

**The Directors of the Company whose names appear in the Directory hereto 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.**

## **GUGGENHEIM GLOBAL INVESTMENTS PLC**

(an investment company with variable capital incorporated with limited liability in Ireland with registered number 494504 and established as an umbrella fund with segregated liability between sub-funds pursuant to the Regulations)

## **PROSPECTUS**

**4 September 2023**

**THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT THE COMPANY AND THE FUNDS AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR STOCK BROKER, BANK MANAGER, LEGAL ADVISER, ACCOUNTANT, OR OTHER FINANCIAL ADVISER.**

*Certain terms used in this Prospectus are defined in the section of this of this document entitled 'Definitions'.*

### **Central Bank Authorisation**

***The Company has been authorised by the Central Bank as a UCITS within the meaning of the Regulations. 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 this Prospectus. Authorisation of the Company by the Central Bank does not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company or of any Fund.***

### **Investment Risks**

***There can be no assurance that each Fund will achieve its investment objective. It should be appreciated that the value of Shares may go down as well as up. An investment in a Fund involves investment risks, including possible loss of the entire amount invested. In view of the fact that: (i) a preliminary charge of up to 5 per cent of the value of subscriptions, as set out in the Supplement for the relevant Fund; and (ii) a redemption fee of up to 3 per cent may be applied, the difference at any one time between the sale and redemption price of Shares means that an investment in a Fund should be regarded as a medium to long term investment. The capital return and income of a Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, a Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income. Investors' attention is drawn to the specific risk factors set out in the section entitled 'Certain Risk Factors and Investment Considerations'. It is recommended that an investment in any of the Funds should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.***

### **Selling Restrictions**

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

*Before investing in a Fund an investor shall be required to confirm whether the investor is Irish Resident for tax purposes.*

*The Shares have not been and will not be registered under the 1933 Act or the securities laws of any of the states of the United States, nor is such registration contemplated. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any "U.S. Person" except pursuant to an exemption from, or in a transaction not subject to, the registration*

requirements of the 1933 Act and any applicable state laws. Any re-offer or resale of any of the Shares in the United States or to U.S. Persons may constitute a violation of United States law.

The Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act. Each applicant for Shares will be required to certify whether it is a U.S. Person.

The Company will not accept any subscriptions from investors that are employee benefit plans or entities whose assets constitute employee benefit plans (whether or not subject to the United States Employee Retirement Income Securities Act of 1974, as amended ("ERISA")) (together, "Benefit Plans") if, after such subscription, the Shares held by Benefit Plans would be 25 per cent or more of any class of Shares. If the Shares of any class held by Benefit Plans were to exceed this 25 per cent limit, the Company's assets would be considered plan assets under ERISA, which could result in adverse consequences to the Company, the Manager, the Investment Manager and the fiduciaries of the Benefit Plans.

The Company will not be registered under the 1940 Act. Based on interpretations of the 1940 Act by the staff of the United States Securities and Exchange Commission relating to foreign investment companies, if the Company has more than 100 beneficial owners of its Shares who are U.S. Persons, it may become subject to certain requirements under the 1940 Act. To ensure that the number of holders of Shares who are U.S. Persons is maintained, the Directors may compulsorily redeem Shares beneficially owned by U.S. Persons.

Notwithstanding the foregoing prohibitions, the Company may arrange or permit the private placement in the United States of a portion of the Shares under the exemption provided by Section 4(2) of the 1933 Act and Regulation D promulgated thereunder to a limited number of U.S. Persons that are "accredited investors" as defined in Rule 501(a) of Regulation D under the 1933 Act and "qualified eligible persons" as defined in Rule 4.7 under the Commodity Exchange Act, under restrictions and other circumstances designed to preclude a distribution that would otherwise require registration of the Shares under the 1933 Act, cause the Company to become subject to the registration requirements of the 1940 Act or cause the assets of the Company to be "plan assets" for the purposes of ERISA, including presentation by such investors, prior to the delivery to them of Shares, of a letter containing specified representations and agreements. Applicants will be required to certify whether they are Irish Resident and may be required to confirm that they are not U.S. Persons.

PURSUANT TO AN EXEMPTION FROM THE CFTC IN CONNECTION WITH ACCOUNTS OF QUALIFIED ELIGIBLE PERSONS, THIS PROSPECTUS IS NOT REQUIRED TO BE, AND HAS NOT BEEN, FILED WITH THE CFTC. THE CFTC DOES NOT PASS UPON THE MERITS OF PARTICIPATING IN A TRADING PROGRAM OR UPON THE ADEQUACY OR ACCURACY OF COMMODITY TRADING ADVISOR DISCLOSURE. CONSEQUENTLY, THE COMMODITY FUTURES TRADING COMMISSION HAS NOT REVIEWED OR APPROVED THIS TRADING PROGRAM OR THIS PROSPECTUS.

### **Marketing Rules**

Shares are offered only on the basis of the information contained in the current Prospectus and the latest audited annual accounts and any subsequent half-yearly report. Investors should note that the auditor's report on the Company's annual accounts is made only to the Company and the Shareholders as a body at the date of the auditor's report.

Any further information or representation given or made by any dealer, salesman or other person should be disregarded and accordingly should not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.

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 contractual or non-contractual terms thereof shall be governed by, and construed in accordance with, the laws of Ireland.

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

### **MiFID II Product Governance Rules – UCITS as non-complex financial instruments**

Articles 25 of MiFID II sets out requirements in relation to the assessment of suitability and appropriateness of financial instruments for clients, Article 25(4) contains rules relating to the selling of financial instruments by a MiFID-authorized firm to clients in an execution only manner. Provided the financial instruments are comprised from the list contained in Article 25(4)(a) (referred to broadly as non-complex financial instruments for these purposes), a MiFID-authorized firm selling the instruments will not be required to also conduct what is referred to as an appropriateness test on its clients. If the financial instruments fall outside the list contained in Article 25(4)(a) (i.e. are categorised as complex financial instruments) the MiFID-authorized firm selling the instruments will be required to also conduct an appropriateness test on its clients. An appropriateness test would involve requesting information on to the client's knowledge and experience on the type of investment offered and on this basis assessing whether the investment is appropriate for the client.

UCITS (other than structured UCITS) are specifically referenced in Article 25(4)(a). Accordingly, each Fund is deemed to be a non-complex financial instrument for these purposes.

### **Shareholder Rights Directive**

In the context of Directive (EU) 2017/828 of the European Parliament and of the Council of 17 May 2017 amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement ("SRD II"), it is not intended that investment in any Fund by an institutional investor, as defined in SRD II, should infer a level of direct engagement between such an investor and the Company or create a bilateral contractual relationship between the two for the purposes of Article 3h of SRD II. The Company therefore does not expect to receive any requests for SRD II information from any institutional investors. The Fund does not invest in shares of companies which are admitted to trading on a regulated market in an EU/EEA Member State and therefore the Manager is not obliged to implement a shareholder engagement policy or provide investors with information on its shareholder engagement activity pursuant to SRD II.

## DIRECTORY

### Directors

Eimear Cowhey (Chairperson)  
Brian Binder  
Neil Donnellan  
Adrian Duffy  
Julio Quintero  
Adrian Waters

### Registered Office

2<sup>nd</sup> Floor  
5 Earlsfort Terrace  
Dublin 2  
Ireland

### Manager

Carne Global Fund Managers (Ireland) Limited  
2nd Floor, Block E  
Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

### Investment Manager

Guggenheim Partners Investment Management  
LLC  
330 Madison Avenue  
10th Floor  
New York, NY 10017  
United States of America

### Distributor

Guggenheim Investment Advisors (Europe)  
Limited  
2nd Floor  
College House  
17 King Edwards Road  
Ruislip London  
HA4 7AE

### Depository

The Bank of New York Mellon SA/NV (Dublin  
Branch)  
Riverside Two  
Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2  
Ireland

### Legal Advisers as to Irish Law

Dechert LLP  
2<sup>nd</sup> Floor  
5 Earlsfort Terrace  
Dublin 2  
Ireland

### Auditors

KPMG  
1 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

### Company Secretary

Dechert Secretarial Limited  
2<sup>nd</sup> Floor  
5 Earlsfort Terrace  
Dublin 2  
Ireland

### Administrator

BNY Mellon Fund Services (Ireland) Designated  
Activity Company  
One Dockland Central  
Guild Street  
IFSC  
Dublin 1  
Ireland

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## 1 Definitions

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>"Administrator"</b>	BNY Mellon Fund Services (Ireland) Designated Activity Company;
<b>"Administration Agreement"</b>	the amended and restated agreement dated 13 April 2022, between the Company, the Manager and the Administrator pursuant to which the latter was appointed administrator, registrar and transfer agent of the Company as may be amended from time to time;
<b>"AIF"</b>	an alternative investment fund as defined in regulation 5(1) of the European Union (Alternative Investment Fund Managers) Regulations 2013 (S.I. No. 257 of 2013) and/or any other collective investment undertaking meeting the criteria outlined in Regulation 68(e) of the Regulations including, where relevant and in the event of the United Kingdom becoming a third country, UCITS authorised by the Financial Conduct Authority in the United Kingdom in accordance with Directive 2009/65/EC of the European Parliament and of the Council, as amended, supplemented, consolidated or otherwise modified from time to time;
<b>"Articles of Association" or "Articles"</b>	the articles of association of the Company for the time being in force and as may be modified from time to time;
<b>"Base Currency"</b>	the base currency of a Fund as specified in the Supplement for the relevant Fund;
<b>"Below Investment Grade Securities" or "Below Investment Grade"</b>	shall have the meaning prescribed in the section of this Prospectus entitled "Investment Grade Securities/Below Investment Grade Securities"
<b>"Benchmark Regulations"</b>	means 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;
<b>"Business Day"</b>	means, in relation to any Fund, each day as is specified as such in the Supplement for the relevant Fund;
<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 Regulations"</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings For Collective Investment in Transferable Securities) Regulations 2019 as may be amended,

supplemented, consolidated, substituted in any form or otherwise modified from time to time;

<b>"Central Bank Rules"</b>	means the Central Bank Regulations and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the Company pursuant to the Regulations;
<b>"CHF"</b>	means Swiss Francs, the lawful currency of Switzerland;
<b>"CRS"</b>	means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard;
<b>"class" or "Class"</b>	any class of Shares;
<b>"Class Currency"</b>	the currency in which Shares of a Class are issued;
<b>"Companies Act"</b>	means the Companies Act, 2014, all statutory instruments which are to be read as one with, or construed or read together with or as one with, the Companies Act and every statutory modification and re-enactment thereof for the time being in force;
<b>"Company"</b>	Guggenheim Global Investments plc, an investment company with variable capital, incorporated in Ireland pursuant to the Companies Act and the Regulations;
<b>"Competent Person"</b>	means the entity appointed to perform a valuation function as outlined in Schedule 5 to the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) UCITS Regulations 2019);
<b>"Country Supplement"</b>	means a supplement to this Prospectus, issued from time to time, specifying certain information pertaining to the offer of Shares of the Company or a Fund or Class in a particular jurisdiction or jurisdictions;
<b>"Data Protection Legislation"</b>	means the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679);
<b>"Dealing Day"</b>	means, in respect of each Fund, each Business Day on which subscriptions for, redemptions of and exchanges of relevant Shares can be made by the Company as specified in the Supplement for the relevant Fund and/or such other Dealing Days as the Directors shall determine and notify to Shareholders in advance, provided that there shall be at least two Dealing Days in each month occurring at regular intervals;

<b>"Depositary"</b>	means the Bank of New York Mellon SA/NV (Dublin Branch) or any other person or persons for the time being duly appointed as depositary hereof in accordance with the requirements of the Central Bank;
<b>"Depositary Agreement"</b>	the amended and restated agreement dated 13 April 2022 between the Company, the Manager and the Depositary pursuant to which the latter was appointed Depositary of the Company;
<b>"Developed Market"</b>	means any market designated as a developed market by MSCI Inc. which, at the date of this Prospectus, includes Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States;
<b>"Directors"</b>	the directors of the Company for the time being and any duly constituted committee thereof;
<b>"Distributor"</b>	means Guggenheim Investment Advisors (Europe) Limited or any other distributor appointed by the Manager from time to time in respect of one or more of the Funds;
<b>"Duration"</b>	shall have the meaning prescribed in the section of this Prospectus entitled "Duration";
<b>"Eligible Counterparty"</b>	means a counterparty to OTC FDIs with which a Fund may trade and belonging to one of the categories approved by the Central Bank which at the date of this Prospectus comprise the following: <ul style="list-style-type: none"> <li>(a) a Relevant Institution;</li> <li>(b) an investment firm, authorised in accordance with the Markets in Financial Instruments Directive in an EEA Member State; or</li> <li>(c) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve;</li> </ul>
<b>"Emerging Market"</b>	means any market which is not a Developed Market;
<b>"EEA"</b>	the European Economic Area;
<b>"€" or "euro" or "EUR"</b>	the currency referred to in the Second Council Regulation (EC) no. 974/98 of 3 May 1998 on the introduction of the euro;
<b>"EU"</b>	the European Union;

<b>"FATCA"</b>	<p>means:</p> <p>(a) sections 1471 to 1474 of the U.S. Internal Revenue Code or any associated regulations or other official guidance;</p> <p>(b) any intergovernmental agreement, treaty, regulation, guidance or other agreement between the Government of Ireland (or any Irish government body) and the US or any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement, implement or give effect to the legislation, regulations or guidance described in paragraph (a) above; and</p> <p>(c) any legislation, regulations or guidance in Ireland that give effect to the matters outlined in the preceding paragraphs;</p>
<b>"FDI"</b>	means financial derivative instrument(s);
<b>"Fund" or "Funds"</b>	any fund from time to time established by the Company including any of the Funds the subject of this Prospectus, where appropriate;
<b>"Initial Offer Period"</b>	means the period during which Shares in a Fund are initially offered at the Initial Issue Price as specified in the Supplement for the relevant Fund;
<b>"Initial Offer Price"</b>	the price at which a class of Shares is first offered or at which it is reoffered and as identified in the Supplement for the relevant Fund. After the Initial Offer Period of a Class has expired, Shares in any Class will be available at the then prevailing Net Asset Value per Share;
<b>"Investment Grade Securities" or "Investment Grade"</b>	shall have the meaning prescribed in the section of this Prospectus entitled "Investment Grade Securities/Below Investment Grade Securities"
<b>"Investment Manager"</b>	Guggenheim Partners Investment Management, LLC provided that the Investment Manager may appoint sub-investment managers in accordance with the requirements of the Central Bank;
<b>"Investment Management Agreement"</b>	the amended and restatement agreement between the Company, the Manager and the Investment Manager pursuant to which the latter was appointed investment manager of the Company, as may be amended or supplemented from time to time;
<b>"Investor Money Regulations"</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers, as may be amended from time to time;
<b>"Irish Resident"</b>	the definition more particularly set out in the section entitled "Taxation of the Company" of this Prospectus;

<b>"Liquid Financial Assets"</b>	means cash deposits, short term debt securities, certificates of deposit, bankers acceptances and similar instruments which shall be Investment Grade;
<b>"Manager"</b>	means Carne Global Fund Managers (Ireland) Limited or in each case, any successor thereto duly appointed in accordance with the requirements of the Central Bank Rules;
<b>"Management Agreement"</b>	means the management agreement dated 12 April 2022 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 Rules;
<b>"Member State"</b>	a member state of the EU;
<b>"MiFID II"</b>	means the Markets in Financial Instruments Directive (recast) (Directive 2014/65/EU)
<b>"MiFID II Delegated Directive"</b>	means Commission Delegated Directive (EU) of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients product governance obligations and the rules applicable to the provision or reception of fees commissions or any monetary or non-monetary benefits.
<b>"Minimum Holding"</b>	such minimum value of a holding of Shares in any Fund as the Directors may determine and as identified in the Supplement for the relevant Fund;
<b>"Moody's"</b>	Moody's Investor Services, Inc.;
<b>"Net Asset Value" or "NAV"</b>	the Net Asset Value of the Company, or of a Fund or class, as appropriate, calculated as described herein;
<b>"Net Asset Value per Share"</b>	in respect of any Shares, the Net Asset Value attributable to the relevant 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>"NOK"</b>	means Norwegian Kroner, the lawful currency of Norway;
<b>"OECD"</b>	the Organisation for Economic Co-Operation and Development;
<b>"Prospectus"</b>	means this prospectus issued on behalf of the Company as amended, supplemented or consolidated from time to time;
<b>"Recognised Rating Agency"</b>	Moody's, Standard & Poor's or any other internationally recognised rating agency equivalent to either of them;
<b>"Regulated Market"</b>	any stock exchange or regulated market in the EU or a stock exchange or regulated market which is set forth in Schedule 1 to this Prospectus, or such other markets as the Directors may from time to time determine to be a regulated market in accordance with the Regulations – which is regulated, operating regularly,

recognised and open to the public in an EU Member State or non EU Member State – and as shall be specified in a supplement or addendum to this Prospectus;

**"Regulations"**

the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (Statutory Instrument No. 352 of 2011) as amended and as may be further amended, supplemented or replaced from time to time and any statutory instrument or administrative rules issued by the Central Bank pursuant to them;

**"Relevant Declaration"**

the declaration relevant to the Shareholder as set out in Schedule 2B TCA. The Relevant Declaration for investors who are neither resident in Ireland nor ordinarily resident in Ireland (or intermediaries acting for such investors) is set out in the application form;

**"Relevant Institution"**

a credit institution authorised in an EEA Member State or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (which includes the United Kingdom), or credit institutions authorised in a third country deemed equivalent pursuant to Article 107(4) of the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending EMIR;

**"Revenue Commissioners"**

means the Irish Revenue Commissioners;

**"Rule 144A Securities"**

securities (i) which are issued with an undertaking to register with the SEC within one year of issue; and (ii) are not illiquid, meaning that they may be realised by the Company within 7 days at the price, or approximately at the price, at which they are valued by the Company;

**"SEC"**

the Securities and Exchange Commission in the U.S.;

**"Securities Financing Transactions"**

means repurchase agreements, reverse repurchase agreements, securities lending agreements and any other transactions within the scope of SFTR that a Fund is permitted to engage in;

**"SEK"**

means Swedish Kronor, the lawful currency of Sweden;

**"Settlement Date"**

the date by which funds representing subscription monies in respect of a subscription order must be received by the Administrator as set out in the Supplement for the relevant Fund;

**"Securitisation Position"**

means instrument held by a Fund that meets the criteria of a "Securitisation" contained in Article 2 of the Securitisation Regulation so as to bring such instruments into the scope of the Securitisation Regulation and trigger obligations which must be met by the Fund (as an "institutional investor" under the Securitisation Regulation). Without prejudice to the precise definition in Article 2 of the Securitisation Regulation, this



	generally covers transactions or schemes, whereby (i) the credit risk associated with an exposure or a pool of exposures is divided into classes or tranches; (ii) payments are dependent upon the performance of the exposure or of the pool of exposures; and (iii) the subordination of classes or tranches determines the distribution of losses during the ongoing life of the transaction or scheme;
<b>"Securitisation Regulation"</b>	means the Securitisation Regulation (EU) 2017/2402, as may be amended from time to time;
<b>"SFT Regulations or SFTR"</b>	means Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;
<b>"Share" or "Shares"</b>	any class of share or shares in the Company or a Fund, as the context so requires;
<b>"Shareholder"</b>	a holder of Shares;
<b>"Standard and Poor's"</b>	Standard & Poor's, a division of The McGraw–Hill Companies, Inc.;
<b>"Stg£" or "Pound Sterling" or "GBP"</b>	the lawful currency of the United Kingdom;
<b>"Subscriber Shares"</b>	the initial share capital of 300,000 Shares of no par value subscribed for EUR 300,000;
<b>"Subscriptions/Redemptions Account"</b>	means the account in the name of the Company through which subscription monies and redemption proceeds and dividend income (if any) for each Fund are channelled, the details of which are specified in the relevant application form;
<b>"Supplement"</b>	any supplement to the Prospectus issued by the Company in connection with a Fund from time to time in accordance with the requirements of the Central Bank;
<b>"Supranational Organisation"</b>	an entity established or financially supported by the national governments of one or more countries to promote reconstruction or development. Examples of Supranational Organisations include, among others, the International Bank for Reconstruction and Development (more commonly known as The World Bank), the European Economic Community, the European Investment Bank, the Inter-American Development Bank and the Asian Development Bank;

<b>"Sustainable Finance Disclosure Regulation" or "SFDR"</b>	Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time;
<b>"Sustainability Factors"</b>	environmental, social and governance factors, risks or considerations;
<b>"Sustainable Investment"</b>	means (1) an investment in an economic activity that contributes to an environmental objective, as measured by key resource efficiency indicators on (i) the use of energy, (ii) renewable energy, (iii) raw materials, (iv) water and land, (v) on the production of waste, (vi) greenhouse gas emissions, or (vii) its impact on biodiversity and the circular economy, or (2) an investment in an economic activity that contributes to a social objective (in particular an investment that contributes to tackling inequality or that fosters social cohesion, social integration and labour relations), or (3) an investment in human capital or economically or socially disadvantaged communities, provided that such investments do not significantly harm any of those objectives and that the investee companies follow good governance practices;
<b>"Sustainability Risks"</b>	an environmental, social or governance risks or considerations that may have a material impact on an investment's return or an issuer's financial performance;
<b>"Taxonomy Regulation"</b>	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector;
<b>"TCA "</b>	the Taxes Consolidation Act, 1997, as amended;
<b>"Trade Cut-Off Time"</b>	in relation to any application for subscription, redemption or exchange of Shares of a Fund, the day and time specified in the Supplement for the relevant Fund by which such application must be received by the Administrator on behalf of the Company in order for the subscription, redemption or exchange of Shares of the Fund to be made by the Company on the relevant Dealing Day;
<b>"UCITS"</b>	an undertaking for collective investment in transferable securities established pursuant to the Regulations or, in the case of UCITS established in a Member State other than Ireland, UCITS IV or the relevant national legislation implementing UCITS IV;
<b>"UCITS Requirements"</b>	means the legislative and regulatory framework for the authorisation and supervision of UCITS, pursuant to the

Regulations, in place in Ireland from time to time, whether under the terms of UCITS IV, UCITS V or otherwise;

<b>"UCITS IV"</b>	means Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as amended, supplemented, consolidated or otherwise modified including any supplementing European Commission delegated regulations in force from time to time;
<b>"UCITS V"</b>	means Directive 2014/91/EU of the European Parliament and of the Council of 23 July 2014 amending Directive 2009/65/EC on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration and sanctions as amended from time to time and including any supplementing European Commission delegated regulations in force from time to time;
<b>"U.K."</b>	the United Kingdom of Great Britain and Northern Ireland;
<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.\$" or "U.S. Dollar" or "USD"</b>	the lawful currency of the U.S.;
<b>"U.S. Issuer"</b>	issuers that have their seat or registered office in the U.S. or that conduct a predominant portion of their activities in the U.S.;
<b>"U.S. Person"</b>	"U.S. Person" as defined in Regulation S under the 1933 Act;
<b>"Valuation Point"</b>	means the time on or with respect to the relevant Dealing Day by reference to which the Net Asset Value of a Fund and the Net Asset Value per Share are calculated as is specified in the Supplement for the relevant Fund.

## **2 Introduction**

The Company is an open-ended investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Act and the Regulations. The Company was incorporated on 2 February 2011 under registration number 494504 and was authorised by the Central Bank on 1 March 2011. Its sole object, as set out in Clause 2 of the Company's Memorandum of Association, is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 68 of the Regulations of capital raised from the public and which operates on the basis of risk spreading.

The Company has appointed Carne Global Fund Managers (Ireland) Limited as UCITS management company. The Central Bank Regulations refer to the "responsible person", being the party responsible for compliance with the relevant requirements of the Central Bank Regulations on behalf of a UCITS. The Manager assumes the regulatory role of the responsible person for the Company and all references to the Manager herein in its role of responsible person

shall be read to mean the Manager in consultation with the Company. The Central Bank Regulations supplement the UCITS Regulations and existing legislative requirements and notwithstanding the Manager assuming the regulatory role of responsible person under the Central Bank Regulations, the board of Directors of the Company continue to hold a statutory role pursuant to the provisions of the Companies Act.

The Company is organised in the form of an umbrella fund with segregated liability between sub-funds. The Articles of Association provide 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.

A Fund may consist of one or more Classes of Shares as set out in the Supplement for the relevant Fund. Except where permitted by the Central Bank, assets will generally not be allocated to specific Classes of Shares and a separate pool of assets will not be maintained for each Class within a Fund. Further Classes of Shares may be issued on advance notification to, and in accordance with the requirements of, the Central Bank.

### **3 Investment Objectives and Policies of the Funds**

The assets of each Fund will be invested separately in accordance with the investment objectives and policies of the Fund. The specific investment objective and policies of each Fund will be set out in the relevant Supplement and will be formulated by the Directors at the time of creation of the relevant Fund.

### **4 Investment Techniques and Instruments**

#### **Further Information on the Securities in which the Fund May Invest**

The information below regarding the securities in which the Fund may invest is subject to the limitations set forth for the Fund in the above description of the Fund's investment objective and policies.

#### **Asset-Backed Securities**

Certain Funds may invest in asset-backed securities, which are securities that directly or indirectly represent a participation in, or are secured by and payable from, assets such as motor vehicle instalment loan contracts, leases on various types of real and personal property and receivables from credit (credit) agreements. Such assets are often securitised through the use of trusts or special purpose vehicles. A pool of assets representing the obligations often of a number of different parties collateralises asset-backed securities.

#### **Commercial Paper**

Commercial paper is a short-term promissory note issued by corporations which at the time of purchase are rated P-1 and/or A-1. Commercial paper ratings P-1 by Moody's and A-1 by S&P are the highest investment grade category.

#### **Corporate Debt Securities**

Certain Funds may invest in corporate debt securities, which are bonds, notes or debentures issued by corporations and other business organisations, including business trusts, in order to finance their credit needs. Corporate debt securities include commercial paper, which consists of freely transferable, short-term (usually from 1 to 270 days) unsecured promissory notes issued by corporations in order to finance their current operations.

Corporate debt securities may pay fixed or variable rates of interest, or interest at a rate contingent upon some other factor, such as the price of some commodity. These securities may be convertible into preferred or common equity, or may be bought as part of a unit containing

common stock. In selecting corporate debt securities for a fund, the Investment Manager reviews and monitors the creditworthiness of each issuer and issue. The Investment Manager also analyses interest rate trends and specific developments, which they believe may affect individual issuers.

### **Debt Securities**

Debt securities include, but are not limited to, fixed or floating rate debt securities, bonds issued or guaranteed by corporations or governments or governmental agencies or instrumentalities thereof, central banks or commercial banks, notes (including freely transferable promissory notes), debentures and commercial paper. Fixed rate debt securities are securities, which carry a fixed rate of interest, which does not fluctuate with general market conditions. Floating rate debt securities are securities that carry a variable interest rate, which is initially tied to an external index such as U.S. treasury bill rates.

### **Depository Receipts**

Depository receipts include sponsored and unsponsored depository receipts that are or become available, including ADRs, EDRs and GDRs and other depository receipts. Depository receipts are typically issued by a financial institution ("depository") and evidence ownership interests in a security or a pool of securities ("underlying securities") that have been deposited with the depository. The depository for ADRs is typically a U.S. financial institution and the underlying securities are issued by a non-U.S. issuer. ADRs are publicly traded on exchanges or over-the-counter in the U.S. and are issued through "sponsored" or "unsponsored" arrangements. In a sponsored ADR arrangement, the non-U.S. issuer assumes the obligation to pay some or all of the depository's transaction fees, whereas under an unsponsored arrangement, the non-U.S. issuer assumes no obligation and the depository's transaction fees are paid by the ADR holders. In addition, less information is available in the U.S. about an unsponsored ADR than about a sponsored ADR, and the financial information about a company may not be as reliable for an unsponsored ADR as it is for a sponsored ADR. In the case of EDRs and GDRs, the depository can be a non-U.S. or a U.S. financial institution and the underlying securities are issued by a non-U.S. issuer. EDRs and GDRs allow companies in Europe, Asia, the U.S. and Latin America to offer shares in many markets around the world, thus allowing them to raise capital in these markets, as opposed to solely in their home market. The advantage of ADRs, EDRs and GDRs is that shares do not have to be bought through the issuing company's home exchange, which may be difficult and expensive, but can be bought on all major stock exchanges. In addition, the share price and all distributions are converted to the shareholder's home currency. As for other depository receipts, the depository may be a non-U.S. or a U.S. entity, and the underlying securities may have a non-U.S. or a U.S. issuer. For purposes of a Fund's investment policies, investments in depository receipts will be deemed to be investments in the underlying securities. Thus, a depository receipt representing ownership of common stock will be treated as common stock. Depository receipts purchased by a Fund may not necessarily be denominated in the same currency as the underlying securities into which they may be converted, in which case a Fund may be exposed to relative currency fluctuations.

### **Duration**

"Duration" was developed as a more precise alternative to the concept of "maturity". Traditionally, a debt obligation's maturity has been used as a proxy for the sensitivity of the security's price to changes in interest rates (which is the "interest rate risk" or "price volatility" of the security). However, maturity measures only the time until a debt obligation provides its final payment, taking no account of the pattern of the security's payments prior to maturity. In contrast, duration incorporates a bond's yield, coupon interest payments, final maturity, call and put features and prepayment exposure into one measure. Duration is the magnitude of the change in the price of

a bond relative to a given change in market interest rates. Duration management is one of the fundamental tools used by the Investment Manager.

Duration is a measure of the expected life of a debt obligation on a present value basis. Duration takes the length of the time intervals between the present time and the time that the interest and principal payments are scheduled or, in the case of a callable bond, the time the principal payments are expected to be received, and weights them by the present values of the cash to be received at each future point in time. For debt obligations with interest payments occurring prior to the payment of principal, duration will usually be less than maturity. In general, all else being equal, the lower the stated or coupon rate of the interest of a fixed income security, the longer the duration of the security; conversely, the higher the stated or coupon rate of a fixed income security, the shorter the duration of the security.

There are some situations where even the standard duration calculation does not properly reflect the interest rate exposure of a security. For example, floating-rate and variable-rate securities often have final maturities of ten or more years; however, their interest rate exposure corresponds to the frequency of the coupon reset. Another example where the interest rate exposure is not properly captured by maturity is mortgage pass-through securities. The stated final maturity of such securities is generally 30 years, but current prepayment rates are more critical in determining the securities' interest rate exposure. Finally, the duration of the debt obligation may vary over time in response to changes in interest rates and other market factors.

