Federated Hermes

# Prospectus

## Federated Hermes Investment Funds plc

Manager – Hermes Fund Managers Ireland Limited

The date of this Prospectus is 30 March 2026.

This Prospectus replaces the Prospectus dated 15 December 2025.

If you are in any doubt about the contents of this Prospectus, you should seek advice from your financial adviser.

The Directors of the Company, whose names appear under the heading "Management and Administration", are the persons responsible for the information contained in this Prospectus and accept responsibility accordingly. 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 the information.

# Federated Hermes Investment Funds Public Limited Company

## IMPORTANT INFORMATION

This Prospectus contains information relating to the Company, an open-ended investment company with variable capital and having segregated liability between its Funds incorporated in Ireland on 23 October 2008. It qualifies and is authorised in Ireland by the Central Bank as an Undertakings for Collective Investment in Transferable Securities ("UCITS") for the purposes of the Regulations. The Company is structured as an umbrella fund in that the share capital of the Company may be divided into different Share Classes with one or more classes representing a separate Fund of the Company. The creation of any Fund will require the prior approval of the Central Bank.

This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. If there are different Share Classes representing a Fund, details relating to the separate classes may be dealt with in the same Supplement or in separate Supplements for each class. The creation of further Share Classes will be effected in accordance with the requirements of the Central Bank. This Prospectus and the relevant Supplement should be read and constituted as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplement) and the latest published annual report and audited financial statements and, if published after such report, a copy of the latest half-yearly report and unaudited financial statements. These reports will form part of this Prospectus.

Certain terms used in this Prospectus are defined from page 1.

## Overview of Share Classes

Share Classes may be distinguished on the basis of such factors as:

- the target market for each Share Class;
- the level of fees to be charged; and
- the Minimum Initial Subscription, Minimum Redemption and Minimum Holding limits applicable.

Share Classes may be further divided by the following criteria:

- currency of denomination of the Share Class;
- dividend policy; and
- hedging policy;

All Share Classes are available at the Manager's discretion. Where an investor subscribes through a distributor or intermediary, the Company may require that those distributors or intermediaries be approved by the Manager and/or the Investment Manager.

The Net Asset Value per Share will differ between Share Classes, reflecting differing fee levels and in some cases due to the initial subscription price per Share differing from the Net Asset Value per Share of Share Classes already in issue. The NAV per Share for all Share Classes is calculated to four decimal places, except for Class A, Class I and Class K Shares.

As at the date hereof, the following categories of Share Class may be offered for investment within a Fund. The table below is a summary of the general features of individual Share Classes. Further information in relation to the particular features of Share Classes available within each Fund shall be set out in the relevant Supplement. Further information in relation to the types of fees applicable to the Funds can be found under the section Fees and Expenses within this Prospectus.

## Standard Share Classes

Standard Share Classes are the most widely available Share Classes within the Company. Furthermore, other categories of Shares may be created within the Company from time to time (including Client Agreement Classes, Limited Share Classes and Other Share Classes as described in further detail below).

| | |
|---|---|
| **Class F** | Class F Shares are available to the widest category of investors. Class F Shares are subject to a Minimum Subscription and Minimum Holding Amount of GBP 100,000 or foreign currency equivalent. |
| **Class Q** | The Class Q Shares are only available to investors who subscribe through distributors or intermediaries that, according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept or retain retrocessions (and accordingly will charge a separate fee directly to their end-client). Class Q Shares are subject to a Minimum Subscription and Minimum Holding Amount of GBP 400,000 or foreign currency equivalent. |
| **Class R** | Class R Shares are typically available to investors who subscribe through distributors or intermediaries who, according to regulatory requirements or based on individual fee arrangements with their clients, are allowed to accept or retain retrocessions Class R Shares are subject to a Minimum Subscription and Minimum Holding Amount of EUR 1,000 or foreign currency equivalent. |

## Client Agreement Classes

Client Agreement Classes are Share Classes that are typically available to investors who have signed an agreement with the Manager which pertains to a separate fee arrangement that is charged outside of the Company.

| | |
|---|---|
| **Class T** | Class T Shares are available to investors, and in particular certain pension fund investors, who typically have entered into a Client Agreement which will address certain fees payable by the relevant investor to the Investment Manager. No fee is charged by the Fund in respect of Class T Shares. Class T Shares are subject to a Minimum Subscription and Minimum Holding Amount of GBP 1,000 or foreign currency equivalent. |
| **Class Z** | Class Z Shares are typically only available to investors who have entered into a Client Agreement which addresses all fees to be paid by the relevant investor to the Investment Manager. No management fee is charged by the Fund in respect to Class Z Shares. |

## Limited Share Classes

Limited Share Classes are Share Classes which may be introduced or offered within a Fund in order to encourage early investment into a Fund at a time when it is seeking to build or increase assets under management, or otherwise to encourage later investment into a Fund to substantially increase its assets under management. These will typically involve lower fees than would be charged in the equivalent Standard Share Class. Details of the Limited Share Classes are set out below.

| | |
|---|---|
| **Class X** | Class X Shares are subject to a Minimum Subscription and Minimum Holding amount of GBP 10 million or foreign currency equivalent. Class X Shares may be offered in a Fund until such time as the NAV of the relevant Fund reaches 100 million in the base currency of the relevant Fund (or such other amount as the Directors should determine in their absolute discretion). |
| **Class Y** | Class Y Shares are generally subscribed for by investors who subscribe through distributors or intermediaries that, according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept or retain retrocessions (and accordingly will charge a fee directly to their end-client). Class Y Shares are subject to a Minimum Subscription and Minimum Holding amount of GBP 10 million or foreign currency equivalent. Class Y Shares may be offered in a Fund until such time as the NAV of the relevant Fund reaches 100 million in the base currency of the relevant Fund (or such other amount as the Directors should determine in their absolute discretion). |
| **Class W** | Class W Shares are typically available to investors who subscribe through distributors or intermediaries who, according to regulatory requirements or based on individual fee arrangements with their clients, are allowed to accept or retain or retrocessions Class W Shares are subject to a Minimum Subscription and Minimum Holding amount of GBP 1,000 or foreign currency equivalent. The Class W Shares may be offered in a Fund until such point as the NAV of the relevant Fund reaches 100 million in the base currency of the relevant Fund (or such other amount as the Directors should determine in their absolute discretion). |

## Other Share Classes

The Company may offer other categories of Share Classes from time to time within a Fund. This may be at the request of a specific category of investors, to offer greater choice in terms of fee arrangements within a given Fund or to provide for other features, including the number of decimal places to which the NAV of the relevant Share Class is calculated. Information is set out below in relation to such Other Share Classes in existence as at the date of this Prospectus. Details of such Other Share Classes will be set out in the relevant Supplement.

| | |
|---|---|
| **Class A** | The Class A Shares are typically available to investors who subscribe through US Offshore distributors or intermediaries which utilise clearing networks and who, according to regulatory requirements or based on individual fee arrangements with their clients, are allowed to accept or retain retrocessions. Class A Shares are subject to a Minimum Subscription and Minimum Holding amount of USD 1,000 or foreign currency equivalent. |
| **Class D** | The Class D Shares are typically available to investors who subscribe through distributors or intermediaries who, according to regulatory requirements or based on individual fee arrangements with their clients, are allowed to accept or retain trail commissions. Class D Shares are subject to a Minimum Subscription and Minimum Holding amount of GBP 200million or foreign currency equivalent. |
| **Class G** | The Class G Shares are typically available to investors in the Nordic region who subscribe through distributors or intermediaries who, according to regulatory requirements or based on individual fee arrangements with their clients, are allowed to accept or retain retrocessions. Class G Shares are subject to a Minimum Subscription and Minimum Holding amount of EUR 1,000 or foreign currency equivalent. |
| **Class I** | The Class I Shares are typically available to investors who subscribe through US Offshore distributors or intermediaries which utilise clearing networks and that, according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept or retain retrocessions (and accordingly will charge a fee directly to their end-client). Class I Shares are subject to a Minimum Subscription and Minimum Holding amount of USD 1,000,000 or foreign currency equivalent. |
| **Class K** | The Class K Shares are typically available to investors who subscribe through US Offshore distributors or intermediaries that, according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept or retain retrocessions (and accordingly will charge a fee directly to their end-client). Class K Shares are subject to a Minimum Subscription and Minimum Holding Amount of USD 100million or foreign currency equivalent. |
| **Class L** | The Class L Shares are typically available to investors who subscribe through distributors or intermediaries that, according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept or retain retrocessions (and accordingly will charge a fee directly to their end-client). Class L Shares are subject to a Minimum Subscription and Minimum Holding Amount of GBP 100million or foreign currency equivalent. |
| **Class M** | The Class M Shares are typically available to investors who subscribe through distributors or intermediaries that, according to regulatory requirements or based on individual fee arrangements with their clients, are not allowed to accept or retain retrocessions (and accordingly may charge a fee directly to their end-client). Class M Shares are subject to a Minimum Holding Amount of GBP 200million or foreign currency equivalent. |
| **Class N** | The Class N Shares are typically available to investors in Uruguay who subscribe through distributors or intermediaries who, according to regulatory requirements or based on individual fee arrangements with their clients, are allowed to accept or retain retrocessions. Class N Shares are subject to a Minimum Subscription and Minimum Holding amount of USD 1,000 or foreign currency equivalent. |

**Shareholders in Distributing (5) and Distributing (6) Share Classes should note that all/part of fees and expenses (including management fees) shall be charged to the capital of a Fund. This will have the effect of lowering the capital value of your investment.**

**The Company is both authorised and supervised by the Central Bank. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus. The authorisation of the Company by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.**

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Ireland, which may be subject to change.

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Shares other than those contained in this Prospectus, any Supplement and the reports referred to above and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. The delivery of this Prospectus (whether or not accompanied by the reports) or any issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date of this Prospectus or the relevant Supplement.

It is intended that applications may be made in jurisdictions outside Ireland to enable the Shares of the Company to be marketed freely in these jurisdictions. In the event that such registrations take place, local regulations in European Economic Area countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscription monies may be paid. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via an intermediary rather than directly to the Depositary bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary and (b) redemption monies payable by such intermediate entity to the relevant investor. The fees and expenses in connection with the registration and distribution of Shares in such jurisdictions, which will be at normal commercial rates, may be borne by the Company and/or the Funds.

The distribution of this Prospectus and the offering and placing of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe such restrictions.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Potential investors should inform themselves as to:

(a) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for the acquisition of Shares;

(b) any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition or sale of Shares; and

(c) the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Shares.

This Prospectus and any Supplements may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus/Supplement. To the extent that there is any inconsistency between the English language Prospectus/Supplement and the Prospectus/Supplement in another language, the English language Prospectus/Supplement will prevail, except to the extent (and only to the extent) that it is required by law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a Prospectus in a language other than English, the language of the Prospectus/Supplement on which such action is based shall prevail.

**The value of Investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund. The difference at any one time between subscription and redemption prices for Shares means that any investment should be viewed as long term.**

Investors should read and consider the risk disclosures under the "Risk Factors" section below and the "Risk Factors" section in the relevant Supplement before investing in the Company.

**Further information regarding the restrictions to offering and placing of Shares can be found in "Appendix IV – Selling Restrictions" of this Prospectus.**

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# Definitions

**"Act"**, the Irish Companies Act 2014, as may be amended.

**"Accumulating Classes"**, such Share Classes of a Fund as the Directors may from time to time designate and in respect of which income of the Fund will be reinvested and not distributed.

**"Administration Agreement"**, the restated agreement made between the Company, the Manager and the Administrator dated 1 February 2019, as may be amended.

**"Administrator"**, Northern Trust International Fund Administration Services (Ireland) Limited, and/or such other person as may be appointed, in accordance with the requirements of the Central Bank, to provide administration services to the Company.

**"AIF"**, alternative investment fund.

**"Amortising Bonds"**, bonds in which a portion of the underlying principal amount is paid in addition to periodic interest payments to the security's holder.

