U.S. Person".
- (3) Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administration is a U.S. Person shall not be deemed a U.S. Person if:
  - (i) an executor or administrator of the estate who is not a U.S. Person has sole or shared investment discretion with respect to the assets of the estate; and
  - (ii) the estate is governed by non-U.S. law.
- (4) Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a U.S. Person shall not be deemed a U.S. Person if a trustee who is not a U.S. Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settler if the trust is revocable) is a U.S. Person.
- (5) Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a U.S. Person.
- (6) Notwithstanding (1) above, any agency or branch of a U.S. Person located outside the United States shall not be deemed a "U.S. Person" if:
  - (i) the agency or branch operates for valid business reasons; and
  - (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.

- (7) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed “U.S. Persons”.
- (8) Notwithstanding (1) above, any entity excluded or exempted from the definition of “U.S. Person” in (1) above in reliance on or with reference to interpretations or positions of the SEC or its staff as the definition of such term may be changed from time to time by legislation, rules, regulations or judicial or administrative agency interpretations.

### **Definition of the Term “Resident” For Purposes of Regulation S**

For purposes of the definition of “U.S. Person” in (1) above with respect to natural persons, a natural person shall be resident in the U.S. if such person (i) holds an Alien Registration Card (a “green card”) issued by the U.S. Immigration and Naturalization Service or (ii) meets a “substantial presence test.” The “substantial presence” test is generally met with respect to any current calendar year if (i) the individual was present in the U.S. on at least 31 days during such year and (ii) the sum of the number of days on which such individual was present in the U.S. during the current year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 180 days.

### **Persons Excluded From the Definition of U.S. Person**

Rule 4.7 of the U.S. Commodity Exchange Act regulations currently provides in relevant part that the following persons are considered “Non-United States persons”: (a) a natural person who is not a resident of the U.S.; (b) a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction; (c) an estate or trust, the income of which is not subject to U.S. income tax regardless of source; (d) an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided that units of participation in the entity held by persons who do not qualify as non-U.S. Persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as non-U.S. Persons in a pool with respect to which the operator is exempt from certain requirements of the U.S. Commodity Futures Trading Commission’s regulations by virtue of its participants being non-U.S. Persons; and (e) a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside of the U.S.

### **Definition of U.S. Reportable Person**

- (1) “U.S. Reportable Person” means (i) a U.S. Taxpayer that is not an Excluded U.S. Taxpayer or (ii) a Passive U.S. Controlled Foreign Entity.
- (2) “U.S. Taxpayer” means:
  - (i) a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes);
  - (ii) any entity treated as a partnership or corporation for U.S. federal tax purposes that is created or organized in, or under the laws of, the United States or any state thereof (including the District of Columbia);
  - (iii) any estate, the income of which is subject to U.S. income taxation regardless of source; and

- (iv) any trust over whose administration a court within the United States has primary supervision and all substantial decisions of which are under the control of one or more U.S. fiduciaries.

An investor who is considered a “non-U.S. Person” under Regulation S and a “Non-United States person” under U.S. Commodity Futures Trading Commission Rule 4.7 may nevertheless be considered a “U.S. Taxpayer” depending on the investor’s particular circumstances.

- (3) “Excluded U.S. Taxpayer” means a U.S. Taxpayer who is also: (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a member of the same expanded affiliated group, as defined in Section 1471(e)(2) of the Code, as a corporation described in clause (i); (iii) the United States or any wholly owned agency or instrumentality thereof; (iv) any state of the United States, any U.S. territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any organization exempt from taxation under Section 501(a) or an individual retirement plan as defined in Section 7701(a)(37) of the Code; (vi) any bank as defined in Section 581 of the Code; (vii) any real estate investment trust as defined in Section 856 of the Code; (viii) any regulated investment company as defined in Section 851 of the Code or any entity registered with the Securities Exchange Commission under the 1940 Act; (ix) any common trust fund as defined in Section 584(a) of the Code; (x) any trust that is exempt from tax under Section 664(c) of the Code; (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state thereof; or (xii) a broker as defined in Section 6045(c) of the Code.
- (4) “Passive U.S. Controlled Foreign Entity” means any entity that is not a U.S. Taxpayer or Financial Institution and that has one or more “Controlling U.S. Persons” as owners of equity in such entity. For this purpose, a Controlling U.S. Person means an individual who is a U.S. Taxpayer and who exercises control over an entity. In the case of a trust, such term means the settler, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions.