### **Equities**

The Funds will generally invest in common stock, ordinary shares, or the equivalent which may rise or fall in value.

### **High Yield Securities**

High yield securities are not rated in one of the top four rating categories (i.e. below "investment grade") by a Recognised Rating Agency, sometimes referred to as "junk bonds". Bonds may be fixed and or floating. Generally, medium or lower rated securities and unrated securities of comparable quality offer a higher current yield than is offered by higher rated securities but also (i) will likely have some quality and protective characteristics that, in the judgment of the rating organisations, are outweighed by large uncertainties or major risk exposures to adverse conditions and (ii) are predominantly speculative with respect to the issuer's capacity to pay interest and repay principal in accordance with the terms of the obligation. The market values of certain of these securities also tend to be more sensitive to individual corporate developments and changes in economic conditions than higher quality bonds. In addition, medium and lower rated securities and comparable unrated securities generally present a higher degree of credit risk. The risk of loss due to default by these issuers is significantly greater because medium and lower rated securities and unrated securities of comparable quality generally are unsecured and frequently are subordinated to the prior payment of senior indebtedness. In light of these risks, the Investment Manager in evaluating the creditworthiness of an issue, whether rated or unrated, will take various factors into consideration, which may include, as applicable, the issuer's financial resources, its sensitivity to economic conditions and trends, the operating history of and the community support for the facility financed by the issue, the ability of the issuer's management and regulatory matters. In addition, the market value of securities in lower rated categories is more volatile than that of higher quality securities, and the markets in which medium and lower rated or unrated securities are traded are more limited than those in which higher rated securities are traded. The existence of limited markets may make it more difficult for a Fund to obtain accurate market quotations for purposes of valuing its portfolio and calculating its Net Asset Value. Moreover, the lack of a liquid trading market may restrict the availability of securities for a Fund to purchase and may also have the effect of limiting the ability of a Fund to sell

securities at their fair value either to meet redemption requests or to respond to changes in the economy or the financial markets.

Lower rated debt obligations also present risks based on payment expectations. If an issuer calls the obligation for redemption, a Fund may have to replace the security with a lower yielding security, resulting in a decreased return for investors. Also, as the principal value of bonds moves inversely with movements in interest rates, in the event of rising interest rates the value of the securities held by a Fund may decline proportionately more than a portfolio consisting of higher rated securities. If a Fund experiences unexpected net redemption, it may be forced to sell its higher rated bonds, resulting in a decline in the overall credit quality of the securities held by a Fund and increasing the exposure of the Fund to the risks of lower rated securities.

### **Investment Funds/Collective Investment Schemes**

Each Fund may purchase the securities of other closed ended and open ended collective investment schemes, subject to the Regulations. If a Fund invests in such a collective investment scheme, the Fund's shareholders will bear not only their proportionate share of the expenses of the Fund (including operating expenses and the fees of the investment manager), but also will bear indirectly similar expenses of the underlying scheme.

### **Investment Grade Securities/Below Investment Grade Securities**

Investment Grade Securities are securities that are rated in one of the four highest rating categories by a Recognised Rating Agency or which unrated are considered of equivalent quality by the Investment Manager. Below Investment Grade Securities are securities which are rated below the fourth highest rating category by a Recognised Rating Agency of which if unrated are considered of equivalent quality by the Investment Manager. Below Investment Grade Securities are commonly referred to as "junk bonds".

### **Loan Participations and Assignments**

Certain Funds may invest in floating rate commercial loans arranged through private negotiations between a corporation or other type of entity and one or more financial institutions ("**Lender**"). Such investment is expected to be in the form of participations in, or assignment of, the loans, which may or may not be securitised ("**Participations**"). The Participations shall be liquid and will provide for interest rate adjustments at least every 397 days. A Fund will only purchase such Participations only through recognised, regulated dealers.

### **Money Market Instruments/Securities**

Certain Funds may hold money market instruments, including commercial paper, bankers acceptances, certificates of deposit and other short term debt securities as ancillary liquid assets.

### **Mortgage-Backed Securities**

Certain Funds may purchase mortgaged-backed securities. Mortgage-backed securities provide capital for mortgage loans to residential homeowners, including securities that represent interests in pools of mortgage loans made by lenders such as savings and loan institutions, mortgage banks, commercial banks and others. Pools of mortgage loans are assembled for sale to investors (such as a Fund) by various governmental, government-related and private organisations, such as dealers. The market value of mortgage-backed securities will fluctuate as a result of changes in interest rates and mortgage loans.

Interests in pools of mortgage loans generally provide a monthly payment that consists of both interest and principal payments. In effect, these payments are a "pass through" of the monthly payments made by the individual borrowers on their residential mortgage loans, net of any fees paid to the issuer or guarantor of such securities. Additional payments are caused by repayments

of principal resulting from the sale of the underlying residential property, refinancing or foreclosure, net of fees or costs that may be incurred. Some mortgage-backed securities (such as securities issued by GNMA) are described as "modified pass through" because they entitle the holder to receive all interest and principal payments owed on the mortgage pool, net of certain fees, regardless of whether the mortgagor actually makes the payment.

### **Payment-in-Kind Bonds**

Payment-in-kind bonds are bonds that pay interest in the form of additional bonds of the same type. Payment-in-kind bonds may be rated investment grade or below investment grade.

### **Rule 144A Securities**

Rule 144A Securities are securities that are not registered under the 1933 Act, but that can be sold to certain institutional buyers in accordance with Rule 144A under the 1933 Act.

### **Step-Up Securities**

Step-up securities are securities, which pay no interest initially but eventually begin to pay a coupon rate prior to maturity, which may increase at stated intervals during the life of the security. Step-up securities allow an issuer to avoid or delay the need to generate cash to meet current interest payments and, as a result, may involve greater credit risk than bonds that pay interest currently or in cash.

### **Variable Rate and Floating Rate Securities**

Variable and floating rate securities are obligations that possess a floating or variable interest rate adjustment formula. The terms of the variable or floating rate securities that a Fund may purchase provide that interest rates are adjustable at intervals ranging from daily up to six months, and the adjustments are based upon current market levels, the prime rate of a bank or other appropriate interest rate adjustment index as provided in the respective securities. Some of these securities are payable on a daily basis or on not more than seven days' notice. Others such as securities with quarterly or semi-annual interest rate adjustments may be redeemed on designated days on not more than thirty days' notice.

### **Zero Coupon Bonds**

Zero coupon bonds pay no interest in cash to their holder during their life, although interest is accrued during that period. Its value to an investor consists of the difference between its face value at the time of maturity and the price for which it was acquired, which is generally an amount significantly less than its face value (sometimes referred to as a "deep discount" price). Because zero coupon bonds usually trade at a deep discount, they will be subject to greater fluctuations in market value in response to changing interest rates than debt obligations of comparable maturities which make periodic distributions of interest. On the other hand, because there are no periodic interest payments to be reinvested prior to maturity, zero coupon securities eliminate reinvestment risk and lock in a rate of return to maturity.

### **Financial Derivative Instruments**

Where permitted by the investment policy of a Fund, the Fund may engage in transactions in FDI for investment purposes and/or for efficient portfolio management purposes and may also engage in efficient portfolio management techniques ("EPMT") such as Securities Financing Transactions, in each case within the conditions and limits laid down by the Central Bank and other applicable laws and regulations. The Fund may employ both exchange-traded and over-the-counter ("OTC") FDI. OTC FDI may be centrally cleared or traded bilaterally. Certain classes of OTC FDI are currently required to be centrally cleared, pursuant to both Regulation (EU) No.



648/2012 of the European Parliament and of the Council ("EMIR") and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "DF Act"), together with the regulations of the Commodity Futures Trading Commission (the "CFTC") and the Securities and Exchange Commission.

The Fund will typically employ such techniques and instruments where the Investment Manager considers the use of such techniques and instruments economically appropriate in order to seek to reduce risk, reduce costs, generate additional capital or income for the Fund with an appropriate level of risk, taking into account the risk profile of the Fund as described therein and the general provisions of the UCITS Requirements. A Fund's use of such FDI or EPMT shall be subject to the conditions and within the limits from time to time laid down by the Central Bank and the EMIR legislation. A list of the Regulated Markets on which FDI may be quoted or traded is set out in Schedule 1. A description of the current conditions and limits laid down by the Central Bank in relation to FDI is set out in Schedule 3. A Fund may enter into stocklending agreements for the purposes of efficient portfolio management subject to the conditions and limits set out in Schedule 3. Details of the risks associated with the use of FDI is set out in the section entitled "Certain Risk Factors and Investment Considerations". In order to invest in FDI the Manager will first be required to file a risk management process (the "RMP") with the Central Bank to enable it to accurately measure, monitor and manage the various risks associated with such FDI. Supplementary information in relation to the quantitative risk management limits applied, the risk management methods used and any recent developments in the risks and yield characteristics for the main categories of investment shall be supplied to a Shareholder upon request. Where a Fund employs EPMT, this will be disclosed in the investment policies section for the relevant Fund.

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

### **Currency Hedging Transactions**

The Investment Manager takes a long-term view of currency, incorporating assumptions into the underlying company analysis. Typically, currency exposure is consistent with the underlying equity exposure. Recognising that currencies may fluctuate, the Investment Manager may occasionally engage in currency hedging in order to seek to reduce risk and preserve capital, using forward currency contracts as described below.

### **Futures**

A future is an agreement to buy or sell an underlying reference asset on a specific date. Unlike OTC FDIs futures are traded on Recognised Exchanges thereby reducing counterparty risk. In addition, the underlying characteristics of such contracts are standardised. The purchase or sale of a futures contract differs from the purchase or sale of the reference asset in that generally no

price or premium is paid or received. Instead, an amount of cash or other liquid assets must be deposited with the broker. This amount is known as initial margin. Subsequent payments to and from the broker, known as variation margin, are made on a daily basis as the price of the underlying futures contract fluctuates making the long and short positions in the futures contract more or less valuable, a process known as "marking to market." In most cases futures contracts are closed out before the settlement date without the making or taking of delivery. Closing out a futures contract sale is effected by purchasing a futures contract for the same aggregate amount of the relevant underlying at the same delivery date. If the price of the initial sale of the futures contract exceeds the price of the offsetting purchase, the seller is paid the difference and realises a gain. Conversely, if the price of the offsetting purchase exceeds the price of the initial sale, the seller realises a loss. Similarly, the closing out of a futures contract purchase is effected by the purchaser entering into a futures contract sale. If the offsetting sale price exceeds the purchase price, the purchaser realises a gain, and if the purchase price exceeds the offsetting sale price, a loss will be realised.

### **Interest Rate Futures**

Interest Rate futures may be used to manage a Fund's market exposure in a cost effective and efficient manner as futures are often more liquid and cost effective to trade for example, entering into an interest rate future contract in place of immediate purchase of underlying securities, in certain circumstances may be deemed more cost effective and expedient. A Fund may also use interest rate futures for tactical asset allocation reasons mainly to manage a Fund's interest rate exposure. Futures are generally exchange traded products.

### **Forwards**

A forward is an OTC contract to purchase or sell one or more specific underlying assets at a future date at a price set at the time of the contract. A forward typically involves the exchange of the underlying asset for the proceeds, but may for example, as in the case of a forward rate agreement ("**FRA**"), be cash settled. Certain forwards are required to be centrally cleared under the DF Act and EMIR.

### **Forward Foreign Exchange Contracts (including Non-deliverable Forward Contracts ("NDFs"))**

A Fund may enter into forward currency contracts ("**FX Forwards**") which involve an obligation to purchase or sell a specific currency at a future date at a price set at the time of the contract. A Fund may enter into these contracts primarily with the purpose of (i) increasing exposure to a currency; (ii) shifting exposure to currency fluctuations from one currency to another; or (iii) hedging unwanted currency and interest rate differential exposures of securities denominated in a currency other than the Base Currency of a Fund. A Fund may use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated.

Investors should note that currencies can be volatile and lead to losses within a portfolio if the exchange rate or interest rate differential moves during the life of the agreement (however, a currency forward contract can be neutralised before the specified delivery date by effecting an identical but opposite transaction). There is a degree of credit risk associated with such a contract because it is struck directly between a buyer and seller without the intervention of an exchange. These contracts will be used with the aim of enabling the Fund to manage its currency exposures in the most efficient manner in relation to the Fund's investment objective. In this sense the use of forward foreign exchange contracts is intended to reduce risks and/or generate additional income or capital gain. As with all such transactions the Fund will become subject to an exchange rate risk in relation to changes in the exchange rate between the original currency and the selected currency of conversion.

An FX Forward can be closed-out before the specified delivery date by effecting an identical but opposite transaction. In a contract where one of the currencies is not deliverable (usually due to capital controls), the contract may, depending on elections made by the parties thereto, be constructed to cash settle in the deliverable currency. Such a FX Forward is called a non-deliverable forward (“NDF”).

## **Swaps**

Swap agreements are two-party contracts for periods ranging from a few weeks to more than one year. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realised on particular agreed investments or instruments. In an uncleared OTC swap, two market participants face each other directly. In a cleared OTC swap, market participants face a central clearinghouse.

In a swap, the gross returns (subject to potential tax withholding) to be exchanged or "swapped" between the parties are generally calculated with respect to a "notional amount", i.e. the return or increase in value of a particular security or "basket" of securities or securities index. Total return swap agreements may be used to gain exposure to particular securities or securities markets in instances where it is not possible or economical to do so through the underlying security or through an exchange traded futures contract. A Fund may utilise total return swap contracts in respect of securities and securities indices whereby the Fund typically exchange floating interest rate cash flows for cash flows based on the total return of an equity or equity index or could exchange a cash flow based on the total return of a security or a securities index for floating interest rate cash flows. These contracts allow a Fund to manage its exposures to certain securities or securities indices. Swaps may also be used to hedge against currency and interest rate risk or to manage a Fund's interest rate duration and convexity.

In respect of interest rates the Fund may utilise interest rate swap contracts (both listed and OTC) where the Fund may exchange floating interest rate cash flows for fixed interest rate cash flows or fixed interest rate cash flows for floating interest rate cash flows. These contracts allow the Fund to manage their interest rate exposures. For these instruments a Fund's return is based on the movement of interest rates (and consideration of financing and re-financing costs) relative to a fixed rate agreed by the parties. Many interest rate swaps are currently subject to mandatory central clearing under the DF Act and EMIR.

A credit default swap may be used to transfer the credit exposure of a fixed income product between parties. Where a Fund buys a credit default swap, this is typically to receive credit protection, whereas the seller of the default swap provides downside protection in the event that certain specified credit events occur with respect to the issuer thereof. Credit default swaps can either serve as a substitute for purchasing bonds or they can hedge specific bond exposure or reduce exposure to credit basis risk. A Fund may enter into credit default swap agreements. The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no specified credit event with respect to a reference issuer has occurred. In a physically-settled credit default swap, if a credit event occurs, the seller must pay the buyer the full notional value, or "par value", of the reference obligation in exchange for a deliverable reference obligation. Many credit default swaps are not physically –settled but rather auction-settled. In an auction-settled credit default swap, if a credit event occurs, the seller must pay the difference between the full notional value, or “par value”, and the auction-recognized settlement price. A Fund may be either the buyer or seller in a credit default swap transaction. If a Fund is a buyer and no credit event occurs, the Fund will have paid for the protection without being required to call upon it. However, if a credit event occurs, the relevant Fund (if the buyer) will either receive the full notional value of the reference obligation, less the value, if any, of the deliverable reference obligation, that may have little or no value or the difference between the full notional value and the auction-recognized settlement price. As a seller, a Fund receives a fixed rate of income throughout the term of the contract, which typically

is between six months and five years, provided that there is no credit event during the pendency of the trade. If a credit event occurs, the seller must pay the buyer the full notional value, or "par value", of the reference obligation less the value, if any, of the deliverable reference obligation, or in exchange for a deliverable reference obligation, depending on the settlement methodology.

A total return swap could be used if it provided exposure to a security or index position in a more cost efficient manner than a direct investment in that security or index position. Total return swaps are agreements whereby a Fund agrees to pay a stream of payments based on an agreed interest rate in exchange for payments representing the total economic performance (either inclusive or exclusive of dividends), over the life of the swap, or the asset or assets underlying the swap. Through the swap, the Funds may take a long or short position in the underlying asset(s), which may constitute a single security or a basket of securities. Exposure through the swap closely replicates the economics of physical shorting (in the case of short positions) or physical ownership (in the case of long positions), but in the latter case without the voting or beneficial ownership rights of direct physical ownership. Specifically, the use of total return swaps by a Fund shall be subject to the requirements of the SFTR.

Index swaps can either serve as a substitute for purchasing a group of bonds, hedge specific index exposure, gain or reduce exposure to an index or be associated to the performance of one or more relevant underlying indices that are linked directly or indirectly to certain securities. The use of indices shall in each case be within the conditions and limits set out in the Central Bank Regulations. Where relevant, dependent on the nature of the underlying, indices will be cleared in advance by the Central Bank. Certain index credit default swaps are currently subject to mandatory central clearing under the DF Act and EMIR.

### **Swaptions**

A swaption is an option on a swap. It gives the fund the right to enter into a swap at a specified date in the future. Swaptions are contracts whereby one party receives a fee in return for agreeing to enter into a forward swap at a predetermined fixed rate if some contingency event occurs (normally where future rates are set in relation to a fixed benchmark). Swaptions are generally uncleared OTC contracts where the terms of the swaption specify whether the buyer will pay the floating interest rate cash flows or the fixed rate cash flows. These contracts allow the fund to manage its exposure for any expected long term market risk.

### **Options**

An option is an FDI that represents a contract sold by one party (option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (strike price) during a certain period of time or on a specific date (exercise date). Since the option gives the buyer a right and the seller an obligation, the buyer pays the seller a premium.

Put options are contracts that give the option buyer the right to sell to the seller of the option the underlying product or financial instrument at a specified price on, or before, the exercise date. Call options are contracts that give the option buyer the right to buy from the seller of the option the underlying product or financial instrument at a specified price on, or before, the exercise date. Options may also be cash settled. OTC options are non-exchange traded option agreements, which are specifically tailored to the needs of an individual investor. These options enable the user to structure precisely the date, market level and amount of a given position.

### **Commodity Futures Trading Commission**

A Fund may invest in commodity futures, commodity options contracts, swaps and other CFTC-regulated products ("**Commodity Interests**"). The Manager will file an exemption notice from registration with the CFTC as a commodity pool operator ("**CPO**") with respect to the Funds under

CFTC Rule 4.13(a)(3) and intends to operate the Funds in accordance with CFTC Rule 4.13(a)(3). The Manager can rely on Rule 4.13(a)(3) because (i) either (a) the aggregate initial margin and premiums required to establish commodity interest positions for each Fund do not exceed 5% of the liquidation value of such Fund's portfolio, or (b) the aggregate net notional value of each Fund's commodity interest positions does not exceed 100% of the liquidation value of such Fund's portfolio, and (ii) participation in the Funds is limited to certain classes of investors recognized under the U.S. federal securities and commodities laws. Therefore, the Manager is not required to provide prospective investors with a CFTC compliant disclosure document, nor is it required by CFTC regulations to provide investors with certified annual reports.

### **Dodd-Frank**

In the United States, rules and regulations required under the DF Act have become effective and comprehensively regulate the OTC markets for the first time. The DF Act and the regulations promulgated thereunder require mandatory clearing and exchange or swap execution facility trading of certain FDI transactions (including formerly unregulated OTC FDI). The DF Act also creates new categories of regulated market participants, such as "swap-dealers," "security-based swap dealers," "major swap participants" and "major security-based swap participants" who will be subject to significant new capital, registration, recordkeeping, reporting, disclosure, business conduct and other regulatory requirements, which will give rise to new administrative costs. Even if certain new requirements are not directly applicable to the Fund, they may still increase our costs of entering into transactions with the parties to whom the requirements are directly applicable.

### **EMIR**

The European Parliament has adopted the Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (Regulation (EU) No. 648/2012), known as "EMIR." EMIR and the implementing rules thereunder have come into force in stages and implement requirements similar to, but not the same as, those in the DF Act, in particular requiring reporting of most FDI transactions, risk mitigation (in particular mandatory initial and variation margin requirements for certain market participants) for OTC FDI transactions and central clearing of certain OTC FDI contracts. The Fund currently is classified as a "Financial Counterparty" under EMIR and accordingly is subject to numerous requirements thereunder. Compliance with such requirements is likely to continue to increase the burdens and costs of doing business.

### **Eligible Counterparties**

A Fund may transact in OTC FDI in accordance with the Central Bank Rules, provided that the counterparties to the OTC FDI are Eligible Counterparties.

### **Efficient Portfolio Management Techniques**

A Fund may use Securities Financing Transactions in accordance with normal market practice and subject to the requirements of the SFTR and the Central Bank Rules. Such Securities Financing Transactions may be entered into for any purpose that is consistent with the investment objective of the relevant Fund, including to generate income or profits in order to increase portfolio returns or to reduce portfolio expenses or risks or to manage liquidity.

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

Repurchase agreements are similar to securities lending transactions. A repurchase agreement is a transaction whereby a Fund sells securities to a counterparty and simultaneously commits to purchase the securities from the counterparty at an agreed upon date and price. A reverse

repurchase agreement is a transaction whereby a Fund buys securities from a counterparty and simultaneously commits to repurchase the securities from the counterparty at an agreed upon date and price.

Where the Fund enters into reverse repurchase agreements, the Investment Manager shall ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis, it being understood that any such agreement with a scheduled repurchase date within seven business days of the purchase date thereof shall be deemed to satisfy this condition. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the Net Asset Value of the Fund.

The Investment Manager should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered, it being understood that any such agreement with a scheduled repurchase date within seven business days of the purchase date thereof shall be deemed to satisfy this condition.

Reverse repurchase agreements do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the Regulations respectively.

While the Company will conduct appropriate due diligence in the selection of counterparties, including consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), it is noted that the Central Bank Rules do not prescribe any pre trade eligibility criteria for counterparties to a Fund's Securities Financing Transactions. Details of the Company's own requirements for such counterparties are set out at 0 hereto.

From time to time, a Fund may engage repurchase/reverse repurchase agreements counterparties and/or securities lending agents that are related parties to the Depositary or other service providers of the Company. Such engagement may on occasion cause a conflict of interest with the role of the Depositary or other service provider in respect of the Company. Please refer to section 13 "Conflicts of Interest" for further details on the conditions applicable to any such related party transactions. The identity of any such related parties will be specifically identified in the relevant Fund's semi-annual and annual reports.

Please refer to the section entitled 'Certain Risk Factors and Investment Considerations' in respect of the risks related to Securities Financing Transactions. The risks arising from the use of Securities Financing Transactions shall be adequately captured in the Manager's risk management process.

### **Collateral Policy**

In the context of efficient portfolio management techniques, Securities Financing Transactions and/or the use of FDI for hedging or investment purposes, collateral may be received from a counterparty for the benefit of a Fund or posted to a counterparty by or on behalf of a Fund. Any receipt or posting of collateral by a Fund will be conducted in accordance with the Central Bank Rules and the terms of the Company's collateral policy outlined below, in addition to EMIR, the DF Act and the rules and regulations promulgated thereunder.

### **Collateral – received by the Fund**

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

Risks linked to the management of collateral, such as operational and legal risks, shall be identified, managed and mitigated by the Manager's risk management process. A Fund receiving

collateral for at least 30% of its assets should have an appropriate stress testing policy in place 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 will at least prescribe the components set out in Regulation 24 paragraph (8) of the Central Bank Regulations.

For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Fund may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of the Fund in accordance with normal market practice and the requirements outlined in the Central Bank's Rules.

All assets received by a Fund in the context of Securities Financing Transactions shall be considered as collateral and must comply with the terms of the Company's collateral policy.

Collateral received from a counterparty for the benefit of a Fund may be in the form of cash or non-cash assets and must, at all times, meet with the specific criteria outlined in the Central Bank Regulations, and as described in further detail at Schedule 3 hereof, in relation to (i) liquidity; (ii) valuation; (iii) issuer credit quality; (iv) correlation; (v) diversification (asset concentration); and (vi) immediate availability. There are no restrictions on maturity provided the collateral is sufficiently liquid.

### **Collateral**

Collateral received must, at all times, meet with the specific criteria outlined in the Central Bank Regulations, in particular, the Investment Manager, on behalf of each Fund, shall apply suitably conservative haircuts to assets being received as collateral where appropriate on the basis of an assessment of the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of any stress tests performed as referred to above. The Investment Manager has determined that generally if issuer or issue credit quality of the collateral is not of the necessary quality or the collateral carries a significant level of price volatility with regard to residual maturity or other factors, a conservative haircut must be applied in accordance with more specific guidelines as will be maintained in writing by the Investment Manager on an ongoing basis. To the extent that a Fund avails of the increased issuer exposure facility in section 5(ii) of Schedule 3 of the Central Bank Regulations, such increased issuer exposure may be to any of the issuers listed in section 2.12 of Schedule 2 to the Prospectus.

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

### **Cash collateral**

Cash collateral may not be invested by the Fund 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 (ref CESR/10-049).

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash collateral. Cash collateral may not be placed on deposit with the relevant counterparty or a related entity. Exposure created through the reinvestment of collateral must be taken into account in determining risk exposures to a counterparty. Re-

investment of cash collateral in accordance with the provisions above can still present additional risk for the Fund. Please refer to Schedule 1 to this Prospectus (see also section entitled "Certain Risk Factors and Investment Considerations; Reinvestment of Cash Collateral Risk") for more details.

### **Collateral – posted by the Fund**

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

Collateral posted to a counterparty by or on behalf of a Fund will consist of such collateral as is agreed with the counterparty from time to time and may include any types of assets held by the Fund. Both EMIR and DF Act and the rules and regulations promulgated thereunder will require the Fund to post and collect variation margin meeting certain specified requirements (such as mandatory haircuts), subject to a zero threshold with respect to many FDI. It is not expected that a Fund will be required to post and collect initial margin based on the current regulatory environment, though that may change as a function for a Fund over time depending on such Fund's trading activities and prevailing interpretations of relevant regulations.

### **Classes of Shares**

A list of the Classes of Shares available in respect of the Funds and the characteristics of each such Class is pre-determined and set out in the Supplement for each Fund.

The Company reserves the right to vary the minimum initial investment, minimum subsequent investment and minimum holding requirements in the future and may choose to waive these criteria. Variations to the minimum subsequent investment and minimum holding requirements will be notified in advance to Shareholders.

Investors should note that as at the date of this Prospectus only certain Classes of Shares may currently be available for purchase.

### **Hedged Classes**

A Fund may offer currency hedged Classes whereby the Fund shall enter into certain currency-related transactions in order to seek to hedge out currency risk. This involves a Class designated in a currency other than the Base Currency being hedged against exchange rate fluctuation risks between the designated currency of the Class and the Base Currency.

To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move in line with the performance of the underlying assets.

Any financial instruments used to implement such currency hedging strategies with respect to one or more Classes shall be assets/liabilities of the Fund but will be attributable to the relevant Class(es) and the profit and loss (realised and unrealised) on, and the costs of the currency hedging transactions (including any administrative costs arising from additional risk management) will accrue solely to the relevant Class. However, investors should note that there is no segregation of liability between Share Classes. Although the costs, profits and losses of the currency hedging transactions will accrue solely to the relevant Class, Shareholders are nonetheless exposed to the risk that hedging transactions undertaken in one class may impact negatively on the Net Asset Value of another Class.

As appropriate, Classes will be identified as currency hedged Classes in the Supplement for the Fund in which such Class is issued.



Any additional risk introduced to a Fund through the use of currency hedging for a given Class should be mitigated and monitored appropriately. Accordingly, in accordance with the Central Bank Rules, the following operational provisions will apply to any currency hedging transactions:

- Counterparty exposure should be managed in accordance with the limits in the UCITS Regulations and the Central Bank Rules;
- Over-hedged positions should not exceed 105% of the Net Asset Value of the relevant Class;
- Under-hedged positions should not fall short of 95% of the portion of the Net Asset Value of the relevant Class which is to be hedged against currency risk;
- Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the Fund, to ensure that over hedged or under hedged positions do not exceed/fall short of the permitted levels disclosed above;
- Such review (referred to above) will incorporate a procedure to rebalance the hedging arrangements on a regular basis to ensure that any such position stays within the permitted position levels disclosed above and is not carried forward from month to month;
- The currency exposures of different currency Classes may not be combined or offset and currency exposures of assets of the Fund may not be allocated to separate Classes.

Notwithstanding the above, there can be no guarantee that the hedging techniques will be successful and, while not intended, this activity could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. Further, these hedging techniques are designed to reduce a Shareholder's exposure to currency risk. The use of such class hedging techniques may therefore substantially limit holders of Shares in the relevant Classes from benefiting if the currency of that Class falls against that of the Base Currency of the relevant Fund and/or the currency in which the assets of the relevant Fund are denominated.

### **Borrowing**

A Fund may not borrow money, except as follows:

- (a) a Fund may acquire foreign currency by means of a "back to back" loan; and
- (b) a Fund may borrow up to 10 per cent. of its Net Asset Value, provided that such borrowing is on a temporary basis.

Foreign currency obtained under (a) above is not classed as borrowings for the purposes of the borrowing restrictions contained in the Regulations or (b) above, provided that the offsetting deposit: (i) is denominated in the Base Currency of the Fund; and (ii) equals or exceeds the value of the foreign currency loan outstanding.

However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purpose of Regulation 70 of the Regulations and (b) above.

### **Regulated Markets**

Subject to the investment restriction set forth below, the securities in which the Funds will invest will be traded on a Regulated Market. The Regulated Markets in which the Funds may trade are listed in Schedule 1 hereto.

### **Adherence to Investment Objectives and Policies**

Any change in investment objectives and any material change in investment policies will be subject to approval by the majority of votes of Shareholders passed at a general meeting or by

all of the Shareholders by way of a written resolution. In accordance with the Company's Articles of Association, Shareholders will be given 21 clear days' notice of such general meeting. The notice shall specify the place, day, hour and nature of business of such meeting, as well as the proposed effective date of any changes to the investment objectives and policies. In the event that a change in investment objectives and/or policies is approved by Shareholders by way of a majority of votes cast at a general meeting, a reasonable notification period will be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.