**"Application Form"**, such application form as the Directors may prescribe for the purposes of subscribing for Shares in the Company and/or relevant Fund.

**"Articles"**, the Articles of Association of the Company, as amended from time to time.

**"Asset-Backed Securities"**, any debt securities that are backed by assets for example pools of mortgages (mortgage backed securities), home equity loans, boat and vehicle loans, credit card receivables, student loans, equipment leases etc. They are typically securitised, issued in tranches from an investment vehicle that is collateralised with a pool of the assets that back the security. Asset-Backed Securities also include collateralised debt obligations (CDOs) that typically contain a mixture of underlying loans or other forms of debt which are typically accessed within a multi tranche structure. Asset-Backed Securities also include collateralised mortgage obligations (CMOs) which generally represent a participation in, or are secured by, a pool of mortgage loans. CMOs are issued in separate classes with different stated maturities that may have different credit and investment profiles. These may be amortising or non-amortising. Amortising loans have regular payments of both principal and interest over the life of the loan (e.g. repayment mortgages, student loans, auto loans) while non-amortising loans have no pre-payment of principal prior to maturity (for example, credit cards).

**"Auditors"**, Deloitte, Registered Auditors, Dublin.

**"Australian Dollar" or "AUD",** the lawful currency in Australia.

**"Below Investment Grade"**, bonds or other securities that are rated below Baa3 by Moody's or BBB- by Standard & Poor's ("S&P") or an equivalent rating by another rating agency or are unrated.

**"Business Day"**, in respect of a Fund (and unless otherwise set out in the Supplement for a Fund), a day (excluding Saturday and Sunday) on which the banks are open for business in both Ireland and London (or such other day as the Directors may from time to time determine and notify in advance to Shareholders).

**"Canadian Dollar" or "CAD"**, the lawful currency in Canada.

**"Canadian Resident"**, a person resident in Canada for the purposes of the Income Tax Act of Canada.

**"Central Bank"**, the Central Bank of Ireland or any successor thereof.

**"Central Bank UCITS Regulations"**, the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as may be amended from time to time;

**"Client Agreement"**, an agreement between the Manager and/or the Investment Manager or their affiliate and an investor under which the investor has (i) appointed the Manager and/or the Investment Manager or its affiliate to carry out investment management or advisory services on its behalf and/or (ii) agreed the fees to be paid by it to the Manager and/or the Investment Manager or their affiliate.

**"Chinese Yuan" or "CNH"**, legal currency in China traded in the offshore market.

**"Company"**, Federated Hermes Investment Funds public limited company.

**"Contingent Convertibles"**, are a type of debt security that may be converted into equity or could be forced to suffer a write down of principal upon the occurrence of a pre-determined event ("the trigger event"). The trigger event is ordinarily linked to the financial position of the issuer and therefore the conversion is likely to occur as a result of a deterioration of the relative capital strength of the underlying.

**"Conventional Weapons"**, small arms and military contracting

**"Convertible Debt Securities"**, debt securities that are convertible into equity securities of the issuer.

"**Controversial Weapons**", anti-personnel mines, cluster munitions, depleted uranium, nuclear weapons, white phosphorous and chemical & biological weapons.

**"Danish Krone" or "DKK"**, the lawful currency of Denmark.

**"Data Protection Legislation"**, the Data Protection Acts 1988 to 2018, the EU ePrivacy Directive 2002/58/EC (as amended) the General Data Protection Regulation (Regulation (EU) 2016/679) ("GDPR") any other national privacy legislation in force and any relevant transposition of, or successor or replacements to, those laws.

**"Dealing Day"**, each Business Day (and/or such other day as the Directors may from time to time determine (with the approval of the Depositary) and notify to Shareholders) for dealings in a Fund, provided always that there shall be at least one Dealing Day per fortnight.

**"Dealing Deadline"**, in respect of each Fund means the cut-off time in respect of any Dealing Day for receipt of applications for subscriptions and redemptions as shall be set out in the relevant Supplement or such earlier or later time prior to the Valuation Point as the Directors may, at their discretion, determine and notify in advance to Shareholders.

**"Dealing Form"**, such dealing form as the Directors may prescribe for the purposes of dealing in Shares of the Company and relevant Share Class of a Fund.

**"Defaulted Bonds"**, bonds where the issuer has failed to make required debt payments on a timely basis or to comply with other conditions of the bond.

**"Depositary"**, Northern Trust Fiduciary Services (Ireland) Limited and/or such other person as may be appointed, with the prior approval of the Central Bank, to act as depositary to the Company.

**"Depositary Agreement"**, the agreement between the Company, the Manager and the Depositary dated 1 February 2019 and as may be amended from time to time.

**"Depositary Receipt"**, an equity-related security which evidences ownership of underlying securities. Depositary Receipts may include American Depositary Receipts ("ADRs"), European Depositary Receipts ("EDRs"), Non-Voting Depositary Receipts ("NVDRs") and Global Depositary Receipts ("GDRs").

**"Distributing Classes"**, such Share Class of a Fund as the Directors may from time to time designate and in respect of which income from the Fund will be distributed.

**"Distribution Period"**, a period in respect of which dividends are declared and paid (in respect of Distributing Classes) or accumulated and reinvested on behalf of Shareholders (Accumulating Classes).

**"Directive"**, Directive 2009/65/EC of the European Parliament and of the European Council of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to UCITS, as the same may be amended or replaced.

**"Directors"**, the directors of the Company or any duly authorised committee thereof.

**"Duties and Charges"**, in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, interest, transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Fund or the creation, issue, sale, conversion or repurchase of Shares or the sale or purchase of Investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable but shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares in the relevant Fund.

**"Eligible CIS"**, UCITS Collective Investment Schemes (CIS) (including money market schemes) and alternative funds as defined in the Central Bank UCITS Regulations, the managers of which may not charge more than 2% of net asset value of such Eligible CIS as management fees and which Eligible CIS may not invest more than 10% of its Net Asset Value in underlying CIS. Eligible CIS will be regulated and authorised in Ireland or in another jurisdiction by a supervisory authority established to ensure the protection of shareholders and which, in the opinion of the Central Bank, provides an equivalent level of investor protection to that provided under Irish laws, regulations and conditions governing collective investment schemes. The investment strategies and investment restrictions of Eligible CIS may differ in certain respects from the strategy and investment restrictions of the Fund, provided that the investment in such Eligible CIS is consistent with the overall investment policy of the Fund and the Manager and/or the Investment Manager is of the view that it does not result in a circumvention of the investment strategy or investment restrictions of the investing Fund. The Eligible CIS may be structured as mutual funds, actively managed funds or exchange-traded funds. These include:

(a) UCITS CIS authorised in any Member State or authorised in any other European Economic Area (EEA) (being EU Member States, Norway, Iceland and Liechtenstein) member state pursuant to domestic legislation implementing the Directive, Guernsey Class A CIS, Jersey Recognised Funds, Isle of Man authorise schemes and retail AIFs authorised by the Central Bank provided such CIS comply in all material respects with the Central Bank UCITS Regulations;

(b) alternative investment funds authorised in any EEA member state (and the UK in the event that it ceases to be an EEA member state), the United States, Jersey, Guernsey or the Isle of Man which comply in all material respects with the Central Bank's AIF Rulebook in respect of all retail schemes; and

(c) alternative investment funds in jurisdictions other than those set out above which have obtained the prior approval of the Central Bank on the basis of a submission made by the Investment Manager for such purpose and where the jurisdiction of those collective investment schemes is set out in an update to the relevant Supplement.

**"ERISA Plans"**, (i) any retirement plan subject to Title I of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"); (ii) any individual retirement account or plan subject to Section 4975 of the US Internal Revenue Code of 1986, as amended; or (iii) an entity whose assets include plan assets by reason of a plan's investment in the entity (generally because 25% or more of a class of equity interests in the entity is owned by plans).

**"ESMA"**, the European Securities and Markets Authority.

**"Euro" or "€"**, the single European currency unit referred to in Council Regulation (EC) No. 974/98 on 3 May 1998 on the introduction of the Euro.

**"Exchange Traded Notes"**, a debt security typically issued by a bank or other financial institution, which is listed and traded on recognised exchanges throughout the day at prices determined by the market and which may provide exposure to the performance of an underlying asset, index or benchmark.

**"FATCA"**, Sections 1471–1474 of the US Internal Revenue Code or the Foreign Account Tax Compliance Act.

**"FDIs"**, financial derivative instruments.

"**Fees and Expenses to Higher Income Share Classes**" means the share classes which may charge certain fees and expenses to capital rather than income.

**"Forward Currency Exchange Contract"**, a financial contract where one party agrees to buy or sell a currency amount in the future at a particular price.

**"Fossil Fuels"**, arctic oil and gas exploration, oil and gas, oil sands, shale energy, and thermal coal.

**"Fund"**, a fund of assets established (with the prior approval of the Central Bank) for one or more Share Classes, which is invested in accordance with the investment objective and policies applicable to such fund.

**"Future"**, a financial contract where one party agrees to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a fixed date in the future for a particular price.

**"Global Supplement"**, a Supplement to this Prospectus which lists all Funds of the Company currently approved by the Central Bank.

**"Hong Kong"**, the Hong Kong Special Administrative Region of the People's Republic of China.

**"Hong Kong Dollars" or "HKD"**, the lawful currency of Hong Kong.

**"Initial Offer Period"**, the period set out by Directors in relation to any Share Class as the period during which such Shares are initially on offer unless such period is shortened or extended and notified to the Central Bank. Specific details of the Initial Offer Period for a Fund's Share Classes are set out in the relevant Supplement.

**"Initial Offer Price"**, the price set by the Directors in relation to any Share Class at which Shares are offered during the Initial Offer Period which may be increased by such dilution/adjustment as the Directors consider to be in the best interests of the Shareholders. Specific details of the Initial Offer Price for a Fund's Share Classes are set out in the relevant Supplement.

**"Inverse Exposure"**, in relation to a Fund and where disclosed in its investment policy, exposure achieved, through the use of FDIs, to a category (or categories) of Investment(s) that correspond(s) to the inverse performance of an underlying category (or categories) of Investment(s). For example, if a security provides a return of +1% the return delivered to the Fund will be -1%.

**"Inverse Leveraged Exposure"**, in relation to a Fund and where disclosed in its investment policy, exposure achieved, through the use of FDIs, to a category (or categories) of Investment(s) that correspond(s) to the inverse leveraged performance of an underlying category (or categories) of Investment(s). For example, if a security provides a return of +1% the return delivered to the Fund will be a multiple of the opposite exposure, for example -2%.

**"Investment"**, any investment which is permitted by the Regulations and the Articles and is authorised by the Memorandum of Association of the Company.

**"Investment Grade"**, bonds or other securities that are rated at or above Baa3 by Moody's or BBB- by S&P or an equivalent rating by another rating agency.

**"Investment Manager"**, any such person as may be appointed, in accordance with the requirements of the Central Bank, to provide investment management services to one or more Funds of the Company. The Investment Manager appointed to manage a particular Fund will be listed on the cover page of the Supplement of that Fund and in the section of this Prospectus titled "**Management and Administration**". Unless otherwise disclosed in this Prospectus, references to the Investment Manager shall be to any Investment Manager appointed in respect of one or more Funds.

**"Investment Management Agreement"**, any agreement between the Manager and the Investment Manager, as may be amended from time to time, and detailed in the section of this Prospectus titled "**Material Contracts**".

**"Japanese Yen" or "JPY",** the lawful currency of Japan.

**"KID"**, a key information document.

**"KIID"**, a key investor information document.

**"Leveraged Exposure"** in relation to a Fund and where disclosed in its investment policy, exposure achieved, through the use of FDIs, to a category (or categories) of Investment(s) which corresponds to a multiple of the performance of an underlying category (or categories) of Investment(s). For example, if a security provides a return of +1% the return delivered to the Fund will be a multiple of the return, for example +2% (or conversely, a return of -1% will provide a return to the Fund of -2%).

**"Management Agreement"**, the agreement between the Company and the Manager dated 1 February 2019 and as may be amended from time to time.