**SCHEDULE IV**

<u>MARKET</u>	<u>SUB-CUSTODIAN</u>
Australia	HSBC Bank Australia Limited
Austria	UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited
Bangladesh	Standard Chartered Bank
Belgium	BNP Paribas Belgium
Bermuda	HSBC Securities Services
Bosnia & Herzegovina	UniCredit Bank Austria AG
Botswana	Standard Chartered Bank Botswana Ltd
Brazil	BNP Paribas Brazil
Bulgaria	UniCredit Bulbank AD
Canada	Royal Bank of Canada
Chile	Banco de Chile (Citibank N.A.)
China – A Shares	Citibank (China) Co. Ltd
China - Shanghai	HSBC Bank (China) Company Limited
China - Shenzhen	HSBC Bank (China) Company Limited
Colombia	Cititrust Colombia S.A.
Croatia	UniCredit Bank Austria AG
Cyprus	HSBC Bank plc
Czech Republic	UniCredit Bank Czech Republic a.s.
Denmark	Danske Bank A/S
Egypt	HSBC Bank Egypt S.A.E.
Estonia	Swedbank
Euromarket	Clearstream Banking S.A.
Finland	Nordea Bank Finland Plc
France	Deutsche Bank A.G.
Germany	Deutsche Bank A.G.
Ghana	Standard Chartered Bank Ghana Ltd.
Greece	HSBC Bank Plc Greece
Hong Kong	Standard Chartered Bank (Hong Kong) Limited
Hungary	UniCredit Bank Hungary Zrt.
India	The Hongkong and Shanghai Banking Corporation Limited
Indonesia	Standard Chartered Bank
Ireland	Citibank Ireland
Israel	Citibank N.A. Tel Aviv Branch
Italy	BNP Paribas Securities Services
Japan	Citibank, Tokyo
Jordan	Standard Chartered Bank
Kazakhstan	JSC Citibank Kazakhstan
Kenya	Standard Chartered Bank Kenya
Kuwait	HSBC Bank Middle East Limited
Latvia	Swedbank
Lebanon	HSBC Bank Middle East Limited
Lithuania	Swedbank
Luxembourg	Clearstream
Malaysia	Standard Chartered Bank Malaysia Berhad
Mauritius	The Hongkong and Shanghai Banking Corporation Limited
Mexico	Banamex S.A.
Morocco	Société Générale Marocaine de Banques
Namibia	Standard Bank Namibia Ltd

<u>MARKET</u>	<u>SUB-CUSTODIAN</u>
Nasdaq Dubai Ltd	HSBC Bank Middle East Limited
Netherlands	BNP Paribas Securities Services
New Zealand	The Hongkong and Shanghai Banking Corporation Limited
Nigeria	Citibank Nigeria Limited
Norway	DNB Bank ASA
Oman	HSBC Bank Middle East Limited
Pakistan	Deutsche Bank A.G.
Peru	Citibank del Peru S.A.
Philippines	Standard Chartered Bank
Poland	Bank Polska Kasa Opieki S.A.
Portugal	BNP Paribas Securities Services
Qatar	HSBC Bank Middle East Limited
Romania	UniCredit Tirioc Bank S.A.
Russia	Societe Generale, Rosbank
Serbia	UniCredit Bank Austria AG
Singapore	DBS Bank Ltd
Slovak Republic	UniCredit Bank Slovakia a.s.
Slovenia	UniCredit Bank Austria AG
South Africa	Société Générale
South Korea	The Hong Kong and Shanghai Banking Corporation Limited
Spain	RBC Investor Services España S.A.
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Sweden	Skandinaviska Enskilda Banken AB (publ)
Switzerland	Credit Suisse AG
Taiwan	HSBC Bank (Taiwan) Limited
Thailand	Standard Chartered Bank (Thai) Plc
Tunisia	Societe Generale Securities Service UIB Tunisia
Turkey	Citibank A.S.
UAE - Abu Dhabi	HSBC Bank Middle East Limited
UAE - Dubai	HSBC Bank Middle East Limited
UK	The Bank of New York Mellon
Ukraine	Public Joint Stock Company UniCredit Bank
Uruguay	Banco Itaú Uruguay S.A.
USA	The Bank of New York Mellon
Vietnam	HSBC Bank (Vietnam) Ltd
Zambia	Standard Chartered Bank Zambia PLC