### **References to Benchmarks**

A Fund may refer to indices within its Prospectus. These indices may be referenced for various purposes including, but not limited to (i) operating as a reference benchmark which the Fund seeks to outperform; and/ or (ii) a relative VaR measurement. The particular purpose of the index shall be clearly disclosed in the relevant Supplement. Where an index is used for the purposes of (i) above this will constitute use of an index within the meaning of Article 3 (1)(7)(e) of the Benchmark Regulation. Other references to indices, including for example for the purposes of relative VaR measurement as outlined at (ii) above, may not constitute use of an index within the meaning of Article 3 (1)(7)(e) of the Benchmark Regulation. Shareholders should note that the Company, the Manager, the Investment Manager and/or any distributors appointed in respect of a Fund may from time to time refer to other indices in marketing literature or other communications purely for financial or risk comparison purposes. However, unless such indices are referred to as such in the Supplement of the Fund they are not formal benchmarks against which the Fund is managed.

Where relevant the Company shall put in place written plans, in accordance with Article 28(2) of the Benchmark Regulation, detailing the actions it will take in the event that any index it uses for any Fund in accordance with Article 3 (1)(7)(e) of the Benchmark Regulation materially changes or ceases to be provided. These written plans shall detail the steps the Company will take to nominate a suitable alternative index.

Any index used by a Fund in accordance with Article 3 (1)(7)(e) of the Benchmark Regulation shall be provided by an administrator either included in the register referred to in Article 36 of the Benchmark Regulation or availing of the transitional arrangements pursuant to Article 51 of the Benchmark Regulation.

### **Impact of EU Securitisation Rules**

It is anticipated that, subject to certain exemptions and transitional provisions, the instruments held by a Fund may constitute Securitisation Positions within the scope of the Securitisation Regulation. In such cases, the Fund will be characterised as an "institutional investor" for the purposes of the Securitisation Regulation and as such shall be directly subject to obligations outlined in the Securitisation Regulation with respect to the relevant Securitisation Positions it holds/proposes to hold. This includes a range of specific due diligence measures that must be considered by the Fund in advance of holding a Securitisation Position. In particular, the Fund will be required to verify that the originator, sponsor or original lender of the Securitisation Position that it proposes to hold is complying with the requirement to retain on an ongoing basis a material net economic interest in the relevant securitisation (the "**Risk Retention Requirement**"). Additionally, where the Fund is exposed to a Securitisation Position that no longer meets the requirements provided for in the Securitisation Regulation, the Manager or Investment Manager shall, in the best interests of the investors in the Fund, act and take corrective action, if appropriate.

It is noted that the Securitisation Regulation also imposes obligations directly on originators/sponsors/original lenders of Securitisation Positions established in the EU, including applying the Risk Retention Requirement to those parties as a direct obligation – thereby aligning

with the pre-investment verification obligation that will apply to the Fund as an institutional investor in such instruments. It should therefore be quite efficient in practice for the Fund to verify that the Risk Retention Requirement is being met. Conversely, in practice it may be more difficult for the Fund to verify that the Risk Retention Requirement is being met for originators/sponsors/original lenders of Securitisation Positions established outside the EU. Indeed, there may be instances where instruments the Fund would seek to invest in, that are structured by parties established outside the EU, are not compliant with the Risk Retention Requirement (or other requirements of the Securitisation Regulation). This presents the risk that the universe of instruments the Fund may consider investing in may be narrower than would otherwise be the case.

## **5 Distribution Policy**

The dividend policy and information on the declaration and payment of dividends for each Fund will be specified in the relevant Supplement. The Directors are entitled to declare dividends in respect of any Shares in the Company out of the net income of the Company (i.e. income less expenses) (whether in the form of dividends, interest or otherwise) and net realised and unrealised gains (i.e. realised and unrealised gains net of all realised and unrealised losses), subject to certain adjustments and, in accordance with the Central Bank Rules, partially or fully out of the capital of the relevant Fund.

Any dividends payable to Shareholders will be paid by electronic transfer to the relevant Shareholder's bank account of record on the initial application form at the expense of the payee. Any dividends paid which are not claimed or collected within six years of payment shall revert to and form part of the assets of the relevant Fund.

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

## **6 Use of a Subscriptions/Redemptions Account**

The Company operates a single, omnibus Subscriptions/Redemptions Account for all of the Funds, in accordance with the Central Bank's requirements. Accordingly, monies in the Subscriptions/Redemptions Account are deemed assets of the respective Funds and shall not have the protection of the Investor Money Regulations. It should be noted however that the Company will monitor the Subscriptions/Redemptions Account in performing its cash monitoring obligations and ensuring effective and proper monitoring of the Company's cash flows in accordance with its obligations as prescribed under the UCITS Regulations. There nonetheless remains a risk for investors to the extent that monies are held by the Company in the Subscriptions/Redemptions Account for the account of a Fund at a point where such Fund (or another Fund of the Company) becomes insolvent. In respect of any claim by an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the Company.

The Company in conjunction with Depositary shall establish a policy to govern the operation of the Subscriptions/Redemptions Account, in accordance with the Central Bank's guidance in this area. This policy shall be reviewed by the Company and the Depositary at least annually.

## **7 Investment Restrictions**

A Fund's investments will be limited to investments permitted by the Regulations, as set out in Schedule 2. If the Regulations are altered during the life of the Company, the investment restrictions may be changed to take account of any such alterations but any such changes shall

be in accordance with the Central Bank's requirements and Shareholders will be advised of such changes in an updated Prospectus and in the next succeeding annual or half-yearly report of the Company. In the event that any alterations to the Regulations affect the investment policy of a Fund, such a change to the investment policy may only be made on the basis of a majority of votes cast at a general meeting or with the prior written approval of Shareholders and a reasonable notification period shall be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.

## **8 Sustainable Finance Disclosure Regulation**

SFDR seeks to establish a pan-European framework to facilitate Sustainable Investment, by providing for a harmonised approach in respect of sustainability-related disclosures to investors within the European Union's financial services sector.

### **ESG Integration Statement**

Guggenheim Investments ("**Guggenheim**") believes that environmental, social and governance ("**ESG**") criteria can meaningfully influence investment outcomes, and that careful analysis of these criteria is an important tool in evaluating the risks associated with some of the Investment Manager's investment strategies, and notably certain of the Investment Manager's actively-managed fixed income strategies, including one or more of the strategies followed by the Fund. For this reason, the consideration of ESG criteria is a relevant component of the Investment Manager's investment philosophy and process for many portfolio investments. Evaluating ESG criteria may lead to actions, including steering capital away from or towards companies in consideration of their ESG characteristics. Consideration of ESG criteria may also include strategically seeking investment opportunities that generate long-term value for investors.

In situations where the Investment Manager believes that ESG criteria may have a material impact on an investment's return or an issuer's financial performance, the Investment Manager will seek to weigh these ESG criteria alongside traditional factors in making investment decisions. ESG risk is treated in the Investment Manager's process like other risks (e.g., financial, covenant, interest rate, and liquidity) in that it allows the Investment Manager to more comprehensively assess the credit quality of a given investment and weigh this against its return potential and long-term impact. However, for various reasons, including but not limited to: (i) availability and quality of information on an issuer; (ii) accelerated timeframe to make an investment decision, (iii) an internal recommendation against an investment opportunity for compelling reasons unrelated to ESG considerations; (iv) client directed investments; or (v) where ESG criteria may not have a material impact on an investment's return or an issuer's financial performance, a review of ESG criteria will not be performed for some investments or issuers and ESG criteria will not be considered for such issuers and investments. Such investments may still be acquired by the Investment Manager for the Fund.

Where permissible and/or where mandated by a client or a regulatory requirement, the Investment Manager will seek to manage clients' assets in a way that avoids mechanistic responses to individual ESG criteria in favour of more balanced assessments incorporating the full fundamental picture and relative value considerations. In certain circumstances the Investment Manager may implement restrictions or prohibitions on investments within certain industries for all or a sub-set of all client accounts, including the Fund, which could be based on particular ESG criteria or other relevant factors. Those restrictions or prohibitions will be subject to change over time. As a result, the Fund may be limited as to available investments, which could hinder performance when compared to investments with no such restrictions.

The Investment Manager is a signatory to the United Nations backed Principles for Responsible Investment ("**PRI**"). The six PRI, are a voluntary and aspirational set of principles that offer a menu of possible actions for incorporating ESG issues into investment practice. The PRI were

developed by an international group of institutional investors reflecting the increasing relevance of ESG issues to investment practices.

In becoming a signatory to the PRI, the Investment Manager committed to adopt and implement the six principles, where consistent with the Investment Manager's fiduciary responsibilities to its clients. The PRI do not however require the application of specific ESG criteria or risk factors and neither the PRI or the Investment Manager's ESG policies require the exclusion of a particular industry, issuer or asset type. However, the application of the PRI or the Investment Manager's ESG policies may result in the exclusion of certain industries, issuers or asset types, which could have an adverse effect on performance. At this time not all of the Investment Manager's investment strategies and mandates incorporate ESG criteria.

Notwithstanding the above, the ability for the Investment Manager to identify and evaluate ESG criteria and risks, or to engage with an issuer, is limited to the availability and quality of information on an asset or issuer. The assessments of such ESG criteria are also subjective by nature and subject to change. The Investment Manager has changed over time and may in the future change without notice the Investment Manager's ESG assessment of an asset or issuer or the type of information that it uses. There is no guarantee that the ESG criteria utilized, or judgment exercised, by the Investment Manager will reflect the beliefs or values of any one particular investor or other constituent; nor, will it necessarily result in enhanced performance of any asset or any portfolio, including the Fund. In many cases, the Investment Manager may use data and insights from third-party research to provide additional input in the analysis of ESG-related criteria within portfolio holdings and the broader market, which information and data may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Investment Manager could incorrectly assess the ESG criteria or risks associated with a particular asset or issuer within the Fund's portfolio.

The application of ESG criteria and risk factors to portfolio investments (if any) could result in one or more assets or issuers being excluded from the Fund's portfolio, which could have an adverse effect on the performance of the Fund.

Guggenheim's ESG integration statement is available on the Guggenheim website at [www.guggenheiminvestments.com/firm/sustainable-investing-esg/esg-integration-statement](http://www.guggenheiminvestments.com/firm/sustainable-investing-esg/esg-integration-statement).

### **Assessment of Sustainability Risks**

Even where Sustainability Risks are identified there can be no guarantee that the Investment Manager will correctly assess the impact of Sustainability Risks on the Funds' investments or proposed investments. Where a Sustainability Risk occurs in respect of an asset, there could be a negative impact on, or loss of its value.

**Important Notices and Disclosures:** The ability for the Investment Manager to identify and evaluate ESG criteria, risks or considerations and/or Sustainability Risks is limited to the availability of information on an asset or issuer. The assessment of such ESG criteria, risks or considerations and/or Sustainability Risks is qualitative and subjective by nature and subject to change.

### **Consideration of Adverse Impacts of Investment Decisions on Sustainability Factors**

The Manager, in conjunction with the Investment Manager, currently does not specifically consider the adverse impacts of investment decisions on Sustainability Factors in accordance with the Taxonomy Regulation because the Manager, in conjunction with the Investment Manager, only takes into account ESG criteria that could have a material impact on an investment return or an issuer's financial performance. This position will be kept under review by the Manager and the Investment Manager and may change over time depending on ESG data or other information which may become available.

## Taxonomy

For the purpose of the Taxonomy Regulation and unless otherwise set out in the Supplement for the relevant Fund, the investments underlying the Funds do not take into account the EU criteria for environmentally sustainable economic activities.

## 9 Certain Risk Factors and Investment Considerations

Investors should understand that all investments involve risks. The following are some of the risks of investing in a Fund but the list does not purport to be exhaustive.

### General Risks

#### (a) Investment Risks

There can be no assurance that a Fund will achieve its investment objective. An investment in a Fund involves investment risks, including possible loss of the amount invested. Each Fund bears the risk of default on the part of the issuer of any securities. **The price of the Shares may fall as well as rise.** The capital return and income of a Fund are based on the capital appreciation and income on the investments it holds, less expenses incurred. Therefore, a Fund's returns may be expected to fluctuate in response to changes in such capital appreciation or income. Consequently, the investment is suitable only for investors who are in a position to take such risks and to adopt a long-term approach to their investment strategy.

#### (b) Liquidity Risks

Some of the markets, exchanges or securities in which a Fund may invest may prove to be less liquid than developed markets and prices may be highly volatile from time to time. This may affect the price at which and the time period in which a Fund may liquidate positions to meet redemption requests or other funding requirements.

#### (c) Currency Risks

*Currency Exchange Rates:* Currency risk includes the risk that currencies in which the Fund's investment are denominated will decline in value relative to the currencies in which the Fund's contributed capital is denominated. Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, a Fund's Net Asset Value to fluctuate as well. To the extent that a substantial portion of a Fund's total assets is denominated in the currencies of particular countries, the Fund will be more susceptible to the risk of adverse economic and political developments within those countries.

*Currency Hedging:* A Fund may enter into currency exchange transactions and/or use FDI in connection with hedged Classes (at a Fund level or, in certain circumstances as described in this Prospectus, at a Class level) and/or to seek to protect against fluctuation as a result of changes in currency exchange rates. Although these transactions are intended to minimise the risk of loss due to a decline in the value of the hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities or other assets involved will not generally be possible because the future value of such securities or assets will change as a consequence of market movements in the value of such securities or assets between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy cannot be assured. It may not be possible to hedge against generally anticipated

exchange fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

Investors' attention is drawn to the section of this Prospectus entitled "Hedged Classes" for further information.

*Currency Hedging at Class Level Risk:* Hedging activity at Class level may expose the Fund to cross contamination risk as it may not be possible to ensure (contractually or otherwise) that a counterparty's recourse in any such arrangements is limited to the assets of the relevant Class. Although the costs, gains and losses of the currency hedging transactions will accrue solely to the relevant Class, investors are nonetheless exposed to the risk that currency hedging transactions undertaken in one Class may impact negatively on another Class, particularly where (pursuant to EMIR or the DF Act) such currency hedging transactions require the Fund to post collateral (i.e. initial or variation margin). Any such collateral is posted by a Fund and at the Fund's risk (rather than by the Class and at the risk of the Class only because the Class does not represent a segregated portion of the Fund's assets) thus exposing investors in other Classes to a proportion of this risk.

(d) **Counterparty and Settlement Risks**

A Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default.

(e) **Equity Market Risks**

Investments in equity securities offer the potential for capital appreciation. However, such investments also involve risks, including issuer, industry, market and general economic related risks. Although the Investment Manager will attempt to reduce these risks by utilising various techniques described herein, adverse developments or perceived adverse developments in one or more of these areas could cause a substantial decline in the value of equity securities owned by a Fund.

(f) **Rule 144A Securities**

Rule 144A Securities may involve a high degree of business and financial risk and may result in substantial losses. These securities may be less liquid than publicly traded securities, and a Fund may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realised from these sales could be less than those originally paid by a Fund. Further, companies whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded. A Fund's investment in illiquid securities is subject to the risk that should a Fund's desire to sell any of these securities when a ready buyer is not available at a price that is deemed to be representative of their value, the Net Asset Value of the Fund could be adversely affected.

(g) **Rating of Investment Risk**

There is no assurance that the ratings of each rating agency will continue to be calculated and published on the basis described in this Prospectus or that they will not be amended significantly. The past performance of a rating agency in rating an investment is not necessarily a guide to future performance.

(h) **Umbrella Structure of the Company and Cross-Liability Risk**

Each Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. The Company is an umbrella fund with segregated liability between sub-funds and under Irish law, absent fraud or misstatement, the Company generally will not be liable as a whole to third parties and there generally will not be the potential for cross-liability between Funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the Funds would necessarily be upheld.

(i) **Investment Manager - Conflicts of Interest Risk**

The Company may consult the Manager and/or Investment Manager with respect to the valuation of: (i) unlisted investments; or (ii) securities that are listed, traded or dealt in on a Regulated Market but for which prices are not available or are unrepresentative. There is an inherent conflict of interest between the involvement of the Manager or Investment Manager in determining the valuation of a Fund's investments and the Manager or Investment Manager's other responsibilities.

(j) **Taxation Risks**

Potential investors' attention is drawn to the taxation risks associated with investing in any Fund. Please see the section headed "Taxation" for further information.

(k) **FATCA Risk**

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "IGA"). Under the IGA, an entity classified as a Foreign Financial Institution (an "FFI") that is treated as resident in Ireland is expected to provide the Revenue Commissioners with certain information in respect of its "account" holders (i.e. Shareholders). The IGA further provides for the automatic reporting and exchange of information between the Revenue Commissioners and the IRS in relation to accounts held in Irish FFIs by U.S. persons, and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. The Company is an FFI and provided it complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and should not be required to impose FATCA withholding on payments which it makes.

Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. In order to satisfy its FATCA obligations, the Company will require certain information from investors in respect of their FATCA status. If the Company becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by all Shareholders may be materially affected.

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

(l) **CRS Risk**

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the "**CRS Regulations**").

The CRS, which has applied in Ireland since 1 January 2016, is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.



The Company is a Reporting Financial Institution for CRS purposes and will be required to comply with the Irish CRS obligations. In order to satisfy its CRS obligations, the Company will require its investors to provide certain information in respect of their tax residence and may, in some cases, require information in relation to the tax residence of the beneficial owners of the investor. The Company, or a person appointed by the Company, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions.

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

(m) **Large Redemptions**

If large numbers of shares in a Fund were to be redeemed at or around the same time, the Fund may be required to sell a large portion of its portfolio quickly to cover these deals, at a time or at prices not of the Investment Manager's choosing. This might result in a reduction in the value of the Fund and in the prices achieved for securities sold by the Fund. The value of securities within a Fund may also be affected if other similar funds find themselves in the same situation.

(n) **Suspension of Dealings in Shares**

Investors are reminded that in certain circumstances their right to redeem Shares may be suspended (please see the section entitled "Temporary Suspension of Valuation of the Shares and of Sales and Redemptions" for further information).

(o) **Fair Value Pricing**

Details of the method of calculation of the Net Asset Value per Share of a Fund are set out in the section of the Prospectus entitled "Determination of Net Asset Value" below. Fair value pricing will be applied in accordance with the Central Bank Regulations. When a Fund uses fair value pricing, it may take into account any factors it deems appropriate. A Fund may determine fair value based upon developments related to a specific security, current valuations of stock indices and/or sector or broader stock market indices. The price of securities used by a Fund to calculate its Net Asset Value may differ from quoted or published prices for the same securities. Fair value pricing may involve subjective judgments and it is possible that the fair value determined for a security is materially different than the value that could be realised upon the sale of that security.

(p) **Risks Associated with Excessive Trading**

Prospective investors' attention is drawn to the risks associated with excessive trading. Please see the section entitled "Excessive Trading" for additional information.

(q) **Subscription Default Risk**

Each Fund will bear the risk of subscription default. For the purposes of efficient portfolio management, the Investment Manager may instruct the purchase of securities or utilise efficient portfolio management techniques and instruments on the basis that settlement will be received on the relevant settlement date. In the event that such settlement monies are not received by a Fund on or by the relevant settlement date, the Fund may have to sell such purchased securities or close out its position under such efficient portfolio management techniques which could result in a loss to the Fund notwithstanding that a

subscriber who defaults in settling a subscription payment may be liable to the Fund for any such loss.

(r) **Cybersecurity Risk**

As part of their business, the Company's delegates process, store and transmit electronic information, including information relating to the transactions of the Company and its Funds and personally identifiable information of the Shareholders. The Company's delegates have procedures and systems in place to protect such information and prevent data loss and security breaches. However, such measures cannot provide absolute security. The techniques used to obtain unauthorised access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Company's delegates may be susceptible to compromise, leading to a breach of the Company's delegates' networks. The systems or facilities of the Company's delegates may be susceptible to employee error or malfeasance, government surveillance, or other security threats. Online services provided by the Company's delegates to Shareholders may also be susceptible to compromise. Breach of the Company's delegates' information systems may cause information relating to the transactions of the Company and its Funds and personally identifiable information of the Shareholders or other persons to be lost or improperly accessed, used or disclosed. The Company's delegates' service providers may be subject to the same electronic information security threats as the Company's delegates. If a service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Company and its Funds and personally identifiable information of the Shareholders or other persons may be lost or improperly accessed, used or disclosed. The loss or improper access, use or disclosure of the Company's delegates' proprietary information may cause the Company's delegates and the Company and its Funds to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the Company, its Funds and Shareholders' investments therein.

**Risks Associated with Fixed Income and Debt Instruments**

(a) **Fixed Income Securities and Debt Instruments**

Certain Funds may invest in all types of fixed income securities and debt instruments including, without limitation, bonds and debentures, bank debt obligations, preferred stock, zero-coupon securities, payment-in-kind securities and deferred payment securities, loan participations and assignments, and mortgage-backed. A Fund may also purchase securities in the lowest rating categories which may have predominantly speculative characteristics or may be in default.

The debt securities in which a Fund may invest are not required to satisfy any minimum credit rating standard, and may include instruments that are considered to be of relatively poor standing and have predominantly speculative characteristics with respect to capacity to pay interest and repay principal. A Fund may invest significantly in Below Investment Grade Securities. Below Investment Grade Securities generally provide higher yields than higher quality fixed income securities, but are subject to greater credit and market risk. Below Investment Grade Securities are considered predominantly speculative with respect to the ability of the issuer to meet principal and interest

payments. Achievement of a Fund's investment objective may be more dependent on the Investment Manager's own credit analysis than is the case with higher quality bonds.

The market for Below Investment Grade Securities may be more severely affected than some other financial markets by economic recession or substantial interest rate increases, by changing public perceptions of this market or by legislation that limits the ability of certain categories of financial institutions to invest in these securities. In addition, the secondary market may be less liquid for Below Investment Grade Securities. This reduced liquidity at certain times may affect the value of these securities, may make the valuation and sale of these securities more difficult and may result in greater volatility in these securities. Because such securities are difficult to value, particularly during erratic markets, the values realised upon the sale of such securities may differ from the values at which they are carried by a Fund. Securities in the lowest rating categories may be in poor standing or in default.

In the case of supra-national or sovereign issues, not all government securities are supported by the full faith and credit of a foreign national government or political subdivision. In the case of securities issued or guaranteed by certain countries, foreign government securities may involve varying degrees of credit risk as a result of financial or political instability in such countries and the possible inability of a Fund to enforce its rights against the foreign government issuer.

General fluctuations in the market prices of assets in which a Fund may invest and interest rates may affect the value of the investments held by the Fund. Volatility and instability in the financial markets may also increase the risks inherent in the Company's investments. Interest rate changes may affect the value of an asset directly or indirectly (especially in the case of fixed rate assets). In general, rising interest rates will negatively impact the price of fixed rate assets and falling interest rates will have a positive effect on price. Adjustable rate instruments may also react to interest rate changes in a similar manner although generally to a lesser degree (depending, however, on the characteristics of the reset terms, including the index chosen, frequency of reset and reset caps or floors, among other factors).

**(b) Corporate Debt**

Generally, the corporate debt acquired by a Fund will be below investment grade or unrated. Where the corporate debt is unsecured, it may be subordinated to certain other outstanding securities and obligations of the issuer, which may be secured on substantially all of the issuer's assets. The lower rating or non-rating of corporate debt reflects a greater probability that adverse changes in the financial condition of the issuer or in general economic conditions or both may impair the ability of the issuer to make payments of principal and interest. Non-investment grade or unrated corporate debt may not be protected by financial covenants or limitations on additional indebtedness. In addition evaluating credit risk for corporate debt involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. Also, the market for credit spreads is often inefficient and illiquid, making it difficult to calculate discounting spreads for valuing financial instruments.

Where a Fund acquires interests in corporate debt, it depends primarily upon the creditworthiness of the borrower or issuer for payment of principal and interest (as well as the creditworthiness of the institution selling the participation where an interest is acquired by way of participation). Corporate debt may not be rated by any nationally recognised rating agency. Corporate debt that is fully secured offers a Fund more protections than unsecured corporate debt in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from

corporate debt would satisfy the borrower's or issuer's obligation, or that the collateral can be liquidated. Indebtedness of borrowers or issuers whose creditworthiness is poor involves substantially greater risks, and may be highly speculative. Borrowers or issuers that are in bankruptcy or restructuring may never pay off their indebtedness, or may pay only a small fraction of the amount owed.

The market for lower-rated or unrated corporate debt may be more severely affected than some other financial markets by economic recession or substantial interest rate increases, by changing public perceptions of this market or by legislation that limits the ability of certain categories of financial institutions to invest in these securities. It is likely that any economic downturn could adversely affect the ability of the issuers of corporate debt to repay principal and pay interest thereon and increase the incidence of default for such assets. In addition, the secondary market may be less liquid for lower rated or unrated corporate debt. This reduced liquidity at certain times may affect the value of these assets, may make the valuation and sale of these assets more difficult and may result in greater volatility in these assets. As such assets are difficult to value, particularly during erratic markets, the values realised upon the sale of such assets may differ from the values at which they are carried by a Fund. Assets in the lowest rating categories or which are unrated may be in poor standing or in default.

The market in certain forms of corporate debt has only recently been established and is therefore in the early stages of development. As a result, there are a number of risks and uncertainties associated with the market for these assets being an early-stage and undeveloped market.

(c) **Loan Participations and Assignments**

Certain Funds may invest in floating rate commercial loans arranged through private negotiations between a corporation or other type of entity and one or more financial institutions ("**Lender**"). Such investment is expected to be in the form of participations in, or assignment of, the loans, which may or may not be securitised ("**Participations**"). The Participations shall be liquid and will provide for interest rate adjustments at least every 397 days. They are subject to the risk of default by the underlying borrower and in certain circumstances to the credit risk of the Lender if the Participation only provides for a Fund having a contractual relationship with the Lender, not the borrower. In connection with purchasing Participations, a Fund may have no right to enforce compliance by the borrower with the terms of the loan agreement relating to the loan nor any rights of set-off against the borrower. Thus, the Fund may not directly benefit from any collateral supporting the loan in which they have purchased Participations. A Fund will only purchase such Participations through recognised, regulated dealers.

(d) **Mortgage-Related and Other Asset-Backed Instruments**

While generally offering a higher degree of price and ratings stability relative to corporate securities, asset backed securities are generally less liquid than comparably-rated corporate bonds. Liquidity is generally improving in the asset backed securities sector, but investors should be aware that the relatively reduced liquidity may lead to valuation losses on securities as market makers defensively price bonds at times of market stress to avoid balance sheet or risk exposures. Liquidation of portions of a Fund's asset-backed investments under these circumstances could produce realised losses.

(e) **Spread Widening Risks**

For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the debt instruments and other assets in which a Fund invests may decline substantially. In particular,

purchasing debt instruments or other assets at what may appear to be "undervalued" or "discounted" levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk. Additionally, the perceived discount in pricing from previous environments described herein may still not reflect the true value of the assets underlying debt instruments in which a Fund invests.

(f) **Risks of FDI and EPMT**

The following is a general discussion of important risk factors and issues concerning the use of FDI and EPMT that investors should understand before investing in a Fund.

**General**

FDI (both OTC and exchange-traded) and EPMT may be used as a substitute for taking a position in the underlying asset and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. A Fund may also use FDI and EPMT for gaining exposure within the limits set out by the Central Bank. Use of FDI involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Investing in a FDI could cause the Fund to lose more than the principal amount invested. Also, suitable FDI may not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial. Finally, the use and application of FDI may be hampered due to limited market liquidity for specific instruments or broad segments of the market and potential structural impediments at exchanges which may limit trading in certain products during periods of heightened price volatility.

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

*Market Risk:* This is the general risk attendant to all investments that the value of a particular investment will change in a way detrimental to a Fund's interest.

*Management Risk:* Derivative products and Securities Financing Transactions are highly specialised instruments that require investment techniques and risk analyses different from those associated with stocks and bonds. The use of a FDI requires an understanding not only of the underlying instrument but also of the FDI itself, without the benefit of observing the performance of the FDI under all possible market conditions. In particular, the use and complexity of FDIs and EPMT require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a FDI adds to a Fund's portfolio and the ability to forecast price, interest rate or currency exchange rate movements correctly.

*Counterparty Credit Risk:* This is the risk that a loss may be sustained by a Fund as a result of the failure of the other party to a FDI or Securities Financing Transaction (usually referred to as a "counterparty") to comply with the terms of the FDI contract or Securities Financing Transaction. The credit risk for exchange-traded or other centrally cleared FDIs (such as centrally cleared OTC FDIs) is generally less than for uncleared OTC FDIs, since the clearing house, which is the counterparty to each exchange-traded FDI, typically provides a guarantee of performance to clearing members. This guarantee is supported by a daily payment system (i.e., margin requirements) operated by the clearing house in order to reduce overall credit risk. For uncleared OTC FDIs, there is no similar clearing agency guarantee. Therefore, the Investment Manager considers the creditworthiness of each counterparty to an uncleared OTC FDI in evaluating potential credit risk.

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

*Collateral Risk:* Collateral or margin may be passed by the Fund to a counterparty or broker in respect of OTC FDI transactions or Securities Financing Transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy. Where collateral is posted to a counterparty or broker by way of title transfer, the collateral may be re-used by such counterparty or broker for their own purpose, thus, exposing the Fund to additional risk.

*Correlation Risk:* The prices of FDI may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements.

*Counterparty Rating Downgrade Risk:* The Company will enter into OTC derivative transactions and Securities Financing Transactions only with those counterparties that it believes to be sufficiently creditworthy.

If a counterparty (which is not a Relevant Institution) engaged by the Company, in respect of a Fund, is subject to a credit rating downgrade, this could potentially have significant implications for the relevant Fund both from a commercial perspective and a regulatory perspective. Pursuant to the Central Bank Rules, a rating downgrade for a counterparty to an OTC derivative transaction or a Securities Financing Transaction to A-2 (Fitch/Standard & Poors) or below (or a comparable rating) shall require the relevant Fund without delay to conduct a new credit assessment of that counterparty.

Regardless of the measures the Company, in respect of a Fund, may implement to reduce counterparty credit risk, there can be no assurance that a counterparty will not default or that the relevant Fund will not sustain losses on the transactions as a result.

*Liquidity Risk:* The use of FDI may be impacted by specific product liquidity, general illiquidity within the market or structural liquidity due to limited market participants. There may be instances where specific products may become illiquid due to the absence of buyers and / or sellers for the product. With the limited availability of counterparties, an investor may be forced to pay a higher or sell at a lower price relative to the existing market levels in order to gain and / or reduce exposure when required. This "illiquidity" cost may apply to all investment products, but is more prevalent with those products which are thinly traded and / or supported by market participants.