**"Manager"**, Hermes Fund Managers Ireland Limited

**"Maximum Subsequent Subscription Amount"**, the maximum amount which a Shareholder can subscribe for Share Class of a Fund as set out in the relevant Supplement or, where specified in respect of a Fund, on https://www.hermes-investment.com/ie/en/professional/capacity-management/. This amount may be set or waived at the discretion of the Investment Manager.

**"Member State"**, a member state of the European Union; the member states at the date of this Prospectus being Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, and the Netherlands.

**"MiFID II Directive"**, Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.

**"Minimum Holding Amount"**, a holding of Shares of any class having an aggregate value of such minimum amount as set out in the relevant Supplement, which may be set or waived at the discretion of the Investment Manager. Shareholders will be notified of any permanent change to the Minimum Holding Amount and the Company has the power to redeem the remaining holding of any Shareholder who redeems his holding of Shares in any Share Classes to below the amount set out in the Supplement or its foreign currency equivalent.

**"Minimum Initial Subscription Amount"**, a minimum subscription for Shares of any class as set out in the relevant Supplement, which may be set or waived at the discretion of the Investment Manager. Shareholders will be notified of any permanent change to this Minimum Initial Subscription Amount.

**"Minimum Redemption Amount"**, a minimum redemption for Shares of any class as set out in the relevant Supplement, which may be set or waived at the discretion of the Investment Manager. Shareholders will be notified of any permanent change to Minimum Redemption Amount.

**"Minimum Subsequent Subscription Amount"**, a minimum subsequent subscription for Shares of any class as set out in the relevant Supplement, which may be set or waived at the discretion of the Investment Manager. Shareholders will be notified of any permanent change to this Minimum Subsequent Subscription Amount.

**"Net Asset Value", "NAV"** means the net asset value of a Fund determined in accordance with the Articles.

**"Net Asset Value Per Share"**, the Net Asset Value divided by the number of Shares in issue of the relevant Fund subject to such adjustment, if any, as may be required where there is more than one class of Shares in the Fund.

**"Net Redemption Position"**, when on any Dealing Day total redemptions exceed total subscriptions.

**"Net Subscription Position"**, when on any Dealing Day total subscriptions exceed total redemptions.

**"Norwegian Krone" or "NOK"**, the lawful currency of Norway.

**"OECD"**, the Organisation for Economic Co-operation and Development.

**"Option"**, a financial contract which gives the contract buyer the right, but not the obligation, to exercise a term of the option, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date. The 'writer' (seller) has the obligation to honour the specified term of the contract.

**"OTC ("over the counter") Derivatives"**, derivative contracts between a Fund and one or more counterparties, undertaken without the involvement of an exchange or intermediary.

**"Prospectus"**, this document as it may be amended from time to time in accordance with the requirements of the Central Bank together with, where the context requires or implies, any Supplement or addendum.

**"Qualified Holder"**, any person, corporation or entity other than (i) a US Person; (ii) an ERISA Plan; (iii) a Canadian Resident; (iv) any other person, corporation or entity which cannot acquire or hold Shares without violating laws or regulations whether applicable to it or the Company or otherwise or whose holding might result (either individually or in conjunction with other Shareholders in the same circumstances) in the Company incurring any liability to taxation or suffering pecuniary disadvantages which the Company might not otherwise incur or suffer or the Company being required to register or register any class of its securities under the laws of any jurisdiction (including without limitation, the 1933 Act or the 1940 Act); or (v) a depositary, nominee, or trustee for any person, corporation or entity described in (i) to (iv) above.

**"Relevant Institution"**, a credit institution which falls under one of the following categories: (i) a credit institution authorised in the EEA and the UK; (ii) a credit institution authorised within a signatory state, other than an EEA Member State, the UK, or to the Basle Capital Convergence Agreement of July 1988 or (iii) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

**"Regulated Markets"**, the stock exchanges and/or regulated markets listed in Appendix I.

**"Regulations"**, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) and the European Communities (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016 (S.I. No. 143 of 2016) as may be amended or replaced.

**"REITs"**, real estate investment trusts.

**"Retail Price Index"**, an index published by the UK Office for National Statistics and which represents a measure of UK inflation.

**"Securities Lending Agent"**, such person as may be appointed to act as a securities lending agent to the Company.

**"Share"**, a share of no par value in the Company designated as a participating share.

**"Share Class" or "Share Classes"**, such Share Class of a Fund as the Directors may from time to time designate.

**"Shareholder"**, the registered holder of a Share.

**"Singapore Dollars" or "SGD"**, the lawful currency of Singapore.

**"Sterling" or "GBP"**, the lawful currency of the United Kingdom.

**"Subscriber Shares"**, shares of GBP 1 each in the capital of the Company designated as "Subscriber Shares" in the Articles and issued for the purposes of incorporating the Company.

**"Supplement"**, any document issued by the Company expressed to be a supplement to this Prospectus in accordance with the requirements of the Central Bank.

**"Swaps"**, OTC FDI contracts, entered into on behalf of the Fund and a counterparty (of the type or nature referred to in Appendix II, Part B of the Prospectus) and/or options on such contracts (swaptions) for the purpose of gaining economic exposure to an asset class, or a combination of asset classes described in the investment policy in furtherance of the investment objective of the Fund. Swaps in which the Fund may invest include index Swaps, total return Swaps, currency Swaps, cross-currency Swaps, excess-return Swaps, cross-currency asset Swaps, interest rate Swaps, credit default Swaps, inflation Swaps or asset Swaps.

**"Swedish Krona" or "SEK"**, the lawful currency of Sweden.

**"Swiss Francs" or "CHF"**, the lawful currency of Switzerland.

**"Synthetic Short Exposure"**, in relation to a Fund and where disclosed in its investment policy, exposure achieved, through the use of FDIs, to create the same effect as entering into a contract to sell an Investment not actually held by the Fund.

**"Taxes Act"**, the Taxes Consolidation Act, 1997, as amended, (of Ireland).

**"Tobacco Products",** any product that contains tobacco or derivatives of tobacco.

**"UCITS"**, an Undertaking for Collective Investment in Transferable Securities established pursuant to the Directive.

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

**"UN Global Compact"**, a non-binding United Nations pact to encourage businesses and firms worldwide to adopt sustainable and socially responsible policies which is derived from human rights, labour, environment, and anti-corruption principles. A third-party provider provides the Investment Manager with a list of companies that they deem to be in violation. Exemptions are allowed where the Investment Manager can articulate why a company is not in violation.

**"United Kingdom" or "UK"**, the United Kingdom of Great Britain and Northern Ireland.

**"US"**, the United States of America, its territories, possessions, any state of the United States and the District of Columbia.

**"US Dollars", and "USD"**, the lawful currency of the US.

**"US Person"**, is defined in Appendix IV of this Prospectus. US Persons may not purchase Shares in the Company without the prior approval of the Directors.

**"Valuation Point"**, in respect of a Fund, such time and day as the Directors may from time to time determine in relation to the valuation of the assets of a Fund.

**"Value-at-Risk"** (VAR), is a daily estimation of the maximum loss a Fund may incur over a specified holding period. It is arrived at through quantitative simulations with a one-tailed confidence interval of 99% and an observation period of at least 1 year (250 business days). Each Fund that uses VAR will utilise an "Absolute VAR" approach which aims to ensure that the value-at-risk of the relevant Fund, measured using a 20 day (one month) holding period and a historical return observation period of 1 year, will be no greater than 20% of the Net Asset Value of the Fund. It shall be calculated on at least a daily basis.

**"Warrant"**, a security that gives the holder the right to purchase securities from the issuer at a specific price within a certain time frame.

# Directory

## Federated Hermes Investment Funds public limited company

**Registered Office**

7/8 Upper Mount Street,
Dublin 2, Ireland, D02 FT59

**Directors of the Company**

Michael Boyce (Chairman)
Gregory P. Dulski
Joseph L. Kagan
Sylvie McLaughlin
Patrick M. Wall

**Manager**

Hermes Fund Managers
Ireland Limited
7/8 Upper Mount Street
Dublin 2, Ireland, D02 FT59

**Directors of the Manager**

Ronan Walsh
(Chairman)
Gregory P. Dulski
Joseph L. Kagan
Michael Boyce
Sylvie McLaughlin

**Investment Managers**

Hermes Investment
Management Limited
Sixth floor, 150 Cheapside
London EC2V 6ET
United Kingdom

Federated Investment
Counseling
1001 Liberty Avenue
Pittsburgh PA 15222
United States of America

**Distributor**

Hermes Investment
Management Limited
Sixth floor, 150 Cheapside
London EC2V 6ET
United Kingdom

**Depositary**

Northern Trust Fiduciary
Services (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
Ireland

**Administrator, Registrar and Transfer Agent**

Northern Trust
International Fund
Administration Services
(Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
Ireland

**Auditors**

Deloitte Registered
Auditors
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Ireland

**Legal Advisers to the Company**

Arthur Cox LLP
Ten Earlsfort Terrace
Dublin D02 T380
Ireland

**Company Secretary**

Bradwell Limited
Ten Earlsfort Terrace
Dublin D02 T380
Ireland

# Federated Hermes Investment Funds Public Limited Company

## Introduction

The Company is an open-ended investment company with variable capital and segregated liability between its Funds incorporated in Ireland on 23 October 2008. The Company has been authorised by the Central Bank as a UCITS within the meaning of the Regulations.

The Company is structured as an umbrella fund in that different Funds of the Company may be established with the prior approval of the Central Bank. In addition, each Fund may have more than one Share Class allocated to it. Additional Share Classes may be added to a Fund in accordance with the requirements of the Central Bank. The Shares of each class allocated to a Fund will rank equally with each other in all respects except as to all or any of the following or as the Directors may otherwise determine:

- currency of denomination of the class;
- dividend policy;
- hedging policy;
- the level of fees and expenses to be charged; and
- the Minimum Subscription, Minimum Redemption and Minimum Holding limits applicable.

The assets of each Fund will be separate from one another and will be invested in accordance with the investment objectives and policies applicable to each such Fund. The share capital of each Fund shall at all times equal its Net Asset Value.

The base currency of the Company is Sterling. The base currency of each Fund will be determined by the Directors and will be set out in the relevant Supplement.

Details of the Funds of the Company currently approved by the Central Bank are set out in the Global Supplement. Specific details concerning each Fund are set out in the Supplement for that Fund. On the establishment of any new Fund or the creation of a new Share Class of an existing Fund, a Supplement will be issued in respect thereof and, where applicable, the Global Supplement will be updated accordingly.

# Investment Objectives and Policies

## General

The specific investment objectives and policies for each Fund will be formulated by the Directors at the time of the creation of that Fund and set out in the relevant Supplement.

Any alteration to the investment objective of a Fund at any time will be subject to the prior approval in writing of all of the Shareholders of that Fund, or, if a general meeting of the Shareholders of the Fund is convened, by a simple majority of the votes cast at such meeting. Any material alteration to the investment policy of a Fund at any time will be subject to the prior approval in writing of all of the Shareholders of that Fund, or, if a general meeting of the Shareholders of the Fund is convened, by a simple majority of the votes cast at such meeting. Shareholders will be given reasonable notice so as to enable them to redeem their Shares prior to the implementation of any alteration to the investment objectives or any material alteration of the investment policies of a Fund.

The stock exchanges and markets in which the Funds may invest are set out in Appendix I. These stock exchanges and markets are listed in accordance with the requirements of the Central Bank, it being noted that the Central Bank does not issue a list of approved exchanges or markets.

A Fund may utilise FDIs for investment purposes where this intention is disclosed in a Fund's investment policies.

A Fund may, subject to the conditions set out in Appendix III and where it is appropriate to its investment objective and policies, invest in other Funds of the Company and/or other collective investment schemes. As an investor in such other collective investment schemes, the Fund will bear, along with other investors of the underlying schemes, its portion of the expenses of the underlying scheme including management, investment management and administration, and other expenses.

The following investment restrictions apply where a Fund (the "**Investing Fund**") invests in other Funds of the Company (the "**Receiving Funds**"):

(a) a Fund will not invest in a Fund of the Company which itself holds shares in other Funds of the Company;

(b) a Fund investing in such other Fund of the Company will not be subject to subscription, redemption or switching fee;

(c) any commission (including a rebated commission) received by the Investment Manager in respect of such investment will be paid into the assets of the Fund. Where an Investing Fund invests in a Receiving Fund, the rate of the annual management fee which Shareholders in the Investing Fund are charged in respect of that portion of the Investing Fund's assets invested in Receiving Funds (whether such fee is paid directly at Investing Fund level, indirectly at the level of the Receiving Funds or a combination of both) shall not exceed the rate of the maximum annual investment management fee which investors in the Investing Fund may be charged in respect of the balance of the Investing Fund's assets, such that there shall be no double charging of the annual investment management fee to the Investing Fund as a result of its investments in the Receiving Fund; and

(d) investment by a Fund in another Fund of the Company will be subject to the limits set out in paragraphs 3.1 to 3.3 of Appendix III.

Following a formal decision to terminate a Fund, the Investments of the Fund may be liquidated and converted to cash so as to enable termination of the Fund in an orderly manner and in order to preserve Shareholder value.

The Funds shall not invest in immovable property or tangible movable property.

### Definitions Used in the Investment Objectives and Investment Policies of the Funds

The following term may be used in a Fund's investment objectives and policies, as disclosed in the relevant Supplement:

"Total return," in relation to an investment, refers to both the capital appreciation (i.e. the increase in the value of an investment) and the income earned on that investment (such as dividend distributions payable to holders of equity securities, and interest distributions payable to holders of fixed income securities). In relation to the portfolio of a Fund, a "total return" indicates that the Fund aims to deliver a combination of both capital growth and income return. However, there is no guarantee that capital growth or an income return will be achieved over any specific time period.

## Investment and Borrowing Restrictions

Investment of the assets of each Fund must comply with the Regulations. A detailed statement of the general investment and borrowing restrictions applicable to all Funds is set out in Appendix III. The Directors may impose further restrictions in respect of any Fund. Details will be set out in the relevant Supplement.

The Directors may also from time to time impose such further investment restrictions as may be compatible with or be in the interest of the Shareholders in order to comply with the laws and regulations of the countries where Shareholders of the Company are located or the Shares are marketed.

It is intended that the Company should, subject to the prior approval of the Central Bank, have power to avail itself of any change in the investment restrictions laid down in the Regulations which would permit investment by the Company in securities or in any other forms of investment which, as at the date of this Prospectus, is restricted or prohibited under the Regulations. The Company will give Shareholders reasonable notice of its intention to avail itself of any such change which is material in nature and the Prospectus will be updated accordingly.

## Investment in FDIs and Efficient Portfolio Management

The Company may, on behalf of each Fund and subject to the conditions and within the limits laid down by the Central Bank, employ techniques and instruments relating to transferable securities for investment purposes, where this intention is disclosed in a Fund's investment policies, and/or for efficient portfolio management purposes. Such techniques and instruments are set out in Appendix II and the instruments may include investments in FDIs such as investments in Futures (which may, for example, be used to manage cash flows on a short term basis by holding the Future to gain exposure to an asset class pending direct investment),

Forward Currency Exchange Contracts, Options, Warrants, swaptions, contracts for differences and Swaps (which may, for example, be used to manage interest rate and currency risk), including inflation Swaps (which may, for example, be used to manage inflation risk).

Efficient portfolio management means investment techniques involving transactions that are entered into for one or more of the following specific aims: the reduction of risk, the reduction of cost, or the generation of additional capital or income for a Fund with an appropriate level of risk, taking into account the risk profile of that Fund. New techniques and instruments may be developed which may be suitable for use by the Company and the Company (subject as aforesaid) may employ such techniques and instruments in accordance with the requirements of the Central Bank. The Company will only utilise FDIs which are included in its risk management process as filed with the Central Bank. A Fund may enter into stock lending, repurchase and/or reverse repurchase agreements for the purposes of efficient portfolio management in accordance with the provisions of Appendix II.

Unless otherwise stated in the relevant Supplement, the Manager and/or the Investment Manager may on an ancillary basis and for cash management purposes invest in deposits, money market instruments and in Eligible CIS in accordance with the requirements of the Central Bank.

## Leverage and Global Exposure

Unless otherwise specified in a Fund Supplement, the Manager and/or the Investment Manager calculates global exposure using a methodology known as the commitment approach which seeks to manage and measure the global exposure and potential loss due to market risk of each Fund. When using the commitment approach, a Fund's global exposure, which is the incremental exposure and leverage generated by the Fund through its use of FDIs, shall be calculated on at least a daily basis and, in accordance with the requirements of the Central Bank. The total leverage may at no time exceed 100% of the Fund's Net Asset Value and the total exposure may at no time exceed 200% of the Fund's Net Asset Value. Total exposure is defined as the NAV of the Fund and its global exposure. Where relevant, each Fund will set out in its Supplement its expected level of leverage.

## Dividend Policy

The Directors are empowered to declare and pay dividends on any Share Class in the Company.

### Accumulating Classes

For each of the Accumulating Classes it is not intended to distribute dividends to the Shareholders in a Fund. The income and other profits will be accumulated and reinvested on behalf of Shareholders. Dividends, if paid on the Shares, may be paid out of the net income of the Fund including interest and dividends earned by the Fund less expenses of the Fund.

### Distributing Classes

For each of the Distributing Classes it is intended to declare dividends on the Shares of the Distributing Classes of a Fund out of the net income of the Fund including interest and dividends earned by the Fund less expenses of the Fund. The Directors may change the frequency with which the Distributing Classes declare and pay dividends and Shareholders will be notified of any changes by way of a note to the annual or semi-annual financial statements of the Company.

Distribution payments will be made by bank transfer to the bank account detailed on the Application Form, to such bank account as may be subsequently notified to the Administrator in writing or as confirmed under separate agreement with the Distributor and pre-agreed with the Administrator, in its capacity as the Transfer Agent.

The dividend is distributed to Shareholders based upon the number of Shares held at the end of the relevant period. Distributing Classes distribute income semi-annually, unless otherwise indicated by a numerical suffix accompanying the share class letter. Dividends will be paid within 30 days of the end of the relevant calculation dates set out in respect of each Class in the table below.

In accordance with the provisions of the Company's Articles of Association, each Fund operates equalisation in relation to all Share Classes. The process is outlined in further detail in the "Income Equalisation" section below.

## Calculation of Dividends

| | **Calculation Frequency** |
|---|---|
| Distributing shares (this will be referred to as the share class type e.g. F2) | The dividend is calculated semi-annually as at 30 June and 31 December in each year. |
| Distributing (1) shares (this will be referred to with the share class type e.g. F1) | The dividend is calculated annually as at 31 December in each year. |
| Distributing (3) shares (this will be referred to with the share class type e.g. F3) | The dividend is calculated quarterly as at 31 March, 30 June, 30 September and 31 December in each year. |
| Distributing (4) shares (this will be referred to with the share class type e.g. F4) | The dividend is calculated monthly as at the last calendar day in each month. |
| Distributing (5) shares (this will be referred to with the share class type e.g. F5) | The dividend is calculated quarterly as at 31 March, 30 June, 30 September and 31 December in each year. |
| Distributing (6) shares (this will be referred to with the share class type e.g. F6) | The dividend is calculated monthly as at the last calendar day in each month. |

Share Class types (5) and (6) shall charge certain fees and expenses, e.g., management fees and hedging fees, to capital.

# Currency Hedging Policy

## Hedging at Portfolio Level

At the Manager's and/or the Investment Manager's discretion, a Fund may enter into transactions for the purposes of hedging the currency exposure of the underlying securities into the base currency of a Fund. If undertaken, the aim of this hedging will be to reduce a Fund's level of risk or to hedge the currency exposure to the currency of denomination of some or all of a Fund's underlying securities. FDIs such as Forward Currency Exchange Contracts and currency Swaps (which will seek to give exposure to an underlying currency) may be utilised if a Fund engages in such hedging. The currency exposure generated as a result of investing in

securities which are denominated in a currency other than the base currency will not be allocated to separate classes.

## Hedging at Share Class Level against Base Currency

Hedging will normally be against the base currency of a Fund (set out in the relevant Supplement) (the "Hedged Share Classes").

A Fund is permitted to enter into transactions for the purpose of hedging the currency exposure of any class which is denominated in a currency other than the base currency of a Fund (set out in the relevant Supplement) against fluctuations in the base currency. This is facilitated by the offering of Hedged Share Classes. For example, an investor subscribing for Shares in their local currency would invest in a Fund via one of the local currency Hedged Share Classes. The value of the investment at the time of subscription on an ongoing basis would be hedged against the base currency of a Fund to try and minimise the impact of currency movements between the currency of denomination of the relevant Hedged Share Class and the base currency of a Fund.

## Hedging at Share Class Level against Portfolio Currencies

Where set out in the relevant Supplement, a Fund may hedge the currency of denomination of the relevant hedged Share Classes of a Fund against some or all of the currencies in which the assets contained in a Fund's portfolio are denominated (the "Portfolio Hedged Share Classes").

A Fund is permitted to enter into transactions for the purpose of hedging the currency exposure with a view to mitigating the effect of adverse currency movements between the currencies of the relevant Share Class and some or all of the currencies in which the underlying assets of that Fund are denominated. This is facilitated by the offering of Portfolio Hedged Share Classes. For example, an investor subscribing for Shares in their local currency would invest in a Fund via one of the local currency Portfolio Hedged Share Classes. The value of the investment at the time of subscription on an ongoing basis would be hedged against some or all of the currencies in which the underlying assets of that Fund are denominated to try and minimise the impact of currency movements between the currency of denomination of the relevant Portfolio Hedged Share Class and the currencies in which the assets contained in a Fund's portfolio are denominated.

It may not be practical to hedge against all currencies of the underlying assets of the relevant Fund. In such circumstances, the Manager and/or the Investment Manager will select a representative basket of currencies with the aim of ensuring that the most significant risks arising from currency fluctuations are mitigated without incurring unnecessary operational costs or complexity.

Where a Fund offers Portfolio Hedged Share Classes, it will not enter into hedging at portfolio level as described in the sub-section "Hedging at Portfolio Level" above. This is to avoid a situation where the relevant Portfolio Hedged Share Class participates in both hedges with the result that it is inadvertently over-hedged or that the combined effect of hedging at both levels results in unintended currency exposure.

### General

This hedging will typically be undertaken by means of Forward Currency Exchange Contracts and currency Swaps (which will seek to hedge exposure to the base currency of a Fund). Shareholders of Hedged Share Classes and Portfolio Share Classes should be aware that there can be no assurance that any such strategy will be effective.

The extent to which a Fund intends to hedge against such currency fluctuations shall not exceed total gross exposure of 105% of the Net Asset Value of the relevant Share Class. Whilst not the intention, over-hedged or under-hedged positions may arise due to factors outside of the control of a Fund. Hedged positions will be kept under review by the Manager and/or the Investment Manager to ensure that over-hedged positions do not exceed the permitted level and under-hedged positions do not fall short of 95% of the portion of the Net Asset Value of the relevant Share Class which is to be hedged. This review will also incorporate a procedure to ensure that positions materially in excess of 100% will not be carried forward from month to month. All such transactions will be clearly attributable to the specific class and currency exposures of different classes will not be combined or offset. The costs and gains/losses of the hedging transactions will accrue solely to the relevant Share Class.

The Hedged Shares will be hedged against the base currency of a Fund regardless of whether the base currency of a Fund is declining or increasing in value relative to the Hedged Share Class currency denominations available and so while holding Hedged Shares may substantially protect the Shareholders against declines in the base currency of a Fund relative to the currency denomination of the Hedged Share Class in which they are invested, holding such Hedged Shares may also substantially limit the Shareholders from benefiting if there is an increase in the value of the base currency of a Fund relative to the currencies in which Hedged Share Classes are available in a Fund. Details of the currencies in which Hedged Share Classes are available in a Fund are set in the relevant Supplement.