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

*Forward Trading:* Forward contracts and options thereon, unlike futures contracts, are not traded on exchanges and are not standardised. Rather, except where such contracts are centrally cleared, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is less regulated than exchange-based trading, however, as noted above, the DF Act and EMIR have introduced substantial regulations into the OTC FDI space. There is no limitation on daily price movements and while speculative position limits are not yet applicable in the United States, certain position limits with respect to commodity FDIs are effective in the European Union, although the Company does not intend to engage in commodities trading via FDI. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Fund.

*Foreign Exchange Transactions:* Where a Fund utilises FDIs which alter the currency exposure characteristics of securities held by the Fund the performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the securities positions held.

*OTC Markets Risk:* Where any Fund acquires securities on OTC markets, there is no guarantee that the Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

*Leverage Risk:* Since many FDIs have a leverage component, adverse changes in the value or level of the underlying asset, rate or index can result in a loss substantially greater than the amount invested in the FDI itself. Certain FDIs, such as an uncovered call option, have the potential for unlimited loss, regardless of the size of the initial investment.

*Other Risks:* Other risks in using FDIs include the risk of mispricing or improper valuation of FDIs. Many FDIs, in particular uncleared OTC FDIs, are complex and often valued subjectively. Improper valuations can result in increased cash payment requirements to counterparties or a loss of value to a Fund. Furthermore, FDIs do not always perfectly or even highly correlate or track the value of the assets, rates or indices they are designed to closely track. Consequently, a Fund's use of FDIs may not always be an effective means of, and sometimes could be counterproductive to, furthering a Fund's investment objective. An adverse price movement in a FDI position may require cash payments of variation margin by the Company that might in turn require, if there is insufficient cash available in the portfolio, the sale of a Fund's investments under disadvantageous conditions.

*Settlement risk:* A Fund is also subject to the risk of the failure of any of the exchanges on which FDI are traded or of their clearing houses. Market practices in relation to the settlement of securities transactions and the custody of assets could provide increased risks for the Fund. An Investment Manager may instruct the Depositary to settle transactions on a delivery free of payment basis where it believes that this form of settlement is appropriate. Shareholders should be aware, however, that this may result in a loss to a Fund if a transaction fails to settle and the Depositary will not be liable to a Fund or to the Shareholders for such a loss.

*Legal risk* There are legal risks involved in using FDI and Securities Financing Transactions which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

*Less Regulation; Counterparty Default.* In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies, spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on Recognised Exchanges (as defined in Prospectus), though as noted above, both the DF Act and EMIR have introduced, and continue to introduce, further regulation in the OTC FDIs space. In addition, many of the protections afforded to participants on some Recognised Exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with all OTC transactions. The counterparty for these agreements will be the specific firm involved in the transaction rather than a Recognised Exchange and accordingly the bankruptcy or default of a counterparty with which the Fund trades such transactions could result in substantial losses to the Fund. In addition, a counterparty may refrain from settling a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and the Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Regardless of the measures the Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the Fund will not sustain losses on the transactions as a result. Counterparty exposure will be in accordance with the Fund's investment restrictions.

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

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

## **Depositary Risk**

If a Fund invests in assets that are financial instruments that can be held in custody ("**Custody Assets**"), the Depositary is required to perform full safekeeping functions and will be liable for any loss of such assets 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 Depositary 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 FDIs 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 UCITS V, 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.

## **Other Risks**

### **(a) Repurchase Risk**

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

### **(b) Reinvestment of Cash Collateral Risk**

As a Fund may reinvest cash collateral received, subject to the conditions and within the limits laid down by the Central Bank, a Fund reinvesting cash collateral will be exposed to the risk associated with such investments, such as failure or default of the issuer of the relevant security.

### **(c) Securities Financing Transactions/Securities Lending Risk**

The use of Securities Financing Transactions may result in greater returns but may entail greater risk for the Company and its investors. Securities Financing Transactions create several risks for the Company and its investors, including counterparty risk if the counterparty to a Securities Financing Transaction becomes bankrupt or defaults on (or otherwise becomes unable or unwilling to perform) its obligation to return assets equivalent to the ones provided to it by the relevant Fund. In such case, the Fund may not receive the full amount that it is entitled to receive or may experience delays in recovering the collateral held by, or on behalf of, the counterparty. If this occurs the Fund may suffer loss as a result.

**Securities Lending Risk:** As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its

obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. A securities lending transaction will involve the receipt of collateral. However there is a risk that the value of the collateral may fall and the Fund suffer loss as a result.

(d) **Excessive Trading**

Investment in a Fund is intended for medium to long-term purposes only. A Fund will take reasonable steps to seek to prevent 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 medium to long-term Shareholders who do not generate these costs. The Company reserves the right to reject any application for Shares (including any conversion request) 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 to effect a subscription (or execute a conversion request) if the Investment Manager believes it would be unable to invest the money effectively in accordance with the relevant Fund's investment policies or the 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 medium to 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 the Company or 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 medium to 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, where possible from the reports provided by the Administrator to assist in the analysis, 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 Fund (by any means). The Company may limit the number of round trips carried out by a Shareholder.

(e) **Floating Rate Reform**

Various interest rate benchmarks (including LIBOR and EURIBOR) are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. The Benchmark Regulation is an example of this.

Potential effects of the Benchmark Regulation include (among other things):

- (i) an index which is a “benchmark” could not be used by a supervised entity in certain ways if its administrator does not obtain authorisation (or, if based in a non-European Union jurisdiction, the administrator is not otherwise recognised as equivalent);
- (ii) the methodology or other terms of the “benchmark” could be changed in order to comply with the terms of the Benchmark Regulation; and
- (iii) an index may be discontinued if it does not comply with the requirements of the Benchmark Regulation, or if its administrator does not obtain authorisation.

In addition, in a speech on 27 July 2017, Andrew Bailey, the Chief Executive of the U.K. Financial Conduct Authority (“FCA”), announced the FCA's intention that the use of LIBOR is expected to be phased out from the end of 2021. The sustainability of LIBOR has been questioned by the FCA as a result of the absence of relevant active underlying markets and possible disincentives (including possibly as a result of regulatory reforms (including those discussed below)) for market participants to continue contributing to such benchmarks. Although market participants in the leveraged loan and CLO markets are generally aware of this proposed future phase out of LIBOR, no consensus exists at this time as to the successor benchmark interest rate with respect to many instruments that bear interest at a LIBOR rate.

The use of LIBOR as a benchmark rate is pervasive throughout the financial markets. While market participants will likely transition away from LIBOR, it is not yet clear what rate or rates would replace it for any particular financial product and how any such change or changes would be implemented.

It is possible that the LIBOR administrator, ICE Benchmark Administration Limited, and the panel banks could continue to produce LIBOR on the current basis after 2021, if they are willing and able to do so. However, the survival of LIBOR in its current form, or at all, is not guaranteed after 2021.

Any of the above or any other significant changes to EURIBOR, LIBOR or any other benchmark could have a material adverse effect on the value of, and the amount payable under any assets which pay interest linked to a EURIBOR rate or LIBOR rate or other benchmark (as applicable) and could impact the efficient use of derivatives instruments.

**(f) Financial Markets and Regulatory Change**

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 which have been or may be adopted in certain jurisdictions.

**(g) Vote by the United Kingdom to Exit the European Union**

On June 23, 2016, the United Kingdom (U.K.) held a referendum in which a majority of voters approved an exit from the European Union (“E.U.”), commonly referred to as “Brexit”. The referendum was voluntary and not mandatory and, as a result of the referendum, the British government has begun negotiating the terms of the U.K.’s withdrawal from the E.U. The announcement of Brexit caused significant volatility in global stock markets and currency exchange fluctuations, including a sharp decline in the value of the Pound Sterling as compared to the U.S. dollar and other currencies. Consequently, loans and investments denominated in Pounds Sterling are subject to increased risks related to these

currency rate fluctuations. In addition, the announcement of Brexit and the expected withdrawal of the U.K. from the E.U. may also adversely affect the ability of U.K and E.U.-based borrowers to satisfy their debt payment obligations, increasing default risk and/or making it more difficult to generate attractive risk-adjusted returns.

The long-term effects of Brexit are expected to depend on, among other things, any agreements the U.K. makes to retain access to E.U. markets either during a transitional period or more permanently. Brexit could adversely affect European or worldwide economic or market conditions and could contribute to instability in global financial and real estate markets. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which E.U. laws to replace or replicate. Until the terms and timing of the U.K.'s exit from the E.U. become more clear, it is not possible to determine the impact that the referendum, the U.K.'s departure from the E.U. and/or any related matters may have on a Fund; however, any of these effects of Brexit could adversely affect a Fund's investments.

**(h) Outbreaks of Infectious or Contagious Diseases**

There have been a number of outbreaks of infectious disease in recent decades, including SARS, H1N1/09 flu, avian flu, ebola and as of March 2020, there is an outbreak of a novel and highly contagious form of coronavirus (“**COVID-19**”), which the World Health Organization has declared a “Public Health Emergency of International Concern.” The outbreak of COVID-19 has resulted in numerous deaths, adversely impacted global commercial activity and contributed to significant volatility in certain markets, including equity, debt and commodities markets. The global impact of the outbreak is rapidly evolving, and many governments have reacted by instituting quarantines, prohibitions on travel and the closure of offices, businesses, schools, retail stores and other public venues. Businesses are also implementing similar precautionary measures. Such measures, as well as the general uncertainty surrounding the dangers and impact of COVID-19, are creating significant disruption in supply chains and economic activity and are having a particularly adverse impact on transportation, commodities, hospitality, tourism, entertainment and other industries. As COVID-19 continues to spread, the potential impacts, including a global, regional or other economic recession, as well as the scale of such impacts, are increasingly uncertain and difficult to assess.

Any public health emergency, including COVID-19 or other existing or new infectious disease, or the threat thereof, could materially and adversely impact the value and performance of investments; the Investment Manager and its affiliates' ability to source, conduct due diligence on, manage, value and divest investments; and a client's ability to achieve its investment objectives. In addition, the operations of the Investment Manager, including systems and reporting, and investments held by the Investment Manager clients may be significantly impacted, or even temporarily or permanently halted, as a result of actual or potential government-imposed quarantine measures, including potential limitations on certain trading activity, including short sales, mandatory, voluntary or precautionary restrictions on travel or meetings, and other factors related to a public health emergency, including the potential adverse impact on the finances, freedom of movement or health of any such entity's personnel. Any of the foregoing events could result in significant losses. The extent of the impact of any public health emergency will depend on many factors, including the duration and scope of such public health emergency, the extent of any related travel advisories and restrictions implemented (including any government-imposed quarantine measures and any voluntary and precautionary restrictions on travel or meetings), the impact of such public health emergency on overall supply and demand, goods and services, investment liquidity, consumer confidence and levels of economic activity and the extent of its disruption to important global, regional and local supply chains and markets, including potential insolvency of counterparties, all of which are highly uncertain and cannot be predicted.

## **10 Fees and Expenses**

A Fund shall pay all of its expenses and its allocable share of any expenses incurred by the Company. These expenses may include the costs of: (i) maintaining the Company and the relevant Fund and registering the Company, the relevant Fund and the Shares with any governmental or regulatory authority or with any stock exchange; (ii) management, administration, custodial, compliance and related services; (iii) preparation, printing and posting of prospectuses, sales literature and reports to Shareholders, the Central Bank and other governmental agencies; (iv) marketing expenses; (v) taxes; (vi) commissions and brokerage fees; (vii) expenses incurred in connection with the acquisition and disposal of the assets of the Company; (viii) auditing, tax, compliance and legal fees (including expenses arising in respect of legal or administrative proceedings); (ix) insurance premiums; (x) fees and expenses of paying agents, local representatives and similar agents, such fees and expenses to be charged at normal commercial rates; (xi) listing fee, if applicable; and (xii) other operating expenses. For the avoidance of doubt, all fees and expenses referred to in this section of the Prospectus are exclusive of VAT or any other similar ad valorem sales tax which may be payable.

Where the Company invests in another collective investment scheme which is managed by the Investment Manager or its affiliates, the underlying collective investment scheme shall waive any subscription, conversion or redemption fees which it would normally charge. Where a commission is received by the Investment Manager or its affiliates by virtue of a Fund's investment in an underlying collective investment scheme, this commission shall be paid into the assets of a Fund.

All expenses relating to the establishment of the Company were borne by the Investment Manager.

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. The aggregate amount of Directors' remuneration will not exceed €114,000 per annum. Employees, partners and officers of the Investment Manager and its affiliates who act as Director may in certain instances be entitled to receive a director's fee. The Directors shall be entitled to be reimbursed by the Company for all reasonable disbursements and out-of-pocket expenses incurred by them, if any.

### **Investment Management Fee**

The Investment Manager shall be entitled to receive from the Company a fee in relation to each Fund or Class as specified in the relevant Supplement. The Investment Manager may be paid different fees for management in respect of individual Classes as disclosed in the relevant Supplement which may be higher or lower than the fees applicable to other Classes.

The Investment Manager may also be entitled to receive a performance fee, the details of which shall be specified in the relevant Supplement. Performance fees payable to the Investment Manager shall be calculated and accrued daily and shall be payable in arrears following the end of each Calculation Period. The calculation of any performance fee must be verified by the Depositary.

The Investment Manager shall be entitled to be reimbursed by the Company, out of the assets of the relevant Fund, for all reasonable disbursements and out-of-pocket expenses incurred by them, if any.

### **Manager's Fee**

The Manager shall be entitled to receive from the Company a fee in relation to each Fund as specified in the relevant Supplement. The Manager is also entitled to receive out of the assets of the relevant Fund reasonable and properly vouched expenses.

### **Administrator's Fee**

The Administrator shall be entitled to receive, out of the assets of each Fund, an administration fee accrued at each Dealing Day and payable monthly in arrears, of up to 0.05 per cent per annum of the Net Asset Value of each Fund subject to a minimum fee of \$50,000 per annum. The Administrator is also entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Company.

### **Depository's Fee**

The Depository shall be entitled to receive, out of the assets of each Fund, a fee accrued daily and payable monthly in arrears, of up to 0.023 per cent per annum of the Net Asset Value of each Fund. The Company has negotiated a tiered fee arrangement so that the actual fees charged reduce as the net asset value of the relevant Fund increases. The Depository fees are subject to certain minimum amounts where the assets of a Fund are relatively small.

The Depository is entitled to receive transaction charges and all sub-custodian charges will be recovered by the Depository from the Company as they are incurred by the relevant sub-custodians. All such charges shall be at normal commercial rates. The Depository is also entitled to reimbursement of all reasonable out-of-pocket fees, charges and expenses incurred for the benefit of the Company.

### **Distributors' Fees**

The Manager or its agents may employ the services of one or more Distributors. The fees and expenses payable to a distributor shall be payable by the Investment Manager or its affiliates and discharged at normal commercial rates.

### **Further information on Fees**

Further disclosure on fees and expenses of the Company and each Fund will be set out in the annual financial statements of the Company.

## **11 Administration of the Company**

### **Determination of Net Asset Value**

The Administrator shall determine the Net Asset Value per Share of each class, on each Dealing Day at the Valuation Point on the basis set forth below and in accordance with the Articles.

The Net Asset Value per Share of a Fund shall be the value of the gross assets attributable to the Fund less all of the liabilities attributable to the Fund (including such provisions as the Administrator considers appropriate (subject to the supervision of the Manager) in respect of the costs and expenses payable in relation to the Fund) divided by the number of Shares of the Fund outstanding as of the Dealing Day.

The Net Asset Value of each class shall be determined by establishing the proportion of the assets of the class as at the most recent Net Asset Value calculation or the close of the Initial Offer Period in the case of an initial offer of a class, adjusted to take account of any subscription orders (after deduction of any redemption orders) and by allocating relevant Class Expenses (as defined below) and fees to the class and making appropriate adjustments to take account of

distributions paid, if applicable, and apportioning the Net Asset Value accordingly. The Net Asset Value per Share of a class shall be calculated by dividing the Net Asset Value of the class by the number of Shares in issue in that class. Expenses or fees or charges not attributable to a particular class may be allocated amongst the classes based on their respective Net Asset Value or any other reasonable basis determined by the Company in consultation with the Administrator and approved by the Depositary having taken into account the nature of the fees and charges. Class Expenses and fees relating specifically to a class will be charged to that class. In the event that classes are priced in a currency other than the Base Currency, currency conversion costs will be borne by that class.

**"Class Expenses"** means the expenses of registering a class in any jurisdiction or with any regulated market or settlement system, and all other expenses arising from such registration and such further expenses howsoever arising as may be disclosed in the Prospectus. The cost of converting currency and the costs and gains/losses of class specific hedging transactions (if any) are borne solely by the relevant class.

The Net Asset Value per Share shall be rounded upwards or downwards as appropriate to the nearest three decimal places.

In calculating the Net Asset Value:

- (a) Assets listed or traded on a recognised exchange (other than those referred to at (e) below) for which market quotations are readily available shall be valued at the closing or last known market price which for the purposes of the Company shall be understood to mean the last traded price. Where a security is listed or dealt in on more than one recognised exchange, the relevant exchange or market shall be the principal or main stock exchange or market on which the security is listed or dealt on or the exchange or market which the Manager determines provides the fairest criteria in determining a value for the relevant investment. Assets listed or traded on a recognised exchange but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- (b) The value of any security which is not quoted, listed or dealt in on a recognised exchange and / or is illiquid in nature, or which is so quoted, listed or dealt but for which no such quotation or value is available, or the available quotation or value is not representative of the fair market value, shall be the probable realisation value as estimated with care and good faith by (i) the Manager or (ii) a Competent Person, firm or corporation (including the Investment Manager) selected by the Manager and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary. Where reliable market quotations are not available for fixed income securities, the value of such securities may be determined using matrix methodology compiled by the Manager or Competent Person (as approved by the Depositary) whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.
- (c) Cash (in hand or on deposit) will be valued at its nominal/face value plus accrued interest or less debit interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
- (d) Notwithstanding paragraph (a) above, units in collective investment schemes shall be valued at the latest available net asset value per unit or latest bid price as published by the relevant collective investment scheme or, if listed or traded on a recognised exchange, in accordance with (a) above.
- (e) Exchange traded futures and options contracts (including index futures) will be valued at the settlement price for such instruments on the market where such instruments are traded, or in the absence of an available settlement price, in accordance with (b) above.

- (f) Notwithstanding the provisions of paragraphs (a) to (e) above:
- (i) The Manager or its delegate shall, at their discretion in relation to any particular Fund which is a short-term money market fund, have in place an escalation procedure to ensure that any material discrepancy between the market value and the amortised cost value of a money market instrument is brought to the attention of the Investment Manager or a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the requirements of the Central Bank.
- (ii) Where it is not the intention or objective of the Manager to apply amortised cost valuation to the portfolio of the Fund as a whole, a money market instrument within such a portfolio shall only be valued on an amortised basis if the money market instrument has a residual maturity of less than 3 months and does not have any specific sensitivity to market parameters, including credit risk.
- (g) Notwithstanding the generality of the foregoing, the Manager may adjust the value of any investment if they consider that such adjustment is required to reflect the fair value in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant. The rationale for adjusting the value must be clearly documented.
- (h) If the Manager deems it necessary, a specific investment may be valued under an alternative method of valuation and the rationale/methodologies used must be clearly documented.

### **Application for Shares**

Applicants should confirm that the Shares are not being acquired either directly or indirectly by or on behalf of any U.S. Person or on behalf of any person in any other jurisdiction that would be restricted or prohibited from acquiring Shares and that the investor will not sell, transfer, or otherwise dispose of any such Shares, directly or indirectly, to or for the account of any U.S. Person or in the U.S. or to or for the account of any person in such jurisdiction to whom it is unlawful to make such an offer or solicitation. Please see the section entitled "Selling Restrictions" for further information.

Application forms for Shares may be obtained from the Administrator. Eligible investors who have forwarded the completed application form and provided satisfactory proof of identification to the Administrator before the Trade Cut-Off Time will be entitled to purchase Shares.

Once an application for Shares has been received by the Administrator, it is irrevocable and binding on the investor. An application for Shares may be cancelled or modified only at the discretion of the Company having received a written request for cancellation or modification from the relevant investor prior to the Trade Cut-Off Time. Any application received by the Administrator after the Trade Cut-Off Time shall be held in abeyance and shall be effective on the next succeeding Dealing Day. However, the Company may, in exceptional circumstances (as determined by the Directors), instruct the Manager to accept an application received by the Administrator after the Trade Cut-Off Time but before the Valuation Point.

Before subscribing for Shares an investor will be required to complete a declaration (included in the application form) as to the investor's tax residency or status in the form prescribed by the Revenue Commissioners of Ireland.

Initial subscriptions may be made by way of signed original application form or by way of faxed application form. In the case of a faxed application form the signed original application form and all supporting anti-money laundering documentation must be promptly received. No redemption payments may be made until the original application form and all anti-money laundering documentation has been received from the investor and all anti-money laundering procedures have been carried out to the satisfaction of the Company and its delegates.



Subscriptions for Shares must be made in the named currency of the Class. However, in exceptional circumstances and by prior agreement with the Administrator and the Company, subscriptions may be made in a currency that is not the named currency of the Class but will be converted into the named currency of the Class at the rate of exchange available to the Administrator and the costs of conversion shall be deducted from the subscription monies which will then be invested in Shares.

Investors should transmit cleared funds representing the subscription monies by wire instructions to the relevant accounts set out in the application form so that the monies are received in the Company's account by the Administrator by the relevant Settlement Date. In certain circumstances, the Company may deem it appropriate to require that cleared funds representing the subscription monies are received in the Company's account by the Administrator by the Trade Cut-Off Time. In circumstances where cleared funds representing the subscription monies are required to be paid by the Trade Cut-Off Time, investors will be notified of this requirement by the Company. If payment for a subscription is not received by the relevant Settlement Date (or Trade Cut-Off Time, as appropriate), a subscription may be cancelled or the investor may be charged interest on the outstanding subscription monies at normal commercial rates. In such an event, the investor may be held liable for any loss to a Fund.

Investors should note that upon receipt into the Subscriptions/Redemptions Account, subscription monies will become the property of the relevant Fund and accordingly an investor will be treated as a general creditor of the relevant Fund during the period between receipt of subscription monies into the Subscriptions/Redemptions Account and the issue of Shares.

The Company may issue fractional shares rounded to three decimal places. Fractional shares shall not carry any voting rights.

The Company reserves the right to reject an application for Shares.

Applications for Shares by in specie transfer may be made by agreement with the Manager on a case-by-case basis and subject to the approval of the Depositary. The Depositary must be satisfied that there is unlikely to be any material prejudice to the existing Shareholders of the Company. In such cases the Company shall issue Shares in exchange for investments which the Company may acquire in accordance with its investment objectives, policies and restrictions and may hold or sell, dispose of or otherwise convert such securities into cash. No Shares shall be issued until the investments are vested in the Depositary or its nominee. The value of the Shares to be issued shall be calculated on the same basis as the valuation of Shares to be issued for cash.

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

The Company is regulated by the Central Bank, and must comply with the measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2018 (the "**Act**") which are aimed towards the prevention and detection of money laundering and terrorist financing.

The Act requires a detailed verification of the investor's identity including any persons purporting to act on the investor's behalf. This will include obtaining proof of address, source of funds or other additional information which may be requested from time to time, monitoring the business relationship on an on-going basis and where applicable, identifying and verifying the identity of the beneficial owner on a risk sensitive basis in order to comply with the obligations set out in Act and the Beneficial Ownership Regulations 2019 (SI 110 of 2019). Politically exposed persons ("**PEPs**"), an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, their immediate family members and/or persons known to be close associates of such persons, must also be identified.

The Administrator reserves the right, working in conjunction with the designated anti-money laundering reporting officer to reject any application for Shares or to request further details or evidence of identity from an applicant for, or transferee of, Shares or a Shareholder. Where an application for Shares is rejected, the subscription monies shall be returned to the applicant within fourteen days of the date of such application without interest.

Each Shareholder must notify the Administrator in writing of any change in the information contained in the application form and furnish the Administrator with whatever additional documents relating to such change as it may request.

Measures aimed at the prevention of money laundering may require an applicant or Shareholder 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 and Shareholders if additional proof of identity is required. By way of example, an individual may be required to produce a 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), bye-laws, memorandum and articles of association (or equivalent) and the names and addresses of all directors and beneficial owners.

Redemption proceeds cannot be released until the signed original application form and all documents required in connection with the obligation to prevent money laundering have been received by the Administrator and all anti-money laundering procedures have been completed satisfactorily. It is acknowledged that the Company, the Administrator, the Manager and the Investment Manager shall be held harmless by the Shareholder against any loss arising as a result of the failure to process a redemption request if such information as has been requested by the Administrator has not been provided by the Shareholder.

### **Subsequent Subscriptions**

Subsequent subscriptions (i.e. subsequent to an initial subscription for Shares within a Fund) may be made by submitting an application form to the Administrator by the Trade Cut-Off Time in writing, by fax or such other means as are in accordance with the requirements of the Central Bank and agreed between the Company and Administrator from time to time. Subscription requests received subsequent to the Trade Cut-Off Time shall be effective on the next succeeding Dealing Day. However, the Company may, in exceptional circumstances (as determined by the Directors), instruct the Manager to accept a subscription request received by the Administrator after the Trade Cut-Off Time, but before the Valuation Point.

Subsequent faxed requests may be processed without a requirement to submit original documentation.

Amendments to a Shareholder's registration details and payment instruction will only be effected on receipt of original documentation.

### **Subscription Price**

During the Initial Offer Period, the initial subscription price per Share of a Fund shall be the Initial Offer Price. Thereafter, the subscription price per Share shall be the Net Asset Value per Share determined on a Dealing Day.

Shares will be issued at the Net Asset Value per Share as determined on the Dealing Day on which the Share is deemed to be issued.

### **Preliminary Charge**

A charge of up to 5 per cent of the Net Asset Value per Share may be payable on subscriptions for Shares at the discretion of the Manager, as set out in the Supplement for the relevant Fund.

### **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 shall be in registered form. The Administrator shall 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 shall be available for inspection upon reasonable notice at the registered office of the Company during normal business hours where a Shareholder may inspect only his entry on the register.

### **Redemption Requests**

Shares may be redeemed on a Dealing Day by submitting a signed redemption form to the Administrator by the Trade Cut-Off Time. The redemption request may be submitted in writing or by fax.

In the case of redemption requests, payment will only be made to the account of record.

Redemption requests received subsequent to the Trade Cut-Off Time shall be effective on the next succeeding Dealing Day. However, the Company may, in exceptional circumstances (as determined by the Directors) instruct the Manager to accept a redemption request received by the Administrator after the Trade Cut-Off Time but before the Valuation Point.

If redemption requests on any Dealing Day exceed 10 per cent of the Net Asset Value of a Fund, the Manager may defer the excess redemption requests to subsequent Dealing Days and shall redeem such Shares rateably. Any deferred redemption requests shall be treated in priority to any redemption requests received for subsequent Dealing Days, subject to the section entitled "Temporary Suspension of Valuation of the Shares and of Sales and Redemptions" below.

### **Redemption Price**

Shares shall be redeemed at the applicable Net Asset Value per Share obtaining on the Dealing Day on which the redemption is effected.

All payments of redemption monies shall normally be made within 3 Business Days of the Trade Cut-Off Time by which the redemption request is received. The redemption proceeds shall be sent by wire transfer at the Shareholder's expense to the Shareholder's bank account, details of which shall be set out by the Shareholder to the Administrator in the application form. Redemption proceeds cannot be released until the signed original application form and all documents required in connection with the obligation to prevent money laundering have been received by the Administrator and all anti-money laundering procedures have been completed satisfactorily. Redemption proceeds shall typically be paid in the base currency of the relevant class of Shares. However, the Company may at its discretion pay redemption proceeds in a different currency.

Investors should note that any redemption proceeds being paid out by a Fund and held for any time in the Subscriptions/Redemptions Account shall remain an asset of the relevant Fund until such time as the proceeds are released to the investor. This would include, for example, cases where redemption proceeds are temporarily withheld pending the receipt of any outstanding identity verification documents as may be required by the Company or the Administrator. It should also be noted that the investor shall have ceased being considered a Shareholder and instead will rank as a general unsecured creditor of the Company.

At the discretion of the Manager and with the consent of the Shareholder making such redemption request, assets may be transferred to a Shareholder in satisfaction of the redemption monies payable on the redemption of Shares, provided that such distribution is equitable and not prejudicial to the interests of the remaining Shareholders. The allocation of such assets shall be subject to the approval of the Depositary. Where a redemption request represents 5 per cent or more of the Shares of a Fund, the Company may satisfy the redemption request by the transfer of assets in specie to the Shareholder without the Shareholder's consent. At the request of the Shareholder making such redemption request such assets may be sold by the Company and the proceeds of sale shall be transmitted to the Shareholder. The transaction costs incurred in the sale of the assets will be payable by the Shareholder.

### **Redemption Fee**

A charge of up to 3 per cent of the Net Asset Value per Share may be payable on redemptions of Shares at the discretion of the Manager.

### **Mandatory Redemption of Shares**

If a repurchase causes a Shareholder's holding in the Company to fall below the Minimum Holding, the Company may redeem the whole of that Shareholder's holding. Before doing so, the Company shall notify the Shareholder in writing and allow the Shareholder 30 days to purchase additional Shares to meet the minimum requirement.

Shareholders are required to notify the Administrator immediately in the event that they become U.S. Persons. Shareholders who become U.S. Persons may be required to dispose of their Shares to non-U.S. Persons on the next Dealing Day thereafter unless the Shares are held pursuant to an exemption which would allow them to hold the Shares. The Company reserves the right to redeem or require the transfer of any Shares which are or become owned, directly or indirectly, by a U.S. Person or other person if the holding of the Shares by such person is unlawful or, in the opinion of the Directors, the holding might result in the Company, the relevant Fund or the Shareholders as a whole incurring any liability to taxation or suffering pecuniary or material administrative disadvantage which the Company, the relevant Fund or the Shareholders as a whole might not otherwise suffer or incur.

### **Transfer of Shares**

All transfers of Shares shall be effected by a 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, together with the account number and the ISIN code of the transferor, where applicable. The instrument of transfer of a Share shall be signed by or on behalf of the transferor and the transferee and the original form must be submitted to the Administrator. 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, 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, or would otherwise infringe the restrictions on holding Shares outlined above. 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 calendar 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. Such evidence may include a declaration that the proposed transferee is not a U.S. Person and that upon transfer the Shares will not be held by or for the account of any U.S. Person.