The Portfolio Hedged Shares will be hedged against some or all of the currencies in which the underlying assets of that Fund are denominated, regardless of whether those currencies are declining or increasing in value relative to the Portfolio Hedged Share Class currency denominations available and so while holding Portfolio Hedged Shares may substantially protect the Shareholders against declines in currencies in which the underlying assets of that Fund are denominated relative to the currency denomination of the Portfolio Hedged Share Class in which they are invested, holding such Portfolio Hedged Shares may also substantially limit the Shareholders from benefiting if there is an increase in the value of some or all of the currencies in which the underlying assets of that Fund are denominated relative to the currencies in which Portfolio Hedged Share Classes are available in a Fund. Details of the currencies in which Portfolio Hedged Share Classes are available in a Fund are set in the relevant Supplement.

## Common Investment Pools

Subject to the Central Bank's requirements, the Company may establish common investment pools. Common investment pools are pools of assets to which Investments of some or all of the Funds may be allocated and in which, subject to the requirements of the Central Bank, assets of other Irish regulated collective investment schemes may be allocated. Common investment pools will only be established if the Company's service providers have been authorised by the Central Bank to operate such common investment pools and the Prospectus will be updated prior to implementing investment in such common investment pools.

# Risk Factors

Potential investors should consider the following risk factors before investing in the Company.

## General Risk Factors

### Concentration Risk

Where a Fund invests a relatively large percentage of its assets in issuers located in a single country, a small number of countries, or a particular geographic region, the Fund's performance will be closely tied to the market, currency, economic, political, or regulatory conditions and developments in that country or region or those countries. Fund performance could therefore be more volatile than the performance of more geographically-diversified funds.

When a Fund concentrates its investments in a particular industry, market or economic sector, financial, economic, business, and other developments affecting issuers in that industry, market or sector will have a greater effect on the Fund than if it had not concentrated its assets in that industry, market or sector.

### Counterparty Risk to the Depositary

The Company will be exposed to the credit risk of the Depositary as a counterparty or any depositary used by the Depositary where cash is held by the Depositary or other depositaries. In the event of the insolvency of the Depositary or other depositaries, the Company will be treated as a general creditor of the Depositary or other depositaries in relation to cash holdings of the Funds. The Fund's securities are however maintained by the Depositary or other depositaries in segregated accounts and should be protected in the event of insolvency of the Depositary or other depositaries. Were such a counterparty to have financial difficulties, even if a Fund is able to recover all of its capital intact, its trading could be materially disrupted in the interim, potentially resulting in material losses.

### Credit Risk

A credit risk is the risk of default on a debt that may arise from a counterparty or other entity with a payment obligation to the Company failing to make required payments from time to time. A Fund will be exposed to a credit risk on parties (counterparties or otherwise) with whom it trades and may also bear the risk of settlement default. In the event of a bankruptcy or other default, a Fund could experience both delays in liquidating the underlying securities and losses, including a possible decline in value of the underlying securities during the period when a Fund seeks to enforce its rights thereto. This will have the effect of reducing levels of capital and income in a Fund and lack of access to income during this period together with the expense of enforcing such Fund's rights.

A Fund may be subject to risk of loss of its assets held by a broker (including a settlement system) in the event of the broker's bankruptcy or fraud, the bankruptcy or fraud of any clearing broker through which the broker executes and clears transactions on behalf of a Fund, or the bankruptcy or fraud of an exchange clearing house. This may affect the Company's right of action in respect of such assets. Even if a Fund is able to recover all of its assets intact, its trading could be materially disrupted in the interim, potentially resulting in material losses to the Company and its Shareholders.

### Counterparty Credit Risk

Counterparty credit risk arises from a counterparty failing to settle an open transaction. This includes the purchase and sale of equity and fixed income securities, money market transactions, foreign exchange and all types of on exchange and OTC derivatives. The counterparty is typically defined as a financial institution such as a bank or a broker. The risk associated with each transaction varies depending on the instrument traded, method of settlement, legal documentation in place, any collateralisation or netting arrangements and market practice, amongst other factors. Counterparty credit risk involves both pre-settlement risk and settlement risk. Settlement risk is the risk that one party will fail to deliver the terms of a contract with another party at the time of settlement. Pre-settlement risk is the risk that a counterparty fails to fulfil its obligation or default prior to the settlement of a transaction.

### Issuer Credit Risk

Issuer risk arises where the issuing party fails to fulfil its obligations (e.g. defaults on repayments), thus negatively impacting the value of the assets held.

## Currency Risk

Assets of a Fund of the Company may be denominated in a currency other than the base currency of the relevant Fund and changes in the exchange rate between the base currency of the Fund and the currency of the asset may lead to an appreciation or depreciation of the value of the relevant Fund's assets as expressed in the base currency.

Depending on the currency of the relevant share class, currency fluctuations between that currency and the base currency of a Fund may adversely affect the value of an investment in that Fund.

A Fund may from time to time enter into currency exchange transactions such as Forward Currency Exchange Contracts. Forward Currency Exchange Contracts do not eliminate fluctuations in the prices of a Fund's assets or in foreign exchange rates, or prevent losses if the prices of these assets should decline. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the base currency of the assets held. To the extent that hedging at Share Class level is successful, the performance of the Share Class is likely to move in line with the performance of the underlying Investments and investors in a hedged Share Class will not benefit if the Share Class currency falls against the base currency and/or the currency in which the assets of the relevant Fund are denominated.

## Currency Hedging Risk

A Share Class in a Fund may be designated in a currency other than the base currency of the Fund. Changes in the exchange rate between the base currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Manager and/or the Investment Manager may try, but is not obliged, to mitigate this risk by using financial instruments such as those described under the sub-heading "Currency Risk", provided that such instruments shall in no case exceed 105% of the Net Asset Value attributable to the relevant Share Class of the Fund or fall short of 95% of the portion of the Net Asset Value of the relevant Share Class which is to be hedged. In addition, hedged positions materially in excess of 100% of Net Asset Value and hedged positions falling short of the level described above will not be carried forward from month to month. Investors should be aware that this

strategy may substantially limit Shareholders of the relevant Share Class from benefiting if the designated currency weakens against the base currency. In such circumstances, Shareholders of the relevant Share Class of the Fund may be exposed to fluctuations in the Net Asset Value per Share reflecting the gains / losses on and the costs of the relevant financial instruments. Financial instruments used to implement such strategies shall be assets / liabilities of the Fund as a whole. However, the gains / losses on and the costs of the relevant financial instruments will accrue solely to the relevant Share Class of the Fund.

## Cyber Security Risk

The Company and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks also may be carried out in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on website (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Company, the Directors, the Manager, the Investment Manager, Administrator or Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the Company's ability to calculate its NAV, impediments to trading, the inability of Shareholders to transact business with the Company, violations of applicable privacy, data security or other laws, regulatory fines and penalties, reputational damage, reimbursement or other compensation or remediation costs, legal fees; or additional compliance costs. Similar adverse consequences could result in cyber security incidents affecting issuers of securities in which the Company or any Fund invests, counterparties with which the Company or any portfolio engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

## Dealing Day Risk

A Fund may not trade on a particular non-Dealing Day or on a particular Dealing Day, when the calculation of its Net Asset Value (and as a result the subscription and redemption of Shares) may have been suspended, notwithstanding that foreign exchanges on which a Fund's Investments may be listed or traded may be open. As a result the value of the securities in the Fund's portfolio may change on days when Shareholders or other investors will not be able to purchase or sell a Fund's Shares.

The risk of suspending the calculation of its Net Asset Value (and as a result the subscription and redemption of Shares) is outlined further in "Suspension Risk" below.

## Insufficiency of Dilution Adjustment Risk

A Fund will impose a Dilution Adjustment (as defined in the "Single Swing Pricing" section below) in order to meet the costs associated with the purchase and sale of Investments. The level of the Dilution Adjustment is determined by the Manager and is estimated based on historic

information concerning the costs incurred in trading the relevant securities in the relevant markets. If a Fund levies a Dilution Adjustment which is insufficient to discharge all of the costs incurred in the purchase or sale of Investments, the difference will be paid out of the assets of a Fund, which will result in a reduction in the value of a Fund (and a corresponding reduction in the value of the holding of all Shareholders).

## Investment Risk

There is no assurance that the value of Investments will increase, or that the investment objectives of any Fund will be achieved. The value of Investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in a Fund. An investment should only be made by those persons who are able to sustain a loss on their investment.

## Key Personnel Risk

The success of a Fund depends upon the ability of the Manager and/or the Investment Manager to develop and implement investment strategies that achieve a Fund's investment objective. The operations of a Fund are substantially dependent upon the skill, judgment and expertise of the principals of the Manager and/or the Investment Manager with respect to the trading activities of a Fund. In the event of the dissolution of the Manager and/or the Investment Manager, or personnel changes thereat (including the removal, death or a permanent incapacity of a principal), the business of the relevant Fund could be adversely affected.

## Operational Risk

The Company depends on the Manager, the Investment Manager and their delegates to develop appropriate systems and procedures to control operational risk. These systems and procedures may not account for every actual or potential disruption of the Company's operations. The Company's business is dynamic and complex. As a result, certain operational risks are intrinsic to the Company's operations, especially given the volume, diversity and complexity of transactions that the Company is expected to enter into daily. The Company's business is highly dependent on the ability of the Manager, the Investment Manager, their delegates and other service providers of the Company to process, on a daily basis, transactions across numerous and diverse markets. Consequently, the Company relies heavily on the Manager's and the Investment Manager's financial, accounting and other data processing systems. The ability of such systems to accommodate an increasing volume, diversity and complexity of transactions could also constrain the ability of the Company to properly manage its Funds. Systemic failures in the systems employed by the Manager, the Investment Manager, the Administrator, and/or counterparties, exchanges and similar clearance and settlement facilities and other parties could result in mistakes made in the confirmation or settlement of transactions, or in transactions not being properly booked, evaluated or accounted for. These and other similar disruptions in operations may cause a Fund to suffer, among other things, financial loss, the disruption of its businesses, liability to third parties, regulatory intervention or reputational damage.

## Changes in Applicable Law and Regulation Risk

The Company is obliged to comply with various legal requirements, including requirements imposed by the securities laws, tax laws and pension laws in various jurisdictions. Legal, tax, and regulatory changes are likely to occur during the term of the Company and some of these changes may adversely affect the Company, perhaps materially. The financial services industry

generally, and the activities of collective investment schemes and their managers, in particular, have been subject to intense and increasing regulatory scrutiny. Such scrutiny may increase the Company's exposure to potential liabilities and to legal, compliance, and other related costs and charges. Increased regulatory oversight may also impose additional administrative burdens on the Company, the Manager and the Investment Manager, including, without limitation, responding to investigations and implementing new policies and procedures. Such burdens may direct the Manager's and the Investment Manager's time, attention, and resources from portfolio management activities.

In addition, securities and futures markets are subject to comprehensive statutes, regulations, and margin requirements. The Central Bank and other regulators, self-regulatory organisations, and exchanges are authorised to take extraordinary actions in the event of market emergencies. The regulation of derivatives transactions and funds that engage in such transactions is an evolving area of law and is subject to modification by government and judicial actions. Such changes may adversely affect the ability of the Company to obtain the leverage it might otherwise obtain or to pursue its investment strategies and may adversely affect the value of the investments held by a Fund. The effect of any future regulatory or tax change on the Company or any Fund is impossible to predict.

Investors should understand that the Company's business is dynamic and is expected to change over time. Therefore, the Company may be subject to new or additional regulatory constraints in the future. This Prospectus cannot address or anticipate every possible current or future regulation that may affect the Manager, the Investment Manager, the Company, or their businesses. Such regulations may have a significant impact on the Shareholders or the operations of the Company, including, without limitation, restricting the types of investments the Company may make, requiring the Company to disclose the identity of its investors, or otherwise. The Manager and/or the Investment Manager may cause a Fund to be subject to such regulations if it believes that an investment or business activity is in such Fund's interests, even if such regulations may have a detrimental effect on one or more Shareholders.