## 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 redeemer or transferor a declaration in the prescribed form confirming that the Shareholder is not Irish Resident in respect of whom it is necessary to deduct tax. The Company reserves the right to redeem such number of Shares held by a redeemer or 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 or to implement a redemption request until it receives a declaration as to the redeemer's, transferor's or transferee's (as appropriate) residency or status in the form prescribed by the Revenue Commissioners of Ireland.

## 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 (to the extent that other Funds or classes are in existence) on giving notice to the Administrator in such form as the Administrator may require provided that the shareholding satisfies the minimum investment criteria and provided that the original application is received within the time limits specified above in the case of subscriptions. 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 which will be issued in the new Fund;
- A = the number of the Shares to be converted;
- B = the redemption price of the Shares to be converted;
- C = the currency conversion factor (if any) as determined by the Directors;
- D = the issue price of Shares in the new Fund on the relevant Dealing Day; and
- TC = the transaction charge (redemption charge, preliminary charge) incurred in connection with the proposed transaction which shall not in any event exceed 5 per cent 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 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 Funds 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 a 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.

## Disclosure of Portfolio Information

Information on the underlying investments in a Fund, such as stock, sector and geographic allocation, is available to all Shareholders. Shareholders should contact the Investment Manager

to request this information. There will be an appropriate time-lag between the purchase/sale of a Fund's investments and the time at which the information is made available.

### **Publication of the Price of the Shares and Disclosure of Holdings**

Except where the determination of the Net Asset Value has been temporarily suspended in the circumstances described below, the Net Asset Value per Share shall be made public at the office of the Administrator on each Dealing Day. In addition, the Net Asset Value per Share shall be published on the Business Day immediately succeeding each Dealing Day on the internet address [www.bloomberg.com](http://www.bloomberg.com) and by any other means as may be set out in the Supplement for the relevant Fund. Access may be restricted and it is not an invitation to subscribe for purchase, convert, sell or redeem Shares. Such information shall relate to the Net Asset Value per Share for the previous Dealing Day and is published for information purposes only. It is not an invitation to subscribe for, redeem or convert Shares at that Net Asset Value per Share.

In addition to the information disclosed in the periodic reports of the Company, the Company may, from time to time, make available to investors portfolio holdings and portfolio-related information in respect of one or more of the Funds. Any such information will be available to all investors in the relevant Fund on request. Any such information will only be provided on a historical basis and after the relevant Dealing Day to which the information relates. Notwithstanding the fact that this will be historical information, an investor that has received such information may be in a more informed position regarding the relevant Fund than investors that have not received the information.

Notwithstanding any other provision contained in the Prospectus, nothing shall limit, prevent or restrict the Company from disclosing portfolio holdings information for the purposes of compliance with the laws and regulations of any relevant jurisdiction where shares of the Company are sold or disclosing such information to a court of a competent jurisdiction, upon request.

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

The Company may temporarily suspend the determination of the Net Asset Value and the sale, conversion or redemption of Shares in the Company or a Fund during:

- (a) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the Fund's investments, or when trading thereon is restricted or suspended;
- (b) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the investments of the Company is not reasonably practicable without this being seriously detrimental to the interests of Shareholders of the Company;
- (c) 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;
- (d) any period when for any reason the prices of any investments of the Fund cannot be reasonably, promptly or accurately ascertained by the Administrator;
- (e) any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments of the Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;

- (f) any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from the Fund's account;
- (g) upon the service on the Shareholders of a notice to consider a resolution to wind up the Company or close the Fund;
- (h) upon the occurrence of an event causing the Company to enter into liquidation; or
- (i) during any period when the Directors consider it to be in the interests of the Company or the Fund.

A suspension of redemptions may be made at any time prior to the payment of the redemption monies and the removal of the details of the relevant Shares from the register of Shareholders. A suspension of subscriptions may be made at any time prior to the entry of the details of the relevant Shares on the register of Shareholders.

Any such suspension shall be notified immediately to the Central Bank. Where possible, all reasonable steps will be taken to bring a period of suspension to an end as soon as possible.

### **Data Protection Notice**

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

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

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

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

- that investors will provide the Company with certain personal information which constitutes personal data within the meaning of the Data Protection Legislation;
- a description of the purposes and legal bases for which the personal data may be used;
- details on the transmission of personal data, including (if applicable) to entities located outside the EEA;
- details of data protection measures taken by the Company;
- an outline of the various data protection rights of individuals as data subjects under the Data Protection Legislation;
- information on the Company's policy for retention of personal data;
- contact details for further information on data protection matters.

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

## **12 Management And Administration**

### **General**

The Directors control the affairs of the Company and have delegated certain of their duties to the Manager which, in turn, has delegated certain of its duties to the Administrator, the relevant Investment Manager and the Distributor. The Depositary has also been appointed to hold the assets of each Fund. Consequently, all Directors of the Company in relation to the Company are non-executive.

Notwithstanding the Manager assuming the regulatory role of responsible person under the Central Bank Regulations, the board of Directors of the Company continue to hold a statutory role pursuant to the provisions of the Companies Act.

### **The Board of Directors**

The Directors and their principal occupations are set forth below. The address of the Directors is the registered office of the Company.

#### **(a) Brian Binder**

Brian Binder (US resident) is a Senior Managing Director and President, Mutual Funds Boards of Guggenheim Investments. With over 25 years of asset management industry experience, he is responsible for board governance and product line oversight as it relates to all registered investment funds ensuring the investment funds reflect best-in-class governance, management, and oversight. He is also President of each of the Guggenheim Funds, President of Guggenheim Funds Investment Advisors, LLC and Security Investors, LLC, oversees the Office of the Funds' CFO, leads BDC operations, and serves on the Board of Guggenheim's Irish Funds. Mr. Binder is also a member of the Firm's Human Capital Advisory Committee and the Vendor Diversity Advisory Council.

Prior to joining Guggenheim in 2018, Mr. Binder was Managing Director, President of the Deutsche Funds and Head of US Product, Trading and Fund Administration at Deutsche Asset Management. Previously, Mr. Binder was Head of Business Management and Consulting at Invesco, where he served as Chairman of the US Executive Management Committee. Prior to that, he held several senior roles at Morgan Stanley, including Chief Administrative Officer of Van Kampen Investments and Chief Administrative Officer of Americas Distribution for Morgan Stanley Investment Management. Mr. Binder received his B.S. from Eastern Illinois University and holds FINRA Series 6,7,26,24,63 licenses.

#### **(b) Eimear Cowhey**

Eimear Cowhey (Irish Resident) has over 30 years' experience in the offshore funds industry and currently acts as a non-executive independent chairman, director and committee member of various investment fund and management boards in Dublin, Luxembourg and the U.K. From 1999 to 2006 she held various executive positions within Amundi Pioneer, including Head of Legal and Compliance and Head of International Product Development. From 1992 to 1999 she held various executive positions within Invesco Asset Management, including Managing Director, Global Fund Director and Head Legal Counsel. Ms. Cowhey is a qualified Irish lawyer and a



Chartered Director (IoD) with a Diploma in Accounting and Finance and a Certificate in Financial Services Law.

Ms. Cowhey was a member of the Committee on Collective Investment Governance (CCIG) which was established by the Central Bank of Ireland in December 2013 and which issued an expert report in July 2014 on recommendations for good governance practice for investment funds.

She is a former Council member and past Chairperson of Irish Funds and is a former member of the IFSC Funds Group a joint government/industry group to advise the government of investment fund related matters. She is a founder and director of basis.point which is the Irish investment fund industry charity focused on alleviating poverty through education, particularly among the youth of Ireland.

**(c) Neil Donnellan**

Neil Donnellan (Irish resident) has been involved in the Financial Services industry for over 25 years. His experience covers a wide range of areas in the Investment Management and Investment Funds sectors. Mr. Donnellan is a Fellow of the Chartered Accountants Ireland and holds a B.Comm and Post Graduate Diploma in Accounting from University College Dublin. He has received the accreditation of Certified Investment Fund Director from the Institute of Banking in 2015. Mr. Donnellan is currently employed by Guggenheim Partners at their Dublin Office as Head of Finance and also as a Director of Guggenheim Partners Europe Limited. Mr. Donnellan served as CFO and as a Board Director for over 10 years with Swiss Re. As part of that role he also served as a non-executive director to a number of insurance companies. Previously Mr. Donnellan trained with and qualified as a Chartered Accountant with Ernst & Young.

**(d) Adrian Duffy**

Adrian Duffy (Irish resident) has over 30 years' experience in fixed income and credit investing and is the founder and Chief Executive Officer of Guggenheim Partners Europe Limited, a MIFID authorised entity established in 2007, where he leads Guggenheim's European investing activities, managing approximately €8 billion in assets and sits on the firm's Investment Committee.

He joined Guggenheim in 2001 as one of the original co-founders and as a Managing Director responsible for overseeing the credit investing business, and led a team focused on investing across the capital structure and across leveraged credit markets in a variety of industries. From 1999 to 2001, Mr. Duffy was Director of Research for Whitney & Co.'s leveraged credit group.

From 1994 to 1999, Mr. Duffy was a High Yield Portfolio Manager at Wells Fargo Bank and was involved in their high yield investing activities from inception. Mr. Duffy spent the early part of his career in NatWest's Corporate & Institutional Finance and at Bank of Ireland International Finance in various corporate credit and structured products investment roles.

Mr. Duffy received his Bachelor of Commerce from University College Dublin in 1988.

**(e) Julio Quintero**

Julio Quintero joined Guggenheim in 2006. He leads a legal-business team of transactional lawyers based in London. He is a Managing Director on a team that handles transactional legal matters for the investment management business, focusing on deal negotiation and structuring, and on special-situations analysis. Mr. Quintero also leads the European legal private funds practice. Prior to starting his current position at Guggenheim, Mr. Quintero worked as a Vice President in New York, U.S. for Guggenheim Credit Services, LLC, and Senior Associate in Dublin, Ireland for Guggenheim Partners Europe Limited. Prior to joining Guggenheim, he worked as a Senior Associate in Bogotá, Colombia for the law firm Rodriguez-Azuero Asociados

S.A. for three years, and before as Associate at Baker & McKenzie for two years. Mr. Quintero received his law degree from Universidad del Rosario School of Law (Bogotá, Colombia), and his LL.M. in Corporate Law from the New York University School of Law. Mr. Quintero serves as a Director on the Boards of Guggenheim Investment Advisors (Europe) Limited (UK), Guggenheim Securities International Ltd (UK), and Guggenheim Partners Europe Limited (Ireland), and certain portfolio companies in the United States. Mr. Quintero is a member of the International Association of Restructuring Insolvency & Bankruptcy Professionals, and a member of the American Bankruptcy Institute. Mr. Quintero holds the Chartered Alternative Investment Analyst (CAIA) Level I designation. Mr. Quintero is an alumnus of International House, New York.

(f) **Adrian Waters**

Adrian Waters (Irish resident) is a Fellow of The Institute of Chartered Accountants in Ireland and of The Institute of Directors. He is a Chartered Director (U.K. Institute of Directors) and he specialises in risk management and governance. He has over 30 years' experience in the funds industry. From 1993 to 2001, he held various executive positions within The BISYS Group, Inc. (now part of the Citi Group), including Chief Executive Officer of BISYS Fund Services (Ireland) Limited and finally as Senior Vice President – Europe for BISYS Investment Services out of London. From 1989 to 1993, he was employed by the Investment Services Group of PricewaterhouseCoopers in New York and prior to that by Oliver Freaney and Company, Chartered Accountants, in Dublin. Mr. Waters holds a Bachelor of Commerce degree and a Post Graduate Diploma in Corporate Governance both received from University College Dublin in 1985 and 2005, respectively. Additionally, in 2013, he has received a Master of Science degree in Risk Management from the Stern Business School at New York University.

The Company Secretary is Dechert Secretarial Limited.

The Articles of Association do not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation. The Articles of Association provide that a Director may be a party to any transaction or arrangement with the Company or in which the Company is interested provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. However, a Director may vote in respect of any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of 5 per cent or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote 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 part.

The Articles of Association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking, property or any part thereof and may delegate these powers to the Investment Manager.

Guggenheim Partners Europe Limited is the entity that primarily promotes the Company.

### **The Manager**

The Company has appointed the Manager to act as manager to the Company and each Fund with power to delegate one or more of its functions subject to the overall supervision and control of the Company. The Manager is a private limited company and was incorporated in Ireland on 10 November 2003 under the registration number 377914 and has been authorised by the Central Bank to act as a UCITS management company and to carry on the business of providing

management and related administration services to UCITS collective investment schemes pursuant to the Regulations.

The Manager is responsible for the general management and administration of the Company's affairs and for ensuring compliance with the Central Bank Regulations, including investment and reinvestment of each Fund's assets, having regard to the investment objective and policies of each Fund. Pursuant to the Administration Agreement, the Manager has delegated certain of its administration and transfer agency functions in respect of each Fund to the Administrator.

Pursuant to the Investment Management Agreement, the Manager has delegated certain investment management functions in respect of each Fund to the Investment Manager.

The Secretary of the Manager is Carne Global Financial Services Limited.

The Management Agreement is described in more detail in the section entitled "Material Contracts".

The directors of the Manager are:

**Neil Clifford (Irish resident)**

Mr. Clifford is a Director and Chief Executive Officer of the Manager. He is an experienced Irish-based investment management professional and fund director, with wide experience in the governance and operations of traditional and alternative investment funds. Mr. Clifford joined the Manager in October 2014 from Irish Life Investment Managers ("ILIM") (April 2006 – September 2014), where he was Head of Alternative Investments. He began his career with Irish Life as a sector-focused equity fund manager. Prior to this, Mr. Clifford was a senior equity analyst for Goodbody Stockbrokers (September 2000 - April 2006) in Dublin. He has also worked as an engineer with a number of leading engineering and telecoms firms in Ireland. Mr. Clifford holds a degree in Electrical Engineering from University College Cork and a Masters of Business Administration from the Smurfit School of Business, University College, Dublin. He has also attained the professional certifications of Chartered Alternative Investment Analyst (CAIA) and Financial Risk Manager (FRM – Global Association of Risk Professionals).

**Teddy Otto (Irish resident)**

Mr. Otto is a Principal with the Carne Group. He specialises mainly in product development, fund establishment and risk management. Before joining the Manager, Mr. Otto was employed by the Allianz / Dresdner Bank group in Ireland for six years. During this time, he acted as head of fund operations, head of product management and was appointed as a director of the Irish management company for Allianz Global Investors and a range of Irish and Cayman domiciled investment companies. He had previously held senior positions in the areas of market data and custody at Deutsche International (Ireland) Limited and worked in the investment banking division of Deutsche Bank, Frankfurt. He spent over six years at Deutsche Bank group. Prior to that, he was employed with Bankgesellschaft Berlin for two years. Mr. Otto holds a degree in business administration from Technische Universität Berlin.

**Sarah Murphy (Irish resident)**

Ms. Murphy is an Executive Director and the Chief Operating Officer of the Manager. The Manager is a UCITS Management Company and Alternative Investment Fund Manager which currently manages in excess of €130bn in assets across a wide range of fund structures and asset classes. Ms. Murphy began her career at the Carne Group as a business manager where she was tasked with leading the launch and development of a number of the firm's corporate services businesses.

Prior to joining the Carne Group, Ms. Murphy held a number of senior management roles in BDO Ireland's corporate services business. During this period, Ms. Murphy was responsible for providing advisory services to a broad range of domestic and international clients in relation to

corporate governance and company law issues associated with acquisitions, disposals and company re-organisations.

### **Elizabeth Beazley (Irish resident)**

Ms. Beazley is a Managing Director in the Carne Group with over 20 years' experience in the funds industry focusing on fund establishment, operations and corporate governance. During her time in Carne Group, Ms. Beazley has held a number of roles including Global Head of Onboarding covering a variety of jurisdictions including Ireland, Luxembourg, the UK and Channel Islands amongst others. Ms. Beazley acts as non-executive director on a number of fund boards. Prior to joining Carne, she spent 4 years in a senior role with AIB/BNY Fund Management in Ireland, and before that worked for Bank of Bermuda (now HSBC).

Ms. Beazley has been a member of various industry working groups and currently sits on the Irish Funds' Management Company working group as Deputy Chair in addition to being a member of the ETF Committee in EFAMA. She has a Bachelor of Commerce degree from University College Cork and has a Masters' degree in Business Studies from the Smurfit Graduate School of Business at University College, Dublin. Ms. Beazley is a member of the Association of Chartered Certified Accountants.

### **Christophe Douche (Luxembourg resident)**

Mr. Douche is a Director with the Carne Group with over 23 years' experience in the funds industry, focusing on risk management, compliance, AML and corporate governance. His roles have included acting as conducting officer, executive director and chairman on fund boards, committees and management companies.

Mr. Douche currently acts as conducting officer in charge of risk for Carne Global Fund Managers (Luxembourg) SA. He also acts as Head of the Carne Group Risk & Valuation Teams. Previously he worked as a director with responsibility for risk & operations with FundRock where he was the conducting officer in charge of risk, distribution, central administration and depositary oversight. He also acted as Head of Regulatory Compliance and AML and Head of Investment Compliance during his time with FundRock. Prior to that he worked with State Street Bank Luxembourg as fund compliance manager and with Natixis Private Banking Luxembourg as a manager in the fund compliance and fund depositary department.

Mr. Douche has a master's degree in Finance and Economics and a degree in Banking, Finance and Insurance from University Nancy.

### **Jackie O'Connor (Irish resident)**

Ms. O'Connor is an independent non-executive Director on Carne Group's Irish and Luxembourg management companies. She has over 20 years' experience within the asset management industry, most recently as Managing Director and CEO of Goldman Sachs Asset Management Fund Services Ltd ("GSAMFSL"), GSAM's Irish domiciled UCITS management company and Alternative Investment Fund Manager based in Ireland. Ms. O'Connor was responsible for setting up GSAMFSL in Ireland.

Prior to that, Ms. O'Connor was international head of regulatory reform for Goldman Sachs Asset Management ("**GSAM**"), responsible for identifying and implementing requirements under new

regulations within the EMEA and Asia Pacific regions. Earlier in her career, Ms. O'Connor worked in a number of roles within the GSAM and the wider Goldman Sachs Group, including global project manager for the GSAM Client Relationship Team as well as five years in Goldman Sachs's Internal Audit department.

Ms. O'Connor holds a bachelor's degree with honours in Zoology from Sheffield University in the UK.

**Aleda Anderson (Irish resident)**

Aleda Anderson is an independent non-executive Director with over 30 years' experience within the investment industry, most recently as Chief Executive Officer and Chief Investment Officer at Principal Global Investors (EU) Limited, a subsidiary of Principal Financial Group (NASDAQ:PFG), a global investment firm and FORTUNE 500 member. Prior to relocating to Ireland from the United States in 2018 to establish a Dublin office for Principal Global Investors, she was director of Strategy & Operations at Edge Asset Management, a specialist investment boutique located in Seattle, WA. During her 30-year career, Aleda has held various positions at Charles Schwab in San Francisco, CA. including Vice President and General Manager, Asset Management Strategic Alliances, and Vice President Distribution Services for Schwab Funds and Laudus Funds. Earlier in her career, she worked for Franklin Templeton in San Mateo, CA. Aleda studied Philosophy and Religion from San Francisco State University and holds Professional Diplomas in Strategic Management and Applied Alternative Investments, and a Professional Certificate in Complex Financial Instruments from University College, Dublin.

Pursuant to the Management Agreement the Manager is responsible for the general management and administration of the Company's affairs, subject to the overall supervision and control of the Directors. Pursuant to the provisions of the Management Agreement the Manager may delegate one or more of its functions subject to the overall supervision and control of the Company.

The Manager shall exercise the due care of a professional UCITS manager in the performance of its duties under the Management Agreement, including with regard to the selection, appointment and monitoring of any delegates and shall use its best endeavours, skill and judgment and all due care in performing its duties and obligations and exercising its rights and authorities under the Management Agreement provided that for the avoidance of any doubt the Manager shall not be liable for any decline in the value of the Investments of the Company or any Fund or any part thereof to the extent that such decline results from any investment decision made by the Manager in good faith unless such decision was made negligently, fraudulently, in bad faith or with wilful default.

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 or bad faith of or by the Manager in the performance of its duties under the Management Agreement.

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) from and against any and all actions, proceedings, claims, demands, losses, damages, costs and expenses (including reasonable legal and professional fees and expenses arising) which may be made or brought against or suffered or incurred by the Manager (or any of its directors, officers, employees, delegates or agents) arising out of or in connection with the performance of its obligations and duties under the Management Agreement in the absence of any negligence, wilful default, fraud or bad faith of or by the Manager in the performance of its duties under the Management Agreement or as otherwise may be required by law.

The Manager may perform any of its duties, obligations and responsibilities under the Management Agreement by or through its directors, officers, servants or agents and shall be entitled to delegate or sub-contract all or any of its functions, powers, discretions, duties and obligations as the Manager under the Management Agreement to any person approved by the

Directors and the Central Bank on such terms and conditions as agreed between the Company and the Manager, provided that any such delegation or sub-contract shall terminate automatically on the termination of the Management Agreement. The Manager's liability to the Company shall not be affected by the fact that the Manager has delegated all or any part of its function set out in the Regulations and the Central Bank Regulations to a third party.

The Management Agreement shall continue in full force and effect unless terminated by any party at any time upon ninety (90) days prior written notice to the other party or at any time if any party: (i) commits any material breach of the Agreement or commit persistent breaches of the Agreement which is or are either incapable of remedy or have not been remedied within thirty (30) days of the non-defaulting party serving notice requiring the remedying of the default;(ii) becomes incapable of performing its duties or obligations under the Agreement; (iii) 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; (iv) is the subject of a petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets; (v) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (vi) is the subject of an effective resolution for the winding up (except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party); (vii) is the subject of a court order for its winding up or liquidation; or (viii) ceases to be appropriately regulated in the jurisdiction of its registered office for the proper performance of the Management Agreement. Either party may also terminate the Management Agreement by notice in writing to the other party in the event that a force majeure event, as defined in the Management Agreement, continues for longer than fourteen (14) days.

### **The Investment Manager**

The Manager has delegated its responsibility for investment management services and has appointed Guggenheim Partners Investment Management LLC as the investment manager of the Company.

The Investment Manager is a Delaware limited liability company and is an investment adviser registered with the U.S. Securities and Exchange Commission, under the Investment Advisers Act of 1940, as amended. The Investment Manager provides investment advisory and supervisory services to a variety of institutional clients provided through separate accounts or pooled investment vehicles (both registered and unregistered). The Investment Manager is registered as a commodity trading advisor (“CTA”) with the CFTC, however, the Investment Manager relies solely on the exemption under CFTC Rule 4.7 with respect to commodity trading accounts. The Investment Manager intends to act as a CTA with respect to the Manager and the Funds in accordance with CFTC Rule 4.7 and provides the notification below. The Investment Manager is a majority-owned, indirect subsidiary of Guggenheim Partners, LLC, which is in turn a direct wholly owned subsidiary of Guggenheim Capital, LLC. On December 31, 2018, the aggregate assets under the investment management and supervision of the Investment Manager were approximately \$265 billion.

The Investment Management Agreement between the Manager, the Company and the Investment Manager provides that the Investment Manager shall be responsible for the investment and reinvestment of the Company's assets. The Investment Management Agreement shall continue in force until terminated by any of the parties on 90 days' notice in writing to the other party. Notwithstanding the foregoing, either party may at any time terminate the Investment Management Agreement forthwith by notice in writing to the other party if at any time: (i) either

party shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the other party) or be unable to pay its debts or commit any act of bankruptcy under the laws of Ireland or if a receiver is appointed over any of the assets of the other party or if some event having an equivalent effect occurs; or if (ii) the Investment Manager ceases to be permitted to act as investment manager under any applicable laws; or if (iii) either party commits any material breach of the Investment Management Agreement and shall not have remedied such breach (if capable of remedy) within thirty days of notice requiring the same to be remedied; or if (iv) an examiner, administrator or similar person is appointed to either party.

The Company shall hold harmless and indemnify the Investment Manager its affiliates and their employees and directors against all actions, proceedings and claims and against all costs, demands, loss and expenses (including legal and professional fees) arising therefrom which may be brought against the Investment Manager by reason of its duties under the terms of the Investment Management Agreement other than as a result of the negligence, recklessness, wilful default, bad faith or fraud of the Investment Manager.

### **The Administrator**

Pursuant to the Administration Agreement, the Manager on behalf of the Company has appointed BNY Mellon Fund Services (Ireland) Designated Activity Company as the administrator of the Company with responsibility for performing the day-to-day administration of the Company, including the calculation of the Net Asset Value of the Funds and of the Shares, and related fund accounting services.

The Administrator is a private limited company incorporated in Ireland on 31 May 1994 and is engaged in the provision of fund administration, accounting, registration, transfer agency, and related shareholder services to collective investment schemes and investment funds. The Administrator is authorised by the Central Bank under the Investment Intermediaries Act, 1995.

The Administration Agreement shall continue in force until terminated by either party on 90 days' notice in writing to the other. The Administration Agreement may be terminated forthwith by either party giving notice in writing to the other party at any time; if the other party shall commit a material breach of any of the terms of the Administration Agreement, which is incapable of remedy, or, if capable of remedy, has not been remedied within 30 days of the other party serving written notice giving particulars of the breach and requiring it to be remedied or be the subject of an effective resolution for its winding up except in relation to a voluntary winding up for the purpose of amalgamation or reconstruction on terms previously approved by the other party which shall not be unreasonably withheld, delayed, or conditioned or be unable to pay its debts as they fall due, or otherwise become insolvent or enter into any composition or arrangement with or for the benefit of its creditors or is the subject of any petition for the appointment of an examiner or similar officer or have a receiver appointed over it or all or any substantial part of its assets, or is the subject of a court order for its winding-up; or should the Administrator cease to be permitted to perform its obligations under any applicable law or regulation or if any authorisation by the Central Bank of the Company is revoked.

The Administrator shall not be liable to the Company for any loss, damage, or expense (including, without limitation, legal counsel and professional fees and other costs and expenses incurred in connection with the defence of any claim, action, or proceedings) arising out of or in connection with the performance by the Administrator of its duties under the Administration Agreement otherwise than by reason of the negligence, wilful default or fraud of the Administrator in the performance of (or its failure to perform) its duties under the Administration Agreement. The Company shall indemnify and keep indemnified and hold harmless the Administrator from and against any and all actions, proceedings, claims, demands, liabilities, losses, damages, costs, and expenses (including reasonable legal and professional fees and expenses reasonably incurred arising therefrom or incidental thereto) that may be made or brought against or suffered

or incurred by the Administrator arising out of or in connection with the performance of the Administrator's duties under the Administration Agreement other than as a result of the Administrator's negligence, wilful default or fraud.

### **The Depositary**

The Company has appointed the Bank of New York Mellon SA/NV (Dublin branch) as its depositary pursuant to the Depositary Agreement.

The Depositary is a limited liability company established in Belgium on 30 September 2008. The principal activity of the Depositary is asset servicing, which is provided to both third party and to internal clients within The Bank of New York Mellon group. The Depositary is regulated and supervised as a significant credit institution by the European Central Bank (ECB) and the National Bank of Belgium (NBB) for prudential matters and under the supervision of the Belgian Financial Services and Markets Authority (FSMA) for conduct of business rules. It is regulated by the Central Bank for conduct of business rules.

The Depositary is a wholly-owned subsidiary of The Bank of New York Mellon ("BNY Mellon"). BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. As at 31 March 2019, it had US\$34.5 trillion in assets under custody and administration and US\$1.8 trillion in assets under management.

The duty of the Depositary is to provide safekeeping, oversight and asset verification services in respect of the assets of the Company and each Fund in accordance with the provisions of the UCITS Regulations.

The Depositary shall carry out functions in respect of the Company including but not limited to the following:

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

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

Summary of Oversight Obligations:



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

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

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

Pursuant to the Depositary Agreement, the Depositary will be liable for loss of financial instruments held in custody or in the custody of any sub-custodian, unless it can prove that loss has arisen as a result of an external event beyond its control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In such a circumstance that the Depositary is liable, the Depositary shall return a financial instrument of identical type or the corresponding amount to the relevant Fund without undue delay. The Depositary shall also be liable for all other losses suffered as a result of the Depositary's negligent or intentional failure to fulfil its obligations under the UCITS Regulations and the Depositary Agreement.

Under the Depositary Agreement, the Depositary has power to delegate the whole or any part of its depositary functions, however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary has delegated its safe-keeping duties in respect of financial instruments in custody to The Bank of New York Mellon SA/NV and/or The Bank of New York Mellon. The list of sub delegates appointed by The Bank of New York Mellon SA/NV or The Bank of New York Mellon is set out in Schedule 4 hereto. The use of particular sub delegates will depend on the markets in which the Company invests. No conflicts arise as a result of such delegation.

Potential conflicts of interest affecting the Depositary and its delegates may arise from time to time, including, without limitation, where the Depositary or a delegate has an interest in the outcome of a service or an activity provided to the Company, or a transaction carried out on behalf of the Company, which is distinct from the Company's interest, or where the Depositary

or a delegate has an interest in the outcome of a service or activity provided to another client or group of clients which is in conflict with the Company's interests. From time to time conflicts may also arise between the Depositary and its delegates or affiliates, such as where an appointed delegate is an affiliated group company and is providing a product or service to the Company and has a financial or business interest in such product or service. The Depositary maintains a conflict of interest policy to address such conflicts.

Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Company, applicable law, and its conflicts of interest policy. Up-to-date information regarding the duties of the Depositary, any conflicts of interest that may arise and the Depositary's delegation arrangements will be made available to investors by the Company on request.

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

### **Distributor – Guggenheim Investment Advisors (Europe) Limited**

The Manager has delegated its responsibility for distribution services and has appointed Guggenheim Investment Advisors (Europe) Limited as a Distributor of the Company and its Funds. Guggenheim Investment Advisors (Europe) Limited is a private company limited by shares organised under the laws of the United Kingdom.

The terms relating to the appointment of the Distributor are set forth in the Distribution Agreement entered into between the Distributor, the Manager and the Company. Under the Distribution Agreement, the Distributor is responsible for marketing, promoting, offering and arranging for the sale and redemption of Shares of the Company subject to the terms and conditions of the Distribution Agreement and this Prospectus. The Distributor is authorised to enter into sub-distribution agreements, dealer agreements, and similar agreements with brokers, securities dealers, banks, and other intermediaries of its choice for the marketing, promotion, offer, sale, and redemption of the Shares of the Company, provided that the Distributor shall remain responsible to the Company for the performance of its obligations under the Distribution Agreement.

The Company shall hold harmless and indemnify the Distributor its affiliates and their employees and directors against all actions, proceedings and claims and against all costs, demands, loss and expenses (including legal and professional fees) arising therefrom which may be brought against the Distributor by reason of its duties under the terms of the Distribution Agreement other than as a result of the negligence, recklessness, wilful default, bad faith or fraud of the Distributor.

### **Paying Agents**

The Directors, the Manager, the Investment Manager or their duly authorised delegates may appoint such paying agents and local representatives as may be required to facilitate the authorisation or registration of the Company and/or the marketing of any of its Shares in any jurisdictions. The appointment of a paying agent (including a summary of the agreement appointing such paying agent) may be detailed in a Country Supplement.

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. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via an intermediary entity rather than directly to/from the Administrator or the Depositary (e.g. a sub-distributor or agent in the local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Administrator or the Depositary for the account of a Fund and (b) redemption monies payable by such intermediate entity to the relevant investor. The fees of

sub-distributors and paying agents will be borne by the relevant Fund and shall be at normal commercial rates.

## 13 Taxation

The following is a general summary of the main Irish tax considerations applicable to the Company and certain investors in the Company who are the beneficial owners of Shares in the Company. It 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. For instance, it does not address the tax position of Shareholders whose acquisition of Shares in the Company would be regarded as a shareholding in a Personal Portfolio Investment Undertaking (PPIU). Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisors 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.

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this document. Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely.

### Taxation of the Company

The Directors have been advised that, under current Irish law and practice, the Company qualifies as an investment undertaking for the purposes of Section 739B of the TCA so long as the Company is resident in Ireland. Accordingly, it is generally not chargeable to Irish tax on its income and gains.

### Chargeable Event

However, Irish tax can arise on the happening of a "**chargeable event**" in the Company. A chargeable event includes any payments of distributions to Shareholders, any encashment, repurchase, redemption, cancellation or transfer of Shares and any deemed disposal of Shares as described below for Irish tax purposes arising as a result of holding Shares in the Company for a period of eight years or more. Where a chargeable event occurs, the Company is required to account for the Irish tax thereon.

No Irish tax will arise in respect of a chargeable event where:

- (a) the Shareholder is neither resident nor ordinarily resident in Ireland ("**Non-Irish Resident**") and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or
- (b) the Shareholder is Non-Irish Resident and has confirmed that to the Company and the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn; or
- (c) the Shareholder is an Exempt Irish Resident as defined below and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect.

A reference to "**intermediary**" means an intermediary within the meaning of Section 739B(1) of the TCA, being a person who (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or (b) holds units in an investment undertaking on behalf of other persons.

In the absence of a signed and completed declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the Company at the relevant time there is a presumption that the Shareholder is resident or ordinarily resident in Ireland ("**Irish Resident**") or is not an Exempt Irish Resident and a charge to tax arises.

A chargeable event does not include:

- (d) any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- (e) a transfer of Shares between spouses or civil partners and any transfer of Shares between spouses or former spouses or former civil partners on the occasion of judicial separation and/or divorce; or
- (f) an exchange by a Shareholder, effected by way of arm's length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company;
- (g) an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the Company with another investment undertaking; or
- (h) the cancellation of Shares in the Company arising from an exchange in relation to a scheme of amalgamation (as defined in section 739TCA).

If the Company becomes liable to account for tax on a chargeable event, the Company shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to repurchase and cancel such number of Shares held by the Shareholder as is required to meet the amount of tax. The relevant Shareholder shall 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 happening of a chargeable event.

(i) **Deemed Disposals**

The Company may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares in a Fund held by Shareholders who are Irish Resident and, who are not Exempt Irish Residents, as defined below, is 10 per cent or more of the Net Asset Value of a Fund, the Company will be liable to account for the tax arising on a deemed disposal in respect of Shares in that Fund as set out below. However, where the total value of Shares in the Fund held by such Shareholders is less than 10 per cent of the Net Asset Value of the Fund, the Company may, and it is expected that the Company will, elect not to account for tax on the deemed disposal. In this instance, the Company will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves. Further details of this are set out below under the heading "Taxation of Irish Resident Shareholders".

(j) **Irish Courts Service**

Where Shares are held by the Irish Courts Service the Company is not required to account for Irish tax on a chargeable event in respect of those Shares. Rather, where money under the control or subject to the order of any Court is applied to acquire Shares in the Company, the Courts Service assumes, in respect of the Shares acquired, the

responsibilities of the Company to, inter alia, account for tax in respect of chargeable events and file returns.

### **Exempt Irish Resident Shareholders**

The Company will not be required to deduct tax in respect of the following categories of Irish Resident Shareholders, provided the Company has in its possession the necessary declarations from those persons (or an intermediary acting on their behalf) and the Company is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct. A Shareholder who comes within any of the categories listed below and who (directly or through an intermediary) has provided the necessary declaration to the Company is referred to herein as an "**Exempt Irish Resident**":

- (a) a qualifying management company within the meaning of section 739B(1) TCA;
- (b) an investment undertaking within the meaning of section 739B(1) TCA;
- (c) an investment limited partnership within the meaning of section 739J TCA;
- (d) a pension scheme which is an exempt approved scheme within the meaning of section 774 TCA, or a retirement annuity contract or a trust scheme to which section 784 or 785 TCA applies;
- (e) a company carrying on life business within the meaning of section 706 TCA;
- (f) a special investment scheme within the meaning of section 737 TCA;
- (g) a unit trust to which section 731(5)(a) TCA applies;
- (h) a charity being a person referred to in section 739D(6)(f)(i) TCA;
- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 784A(2) TCA or section 848B TCA and the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (j) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 787I TCA and the Shares held are assets of a personal retirement savings account as defined in section 787A TCA;
- (k) the National Asset Management Agency;
- (l) the Courts Service;
- (m) a credit union within the meaning of section 2 of the Credit Union Act 1997;
- (n) an Irish resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the Company is a money market fund;
- (o) a company which is within the charge to corporation tax in accordance with section 110(2) TCA in respect of payments made to it by the Company;
- (p) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under Part 27, Chapter 1A TCA; and

- (q) the National Treasury Management Agency of Ireland, or a fund investment vehicle within the meaning of Section 739D(6)(kb) TCA.

There is no provision for any refund of tax to Shareholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate Shareholders who are within the charge to Irish corporation tax.

### **Taxation of Non-Irish Resident Shareholders**

Non-Irish Resident Shareholders who (directly or through an intermediary) have made the necessary declaration of non-residence in Ireland, where required, are not liable to Irish tax on the income or gains arising to them from their investment in the Company and no tax will be deducted on distributions from the Company or payments by the Company in respect of a repurchase, redemption, cancellation or other disposal of their investment. Such Shareholders are generally not liable to Irish tax in respect of income or gains made from holding or disposing of Shares except where the Shares are attributable to an Irish branch or agency of such Shareholder.

Unless the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn, in the event that a non-resident Shareholder (or an intermediary acting on its behalf) fails to make the necessary declaration of non-residence, tax will be deducted as described above on the happening of a chargeable event and notwithstanding that the Shareholder is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

Where a Non-Irish Resident company holds Shares in the Company which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the Company under the self-assessment system.

### **Taxation of Irish Resident Shareholders**

#### **(a) Deduction of Tax**

Tax will be deducted and remitted to the Revenue Commissioners by the Company from any distributions made by the Company (other than on a disposal) to an Irish Resident Shareholder who is not an Exempt Irish Resident, where payments are made annually or at more frequent intervals, at the rate of 41 per cent, and, where payments are made less frequently, at the rate of 41 per cent.

Tax will also be deducted by the Company and remitted to the Revenue Commissioners from any gain arising on an encashment, repurchase, redemption or other disposal of Shares by such a Shareholder at the rate of 41 per cent. Any gain will be computed as the difference between the value of the Shareholder's investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules.

#### **(b) Deemed Disposals**

Tax will also be deducted by the Company and remitted to the Revenue Commissioners in respect of any deemed disposal where the total value of Shares in a Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is 10 per cent or more of the Net Asset Value of the Fund. A deemed disposal will occur on each and every eighth anniversary of the acquisition of Shares in the Fund by such Shareholders. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, as described below where the Company so elects, the value of the Shares on the later of the 30 June or 31 December

prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising will be taxable at the rate of 41 per cent. Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

Where the Company is obliged to account for tax on deemed disposals it is expected that the Company will elect to calculate any gain arising for Irish Resident Shareholders who are not Exempt Irish Residents by reference to the Net Asset Value of the relevant Fund on the later of the 30 June or 31 December prior to the date of the deemed disposal, in lieu of the value of the Shares on the relevant eight year anniversary.

The Company may elect not to account for tax arising on a deemed disposal where the total value of Shares in the relevant Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is less than 10 per cent of the Net Asset Value of the Fund. In this case, such Shareholders will be obliged to account for the tax arising on the deemed disposal under the self-assessment system themselves. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary and the relevant cost of those Shares. The excess arising will be regarded as an amount taxable under Case IV of Schedule D and will be subject to tax at the rate of 41 per cent. Tax paid on a deemed disposal should be creditable against the tax payable on an actual disposal of those Shares.

**(c) Residual Irish Tax Liability**

Where the Irish Resident Shareholder is a company which is not an Exempt Irish Resident, and the payment is not taxable as trading income under Schedule D Case I, the amount received will be treated as the net amount of an annual payment chargeable to tax under Schedule D Case IV from the gross amount of which income tax has been deducted. The rate of tax applicable to a Chargeable Event in respect of any Irish tax resident corporate investor in this instance is 25% provided the corporate investor has made a declaration to the Company including its Irish tax reference number.

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

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

Subject to the comments below concerning tax on a currency gain, in general, non-corporate Irish Resident Shareholders will not be subject to further Irish tax on income arising on the Shares or gains made on disposal of the Shares, where the appropriate tax has been deducted by the Company from distributions paid to them.

Where a currency gain is made by a Shareholder on the disposal of Shares, the Shareholder will be liable to capital gains tax in respect of that gain in the year/s of assessment in which the Shares are disposed of.

Any Irish Resident Shareholder who is not an Exempt Irish Resident and who receives a distribution from which tax has not been deducted (for example, because the Shares are

held in a recognised clearing system) will be liable to account for income tax or corporation tax as the case may be on that payment. Where such Shareholder receives a gain on an encashment, redemption, cancellation or transfer from which tax has not been deducted, (for example, because the Shares are held in a recognised clearing system) the Shareholder will also be liable to account for income tax or corporation tax on the amount of the gain under the self-assessment system and in particular, Part 41 of the TCA. Shareholders who are individuals should also note that failure to comply with these provisions may result in them being subject to tax at their marginal rate (currently up to 40 per cent) on the income and gains together with a surcharge, penalties and interest.

### **Overseas Dividends**

Dividends (if any) and interest which the Company receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is not known whether the Company will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries.

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

### **Stamp Duty**

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, generally, no stamp duty will be payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. However, where any subscription for or redemption of Shares is satisfied by an in-kind or in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or properties.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities of a company not registered in Ireland, provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the TCA) which is registered in Ireland.

### **Residence**

In general, investors in the Company will be either individuals, corporate entities or trusts. Under Irish rules, both individuals and trusts may be resident or ordinarily resident. The concept of ordinary residence does not apply to corporate entities.

### **Individual Investors**

#### **(a) Test of Residence**

An individual will be regarded as resident in Ireland for a particular tax year if the individual is present in Ireland: (1) for a period of at least 183 days in any one tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is resident in Ireland for at least 31 days in each tax year. In determining days present in Ireland, for periods up to 31 December 2008, an individual is deemed to be present if the individual is in the country at the end of the day (midnight). Since 1 January 2009, an individual is deemed to be present if he/she is present in the country at any time during the day. Therefore, for tax years from 1 January 2009 on, any day



during which the individual is present in the country counts in ascertaining the total number of days spent here for residence purposes.

If an individual is not resident in Ireland in a particular tax year the individual may, in certain circumstances, elect to be treated as resident.

(b) **Test of Ordinary Residence**

If an individual has been resident for the three previous tax years then the individual will be deemed "ordinarily resident" from the start of the fourth year. An individual will remain ordinarily resident in Ireland until the individual has been non-resident for three consecutive tax years.

**Trust Investors**

A trust will generally be regarded as resident in Ireland where all of the trustees are resident in Ireland. Trustees are advised to seek specific tax advice if they are in doubt as to whether the trust is resident in Ireland.

**Corporate Investors**

A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country. In certain limited circumstances, companies incorporated in Ireland but managed and controlled outside of a double taxation treaty territory may not be regarded as resident in Ireland. Specific rules may apply to companies incorporated prior to 1 January 2015.

**Disposal of Shares and Irish Capital Acquisitions Tax**

(a) **Persons Domiciled or Ordinarily Resident in Ireland**

The disposal of Shares by means of a gift or inheritance made by a disposer domiciled or ordinarily resident in Ireland or received by a beneficiary domiciled or ordinarily resident in Ireland may give rise to a charge to Irish Capital Acquisitions Tax for the beneficiary of such a gift or inheritance with respect to those Shares.

(b) **Persons Not Domiciled or Ordinarily Resident in Ireland**

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, the disposal of Shares will not be within the charge to Irish Capital Acquisitions Tax provided that;

- (i) the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date;
- (ii) the donor is not domiciled or ordinarily resident in Ireland at the date of the disposition; and
- (iii) the beneficiary is not domiciled or ordinarily resident in Ireland at the date of the gift or inheritance.

**Automatic Exchange of Information**

The Company is obliged, pursuant to the IGA, Council Directive 2011/16/EU, section 891E, section 891F and section 891G of the TCA and regulations made pursuant to those sections, to collect certain information about its investors.

The Company will be required to provide certain information to the Revenue Commissioners in relation to the investors (including information in respect of the investor's tax residence status) and also in relation to accounts held by investors. For further information on FATCA or CRS please refer to the website of the Revenue Commissioners at [www.revenue.ie/en/business/aeoi/index.html](http://www.revenue.ie/en/business/aeoi/index.html).

Further detail in respect of FATCA and CRS is set out below.

(a) **FATCA Implementation in Ireland**

On 21 December 2012, the governments of Ireland and the U.S. signed the IGA.

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

The IGA provides that Irish financial institutions will report to the Revenue Commissioners in respect of U.S. account-holders and, in exchange, U.S. financial institutions will be required to report to the IRS in respect of any Irish-resident account-holders. The two tax authorities will then automatically exchange this information on an annual basis.

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

(b) **OECD Common Reporting Standard**

Ireland has provided for the implementation of CRS through section 891F of the TCA and the enactment of the CRS Regulations.

CRS is a global OECD tax information exchange initiative which is aimed at encouraging a coordinated approach to disclosure of income earned by individuals and organisations.

Ireland and a number of other jurisdictions have entered or will enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the OECD. The Company is required to provide certain information to the Revenue Commissioners about investors resident or established in jurisdictions which are party to CRS arrangements.

The Company, or a person appointed by the Company, will request and obtain certain information in relation to the tax residence of its shareholders or "account holders" for CRS purposes and (where applicable) will request information in relation to the beneficial owners of any such account holders. The Company, or a person appointed by the

Company, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions. Ireland introduced CRS Regulations in December 2015 and implementation of CRS among early adopting countries (44 countries including Ireland) occurred with effect from 1 January 2016.

## **14 General**

### **Conflicts of Interest**

The Manager has established and maintains an effective conflicts of interest policy which incorporates procedures in order to identify, prevent, manage and monitor any conflicts of interest in order to prevent them from adversely affecting the interests of the Company and the Shareholders.

The Directors, the Manager, Investment Manager, the Distributor, the Depositary and the Administrator may from time to time act as directors, managers, investment manager, investment adviser, distributor, depositary, administrator, company secretary, dealer or distributor in relation to, or be otherwise involved in, other funds and accounts established by parties other than the Company which have similar investment objectives to those of the Company and the Funds. Such other funds and accounts may pay higher or lower fees than the Funds or performance-based fees for such services. The Investment Manager and affiliates shall not be under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of (or share with the Company or inform the Company of) any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the Company and other clients, taking into consideration the investment objectives, investment limitations, capital available for investment and diversification posture of the Company and other clients. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Company and the Funds. Each will, at all times, have regard in such event to its obligations to the Company and the Funds and will ensure that such conflicts are resolved fairly.

In addition, any of the foregoing may deal, as principal or agent, with the Company in respect of the assets of the Funds, provided that such dealings are carried out at arm's length and in the best interests of Shareholders and, in the case of a sale or purchase of investments or property or other transaction for the account of the Company: (i) a certified valuation of such transaction by a person approved by the Depositary (or the Manager in the case of a transaction involving the Depositary) as independent and competent has been obtained; or (ii) such transaction has been executed on the best terms on an organised investment exchange in accordance with the rules of such exchange; or (iii) where (i) or (ii) are not practical, the transaction is executed on terms which the Depositary is, or the Manager in the case of a transaction involving the Depositary are, satisfied conform with the principle that such transactions be carried out at arm's length and that any such transaction is in the best interests of Shareholders.

The Depositary (or in the case of a transaction involving the Depositary, the Manager) shall document how it complied with paragraphs (i), (ii) and (iii) above and where transactions are conducted in accordance with paragraph (iii), the Depositary (or in the case of a transaction involving the Depositary, the Manager), must document the rationale for being satisfied that the transaction conformed to the principles outlined above.

The Manager, the Investment Manager and their affiliates may invest, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Company. Neither the Manager nor the Investment Manager nor any of their affiliates are under any obligation to offer investment opportunities of which any of them

becomes aware to the Company or to account to the Company in respect of or share with the Company or inform the Company of any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the Company and other clients.

The Manager and the Investment Manager may assist the Administrator with valuing certain securities held by a Fund. The Manager is paid a fee which is a percentage of the Net Asset Value of each Fund. Consequently, a conflict of interest could arise between its interest and those of the Funds. In the event of such a conflict of interests, the Manager shall have regard to its obligations to the Company and the Funds and will ensure that such a conflict is resolved fairly and on a basis consistent with the best interests of the Shareholders.

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

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

#### ***Investment Manager Specific Conflicts of Interests***

Various potential and actual conflicts of interest may arise from the overall advisory, investment and other activities of the Investment Manager, its affiliates and their respective clients. The following briefly summarises some of these conflicts; it is not intended to be an exhaustive list of all such conflicts. Prospective investors are encouraged to review Part 2 of the Investment Manager's Form ADV, on file with the SEC, for further information relating to potential conflicts of interest. Pursuant to the terms of the application form, the Shareholders will have acknowledged that an application for Shares is made on the terms of this Prospectus and will be deemed to have consented prospectively to any and all of the activities of the type or nature described in this Prospectus, including, but not limited to, the activities described below, whether or not such activities have or could have an effect on a Fund's affairs and no such activity will in and of itself constitute a breach of any duty owed by any person to the Company, a Fund or any Shareholder.

#### ***The Investment Manager and its Affiliates Provide a Broad Array of Services and Have Various Investment Banking, Advisory and Other Relationships***

The Investment Manager is an affiliate of Guggenheim Partners, LLC ("**Guggenheim Partners**"), which is a global, full service financial services firm. Guggenheim Partners, LLC and its affiliates, including the Investment Manager (collectively, "**Guggenheim Entities**"), provide their clients with a broad array of investment management, insurance, broker-dealer, investment banking and other similar services, which we refer to as the "**Other Business Activities**". These Other Business Activities create actual and potential conflicts of interest.

For example, the Other Business Activities may create conflicts between the best interest of a Fund, on the one hand, and the best interests of the Investment Manager, its affiliates and their respective other clients, on the other hand. The Investment Manager and its affiliates may act as advisers to clients in investment banking, loan arranging and structuring, financial advisory, asset management and other capacities related to instruments that may be purchased, sold or held by a Fund, and the Investment Manager or an affiliate may issue, or be engaged as underwriter for the issuer of, instruments that a Fund may purchase, sell or hold. At times, these activities may cause the Investment Manager and its affiliates to give advice to their clients that

may cause these clients to take actions adverse to the interest of a Fund. The Guggenheim Entities and their respective officers, directors, managing directors, partners, employees and consultants may act in a proprietary capacity with long or short positions, in instruments of all types, including those that may be purchased, sold or held by the Company. Such activities could affect the prices and availability of the securities and instruments, if any that the Investment Manager seeks to buy or sell for a Fund's account, which could adversely impact the financial returns of the Fund.

The Investment Manager, on behalf of a Fund, may acquire a significant amount of investments (A) that the Investment Manager or its affiliates originated, structured, arranged or placed, including, without limitation, mutual funds, other funds and managed accounts that are other Guggenheim clients, (B) from the related issue of which the Investment Manager and its affiliates received compensation for services or (C) otherwise involving the participation of the Investment Manager and its affiliates. The Investment Manager, subject to applicable law, may cause a Fund to invest in securities (i) where the Investment Manager, its affiliates and their respective officers, directors, managers, managing directors, stockholders, members partners, employees and consultants (collectively, "**Personnel**") may act as the collateral agent, administrator, manager, or other service provider, or (ii) that are backed by collateral (including funds) that could include assets where the Investment Manager, its affiliates and their respective Personnel may perform such functions for which the Investment Manager, its affiliates and their respective Personnel receives fees. The Investment Manager, its affiliates and their respective Personnel may obtain and keep any profits, commissions, and fees accruing to them in connection with the foregoing activities or with their activities as agent or principal in transactions for a Fund and other activities for themselves and others and their own accounts, and their investment management fee will not be abated thereby.

#### *Shareholders of the Fund May Have Conflicting Interests*

A Fund may have a diverse range of Shareholders with conflicting interests that stem from differences in, among other things, investment preferences, tax status and regulatory status. The Investment Manager considers the objectives of the Funds when making decisions with respect to the selection, structuring and sale of portfolio investments. Such decisions may be more beneficial for one Shareholder than for another Shareholder.

#### *The Investment Manager's Compensation Arrangements Involve Certain Conflicts of Interest*

The Other Business Activities may involve other Guggenheim clients with different fee structures than those of a Fund. In some cases, the Investment Manager or an affiliate may receive a potentially larger financial benefit from managing one or more such other Guggenheim clients (e.g., higher fees or allocations) as compared to the investment management fee disclosed in the relevant Supplement, which may provide an incentive to favour such other Guggenheim clients over a Fund. Specifically, the Investment Manager may charge certain other Guggenheim clients a performance or incentive fee or allocation constituting a percentage of profits or gains generally subject to a benchmark or threshold (sometimes with a hurdle). In measuring other Guggenheim clients' assets for the calculation of performance-based compensation, the Investment Manager generally includes realised and unrealised capital gains and losses for purposes of such calculations. Performance-based compensation arrangements may create an incentive for the Investment Manager to recommend investments to other Guggenheim clients who bear such arrangements over a Fund, although the Investment Manager may also be incentivised to allocate investments to such other clients that may be riskier or more speculative than those that would be recommended under a different compensation arrangement. In any event, such performance-based compensation arrangements tend to create an incentive to favour higher fee or performance-based compensation bearing other Guggenheim clients over other clients, including a Fund, in the allocation of investment opportunities.

#### *The Investment Manager May Have Conflicts of Interest in Allocating Advisory Time*

Side-by-side management also raises the possibility of favourable or preferential treatment of another Guggenheim client or group of other Guggenheim clients over a Fund. Portfolio managers employed by the Investment Manager and its affiliates may manage multiple other Guggenheim clients, according to the same or similar investment strategies. To the extent the Investment Manager, its affiliates and/or their respective Personnel may have a significant proprietary investment in another Guggenheim client relative to their investment in a Fund, the Investment Manager may have an incentive to favour such other Guggenheim client.

The Personnel of the Investment Manager will devote as much time to a Fund as the Investment Manager deems appropriate to perform its duties in accordance with this Prospectus and the Investment Management Agreement and in accordance with reasonable commercial standards and its duties. However, they are presently committed to and expect to be committed in the future to providing investment advisory and other services for other Guggenheim clients and engage in Other Business Activities in which a Fund and the Shareholders may have no interest. As a result of these separate business activities, the Investment Manager may have conflicts of interest in allocating management time, services and functions among a Fund and Other Business Activities or other Guggenheim clients in that the time and effort of such Personnel would not be devoted exclusively to the business of a Fund.

To the extent that these Other Business Activities are undertaken by Personnel of the Investment Manager, these activities could be viewed as creating a conflict of interest in that the time and effort of such Personnel would not be devoted exclusively to the business of a Fund, but would be allocated between the business of a Fund and the management of the asset of the Investment Manager's other clients.

*The Investment Manager and its Affiliates Manage other Guggenheim Clients; the Investment Manager and Related Parties May Have Conflicts of Interest in Allocating Investment Opportunities*

The Investment Manager is responsible for the investment decisions made on behalf of a Fund. There are no restrictions on the ability of the Investment Manager and its affiliates to manage other Guggenheim clients following the same, similar or different investment objective, philosophy, and strategy as those used for a Fund. In fact, the Investment Manager and its affiliates currently manage and expect to continue to manage other Guggenheim clients that may invest pursuant to the same or different strategies as those employed by a Fund. Investors in such other Guggenheim clients include, but are not limited to, corporate pension and profit-sharing plans, trusts, estates, charitable organisations, municipalities, corporations and business entities (including affiliated and unaffiliated insurance companies), and other registered and unregistered pooled investment vehicles. The Investment Manager also acts as adviser to open-end registered funds, closed-end registered funds, and as sub-adviser to investment companies, business development companies and exchange-traded funds. The Investment Manager also serves as investment manager to other non-U.S. domiciled funds including collective investment trusts and qualified investor funds. The Investment Manager may serve as asset or collateral manager for certain non-registered structured products. The investment policies, fee arrangements and other circumstances of a Fund may vary from those of the other Guggenheim clients.

As described in the Investment Manager's Form ADV Part 2, the Investment Manager has implemented policies and procedures that govern the allocation of investment opportunities among clients in a fair and equitable manner, taking into account the needs and financial objectives of the clients as well as prevailing market conditions. In such circumstances, if an investment opportunity would be appropriate for more than one client, the Investment Manager may be required to choose among those clients in allocating the opportunity, or to allocate less of the opportunity to a client than it would ideally allocate if it did not have to allocate to multiple clients. In addition, the Investment Manager may determine that an investment opportunity is appropriate for a particular account, but not for another. There can be no assurance that a

particular investment opportunity will be allocated in any particular manner. Subject to applicable requirements governing the Investment Manager or its affiliates, investment opportunities sourced by the Investment Manager and its affiliates will generally be allocated to a Fund and its other clients in a manner that the Investment Manager believes, in its judgment, to be appropriate given factors that it believes to be relevant. In this regard, the Investment Manager will consider the following factors, among others, in effecting client transactions and making allocation decisions: client investment guidelines, account size, available cash, liquidity requirements, an account's investment phase (i.e., ramping up or taking gains/losses for tax purposes), and an account's specific objectives and constraints, including risk tolerance, rating constraints, maturity constraints, issue size, yield, purchase price, existing fund exposure, minimum trade allocation, minimum position holding size, sector allocation limits, duration, convexity, strategy, and lot size. Circumstances may occur in which an allocation could have adverse effects on a Fund or the other Guggenheim client with respect to the price or size of securities positions obtainable or saleable. All of the foregoing procedures could in certain circumstances adversely affect the price paid or received by a Fund or the size of the position purchased or sold by a Fund (including prohibiting a Fund from purchasing a position) or may limit the rights that a Fund may exercise with respect to an Investment.

In addition, some other Guggenheim clients may have investment objectives, philosophies and strategies that are similar or identical to those of a Fund. In such cases, regardless of the similarity in investment objectives and strategies, the Investment Manager may give advice and recommend investments to such clients that may differ from advice given to, or investments recommended or bought for, a Fund. Such clients could be viewed as being in competition with a Fund for appropriate investment opportunities, particularly where there is limited capacity with respect to such investment opportunities. In certain situations in which an investment opportunity would be appropriate for a Fund (based on the criteria described above), it may be necessary or appropriate for the Investment Manager to obtain approval from an independent and competent person to place the investment in a Fund. If the Investment Manager is unable to obtain approval for such transaction, it may allocate the investment opportunity only to those client(s) of the Investment Manager from whom the Investment Manager is able to obtain approval. The investments will generally be allocated to those clients of the Investment Manager that provide timely approval, as permitted by their investment guidelines, available cash, and other factors described above.

#### *Proprietary Trading May Result in Competition for Investment Opportunities*

Subject to the provisions of the Investment Manager's code of ethics and insider trading policy, Personnel of the Investment Manager and its affiliates may trade in the securities and derivatives markets for their own accounts, including the same securities being bought or sold for, or recommended to, a Fund. Such trading is performed independently of the trading activities in a Fund in a manner intended to avoid serving their own personal interests ahead of clients, including a Fund. Such trading may result in competition for investment opportunities or create other conflicts of interest on behalf of one or more such persons in respect of their obligations to a Fund.

The Investment Manager, its affiliates and their respective Personnel may act in a proprietary capacity with long or short positions, in instruments of all types, including those that may be purchased, sold or held by a Fund. Such activities could affect the prices and availability of the securities and instruments, if any, that the Investment Manager seeks to buy or sell for a Fund's account, which could adversely impact the financial returns of a Fund.

#### *The Investment Manager's Possession of Material Non-Public Information May Hinder its Ability to Initiate a Transaction for a Fund*

By reason of the Other Business Activities as well as services and advice provided to other Guggenheim clients, the Investment Manager and its affiliates may acquire confidential or

material non-public information and may be restricted from initiating transactions in certain securities. The Investment Manager will not be free to divulge, or to act upon, any such confidential or material non-public information and, due to these restrictions, it may not be able to initiate a transaction for a Fund's account that it otherwise might have initiated. As a result, a Fund may be frozen in an investment position that it otherwise might have liquidated or closed out or may not be able to acquire a position that it might otherwise have acquired.

#### *Certain Transactions May Require Approval*

The Company may from time to time engage an independent and competent person to approve transactions. Such independent and competent person shall have the authority to (A) approve the purchase or sale of any investment by a Fund in a transaction that requires notice to and consent of investors under applicable law, unless the Investment Manager elects to obtain such approval from the independent and competent person, and (B) provide advice and approval, upon the Investment Manager's request, with respect to conflicts of interest. The independent and competent person will not make investment recommendations or comment on the merits of the Investment Manager's investment recommendations, nor will it provide any opinion as to the fair value of nonmarketable securities.