## Liquidity Risk

It is possible that investments of a Fund may be subject to liquidity constraints in difficult market conditions. In such circumstances, it may be difficult to determine the appropriate valuation of Investments and the Fund's ability to sell or liquidate Investments at favourable times or for favourable prices may be restricted.

## Market Risk

The Investments of a Fund are subject to general economic conditions, normal market fluctuations and the risks inherent in investment in international securities markets and there can be no assurances that appreciation in value will occur. Investment markets can be volatile and securities prices can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, market perception of the creditworthiness of the issuer and general market liquidity. Even if general economic conditions do not change, the value of an Investment in a Fund could decline if the particular industries, sectors or companies in which a Fund invests do not perform well or are adversely affected by events. The magnitude of these price fluctuations will be greater when the maturity of the outstanding securities is longer. Since investment in securities may involve currencies other than the base currency of a Fund, the value of a Fund's assets may also be affected by changes in currency rates and exchange control regulations, including currency blockage. Further, legal,

political, regulatory and tax changes may also cause fluctuations in markets and securities prices.

## Risk Related to the Economy

The value of a Fund's portfolio may decline in tandem with a drop in the overall value of the markets in which a Fund invests and/or other markets based on negative developments in the U.S. and global economies. Global economic, political and financial conditions including geopolitical conflicts, legislative changes, industry or economic trends and developments or public health risks, such as epidemics or pandemics, may, from time to time, and for varying periods of time, have a significant effect on financial markets generally and cause volatility, illiquidity or other potentially adverse effects in the financial markets, including the fixed-income market. The commencement or threat thereof, continuation or ending of government policies and economic stimulus programs, changes in monetary policy, tariffs and other trade restrictions, political or economic sanctions, increases or decreases in interest rates, or other factors or events that affect the financial markets, including the fixed-income markets, may contribute to the development of or increase in volatility, illiquidity, shareholder redemptions and other adverse effects which could negatively impact a Fund's performance. For example, the value of certain portfolio securities may rise or fall in response to changes in interest rates, which could result from a change in government policies, and has the potential to cause investors to move out of certain portfolio securities, including fixed-income securities, on a large scale. This may increase redemptions from funds that hold large amounts of certain securities and may result in decreased liquidity and increased volatility in the financial markets. Market factors, such as the demand for particular portfolio securities, may cause the price of certain portfolio securities to fall while the prices of other securities rise or remain unchanged.

## Reliance on Third Party Data Providers

To meet the stated investment objective and policy each Fund, the Company, the Manager and/or the relevant Investment Manager (together "the Parties") may rely on financial, economic, ESG and other data made available by companies, index providers, governmental agencies, rating agencies, exchanges, professional services firms, central banks or other third party providers (the "external data providers"). This data can have a material effect on the investments held by the relevant Fund. While the Parties carry out due diligence prior to engaging any such external data providers, the Parties do not generally have the ability to independently verify any such financial, economic and/or other data and are therefore dependent on the integrity of both the external data providers and the processes by which any such data is generated. The Fund could incur unexpected costs as a result of external data provider failures of, or substantial inaccuracy in, the generation of such data, for which losses the Parties, acting in good faith, will not be held liable.

## Securities Lending Risk

The Company on behalf of a Fund may engage in a securities lending programme through a Securities Lending Agent. Fund Investments can be lent to counterparties over a period of time. A default by the counterparty, or fall in the value of the collateral below that of the value of the securities lent may result in a reduction in the value of a Fund. Where securities lending transactions are entered into with companies related to the Manager and/or the Investment Manager these companies may have interests which conflict with those of a Fund in that they

may act as principal or may provide banking, brokerage or other services to a Fund, thereby deriving benefit.

## Segregated Liability Risk

The Company is structured as an umbrella fund with segregated liability between its Funds. As a matter of Irish law, the assets of one Fund will not be available to meet the liabilities of another. However, the Company is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation. Accordingly, there is no absolute certainty that the assets of any Fund of the Company will not be exposed to the liabilities of other Funds of the Company. As at the date of this Prospectus, the Directors are not aware of any existing or contingent cross-claim liability between any Funds of the Company.

## Settlement Risk

A Fund may have dealing procedures which provide for the settlement of subscriptions monies after the cut-off time for receipt of Application Forms and/or Dealing Forms. The Fund will therefore bear the risk that investors fail to pay some or all of the relevant subscription monies or that such payments are not made within the timeframe set out in the relevant Supplement. The Company may pursue such investors to recover any losses suffered by the relevant Fund. However, the relevant Fund may suffer a loss if the Company is unable to recover these losses from such investors. In May 2024, the US, Canada and Mexico transitioned to a T+1 settlement cycle, meaning that the period of time between the trade date for US, Canadian and Mexican securities (the "impacted securities") in which a Fund invests and the settlement date will be reduced to one business day. The transition to a T+1 settlement regime may contribute to an increase in failed trades, may increase regulatory and settlement risk for Funds exposed to impact securities.

## Systems Risk

The Company and the Funds depend on the Manager and/or the Investment Manager to develop and implement appropriate systems for a Fund's activities. The operational infrastructure around the Company and the Funds relies extensively on computer programs and systems (and may rely on new systems and technology in the future) for various purposes including, without limitation, trading, clearing and settling transactions, evaluating certain financial instruments, monitoring its portfolio and net capital, and generating risk management and other reports that are critical to oversight of the Fund's activities. Certain of a Fund's and the Company's delegates' operations interface will be dependent upon systems operated by third parties, the Depositary, the Administrator, market counterparties and their sub-custodians and other service providers, and the Company may not be in a position to verify the risks or reliability of such third-party systems. These programs or systems may be subject to certain limitations, including, but not limited to, those caused by computer "worms", viruses and power failures. All operations are highly dependent on each of these systems and the successful operation of such systems is often out of the Company's or the relevant delegates' control. The failure of one or more systems or the inability of such systems to satisfy the Fund's growing businesses could have a material adverse effect on the Funds. For example, systems failures could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades, and cause inaccurate reports, which may affect the ability of a Fund to monitor its investment portfolio and risks.

## Shareholder Concentration Risk

From time to time, a relatively large percentage of Shares of a Fund may be held by a small number of Shareholders. Redemptions by these Shareholders may reduce a Fund's liquidity, and make it difficult for remaining Shareholders to redeem their Shares in a timely manner. Redemptions of large shareholdings may require the Manager and/or the Investment Manager to sell Investments at an inopportune time or prices, possibly resulting in a lower Net Asset Value per Share. Reduction in the size of a Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the relevant Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses. In addition, there is a risk that the level of redemptions may become such that the remaining assets in the relevant Fund are not at a level that makes proper management of the Fund viable.

## Suspension Risk

As outlined in "Dealing Day Risk" above, the Company may suspend calculation of the Net Asset Value and the subscription and redemption of Shares of one or more Funds under certain circumstances. During such suspension the market price of a Fund's Investments may not reflect the Net Asset Value per Share. In the event that the Company has to suspend the subscription and/or redemption of Shares of a Fund, or if a stock exchange on which a Fund's underlying investments are traded is closed, it is expected that larger discounts or premiums could arise. In certain markets trading on the local exchange may be carried out by one or a small number of local market account holders. If such account holder(s) fail(s) to deliver stock or monies in relation to a trade, there is a risk of suspension in relation to Funds which effect their trading on the local market through such account holder(s). This risk may be increased where a Fund participates in a securities lending programme. Suspension in either case may increase the costs of the Fund.

## Sustainability Risk

As set out in the relevant Supplement, a Fund may promote environmental and social characteristics, as well as stewardship activities, as part of a responsible investment approach or have sustainable investment as its objective. In such circumstances, sustainability risks are a key component of, and are integrated into, the investment process for a Fund.

The integration of sustainability risks may have a material impact on a Fund's value and returns. A Fund which invests in securities of companies based on their ESG behaviours may require that Fund to forego certain investment opportunities. As a result, a Fund may perform differently to other funds, which do not seek to promote environmental and social characteristics or do not have sustainable investment as their objective. This may include underperforming or outperforming those funds. In addition, investor sentiment towards companies perceived as managing their ESG risks better relative to their peers or attitudes to ESG generally may change over time, thereby potentially affecting the demand for such funds and their performance. The prices of securities in which a Fund may invest may be adversely affected by ESG conditions and events, further potentially affecting a Fund's value and performance.

However, a responsible investment approach encompassing systematic consideration of a range of ESG factors alongside stewardship activities, as well as more traditional financial analysis, may provide the potential for longer-term growth and returns, which may not be available in

funds that do not seek to promote environmental and social characteristics or do not have sustainable investment as their objective.

The consideration of ESG factors involves the incorporation of longer-term risk factors including a company's relationship with its stakeholders as well as its impact, through both its operations and the products and services it offers, on the environment and wider society. The consideration of ESG factors also necessitates recognising the importance of the long-term health and stability of investment markets. Inadequate sustainability practices and policies can lead to, among other things, inefficiencies, operational disruption, litigation and reputational damage. Conversely, robust sustainability practices can mitigate these risks and enhance business quality, thereby delivering potentially superior longer-term returns for a Fund which invests in such issuers.

## Taxation Risk

The tax information provided in the section entitled "Taxation" is based on the law and our understanding of the practice of taxation as at the date of this Prospectus and is subject to change from time to time. Any change in the tax status of the Company or a Fund, or in accounting standards, or in taxation or the tax regime, or in the practice relating to the interpretation or application of tax legislation in Ireland or in any jurisdiction where a Fund is registered, listed, marketed or invested could affect the tax status of the Company and any Fund. It could also affect the value of a Fund's Investments in the affected jurisdiction, a Fund's ability to achieve its investment objective, and/or alter the after-tax returns to Shareholders. It is possible that any legislative changes may have retrospective effect. Where a Fund trades in FDI, these considerations may also extend to the jurisdiction of the governing law of the FDI and/or the relevant counterparty and/or to the markets to which the FDI provides exposure. The availability and value of any tax relief available to Shareholders depend on the individual circumstances of each Shareholder. The tax information provided in the section entitled "Taxation" is not exhaustive. It is intended as a guide only and does not constitute legal or tax advice. Prospective Shareholders should consult their tax advisers with respect to their particular tax situations and the tax effects of an investment in the Funds. Where a Fund invests in a jurisdiction where the tax regime is not fully developed or is not sufficiently certain, neither the Company, the Manager, the Investment Manager, the Depositary nor the Administrator shall be liable to account to any Shareholder for any payment made or suffered by the Company or the affected Fund in good faith to a fiscal authority for taxes or other charges of the Company or the affected Fund notwithstanding that it is later found that such payments need not or ought not have been made or suffered.

A Shareholder that is eligible for an exemption from Irish withholding tax is required to provide a declaration to the Company confirming their status as a condition of obtaining the exemption. Investors are advised to consult their own tax advisors in relation to their personal circumstances and suitability of this investment. Please see the section headed "Taxation" below."

The Company may be required to account for tax on any distribution or the value of the Shares deemed or actually disposed of, repurchased or transferred at the applicable rate unless it has received from the recipient or the transferor a declaration in the prescribed form confirming that the Shareholder is not a Shareholder in respect of whom it is necessary to deduct tax. The Company reserves the right to repurchase such number of Shares held by a transferor as may be necessary to discharge the tax liability arising therefrom. The Company reserves the right to refuse to register a transfer of Shares until it receives a declaration as to the transferee's residency or status in the form prescribed by the Irish Revenue Commissioners.