The Investment Manager may use an affiliated person (such as an affiliated broker or dealer, or an account more than 25% owned by the Investment Manager and/or its affiliates) to hold and clear certain bonds for a Fund where the use of the affiliated person does not create a conflict of interest. In these transactions, there will be no change in the bond price the Investment Manager pays or receives and the price a Fund pays or receives for the same bonds when the affiliated person provides the bond holding and clearing services. The affiliated person will not receive any spread, mark-up, mark-down or transaction fee from a Fund for this service, but the Investment Manager may reimburse the affiliated person's expenses. When selling bonds, the Investment Manager similarly may aggregate all or a portion of the block at an affiliated person prior to selling them to a dealer. This practice also may produce the same benefits as when buying securities.

#### *Cross Transactions and Agency Cross Transactions Will Result in a Conflict of Interest*

The Investment Manager may, to the extent permitted under applicable law, effect client cross transactions where the Investment Manager causes a transaction to be effected between a Fund and another Guggenheim Client; provided, that the Investment Manager, or an affiliate, does not receive any compensation in addition to its investment management fee in connection with the transaction. Cross transactions present an inherent conflict of interest because the Investment Manager or one of its affiliates represents the interests of both the selling account and the buying account in the same transaction, and the Investment Manager or the applicable affiliate may seek to treat one counterparty to the cross transaction more favourably than the other party. Additionally, any benefits of a cross transaction may not be equally distributed among participating clients. The Investment Manager has policies and procedures to mitigate these conflicts and help ensure that any internal cross transactions are in the best interests of, and appropriate for, all clients involved and the transactions are consistent with the Investment Manager's obligation to seek best execution.

The Investment Manager will execute internal cross transactions at prices its traders believe are fair to all clients involved and represent the current fair market value of the securities at the time of the transaction. The Investment Manager's traders seek to obtain a reasonable number of relevant independent quotes from market participants to determine cross transaction pricing. The quantity, reliability, and source of any independent quotes available and used will vary depending on, among other things, market conditions, asset class, and specific characteristics of a security. When the Investment Manager seeks to effect a cross transaction of less liquid securities without readily available market quotations, the Investment Manager may be able to reasonably obtain only reliable/firm bids on the security and may not be able to obtain



reliable/firm offers. In such cases, the Investment Manager may use such bids to determine the cross transaction price, which generally will be the highest firm bid the Investment Manager receives. In addition, if the Investment Manager executes a bona fide purchase or sale of such a security with an unaffiliated counterparty, the same price may be used for a cross transaction so long as it is executed on the same day as the bona fide transaction. When the Investment Manager is unable to obtain reliable independent pricing information for a security from one or more market participants after reasonable efforts, the trader will confer with the Investment Manager's senior management to determine a fair cross transaction price for the asset based upon factors including, but not limited to, third party pricing service valuations, fair valuation models, or yields and trading prices for comparable assets, taking into account credit considerations and the security's specific attributes.

#### *Allocation of Expenses*

The Investment Manager and/or one or more of its affiliates may from time to time incur expenses on behalf of a Fund, other Guggenheim clients and one or more existing or subsequent entities established by the Investment Manager or any of its affiliates. The Investment Manager will endeavour to allocate such expenses on what it believes to be a fair and equitable basis.

#### **The Share Capital**

The share capital of the Company shall at all times equal the Net Asset Value of the Company. The Directors are empowered to issue up to 500 billion Shares of no par value in the Company at the Net Asset Value per Share on such terms as they may think fit. There are no rights of pre-emption upon the issue of Shares in the Company. As of the date of this document the Company has issued Subscriber Shares to the value of EUR 300,000. The Subscriber Shares do not participate in the assets of the Funds. The Company reserves the right to redeem some or all of the Subscriber Shares provided that the Company at all times has a minimum issued share capital to the value of EUR 300,000.

Each of the Shares entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of the Fund attributable to the relevant class in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares' entitlement is limited to the amount subscribed and accrued interest thereon.

The proceeds from the issue of Shares shall be applied in the books of the Company to the relevant Fund and shall be used on behalf of such Fund for the acquisition of assets in which the Fund may invest. The records and accounts of each Fund shall be maintained separately.

The Directors reserve the right to redesignate any class of Shares from time to time, provided that shareholders in that class shall first have been notified by the Company that the Shares will be redesignated and shall have been given the opportunity to have their Shares redeemed by the Company, except that this requirement shall not apply where the Directors redesignate Shares in issue in order to facilitate the creation of an additional class of Shares.

Each of the Shares entitles the holder to attend and vote at meetings of the Company and of the Fund represented by those Shares. No class of Shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other class of Shares or any voting rights in relation to matters relating solely to any other class of Shares.

Any resolution to alter the class rights of the Shares requires the approval in writing of all of the holders of the Shares or the approval of three quarters of the holders of the Shares, by value, represented or present and voting at a general meeting duly convened in accordance with the Articles of Association.

The Directors may issue fractional Shares in the Company. Fractional shares may be issued and shall not carry any voting rights at general meetings of the Company or of the Funds or class

and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the Company but do not entitle the holders to participate in the dividends or net assets of a Fund or of the Company.

### **The Funds and Segregation of Liability**

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 to 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 Memorandum and Articles of Association;
- (b) where any asset is derived from another asset, such FDI 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.

There shall be implied in every contract, agreement, arrangement or transaction entered into by the Company the following terms, that:

- (i) the party or parties contracting with the Company shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund;
- (ii) if any party contracting with the Company shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund, that party shall be liable to the Company to pay a sum equal to the value of the benefit thereby obtained by it; and
- (iii) if any party contracting with the Company shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of a Fund in respect of a liability which was not incurred on behalf of that Fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the Company and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by the Company shall be credited against any concurrent liability pursuant to the implied terms set out in (i) to (iii) above.

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 the Fund were a separate legal person.

Separate records shall be maintained in respect of each Fund.

### **Termination**

All of the Shares in the Company or all of the Shares in a Fund or class may be redeemed by the Company in the following circumstances:

- (a) a majority of votes cast at a general meeting of the Company or the relevant Fund or class, as appropriate, approves the redemption of the Shares;
- (b) if so determined by the Directors, provided that not less than 21 days' written notice has been given to the holders of the Shares of the Company or the Fund or the class, as appropriate, that all of the Shares of the Company, the Fund or the class, as the case may be, shall be redeemed by the Company; or
- (c) if no replacement depositary shall have been appointed during the period of 90 days commencing on the date the Depositary or any replacement thereof shall have notified the Company of its desire to retire as depositary or shall have ceased to be approved by the Central Bank.

Where a redemption of Shares would result in the number of Shareholders falling below 2 or such other minimum number stipulated by statute or where a redemption of Shares would result in the issued share capital of the Company falling below such minimum amount as the Company may be obliged to maintain pursuant to applicable law, the Company may defer the redemption of the minimum number of Shares sufficient to ensure compliance with applicable law. The redemption of such Shares will be deferred until the Company is wound up or until the Company procures the issue of sufficient Shares to ensure that the redemption can be effected. The Company shall be entitled to select the Shares for deferred redemption in such manner as it may deem to be fair and reasonable and as may be approved by the Depositary.

On a winding up or if all of the Shares in any Fund are to be redeemed, the assets available for distribution (after satisfaction of creditors' claims) shall be distributed pro rata to the holders of the Shares in proportion to the number of the Shares held in that Fund. The balance of any assets of the Company then remaining that are not attributable to any particular Fund shall be apportioned among the Funds pro rata to the Net Asset Value of each Fund immediately prior to any distribution to Shareholders and shall be distributed among the Shareholders of each Fund pro rata to the number of Shares in that Fund held by them. With the authority of an ordinary resolution of the Shareholders or with the consent of any Shareholder, the Company may make distributions in specie to Shareholders or to any individual Shareholder who so consents. At the request of any Shareholder, the Company shall arrange the sale of such assets at the expense of such Shareholder and without any liability on the part of the Company, the Administrator, the Manager, the Investment Manager if the proceeds of sale of any asset are less than the value of the assets at the time at which it was distributed in specie. The transaction costs incurred in the

disposal of such investments shall be borne by the Shareholder. The Subscriber Shares do not entitle the holders to participate in the dividends or net assets of the Funds.

### **Meetings**

All general meetings of the Company or of a Fund shall be held in Ireland. In each year the Company shall hold a general meeting as its annual general meeting. The quorum for general meetings shall be 2 persons present in person or by proxy. 21 clear day's notice shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. An ordinary resolution is a resolution passed by a simple majority of votes cast and a special resolution is a resolution passed by a majority of 75 per cent or more of the votes cast. The Articles of Association provide that matters may be determined by a meeting of Shareholders on a show of hands with each Shareholder having one vote unless a poll is requested by 5 Shareholders or by Shareholders holding 10 per cent or more of the Shares or unless the Chairman of the meeting requests a poll. Each Share (including the Subscriber Shares) gives the holder one vote in relation to any matters relating to the Company which are submitted to Shareholders for a vote by poll.

### **Reports**

In each year the Directors shall arrange to be prepared an annual report and audited annual accounts for the Company. These will be forwarded to Shareholders within 4 months of the end of the financial year and at least 21 days before the annual general meeting. In addition, the Company shall send to Shareholders within 2 months of the end of the relevant period a half-yearly report which shall include unaudited half-yearly accounts for the Company.

Annual accounts shall be made up to 31 December in each year with the first set of annual accounts made up to 31 December 2011. Unaudited half-yearly accounts shall be made up to 30 June in each year with the first set of interim half-yearly accounts made up to 30 June 2011.

Audited annual reports and unaudited half-yearly reports incorporating financial statements shall be posted to each Shareholder at his registered address free of charge and will be sent, on request, to any potential investors, and will be made available for inspection at the registered office of the Company.

### **Remuneration Policy of the Manager**

The Manager has remuneration policies and practices in place consistent with the requirements of the Regulations and the ESMA Guidelines on sound remuneration policies under the UCITS Directive ("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 Articles of Association. 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 <http://www.carnegroup.com/policies-and-procedures/> and a paper copy will be made available to Shareholders free of charge upon request.

### **Material Contracts**

The following contracts, details of which are set out in the section entitled "Management and Administration", have been entered into and are material:

- (a) The Management Agreement dated 12 April 2022, between the Company and the Manager, pursuant to which the latter was appointed as manager in relation to the Company and as may be amended from time to time.
- (b) The Investment Management Agreement dated 13 April 2022, between the Manager, the Company, and the Investment Manager, pursuant to which the latter was appointed as investment manager and distributor in relation to the Company, as may be amended from time to time.
- (c) The Depositary Agreement dated 13 April 2022 between the Manager, the Company and the Depositary pursuant to which the latter acts as depositary in relation to the Company.
- (d) The Administration Agreement dated 13 April 2022, between the Manager, the Company and the Administrator pursuant to which the latter acts as administrator, registrar and transfer agent of the Company, as may be amended from time to time.
- (e) The Distribution Agreement dated 13 April 2022, between the Manager, the Company and Guggenheim Investment Advisors (Europe) Limited pursuant to which the latter acts as distributor to the Company and its Funds, as may be amended from time to time.

### **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 Memorandum and Articles of Association of the Company;
- (b) the Regulations and the Central Bank Regulations issued by the Central Bank thereunder.
- (c) Copies of the Memorandum and Articles of Association 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, as appropriate, may be obtained, free of charge, upon request at the registered office of the Company.
- (d) To the extent not captured in this Prospectus or in the event such details have changed and have not been reflected in a revised version of this Prospectus, up-to-date information will be provided to Shareholders on request, free of charge regarding:
- (e) the identity of the Depositary and a description of its duties and of conflicts of interest that may arise; and
- (f) a description of any safe-keeping functions delegated by the Depositary, a list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation.

## **Miscellaneous**

- (a) The Company is not, and has not been since its incorporation, engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.
- (b) There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.
- (c) Mr. Duffy, Mr. Quintero, Mr. Binder and Mr. Donnellan are directors, members or employees of the Investment Manager or of companies or partnerships affiliated to the Investment Manager and the Distributor.
- (d) Neither the Directors nor their spouses nor their infant children nor any connected person have any direct or indirect interest in the share capital of the Company or any options in respect of such capital.
- (e) No Director has:
  - (i) any unspent convictions in relation to indictable offences;
  - (ii) been a director of any company or partnership subject to any bankruptcy, receivership, liquidation, administration, and/or voluntary arrangements where such Director had an executive function or was a partner at the time of or within the 12 months preceding such events;
  - (iii) any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and/or has ever been disqualified by a court from acting as a director of a company or acting in the management or conduct of the affairs of any company.
- (f) No Share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.
- (g) As at the date of this Prospectus, the Company has no loan capital (including term loans) outstanding or created but unissued and no outstanding mortgages charges or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, finance leases, hire purchase commitments, guarantees or contingent liabilities in respect of any of the Funds.
- (h) Save as disclosed herein in the section entitled "Fees and Expenses" above, no commissions, discounts, brokerage or other special terms have been granted by the Company in relation to Shares issued by the Company.
- (i) The Company does not have, nor has it had since its incorporation, any employees or subsidiary companies.

## **U.K. Reporting Fund Status**

Warning: The information contained below is provided for U.K. resident and domiciled individual investors only and is based on U.K. tax legislation and the known current HM Revenue & Customs ("HMRC") interpretation thereof. This can vary according to individual circumstances and is subject to change. It is intended as a guide only and not a substitute for professional

advice. It does not purport to be a complete analysis of all tax considerations relating to the holding of shares. The information given below does not constitute legal or tax advice, and prospective investors should consult their own professional advisers as to the implications of subscribing for, purchasing, holding, switching or disposing of Shares under the laws of any jurisdiction in which they may be subject to tax.

This summary in particular does not address the tax consequences for non U.K. resident individuals who hold the shares in connection with a trade, profession or vocation carried on in the U.K. (whether through a branch or agency or permanent establishment). In addition, the summary only addresses the tax consequences for U.K. resident and domiciled individual investors who hold shares as an investment and not as trading stock. It does not deal with the position of certain classes of investors, such as dealers in securities and insurance companies, U.K. corporate, tax exempt investors, trusts and persons who have acquired their shares by reason of their or another's employment; nor does it deal with the position of individuals who are U.K. resident but non-domiciled.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Fund is made will endure indefinitely. The statements are based on current tax legislation, together with HMRC practice, all of which are subject to change at any time - possibly with retrospective effect.

### **Taxation status of the Company**

We understand that the Company is not a transparent entity for U.K. taxation purposes. The Directors intend to conduct the affairs of the Company so that it does not become resident in the United Kingdom and does not carry on a trade within the United Kingdom for United Kingdom taxation purposes.

Further comfort in this regard can be obtained from the provisions of s363A Taxation (International and Other Provisions) Act 2010 which provide that, where a corporate fund is authorised as a UCITS pursuant to Article 5 of the UCITS Directive in a country other than the U.K., then the corporate fund should not be resident for U.K. income tax, corporation tax or capital gains tax purposes even if it would be so viewed under general U.K. tax principles.

Accordingly, whilst the position cannot be guaranteed, the Company should not be subject to United Kingdom income tax or corporation tax other than on certain United Kingdom source income.

Each Share Class of the Company should be treated as an "offshore fund" for the purposes of the U.K. Offshore Fund's tax regime in Section 355 of the Taxation (International and Other Provisions) Act 2010. The U.K.'s reporting fund regime, which is contained in the Offshore Funds (Tax) Regulations 2009 (Statutory Instrument 2009/3001), therefore applies to these Share Classes.

Under the offshore fund regime, for U.K. taxpayers to secure capital gains tax treatment on the disposal of their investment in shares in a Share Class of a Fund of the Company, that Share Class would need to be certified as a "reporting fund" through the entire period over which the U.K. taxpayer held the investment. The below Share Classes of the GFI Fund will be registered with HMRC as U.K. Reporting Funds from the date they first have U.K. resident and domiciled individual investors. No Share Classes of any other Fund will register with HMRC as a U.K. reporting fund.

- Class W US\$

- Class W Stg£
- Class W EUR
- Class Z US\$
- Class Z Stg£
- Class Z EUR

The comments below under the heading entitled “Taxation of U.K. resident and domiciled individual investors in RFSC” are based on the assumption that each Reporting Fund Share Class (“RFSC”) has reporting fund status with HMRC over the entire period in which the U.K. resident investor held the shares. It is important to note that reporting fund status must be maintained on an annual basis by the Company. If reporting fund status is revoked by HMRC for any RFSC, that RFSC will be unable to regain reporting fund status and will thereafter be permanently outside the reporting fund regime.

As a number of Share Classes of the Funds will not register with HMRC as U.K. reporting funds (hereafter referred to as ‘Non Reporting Fund Share Classes’ (“non RFSC”)) the heading entitled “Taxation of U.K. resident individual investors in non RFSC” includes some comments in relation to the U.K. taxation implications of U.K. resident and domiciled investors in any non RFSC of the Funds. It should be noted that U.K. reporting fund status cannot be obtained retrospectively for any period and would therefore generally only be available from the period in which the Directors made the appropriate applications to HMRC (and future periods).

#### A. Taxation of U.K. resident individual investors in RFSC

The investment objective of the GFI Fund indicates that it is likely to be viewed as a ‘bond fund’ for U.K. tax purposes. However, this would need to be formally confirmed on an annual basis by review of the proportional weighting of the ‘qualifying investments’ to total assets throughout that period. Dividends and other income distributions paid or deemed to be paid to U.K. resident and domiciled individual shareholders in respect of shares in the GFI Fund which are deemed to be ‘bond funds’ may instead be taxed as ‘interest’ (as opposed to ‘dividends’). If such dividends are taxed as ‘interest’ for the 2016/17 income tax year the applicable rates of tax would be 20% for basic rate tax payers, 40% for higher rate taxpayers and 45% for additional rate taxpayers and the Dividend Allowance of £5,000 would not be relevant.

##### (a) Capital gains

The relevance of reporting fund status for U.K. investors is that gains realised by investors on disposals of investments in shares in Share Classes, which retain their reporting fund status for the entire period in which the investors hold the investment, will in most circumstances be treated as a ‘capital disposal’ for U.K. taxation purposes; instead of an offshore income gain.

Individual shareholders who are resident in the U.K. for tax purposes may therefore be liable to capital gains tax in respect of capital disposals of their RFSC Shares.

Any capital increase in the value of the Shares realised on eventual sale (when compared to deductible costs) is likely to be taxable under the U.K. capital gains code ( headline rate of 20% for the 2016/2017 income tax year), subject to the availability of various exemptions and/or reliefs. Deductible costs should include the amount initially paid for the Shares, as well as any accumulated and not distributed amounts that have been taxable as income in the hands of the individual under (b) below.



(b) Income and deemed distributions

Broadly speaking, an investor will be taxed on income accruing in a RFSC on an annual basis, rather than when it is distributed to the investor. This is the case even where a Share Class is an accumulation Share Class and no income will be ordinarily physically distributed to a RFSC shareholder in any period in respect of his/her holding.

U.K. investors will be viewed as receiving income equivalent to their proportionate share of the “reported income” of the RFSC; and the tax point for any “reported income” should be the date falling 6 months after the end of the reporting period (i.e. 30 June each year on the basis that the Company continues to prepare financial statements to 31 December).

On the basis that the GFI Fund is viewed as a ‘bond fund’ these deemed distributions should be viewed as interest income for U.K. taxation purposes. The advice below is prepared on this basis.

For the 2016/2017 income tax year, where the interest distribution represents taxable interest income; there are three rates of U.K. income tax charged on interest income received by U.K. individuals: basic rate of 20% (for interest income within the first slice of taxable income up to £32,000), higher rate of 40% (for interest income within the next £118,000 of taxable income; £150,000 cumulatively) and additional rate of 45% (for the interest income within any income over £150,000).

B. Taxation of U.K. resident individual investors in non RFSC

(a) Capital gains

Individual shareholders who are resident in the U.K. for tax purposes may be liable to capital gains tax in respect of capital disposals of their non RFSC Shares. In broad terms, gains realised on disposals of investments in non RFSC are likely to be taxable as an income receipt in the hands of the individual investor as an offshore income gain under the U.K. offshore fund regime. Any amounts taxable as an income receipt should be deducted from the proceeds from a capital gains tax perspective.

(b) Income received from non RFSC

A U.K. resident investor in a non RFSC should only have a potential liability to U.K. tax in respect of actual distributions received. The tax point for such distributions is likely to be the date on which such distributions were paid. On the basis that the GFI Fund is viewed as a ‘bond fund’ these distributions should be viewed as interest income for U.K. taxation purposes.

## **Schedule 1 The Regulated Markets**

With the exception of permitted investments in unlisted securities the investments of the Funds will be restricted to the following stock exchanges and markets:

- 1 any stock exchange in the European Union and the EEA and any stock exchange in the U.S., the U.K., Australia, Canada, Japan, New Zealand or Switzerland which is a stock exchange within the meaning of the law of the country concerned relating to stock exchanges;
- 2 the market conducted by listed money market institutions as described in the Financial Services Authority publication "The regulation of the wholesale cash and OTC FDI markets: The Grey Paper" (as amended from time to time);
- 3 AIM, the Alternative Investment Market in the U.K. regulated and operated by the London Stock Exchange;
- 4 the market organised by the International and Capital Market Association which was created on 1 July 2005 following the merger of the International Primary Market Association with the International Securities Markets Association;
- 5 NASDAQ in the U.S.; KOSDAQ in South Korea, SESDAQ in Singapore, TAISAQ/Gretai Market in Taiwan, RASDAQ in Romania;
- 6 the market in U.S. government securities which is conducted by primary dealers regulated by the Federal Reserve Bank of New York and the U.S. Securities and Exchange Commission;
- 7 the over-the-counter market in the United States conducted by primary and second dealers regulated by the U.S. Securities and Exchange Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);
- 8 the French market for Titres de Créance Négociable (over-the-counter market in negotiable debt instruments);
- 9 the market in Irish government bonds conducted by primary dealers recognised by the National Treasury Management Agency of Ireland;
- 10 the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- 11 the over-the-counter market in Canadian government bonds regulated by the Investment Dealers Association of Canada;
- 12 and the following stock exchanges and markets:
  - Africa: BRVM Stock Exchange, Malawi Stock Exchange
  - Argentina: Buenos Aires Stock Exchange (MVBA), Cordoba Stock Exchange, Mendoza Stock Exchange, Rosario Stock Exchange, La Plata Stock Exchange
  - Bahrain: Bahrain Stock Exchange
  - Bangladesh: Chittagong Stock Exchange, Dhaka Stock Exchange

Botswana:	Botswana Share Market
Brazil:	Bolsa de Valores de Brasilia, Bolsa de Valores de Bahia-Sergipe – Alagoas, Bolsa de Valores de Extremo, Bolsa de Valores de Parana, Bolsa de Valores de Regional, Bolsa de Valores de Santos, Bolsa de Valores de Pernambuco e Paraiba, Rio de Janeiro Stock Exchange, Sao Paulo Stock Exchange
Chile:	Santiago Stock Exchange, Valparaiso Stock Exchange
China:	Hong Kong Stock Exchange, Shenzhen Stock Exchange (SZSE), Shanghai Stock Exchange (SSE)
Colombia:	Bogota Stock Exchange, Medellin Stock Exchange
Costa Rica:	Bolsa Nacional de Valores
Croatia	Zagreb Stock Exchange
Egypt:	Cairo and Alexandra Stock Exchange
Ghana:	Ghana Stock Exchange
India:	Ahmedabab Stock Exchange, Cochin Stock Exchange, Magadh Stock Exchange, Mumbai Stock Exchange, Calcutta Stock Exchange, Delhi Stock Exchange Association, Bangalore Stock Exchange, Gauhati Stock Exchange, Hyderabad Stock Exchange, Ludhiana Stock Exchange, Madras Stock Exchange, Pune Stock Exchange, Uttar Pradesh Stock Exchange Association, the National Stock Exchange of India
Indonesia:	Jakarta Stock Exchange, Surabaya Stock Exchange
Israel:	Tel Aviv Stock Exchange
Jordan:	Amman Stock Exchange
Kazakhstan:	Kazakhstan Stock Exchange
Kenya:	Nairobi Stock Exchange
Kuwait:	Kuwait Stock Exchange
Malaysia:	Kuala Lumpur Stock Exchange
Mauritius:	Stock Exchange of Mauritius
Mexico:	Bolsa Mexicana de Valores
Morocco:	Morocco Stock Exchange, Casablanca Stock Exchange
Namibia:	Namibian Stock Exchange

Nigeria:	Lagos Stock Exchange, Kaduna Stock Exchange, Port Harcourt Stock Exchange
Oman:	Muscat Securities Market
Pakistan:	Karachi Stock Exchange, Lahore Stock Exchange
Panama:	Panama Stock Exchange
Peru:	Lima Stock Exchange
The Philippines:	the Philippines Stock Exchange, Makati Stock Exchange
Qatar:	Doha Stock Exchange
Russia:	RTS Stock Exchange, MICEX (solely in relation to equity securities that are traded on level 1 or level 2 of the relevant exchange)
Saudi Arabia:	Riyadh Stock Exchange
Singapore:	Singapore Stock Exchange (the SESDAQ)
South Africa:	Johannesburg Stock Exchange
South Korea:	Korea Stock Exchange (the KOSDAQ)
Sri Lanka:	Colombo Stock Exchange
Taiwan:	Taiwan Stock Exchange
Thailand:	The Stock Exchange of Thailand
Tunisia:	Tunis Stock Exchange
Turkey:	Istanbul Stock Exchange
Uganda:	Uganda Securities Exchange
Ukraine:	Ukrainian Stock Exchange
Uruguay:	Montevideo Stock Exchange
Zambia:	Lusaka Stock Exchange
Zimbabwe:	Zimbabwe Stock Exchange

The Company may invest in listed or over-the-counter FDI and foreign exchange contracts, which are listed or traded on FDI markets in the European Economic Area and for FDI investments the following exchanges and markets:

(a) the market organised by the International Capital Markets Association; the over-the-counter market in the U.S. conducted by primary and secondary dealers regulated by the Commodity Futures Trading Commission, the Securities and Exchange Commission and by the National Association of Securities Dealers, Inc. and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation; the market conducted by listed money market institutions as described in the Financial Services Authority publication entitled "The Regulation of the Wholesale Cash and OTC Derivatives Markets": "The Grey Paper" (as amended or revised from time to time); the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan; AIM - the Alternative Investment Market in the U.K., regulated by the London Stock Exchange; the French Market for Titres de Créance Négociable (over-the-counter market in negotiable debt instruments); the over-the-counter market in Canadian government bonds regulated by the Investment Dealers Association of Canada; and

(b) American Stock Exchange, Australian Stock Exchange, Bolsa Mexicana de Valores, Borsa Italiana, Chicago Board of Trade, Chicago Board Options Exchange, Chicago Mercantile Exchange, Copenhagen Stock Exchange (including FUTOP), Eurex Deutschland, Euronext Amsterdam, OMX Exchange Helsinki, Hong Kong Stock Exchange, Kansas City Board of Trade, Financial Futures and Options Exchange, Euronext Paris, Korea Exchange, London Stock Exchange, MEFF Rent Fiji, MEFF Renta Variable, Mercado Mexicano de Derivados, Montreal Stock Exchange, New York Futures Exchange, New York Mercantile Exchange, New York Stock Exchange, New Zealand Futures and Options Exchange, EDX London, OM Stockholm AB, Osaka Securities Exchange, Pacific Stock Exchange, Philadelphia Board of Trade, Philadelphia Stock Exchange, Singapore Stock Exchange, South Africa Futures Exchange (SAFEX), Sydney Futures Exchange, The National Association of Securities Dealers Automated Quotations System (NASDAQ); Tokyo Stock Exchange; Toronto Stock Exchange.

These exchanges and markets are listed in accordance with the requirements of the Central Bank which does not issue a list of approved exchanges and markets.

**Schedule 2**  
**Investment Restrictions applicable to the Funds**

<b>1</b>	<b>Permitted Investments</b>
	Investments of a Fund are confined to:
<b>1.1</b>	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.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments, other than those dealt on a Regulated Market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of AIFs.
<b>1.6</b>	Deposits with credit institutions.
<b>1.7</b>	FDI.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A Fund may invest no more than 10 per cent of Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.

<p><b>2.2</b></p>	<p>A Fund may invest no more than 10 per cent of Net Asset Value in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by the Funds in certain U.S. securities known as Rule 144A securities provided that:</p> <ul style="list-style-type: none"> <li>(i) the securities are issued with an undertaking to register with the U.S. Securities and Exchange Commission within one year of issue; and</li> <li>(ii) the securities are not illiquid securities i.e., they may be realised by the Funds within 7 days at the price, or approximately at the price, at which they are valued by the Funds.</li> </ul>
<p><b>2.3</b></p>	<p>A Fund may invest no more than 10 per cent of Net Asset Value 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 per cent is less than 40 per cent.</p>
<p><b>2.4</b></p>	<p>Subject to the prior approval of the Central Bank, the limit of 10 per cent (in 2.3) is raised to 25 per cent 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 Fund invests more than 5 per cent of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80 per cent of the net asset value of the Funds.</p>
<p><b>2.5</b></p>	<p>The limit of 10 per cent (in 2.3) is raised to 35 per cent 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.</p>
<p><b>2.6</b></p>	<p>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 per cent referred to in 2.3.</p>
<p><b>2.7</b></p>	<p>Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of the UCITS.</p>

**2.8** The risk exposure of a Fund to a counterparty to an OTC FDI may not exceed 5 per cent of its net assets.

This limit is raised to 10 per cent in the case of Relevant Institutions.

**2.9** Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of 2 or more of the following issued by, or made or undertaken with, the same body may not exceed 20 per cent of net assets:

- (i) investments in transferable securities or money market instruments;
- (ii) deposits; and/or
- (iii) counterparty risk exposures arising from OTC FDIs 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 per cent of net assets.

**2.11** Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20 per cent of Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group.

**2.12** A Fund may invest up to 100 per cent of Net Asset Value 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 or by Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States or any of the following:

OECD Governments (provided the relevant issues are investment grade), the Government of Brazil (provided the issues are of investment grade), the Government of India (provided the issues are of investment grade), the Government of Singapore, Government of the People's Republic of China, 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, the Tennessee Valley Authority and Straight A Funding.



	The Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30 per cent of net assets.
<b>3</b>	<b>Investment in Collective Investment Schemes (“CIS”)</b>
<b>3.1</b>	A Fund may not invest more than 20 per cent of Net Asset Value in any one CIS.
<b>3.2</b>	Investment in AIFs may not, in aggregate, exceed 30 per cent of Net Asset Value of a Fund.
<b>3.3</b>	The underlying CIS is prohibited from investing more than 10 per cent of Net Asset Value in other open-ended collective investment schemes.
<b>3.4</b>	When a Fund 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 Fund's investment in the units of such other CIS.
<b>3.5</b>	Where a commission (including a rebated commission) is received by a Fund manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	A Fund may invest up to 20 per cent of Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the Fund is to replicate an index which satisfies the criteria set out in the Central Bank Rules.

4.2	The limit in 4.1 may be raised to 35 per cent, and applied to a single issuer, where this is justified by exceptional market conditions.
5	<b>General Provisions</b>
5.1	An investment company, 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	<p>A Fund may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10 per cent of the non-voting shares of any single issuing body;</li> <li>(ii) 10 per cent of the debt securities of any single issuing body;</li> <li>(iii) 25 per cent of the units of any single CIS;</li> <li>(iv) 10 per cent of the money market instruments of any single issuing body.</li> </ul> <p>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.</p>
5.3	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a Fund 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 Fund 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; and</li> </ul>

- (v) Shares held by an investment company or investment companies 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 redemption of units at unit-holders' request exclusively on their behalf.

#### 5.4

A Fund 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 2.12, 3.1, 3.2, 4.1 and 4.2 for 6 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 Fund or as a result of the exercise of subscription rights, the Fund 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, 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:

- (i) transferable securities;
- (ii) money market instruments;
- (iii) units of CIS; or
- (iv) FDI.

#### 5.8

A Fund may hold ancillary liquid assets.

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

#### 6.1

A Fund's global exposure relating to FDI must not exceed its total Net Asset Value (this provision may not be applied to Funds that calculate their global exposure using the VaR methodology as disclosed in the relevant Supplement).

<b>6.2</b>	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 Rules. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank Rules.)
<b>6.3</b>	A Fund 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.
<b>6.4</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

**Schedule 3**  
**Investment Techniques and Instruments**

**Permitted Financial Derivative Instruments ("FDI")**

1 A Fund may invest in FDI provided that:

(a) the relevant reference items or indices consist of one or more of the following: instruments referred to in Regulation 68 including financial instruments having one or several characteristics of those assets, financial indices, interest rates, foreign exchange rates or currencies; and

(b) the FDI do not expose the Fund to risks which it could not otherwise assume (e.g. gain exposure to an instrument/issuer/currency to which the Fund cannot have a direct exposure); and

(c) the FDI do not cause the Fund to diverge from its investment objectives; and

(d) the reference in 1(a) above to financial indices shall be understood as a reference to indices which fulfil the following criteria:

(i) they are sufficiently diversified, in that the following criteria are fulfilled:

(A) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;

(B) where the index is composed of assets referred to in Regulation 68(1), its composition is at least diversified in accordance with Regulation 71;

(C) where the index is composed of assets other than those referred to in Regulation 68(1), it is diversified in a way which is equivalent to that provided for in Regulation 71;

(ii) they represent an adequate benchmark for the market to which they refer, in that the following criteria are fulfilled:

(A) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;

(B) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;

(C) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;

(iii) they are published in an appropriate manner, in that the following criteria are fulfilled:

(A) their publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value,

including pricing procedures for components where a market price is not available;

(B) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

Where the composition of assets which are used as underlyings by FDI does not fulfil the criteria set out in (i), (ii) or (iii) above, those FDI shall, where they comply with the criteria set out in Regulation 68(1)(g), be regarded as FDI on a combination of the assets referred to in Regulation 68(1)(g)(i), excluding financial indices.

## 2 **Credit Derivatives**

Credit Derivatives are permitted on a cleared or uncleared basis where:

- (a) they allow the transfer of the credit risk of an asset as referred to in paragraph 1(i) above, independently from the other risks associated with that asset;
- (b) they do not result in the delivery or in the transfer, including in the form of cash, of assets other than those referred to in Regulations 68(1) and (2);
- (c) they comply with the criteria for OTC FDIs set out in paragraph 3 below; and
- (d) their risks are adequately captured by the risk management process of the Fund, and by its internal control mechanisms in the case of risks of asymmetry of information between the Fund and the counterparty to the credit FDI resulting from potential access of the counterparty to non-public information on firms the assets of which are used as underlyings by credit FDIs. The Fund must undertake the risk assessment with the highest care when the counterparty to the FDI is a related party of the Fund or the credit risk issuer.

3 FDI must be dealt in on a Regulated Market. Restrictions in respect of individual stock exchanges and markets may be imposed by the Central Bank on a case by case basis.

4 Notwithstanding paragraph 3, a Fund may invest in FDI dealt in OTC FDIs provided that:

- (a) the counterparty to OTC derivatives with which a Fund may trade is an Eligible Counterparty;
- (b) risk exposure to the counterparty does not exceed the limits set out in Regulation 70(1)(c). The Fund shall calculate the exposure using the positive mark-to-market value of the OTC FDI contract with that counterparty. The Fund may net its FDI positions with the same counterparty, provided that the Fund is able to legally enforce netting arrangements with the counterparty. Netting is only permissible with respect to OTC FDI instruments with the same counterparty and not in relation to any other exposures the Fund may have to that counterparty;
- (c) the Fund is satisfied that (a) the counterparty will value the OTC FDI with reasonable accuracy and on a reliable basis at least daily; (b) the OTC FDI can be sold, liquidated or closed by an offsetting transaction at fair value, at any time at the Fund's initiative and;

(d) the Fund must subject its OTC FDIs to reliable and verifiable valuation on a daily basis and ensure that it has appropriate systems, controls and processes in place to achieve this. The valuation arrangements and procedures must be adequate and proportionate to the nature and complexity of the OTC FDI concerned and shall be adequately documented; and

(e) reliable and verifiable valuation shall be understood as a reference to a valuation, by the Fund, corresponding to fair value which does not rely only on market quotations by the counterparty and which fulfils the following criteria:

(i) the basis for the valuation is either a reliable up-to-date market value of the instrument, or, if such value is not available, a pricing model using an adequate recognised methodology;

(ii) verification of the valuation is carried out by one of the following:

(A) an appropriate third party which is independent from the counterparty of the OTC -FDI, at an adequate frequency and in such a way that the Fund is able to check it;

(B) a unit within the Fund which is independent from the department in charge of managing the assets and which is adequately equipped for such purpose.

5 Risk exposure to an OTC FDI counterparty may be reduced where the counterparty will provide the Fund with collateral. The Fund may disregard the counterparty risk in circumstances where the value of the collateral, valued at market price and taking into account appropriate discounts, exceeds the value of the amount exposed to risk at any given time.

6 Collateral received must at all times meet with the specific criteria outlined in the Central Bank Rules in respect of the following criteria:

(a) Liquidity;

(b) Valuation;

(c) Issuer credit quality;

(d) Correlation;

(e) Diversification (asset concentration);

(f) Immediately available;

(g) Non-cash collateral: cannot be sold, pledged or re-invested;

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

(i) deposits with Relevant Institutions;

(ii) high quality government bonds;

(iii) reverse purchase agreements provided the transactions are with credit institutions subject to prudential supervision and the UCITS is able to recall at any time the full amount of cash on an accrued basis;

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

7 Collateral passed to an OTC FDI counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in Regulation 70(1)(c) of the Regulations. Collateral passed may be taken into account on a net basis only if the Fund is able to legally enforce netting arrangements with this counterparty.

8 Calculation of issuer concentration risk and counterparty exposure risk

(a) A Fund using the commitment approach must ensure that its global exposure does not exceed its total Net Asset Value. The Fund may not therefore be leveraged in excess of 100% of its Net Asset Value. A Fund using the VaR approach must employ back testing and stress testing and comply with other regulatory requirements regarding the use of VaR. The VaR method is detailed in the relevant Fund's risk management procedures for FDI, which are described below under "Risk Management Process and Reporting".

(b) Each Fund must calculate issuer concentration limits as referred to in Regulation 70 of the Regulations on the basis of the underlying exposure created through the use of FDI pursuant to the commitment approach.

9 The calculation of exposure arising from OTC FDI transactions must include any exposure to OTC FDI counterparty risk.

10 A Fund must calculate exposure arising from initial margin posted to and variation margin receivable from a broker relating to exchange traded or OTC FDIs, which is not protected by client money rules or other similar arrangements to protect the Fund against the insolvency of the broker within the OTC counterparty limit referred to in Regulation 70(1)(c) of the Regulations.

11 The calculation of issuer concentration limits as referred to in Regulation 70 of the Regulations must take account of any net exposure to a counterparty generated through a stocklending or repurchase agreement. Net exposure refers to the amount receivable by a Fund less any collateral provided by the Fund. Exposures created through the reinvestment of collateral must also be taken into account in the issuer concentration calculations.

12 When calculating exposures for the purposes of Regulation 70 of the Regulations, a Fund must establish whether its exposure is to an OTC counterparty, a broker or a clearing house.

13 Position exposure to the underlying assets of FDI, including embedded FDI in Transferable Securities, money market instruments or collective investment schemes, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in Regulations 70 and 73 of the Regulations. When calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure. This position exposure must be taken into account in the issuer concentration calculations. Issuer concentration must be calculated using the commitment approach when appropriate or the maximum potential loss as a result of default by the issuer if more conservative. It must also be calculated by all Funds, regardless of whether they use VaR for global exposure purposes. 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 Regulation 71(1) of the Regulations.

14 A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for Transferable Securities or money market instruments set out in Regulation 4 of the Central Bank Regulations and which contain a component which fulfils the following criteria:

- (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone FDI;
- (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
- (c) it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.

15 A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument.

#### **Cover requirements**

A Fund must ensure that its global exposure (as prescribed in the Central Bank Rules) relating to FDI does not exceed its total Net Asset Value. A Fund may not therefore be leveraged, including any short positions, in excess of 100 per cent of its Net Asset Value. To the extent permitted under the relevant rules, these Funds may take account of netting and hedging arrangements when calculating global exposure. The commitment approach is detailed in these Funds' risk management procedures for FDI, which are described below under "Risk Management Process and Reporting".

A Fund using the VaR approach must employ back testing and stress testing and comply with other regulatory requirements regarding the use of VaR. The VaR method is detailed in the relevant Fund's risk management procedures for FDI, which are described below under "Risk Management Process and Reporting".

16 A Fund must, at any given time, be capable of meeting all its payment and delivery obligations incurred by transactions involving FDI.

17 Monitoring of FDI transactions to ensure they are adequately covered must form part of the risk management process of the Fund.

18 A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a Fund must be covered as follows:

- (a) in the case of FDI which automatically, or at the discretion of the Fund, are cash settled, a Fund must hold, at all times, liquid assets which are sufficient to cover the exposure.
- (b) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by a Fund. Alternatively a Fund may cover the exposure with sufficient liquid assets where:

- (i) the underlying assets consists of highly liquid fixed income securities; and/or
- (ii) the Fund considers that the exposure can be adequately covered without the need to hold the underlying assets, the specific FDI are addressed in the risk management process, which is described under "Risk Management Process and Reporting" below, and details are provided in the Prospectus;

### **Risk Management Process and Reporting**

19 A Fund must employ a risk management process to accurately monitor, measure and manage the risks attached to FDI positions and their contribution to the overall risk profile of the portfolio. A Fund must employ a risk management process to monitor, measure and manage the risks attached to FDI positions and their contribution to the overall risk profile of the portfolio. A Fund must provide the Central Bank with details of its proposed risk management process in respect of its FDI activity. The initial filing is required to include information in relation to:

- (a) permitted types of FDI, including embedded FDIs in Transferable Securities and money market instruments;
- (b) details of the underlying risks;
- (c) relevant quantitative limits and how these will be monitored and enforced; and
- (d) methods for estimating risks.

Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments and/or associated activities objected to by the Central Bank may not be made.

20 The Company must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must contain information which reflects a true and fair view of the types of FDI used by the Funds, the underlying risks, the quantitative limits and the methods used to estimate those risks, must be submitted with the annual report of the Company. The Company must, at the request of the Central Bank, provide this report at any time.

### **Securities Financing Transactions**

21 Securities Financing Transactions may only be effected in accordance with normal market practice the requirements of the SFTR and the Central Bank Rules. All assets received in the context of Securities Financing Transactions should be considered as collateral and should comply with the criteria set down in paragraph II below.

22 Collateral must at all times meet with the specific criteria outlined in the Central Bank Rules in respect of the following criteria:

- (a) Liquidity: Collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations.
- (b) Valuation: Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. Where appropriate, non-cash collateral held for the benefit of a Fund shall be valued in accordance with the valuation policies and principles applicable to the Company. Subject to any

agreement on valuation made with the counterparty, collateral posted to a recipient counterparty will be valued daily at mark-to-market value.

- (c) Issuer credit quality: Collateral received should be of high quality.
- (d) Correlation: Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
- (e) 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 Fund's Net Asset Value. When the Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
- (f) 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.

23 Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed by the risk management process.

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

25 Collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place. Where appropriate, non-cash collateral held for the benefit of a Fund shall be valued in accordance with the valuation policies and principles applicable to the Company. Subject to any agreement on valuation made with the counterparty, collateral posted to a recipient counterparty will be valued daily at mark-to-market value.

26 Non-Cash Collateral cannot be sold, pledged or re-invested.

27 Cash Collateral:

- (a) Cash may not be invested other than in the following:
- (b) deposits with Relevant Institutions;
- (c) high quality bonds;
- (d) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the UCITS is able to recall at any time the full amount of cash on an accrued basis;
- (e) short-term money market funds as defined in the ESMA guidelines on Common Definition of European Money Market Funds (ref ESMA/10-049).

28 In accordance with the requirement that efficient portfolio management techniques cannot result in a change to the UCITS declared investment objective or add substantial supplementary risks, invested

cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral.

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

30 A UCITS receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the UCITS to assess the liquidity risk attached to the collateral. The liquidity stress testing should at least prescribe the components set out in Regulation 24 paragraph (8) of the Central Bank Regulations.

31 A UCITS should have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, a UCITS 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 paragraph 29. This policy should be documented and should justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets. To the extent that a Fund avails of the increased issuer exposure facility in section 5(ii) of Schedule 3 of the Central Bank Regulations, such increased issuer exposure may be to any of the issuers listed in section 2.12 of Schedule to the Prospectus.

32 While the Company will conduct appropriate due diligence in the selection of counterparties, including consideration of the legal status, country of origin, credit rating and minimum credit rating (where relevant), it is noted that the Central Bank Rules do not prescribe any pre trade eligibility criteria for counterparties to a Fund's Securities Financing Transactions Counterparties to such transactions shall: (1) be entities regulated, approved, registered or supervised in their home jurisdiction; and (2) be located in an OECD Member State, which together will constitute the Company's criteria to select counterparties. Counterparties need not have a minimum credit rating. In accordance with the Credit Ratings Agencies Directive (2013/14/EU), the Investment Manager shall not solely or mechanically rely on credit ratings in determining the credit quality of an issuer or counterparty. However, where the short-term unsecured ratings applicable to a counterparty are downgraded below A-2 (Fitch/Standard & Poors) or other equivalent thereof or the long-term unsecured ratings applicable to a counterparty are downgraded below a level deemed by the Investment Manager to be equivalent to the short-term unsecured ratings listed herein, this shall result in a new credit assessment being conducted of the counterparty without delay.

33 A UCITS should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

34 A UCITS that enters into a reverse repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reserve repurchase agreement should be used for the calculation of the net asset value of the UCITS.

35 A UCITS that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered (fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the UCITS).

36 Efficient portfolio management techniques do not constitute borrowing or lending for the purpose of Regulation 103 and Regulation 111 of the Regulations respectively.

**Schedule 4**  
**Sub-Delegates Appointed by The Bank of New York Mellon SA/NV or The Bank of New York Mellon**

Country/Market	Subcustodian	Address
<b>Argentina</b>	The Branch of Citibank, N.A. in the Republic of, Argentina	Bartolome Mitre 530, 3rd floor (C1036AAJ) Ciudad de Buenos Aires Argentina
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central, Hong Kong
<b>Australia</b>	Citigroup Pty Limited	Level 16, 120 Collins Street, Level 16, 120 Collins Street, Australia
<b>Austria</b>	UniCredit Bank Austria AG	Rothschildplatz 1 1020 Vienna, Austria
<b>Bahrain</b>	HSBC Bank Middle East Limited	4th Floor, Building No 2505, Road No 2832, Al Seef 428, Bahrain
<b>Bangladesh</b>	The Hongkong and Shanghai Banking Corporation Limited	Management Office, Shanta Western Tower, Level 4, 186 Bir Uttam Mir Shawkat Ali Shorok, (Tejgaon Gulshan Link Road) Tejgaon Industrial Area, Dhaka 1208, Bangladesh
<b>Belgium</b>	Citibank Europe Plc	North Wall Quay 1, Dublin Ireland
<b>Belgium</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>Bermuda</b>	HSBC Bank Bermuda Limited	3F Harbour View Building 37 Front Street Hamilton, HM11 Bermuda
<b>Botswana</b>	Stanbic Bank Botswana Limited	Plot 50672, Fairgrounds Office Park Gaborone, Botswana
<b>Brazil</b>	Citibank N.A., Brazil	Citibank N.A. Avenida Paulista, 1111 – 12th floor Cerqueira Cesar – Sao Paulo, Brazil CEP: 01311-920
<b>Brazil</b>	Itau Unibanco S.A.	Praça Alfredo Egydio de Souza Aranha, 100, São Paulo, S.P. - Brazil 04344-902
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	48 Sitnyakovo Blvd Serdika Offices, 10th floor Sofia 1505, Bulgaria

Country/Market	Subcustodian	Address
<b>Canada</b>	CIBC Mellon Trust Company (CIBC Mellon)	1 York Street, Suite 900 Toronto, Ontario, M5J 0B6 Canada
<b>Cayman Islands</b>	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286 United States
<b>Chile</b>	Banco de Chile	Ahumada 251 Santiago, Chile Postal code 8320204
<b>Chile</b>	Itaú Corpbanca S.A.	Avda. Presidente Riesco N° 5537 18th Floor Las Condes Santiago, Chile
<b>China</b>	HSBC Bank (China) Company Limited	33 Floor, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong Shanghai, China (200120)
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria	Sociedad Fiduciaria Carrera 9A No 99-02 Piso 2 2 Santa Fe de Bogota, Colombia
<b>Costa Rica</b>	Banco Nacional de Costa Rica	1st and 3rd Avenue, 4th Street San José, Costa Rica
<b>Croatia</b>	Privredna banka Zagreb d.d.	Radnicka cesta 50 10 000 Zagreb Croatia
<b>Cyprus</b>	BNP Paribas Securities Services S.C.A., Athens	2 Lampsakou street 115 28 Athens Greece
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka	Bucharova 2641/14 158 02 Prague 5, Czech Republic
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (Publ), Copenhagen branch (SEB Denmark)	Bernstorffsgade 50 DK 1577 Copenhagen V - Denmark
<b>Egypt</b>	HSBC Bank Egypt S.A.E.	306 Corniche El Nil, Maadi, Cairo, Egypt
<b>Estonia</b>	SEB Pank AS	Tornimäe Str. 2 15010 Tallinn Estonia
<b>Eswatini</b>	Standard Bank Eswatini Limited	Corporate Place, Swazi Plaza Mbabane, Eswatini

Country/Market	Subcustodian	Address
<b>Euromarket</b>	Clearstream Banking S.A.	42 Avenue J.F. Kennedy 1855 Luxembourg Grand Duchy of Luxembourg
<b>Euromarket</b>	Euroclear Bank	1 Boulevard du Roi Albert II B-1210 Brussels - Belgium
<b>Finland</b>	Skandinaviska Enskilda Banken AB (Publ), Helsinki branch (SEB Finland)	Eteläesplanadi 18 00130 Helsinki – Finland
<b>France</b>	BNP Paribas Securities Services S.C.A.	Office Address: Les Grands Moulins de Pantin – 9 rue du Débarcadère 93500 Pantin, France  Legal address: 3 rue d'Antin, 75002 Paris, France
<b>France</b>	Citibank Europe Plc	North Wall Quay 1, Dublin Ireland
<b>France</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>Germany</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
<b>Ghana</b>	Stanbic Bank Ghana Limited	Stanbic Heights, Plot No. 215 South Liberation RD, Airport City, Cantonments, Accra, Ghana
<b>Greece</b>	BNP Paribas Securities Services S.C.A., Athens	2 Lampsakou street 115 28 Athens Greece
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	1, Queen's Road, Central Hong Kong
<b>Hong Kong</b>	Deutsche Bank AG	52/F International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong
<b>Hungary</b>	Citibank Europe plc. Hungarian Branch Office	Váci út 80, 1133 Budapest, Hungary
<b>Iceland</b>	Islandsbanki hf	Hagasmári 3 201 Kópavogur Iceland

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<b>Iceland</b>	Landsbankinn hf.	Hafnarstræti 10-12 155 Reykjavik Iceland
<b>India</b>	Deutsche Bank AG	4th Floor, Block I, Nirlon Knowledge Park, W.E. Highway Mumbai - 400 063, India
<b>India</b>	The Hongkong and Shanghai Banking Corporation Limited	11F, Building 3, NESCO - IT Park, NESCO Complex, Western Express Highway, Goregaon (East), Mumbai 400063, India
<b>Indonesia</b>	Deutsche Bank AG	7th Floor, Deutsche Bank Building Jl. Imam Bonjol No.80, Jakarta – 10310, Indonesia
<b>Ireland</b>	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286, United States
<b>Israel</b>	Bank Hapoalim B.M.	50 Rothschild Blvd Tel Aviv 66883 Israel
<b>Italy</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>Italy</b>	Intesa Sanpaolo S.p.A.	Piazza San Carlo, 156, 10121 Torino, Italy.
<b>Japan</b>	Mizuho Bank, Ltd.	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo 108-6009, Japan
<b>Japan</b>	The Bank of Tokyo-Mitsubishi UFJ, Ltd.	1-3-2, Nihombashi Hongoku-cho, Chuo-ku, Tokyo 103-0021, Japan
<b>Jordan</b>	Standard Chartered Bank, Jordan Branch	Shmeissani, Al-Thaqafa Street , Building # 2, P.O.Box 926190 Amman 11190 Jordan
<b>Kazakhstan</b>	Joint-Stock Company Citibank Kazakhstan	Park Palace Building A, 41 Kazybek Bi Street, Almaty, Kazakhstan
<b>Kenya</b>	Stanbic Bank Kenya Limited	First Floor, CfC Stanbic Centre P.O. Box 72833 00200 Chiromo Road, Westlands, Nairobi, Kenya
<b>Kuwait</b>	HSBC Bank Middle East Limited, Kuwait	Sharq Area, Abdulaziz Al Sager Street, Al Hamra Tower, 37F P.O. Box 1683, Safat 13017, Kuwait



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<b>Latvia</b>	AS SEB banka	Meistaru iela 1 Valdlauci Kekavas pagasts, Kekavas novads LV-1076 Latvia
<b>Lithuania</b>	AB SEB bankas	12 Gedimino Av. LT-01103 Vilnius Lithuania
<b>Luxembourg</b>	Euroclear Bank	1 Boulevard du Roi Albert II B-1210 Brussels - Belgium
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad	Level 20, Menara IMC No 8 Jalan Sultan Ismail 50250 Kuala Lumpur, Malaysia
<b>Malaysia</b>	HSBC Bank Malaysia Berhad	HSBC Bank Malaysia Berhad, 12th Floor, South Tower, 2 Leboh Ampang, 50100 Kuala Lumpur, Malaysia
<b>Malta</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	6th Floor, HSBC Centre, 18 Cybercity, Ebene, Mauritius
<b>Mexico</b>	Banco S3 México S.A.	Av. Vasco De Quiroga No. 3900 Torre Diamante A, Piso 20. Lomas de Santa Fe, Contadero Ciudad de Mexico - CDMX, 05300 Mexico
<b>Mexico</b>	Citibanamex	Citibanamex official address: Isabel la Católica No.44 Colonia Centro México City C.P. 06000 Mexico Securities Services Head Offices: Actuario Roberto Medellín 800, 5° floor north Colonia Santa Fe Ciudad de Mexico , Mexico
<b>Morocco</b>	Citibank Maghreb	Zenith Millenium, Immeuble 1 Sidi Maarouf, B.P. 40 20190 Casablanca Morocco
<b>Namibia</b>	Standard Bank Namibia Limited	2nd Floor, Standard Bank Centre, Town Square Corner of Post Street Mall and Werner List

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		Street Windhoek, Namibia
<b>Netherlands</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	Level 9, HSBC Building, 1 Queen Street, Auckland 1010,
<b>Nigeria</b>	Stanbic IBTC Bank Plc	Walter Carrington Crescent, Victoria Island, Lagos, Nigeria
<b>Norway</b>	Skandinaviska Enskilda Banken AB (Publ), Oslo branch (SEB Norway)	Filipstad Brygge 1 NO-0123 Oslo - Norway
<b>Oman</b>	HSBC Bank Oman S.A.O.G.	2nd Floor, Head Office Building, P.O. Box 1727, Al Khuwair, Postal Code 111, Sultanate of Oman
<b>Pakistan</b>	Deutsche Bank AG	242-243, Avari Plaza, Fatima Jinnah Road Karachi – 75330, Pakistan
<b>Peru</b>	Citibank del Peru S.A.	Avenida Canaval y Moreyra, 480, 3rd floor Lima 27, Peru
<b>Philippines</b>	Deutsche Bank AG	19th Floor, Net Quad Center 31st Street corner 4th Avenue E-Square Zone, Crescent Park West Bonifacio Global City, Taguig City 1634 Philippines
<b>Poland</b>	Bank Polska Kasa Opieki S.A.	53/57 Grzybowska Street 00-950 Warszawa
<b>Portugal</b>	Citibank Europe Plc	North Wall Quay 1, Dublin Ireland
<b>Qatar</b>	HSBC Bank Middle East Limited, Doha	2nd Floor, Ali Bin Ali Tower, Building no: 150, Al Matar Street (Airport Road) P.O. Box 57, Street no. 950, Umm Ghuwalina Area, Doha, Qatar
<b>Romania</b>	Citibank Europe plc, Romania Branch	145, Calea Victoriei 010072 Bucharest Romania
<b>Russia</b>	PJSC ROSBANK	Mashi Poryvaevoy, 34 107078 Moscow Russia

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<b>Russia</b>	AO Citibank	8-10, building 1 Gasheka Street, Moscow 125047, Russia
<b>Saudi Arabia</b>	HSBC Saudi Arabia Limited	HSBC Building, 7267 Olaya Road, Al-Murooj Riyadh 12283-22555, Kingdom of Saudi Arabia
<b>Serbia</b>	UniCredit Bank Serbia JSC	Rajiceva Street 27-29, 11000 Belgrade, Serbia
<b>Singapore</b>	DBS Bank Ltd	12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
<b>Slovak Republic</b>	Citibank Europe plc, pobočka zahraničnej banky	Dvorakovo nábrevie 8 811 02 Bratislava, Slovak Republic
<b>Slovenia</b>	UniCredit Banka Slovenia d.d.	Smartinska 140, 1000 - Ljubljana, Slovenia
<b>South Africa</b>	The Standard Bank of South Africa Limited	9th Floor 5 Simmonds Street Johannesburg 2001, South Africa
<b>South Africa</b>	Standard Chartered Bank, Johannesburg Branch	Second Floor, 115 West Street, Sandton 2196, Gauteng South Africa
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	5th Floor, HSBC Building, 37, Chilpae-ro, Jung-Gu, Seoul, Korea, 100-161
<b>South Korea</b>	Deutsche Bank AG	18th Floor, Young-Poong Building 41 Cheonggyecheon-ro, Jongro-ku, Seoul 03188, South Korea
<b>Spain</b>	Banco Bilbao Vizcaya Argentaria, S.A.	Plaza San Nicolás, 4 48005 Bilbao Spain
<b>Spain</b>	Santander Securities Services S.A.U.	Ciudad Grupo Santander. Avenida de Cantabria s/n, Boadilla del Monte 28660 – Madrid, Spain
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited	24 Sir Baron Jayathilake Mawatha Colombo 01, Sri Lanka
<b>Swaziland</b>	Standard Bank Swaziland Limited	Standard House, Swazi Plaza Mbabane, Swaziland
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgårdsgatan 8 106 40 Stockholm - Sweden

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<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd.	Paradeplatz 8 8001 Zurich Switzerland
<b>Switzerland</b>	UBS Switzerland AG	Max-Högger-Strasse 80 8048 Zürich, Switzerland
<b>Taiwan</b>	HSBC Bank (Taiwan) Limited	11F, No. 369, Section 7, Zhongxiao East Road Nangang District, Taipei City 115 Taiwan (ROC)
<b>Thailand</b>	The Hongkong and Shanghai Banking Corporation Limited	Level 5, HSBC Building, 968 Rama IV Road, Bangrak Bangkok 10500, Thailand
<b>Tunisia</b>	Banque Internationale Arabe de Tunisie	70-72, Avenue Habib Bourguiba 1080 Tunis Tunisia
<b>Tunisia</b>	Union Internationale de Banques	65 Avenue Habib Bourguiba, 1000 Tunis, Tunisia
<b>Turkey</b>	Deutsche Bank A.S.	Esentepe Mahallesi Büyükdere Caddesi Tekfen Tower No:209 K:17 Sisli TR-34394-Istanbul, Turkey
<b>Uganda</b>	Stanbic Bank Uganda Limited	Plot 17 Hannington Road Short Tower-Crested Towers P.O. Box 7131, Kampala, Uganda
<b>Ukraine</b>	Public Joint Stock Company "Citibank"	16G Dilova Street 03150 Kiev Ukraine
<b>U.A.E.</b>	HSBC Bank Middle East Limited, Dubai	HSBC Tower, Downtown Dubai, Level 16, PO Box 66, Dubai, United Arab Emirates.
<b>U.K.</b>	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom
<b>U.K.</b>	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286, United States
<b>U.S.A.</b>	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286, United States
<b>Uruguay</b>	Banco Itaú Uruguay S.A.	Zabala 1463 CP 11.000 Montevideo, Uruguay

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<b>Vietnam</b>	HSBC Bank (Vietnam) Ltd	The Metropolitan, 235 Dong Khoi Street District 1, Ho Chi Minh City, Vietnam
<b>Zambia</b>	Stanbic Bank Zambia Limited	Stanbic House, Plot 2375, Addis Ababa Drive P.O Box 31955 Lusaka, Zambia
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited	59 Samora Machel Avenue, Harare, Zimbabwe