## Valuation Risk

The Net Asset Value of a Fund will be calculated by the Administrator based, to the extent possible, on prices obtained from independent third-party sources including exchanges. The fair market value of those assets of a Fund for which a third-party price is not available will be valued based on other sources deemed reliable by the Directors, in consultation with the Administrator. Investors should note that there is a risk that a Shareholder who redeems their Shares while a Fund holds particular assets may be paid an amount less or more than it would otherwise be paid if the actual value of such assets is higher or lower than the value provided to the Administrator. In addition, there is a risk that a subscription for Shares could dilute the underlying value of such assets for the other Shareholders if the actual value of such assets is higher than the value provided to the Administrator. There is also a risk that greater investment management fees and performance fees (to the extent that performance fees are payable by a Fund) may be paid by a Fund in respect of certain assets or liabilities of the Fund than would have been paid if the actual value of such assets or liabilities is lower or higher than the value determined for the purposes of calculating those fees and allocations. None of the Directors, the Manager, the Investment Manager or the Administrator is under any liability (including any obligation to remit excess investment management fees or performance fees to a Fund or any of the Shareholders) if a price reasonably believed to be an accurate valuation of a particular asset of the Fund is found not to be such.

## Volatility Risk

The Net Asset Value of certain Funds may be subject to a high degree of variation. The Manager and/or the Investment Manager will seek to manage the volatility of these Funds. However, Shareholders should be aware that Investments are subject to normal market fluctuations and other risks inherent in investing in securities.

## Underlying Fund Risk

The risk that a Fund's performance is closely related to the risks associated with the securities and other investments held by the underlying funds and that the ability of a Fund to achieve its investment objective will depend upon the ability of underlying funds to achieve their respective investment objectives. A Fund bears underlying fund fees and expenses indirectly. A Fund may also earn capital gains from sales of shares of underlying funds and/or receive distributions of capital gains from underlying funds. A Fund distributes any net capital gains earned to Fund shareholders no less frequently than annually. Fund distributions of dividends and capital gains are taxable to you whether paid in cash or reinvested in the Fund. Dividends are taxable at different rates depending on the source of dividend income. Distributions of net short-term capital gains are taxable to you as ordinary income. Distributions of net long-term capital gains are taxable to you as long-term capital gains regardless of how long you have owned your Shares. Investment companies incur certain expenses, such as management fees and other operating expenses, and, therefore, any investment by a Fund in shares of other investment companies will be subject to two layers of fees and expenses. However, solely with respect to investments in affiliated underlying funds, to avoid charging duplicative management fees, the Investment Manager will waive and/or reimburse a Fund's management fee in an amount equal to the net management fees charged by affiliated underlying funds to the Fund on the Fund's net assets invested in the underlying funds.

## Underlying Collective Investment Schemes Investment Risk

As a shareholder of underlying collective investment schemes, some of which may invest in underlying funds, a Fund will bear, along with other shareholders in an underlying collective investment scheme, its portion of the expenses of the underlying collective investment scheme including management, administration, custody and/or other fees. These fees will be in addition to the management, administration and custody fees and other expenses which a Fund bears directly in connection with its own operations. Investment in affiliated underlying collective investment schemes with the Manager and/or the Investment Manager will be made on an arm's length basis. Where a Fund invests in an underlying collective investment scheme managed by the Manager and/or the Investment Manager or their affiliates, and the Manager and/or the Investment Manager or their affiliate, as the case may be, is entitled to receive a preliminary charge for its own account in respect of an investment in such underlying collective investment scheme, the Manager and/or the Investment Manager or the affiliate, as appropriate, shall waive the preliminary charge. Where a commission is received by the Manager and/or the Investment Manager by virtue of an investment in the shares of an underlying collective investment scheme, this commission will be paid into the property of the relevant Fund.

## Potential Indemnity Risk in relation to certain sub-distribution arrangements

A sub-distributor and / or platform service provider, through which a Fund or Funds may be distributed could seek an indemnity from the Distributor in relation to certain losses which they might incur as a result of the negligence or failure of the Company or one of its service providers. The Distributor has been indemnified in turn by the Company in respect of payments it is obliged to make under such provisions. In most cases, the Company will be able to recover, in turn, from the relevant service provider or delegate whose acts or omissions caused the relevant loss. However, if the relevant service provider was to contest their liability, the Company could be obliged to pay out under the indemnity before receiving compensation, if any, from the relevant service provider. Furthermore, the indemnities provided to the sub-distributors could require compensation for a broader list of losses than would be covered under the relevant contract between the Company and the relevant service provider. The Company will use all reasonable efforts to limit these circumstances, where possible.

## Limitation of Application Form Indemnities for Trustees Risk

The Company has agreed that for certain investors who are structured as trusts / pension funds ("**Trustee Investors**") that in the absence of negligence or fraud, certain indemnities in the Application Form and Dealing Form would be limited to the assets of the trust / pension scheme in question. The result of this is that any such indemnities would not extend to the personal assets of the individual trustees of the Trustee Investor.

## Risks associated with Fees and Expenses to Higher Income Share Classes

The Fees and Expenses to Higher Income Share Classes may charge certain fees and expenses to capital rather than income. Charging all or part of the fees and expenses to capital will result in income being increased for distribution; however, the capital that these Share Classes have available for investment in the future, and capital growth, may be reduced notwithstanding the performance of the relevant Fund. Shareholders should note that there is an increased risk that

on the redemption of Shares of these Share Classes, Shareholders may not receive back the full amount invested. For investors in Fees and Expenses to Higher Income Share Classes this may result in the erosion of investors' capital investment, or capital gains attributable to that original investment, which will likely diminish the value of future returns. The increased dividend pay-out as a result of charging fees and expenses to capital effectively amounts to a return or withdrawal of an investor's original capital investment or of capital gains attributable to that original investment. Shareholders should note that to the extent expenses are charged to capital, some or all of the distributions made by the Fees and Expenses to Capital Share Classes should be considered to be a form of capital reimbursement.

As the Fees and Expenses to Higher Income Share Classes may charge certain fees and expenses to capital, there is an increased risk that on the redemption of the Shares of these Share Classes, Shareholders may not receive back the full amount invested because charging fees and expenses to capital may result in the erosion of capital notwithstanding the performance of the relevant Fund. As a result, some of the potential for future capital growth will be lost as a consequence of seeking to increase the amount of income that can be distributed by these Share Classes. The reason for this policy is to assist these Share Classes in trying to increase the rate of distributions for these Share Classes. Although these Funds are permitted to charge certain fees and expenses to capital for the Higher Income Share Classes they may choose not to do so. The Funds' annual and semi-annual reports will disclose whether such Higher Income Share Classes have charged fees and expenses to capital and the amount of such fees and expenses. For more information, contact the Manager.

# Fund Specific Risk Factors

## Bonds Risk

Investment in bonds is subject to the risk of an issuer's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk). Below Investment Grade bonds are more likely to react to developments affecting market and credit risk than more highly rated bonds, which react primarily to movements in the general level of interest rates. A Fund may invest in bonds from issuers with a range of credit worthiness. A default by the issuer of a bond may result in a reduction in the value of the Fund.

Cash interest rates vary over time, and the price of bonds will generally be affected by changing interest rates and credit spreads. The price of a fixed interest bond generally has an inverse relationship with interest rate movements, i.e., if interest rates increase, the price of a fixed interest bond will typically decrease, which can result in capital loss.

Although a Fund will seek to invest in bonds that trade in the secondary market, the secondary market for bonds can often be illiquid and therefore it may be difficult to achieve fair value on purchase and sale transactions. In addition, there is a risk that bonds which are nearing maturity may become illiquid. In such cases, it may become more difficult to achieve fair value on the purchase and sale thereof.

A Fund which invests in sovereign bonds is subject to a government's ability to pay, which is a function of a government's economic position. A country with a strong economy, manageable debt burden, stable currency, strong tax collection and positive demographics will likely have

the ability to pay back its debt. This ability will usually be reflected in a strong credit rating by the major ratings agencies. On the other hand, a country with a weak economy, high debt burden, weak or volatile currency, little ability to collect taxes and poor demographics may find itself in a position where it is unable to pay back its debt.

Where a Fund intends to invest in corporate bonds either Investment Grade and/or Below Investment Grade bonds, investors should note that Below Investment Grade bonds could be rated in the lowest rating categories by S&P or by Moody's or could be unrated. Bonds rated in medium to low rating categories of internationally recognised rating services or unrated securities of comparable quality, commonly called junk bonds, are considered speculative and payments of principal and interest thereon may be questionable. In some cases, such bonds may be highly speculative, may have poor prospects for reaching Investment Grade standing and may be in default. As a result, investment in such bonds will entail greater speculative risks than those associated with investment in Investment Grade bonds (i.e., bonds rated at least BBB- (long term) or A3 (short term) by S&P or Baa3 (long term) or Prime 3 (short term) by Moody's, or a similar rating by another internationally recognised rating service).

## Chinese Market Risk

Investing in the People's Republic of China (PRC) is subject to the risk of investing in Emerging Markets (see Emerging Markets Risk), and furthermore risks that are specific to the PRC Market.

Many of the economic reforms in China are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on investment in the companies in China.

The national regulatory and legal framework for capital markets and joint stock companies in China is not well developed when compared with those of developed countries.

Under the prevailing tax policy in China, there are certain tax incentives available to foreign investment. There can be no assurance, however, that the aforesaid tax incentives will not be abolished in the future.

Investments in China will be sensitive to any significant change in political, social or economic policy in China. Such sensitivity may, for the reasons specified above, adversely affect the capital growth and thus the performance of these investments.

## Collateral Reinvestment Risk

The Fund could receive cash collateral as a result of its securities lending, derivatives or other trading activities. Where such cash collateral is reinvested there is a risk that the capital value of the collateral could decline due to a decline in the value of the underlying investment. This in turn may cause losses to the Fund because it is obliged to return collateral to the counterparty.

## Contingent Convertible Securities Risk

A Fund may invest in convertible securities, including contingent convertible bonds which are hybrid bonds that may be convertible into equity, written down or written off by the issuer if a pre-determined trigger event occurs. Due to the contingent write-down, write-off and conversion features of contingent convertible bonds, such instruments are sensitive to changes in volatility in credit and volatility in interest rates and may have greater risk than other forms of securities in times of credit stress. Should a predetermined trigger event specified in the terms of issuance of a contingent convertible bond occur, the Fund will not be able to control whether the issuer

chooses to write-down, write-off or convert the bond into equity. Furthermore, there is no guarantee that an issuer will choose to convert the bond into equity on the occurrence of a pre-determined trigger event. The coupon payments on contingent convertible bonds may be entirely discretionary. This means that coupon payments may be cancelled by the issuer at any point, for any reason, for any length of time and the amount of such coupon payment will not be recoverable. The Fund could suffer a loss on its investment because the issuer may force a conversion of the bond to equity before the Fund would otherwise choose or the value of the issuance may be written down or written off.

Contingent convertible risk can be exposed to several additions risks, including:

### Trigger level risk

The trigger event is ordinarily linked to the financial position of the issuer and therefore the conversion is likely to occur as a result of a deterioration of the relative capital strength of the underlying. The relative risk associated with different contingent convertibles will depend on the distance between the current capital ratio and the effective trigger level. It is likely that the conversion to equity would occur at a share price, which is lower than when the bond was issued or purchased

### Capital structure inversion risk

In the case of a principal write down contingent convertible security, it is possible that the holder could take a write down before equity holders, which is contrary to the typical capital structure hierarchy.

### Liquidity risk

In stressed market conditions, the liquidity profile of the issuer can deteriorate significantly and it may be difficult to find a ready buyer which means that a significant discount may be required in order to sell it.

### Call extension risk

Contingent convertible securities can also be issued as perpetual securities (i.e. without a maturity date), while these will have call dates, there is no guarantee that the issue will be called on this date and there is a possibility that the security may never be called resulting in the investor not receiving the return of the principal at any date, like for any other non-callable perpetual security.

### Unknown risk

Contingent convertible securities are relatively new instruments and the trigger events are generally untested, therefore it is uncertain how the asset class will perform in stressed market conditions and risk to capital, and volatility could be significant.

### Coupon cancellation risk

Coupon payments may be discretionary and can be cancelled at any time, for any reason.

### Valuation risk

Investment in contingent convertible securities may have a higher yield, however, they can carry higher risk than investment in traditional debt instruments and in certain cases equities; the volatility and risk of loss can be significant.

## Credit Default Swaps Risk

The "buyer" in a credit default Swap is obligated to pay the "seller" a periodic stream of payments over the term of the contract in return for a contingent payment upon the occurrence of a credit event with respect to an underlying reference obligation. Generally, a credit event means bankruptcy, failure to pay, obligation acceleration or modified restructuring. If a credit event occurs, the seller typically must pay the contingent payment to the buyer, which is typically the "par value" (full notional value) of the reference obligation. The contingent payment may be a cash settlement or by physical delivery of the reference obligation in return for payment of the face amount of the obligation. A Fund may be either the buyer or seller in the transaction. If a Fund is a buyer and no credit event occurs, the Fund may lose its investment and recover nothing. However, if a credit event occurs, the buyer typically receives full notional value for a reference obligation that may have little or no value. A seller will receive a fixed rate of income throughout the term of the contract, which typically is between one month and five years, provided that no credit event occurs. If a credit event occurs, the seller may pay the buyer the full notional value of the reference obligation. The value of the reference obligation received by the seller, coupled with the periodic payments previously received, may be less than the full notional value it pays to the buyer, resulting in a loss of value to a Fund.

Credit default Swaps involve greater risks than if a Fund had invested in the reference obligation directly. In addition to general market risks, credit default Swaps are subject to liquidity risk and credit risk.

## Depositary Receipts Risk

Depositary Receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. A Fund will not invest in any unlisted Depositary Receipts or any Depositary Receipt that the Manager and/or the Investment Manager deems to be illiquid or for which pricing information is not readily available. Depositary Receipts are generally sponsored; however, Depositary Receipts may be unsponsored. The issuers of unsponsored Depositary Receipts are not obligated to disclose material information and, therefore, there may be less information available regarding such issuers and there may not be a correlation between such information and the market value of the Depositary Receipts.

## Emerging Markets Risk

Where a Fund invests in or otherwise has exposure to emerging markets or emerging market securities the following additional risk factors may be relevant.

### Political and economic factors

There is, in some emerging market countries, a higher than usual risk of nationalisation, expropriation or confiscatory taxation, any of which might have an adverse effect on the value of Investments in those countries. Emerging market countries may also be subject to higher than usual risks of political changes, government regulation, social instability or diplomatic developments (including war) which could adversely affect the economies of the relevant

countries and thus the value of Investments traded in those countries. The economies of many emerging market countries can be heavily dependent on international trade and accordingly have been and may continue to be adversely affected by trade barriers, managed adjustments in relative currency values, other protectionist measures imposed or negotiated by the countries with which they trade and international economic developments generally. Emerging markets may be subject to international sanctions or exhibit heightened financial crime thus requiring increased compliance screening and checks.

### Counterparty risk and liquidity factors

There can be no assurance that there will be any market for any Investments acquired by a Fund or, if there is such a local market, that there will exist a secure method of delivery against payment which would, in the event of a sale by or on behalf of a Fund, avoid exposure to counterparty risk on the buyer. It is possible that, even if a market exists for such Investment, that market may be highly illiquid. Such lack of liquidity may adversely affect the value or ease of disposal of such Investments. There is a risk that counterparties may not perform their obligations and that settlement of transactions may not occur. It may not be possible to execute trades on behalf of a Fund at the requisite time or at the requisite quantity, and bid-offer spreads can be relatively wide.

### Legal factors

The legislative framework in emerging market countries for the purchase and sale of Investments and in relation to beneficial interests in those Investments may be relatively new and untested and there can be no assurance regarding how the courts or agencies of emerging market countries will react to questions arising from a Fund's investment in such countries and arrangements contemplated in relation thereto. There is no guarantee that any arrangements made, or agreement entered into, between the Depositary and any correspondent (i.e., an agent, sub-Depositary or delegate) will be upheld by a court of any emerging market country, or that any judgement obtained by the Depositary or the Company against any such correspondent in a court of any jurisdiction will be enforced by a court of any emerging market country.

### Reporting and valuation factors

There can be no guarantee of the accuracy of information available in emerging market countries in relation to Investments which may adversely affect the accuracy of the value of Shares in a Fund. Accounting practices are in many respects less rigorous than those applicable in more developed markets. Similarly, the amount and quality of information required for reporting by companies in emerging market countries is generally of a relatively lower degree than in more developed markets. Standards of corporate governance and financial reporting among listed companies in some emerging market countries can be uneven.

### Exchange control and repatriation factors

It may not be possible for a Fund to repatriate capital, dividends, interest and other income from emerging market countries, or it may require government consents to do so. A Fund could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

### Settlement factors

There can be no guarantee of the operation or performance of settlement, clearing and registration of transactions in emerging market countries nor can there be any guarantee of the solvency of any securities system or that such securities system will properly maintain the registration of the Depositary or the Company as the holder of securities. Where securities markets and banking and telecommunications systems are underdeveloped, concerns inevitably arise in relation to settlement, clearing and registration of transactions in securities where these are acquired other than as direct investments. Furthermore, due to the local postal and banking systems in many emerging market countries, no guarantee can be given that all entitlements attaching to quoted and OTC traded securities acquired by a Fund, including those related to dividends, can be realised. Some emerging markets currently dictate that monies for settlement be received by a local broker a number of days in advance of settlement, and that assets are not transferred until a number of days after settlement. This exposes the assets in question to risks arising from acts, omissions and solvency of the broker and counterparty risk for that period of time. Failed trades may occur more frequently in certain emerging market countries, as settlement processes may be less standardised, less automated and more prone to errors. The market may enforce buy-ins for failed settlements, resulting in potential fines.

### Currency factors

The economies of emerging market countries generally are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. In this regard, Investments in emerging market countries may involve risks of restrictive currency control regulations and currency conversion rates may be artificial to actual market values. Currency exchange rates in emerging markets may fluctuate significantly over short periods of time.

Investors that seek to build a portfolio covering new markets need to be aware that they may face a higher risk of investment exposure to potentially volatile currencies.

### Custody factors

Local custody services remain underdeveloped in many emerging market countries and there is a transaction and custody risk involved in dealing in such markets. In certain circumstances a Fund may not be able to recover some of its assets. Such circumstances may include any acts or omissions or the liquidation, bankruptcy or insolvency of a sub-custodian, retroactive application of legislation and fraud or improper registration of title. The costs borne by a Fund in investing and holding Investments in such markets will generally be higher than in developed securities markets.

### Regulatory and trading-execution factors

Market liberalisation and openness to non-local investors may have increased for certain markets, however, market barriers should not be underestimated. Foreign ownership restrictions, currency limits, local custody rules, local funding and registration requirements are widespread and sometimes difficult to navigate. Some markets may even require foreign market participants to execute trades via local brokers.

### Transaction costs factors

In many markets, high local transaction fees and commissions inflate trading costs.

### Sector and sovereign risk factors

Part of the attraction of investing in securities in new markets is the potential for diversification and low correlation benefits to other held securities from other markets. However, investors should be aware that some markets are dominated by a few sectors, thus a sizeable allocation can result in concentrated exposures to certain sectors. Certain markets may be highly exposed to sovereign risk.

## Frontier Market Risk

Frontier markets are a sub-set of emerging markets, which are smaller in market capitalization and have less accessibility, while remaining open for foreign investment and are not impacted by extreme economic or political instability. The risks associated with investments in frontier market countries include all the risks associated with investments in developing and emerging markets as listed above; however, these risks are magnified for frontier market countries. As a result, investments in companies in frontier market countries are generally subject to a higher risk of loss than investments in companies in traditional emerging and developing market countries due to less developed securities markets, different settlement procedures, greater price volatility, less developed governments and economies, more government restrictions, and the limited ability of foreign entities to participate in certain privatization programs. Investments in companies operating in frontier market countries are highly speculative in nature.

## Equity Risk

The market prices of equity securities owned by a Fund may go up or down, sometimes rapidly or unpredictably. The value of a security may decline for a number of reasons that may directly relate to the issuer of the equities in question (for example, changes in an issuer's financial condition). In addition, changes in the specific economic or political conditions or changes in the general economic or political conditions can affect a security's or instrument's value. The values of equity securities also may decline due to general market conditions that are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. A Fund may continue to accept new subscriptions and to make additional investments in equity securities even under general market conditions that the Manager and/or the Investment Manager views as unfavourable for equity securities.

## FDIs Risk

Where a Fund uses FDIs, they will be used subject to the limits and conditions set out in Appendix II. These derivative positions may be executed either on exchange or OTC. Such FDIs tend to have a greater volatility than the securities to which they relate and they bear a corresponding greater degree of risk. The primary risks associated with the use of such derivatives are (i) failure to predict accurately the direction of the market movements and (ii) market risks, for example, lack of liquidity or lack of correlation between the change in the value of the underlying asset and that of the value of a Fund's derivatives. Trading in FDIs involves a risk of loss to a Fund that could materially adversely affect the Fund's Net Asset Value. Other risks associated with the use of FDIs include risks relating to settlement default; structuring risks; legal risks; operations risks; counterparty financial soundness, credit worthiness and performance risk. These techniques may not always be possible or effective in enhancing returns or mitigating risk.

In general, there is less governmental regulation and supervision of transactions in the OTC markets (in which currencies, forward, spot and Option contracts, credit default Swaps, total return Swaps and certain options on currencies are generally traded) than of transactions entered into on organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with OTC financial derivative transactions. Therefore, a Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transaction and that it will sustain losses. The Company will only enter into transactions with counterparties which it believes to be creditworthy, and may reduce the exposure incurred in connection with such transactions through the receipt of collateral from certain counterparties. However, regardless of the measures the Company may seek to implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that a Fund will not sustain losses as a result, which may ultimately impact the performance of a Fund and potential returns to Shareholders.

From time to time, the counterparties with which a Fund may effects transactions might cease making markets or quoting prices in certain of the instruments. In such instances, the Company might be unable to enter into a desired transaction in currencies, credit default Swaps or total return Swaps or to enter into an offsetting transaction with respect to an open position, which might adversely affect its performance. Further, in contrast to exchange traded instruments, forward, spot and Option contracts on currencies do not provide the Manager and/or the Investment Manager with the possibility to offset the Company's obligations through an equal and opposite transaction. For this reason, in entering into forward, spot or Options contracts, the Company may be required, and must be able, to perform its obligations under the contracts.

If disclosed in a Fund's investment policy that a Fund may enter into Forward Currency Exchange Contracts, Futures, Options, Swaps, or Warrants investors should refer to the risk factor similarly titled under the heading "Fund Specific Risk Factors", below.

The use of FDIs can result in leverage being created in a Fund's portfolio.

### Leverage Risk

In relation to the use of FDIs, leverage exists when a Fund purchases or sells an instrument or enters into a transaction without investing cash in an amount equal to the full economic exposure of the instrument or transaction. A Fund could therefore lose more than it invested. Increases and decreases in the value of a Fund's portfolio will be magnified when the Fund uses leverage. Leveraged transactions multiply the risk of potential losses when positions results are contrary to expected market directions, compared to direct holdings, and may add significant risk because of added payment obligations. The use of leverage may cause a Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet any required asset segregation requirements.

The use of leverage may result in large fluctuations in the Net Asset Value of a Fund amplifying both gains and losses. Investors are referred to the investment policy of each Fund in relation to the level of leverage used or market risk expected within a Fund.

### Counterparty Default Risk

A Fund's investment in OTC FDIs is subject to the risk of counterparty default. In addition, a Fund may have to transact with counterparties on standard terms which it may not be able to negotiate and may bear the risk of loss because a counterparty does not have the legal capacity to enter into a transaction, or if the transaction becomes unenforceable due to relevant

legislation and regulation. To the extent that a Fund invests in FDIs, a Fund may take a credit risk with regard to parties with whom it trades and may also bear the risk of settlement default.

FDI positions (such as Swaps or other FDIs with similar characteristics) may be entered into on an OTC basis. Trading in such derivatives results in credit risk exposure to counterparties with which a Fund trades (i.e., the risk that the counterparty will fail to discharge its obligations under the terms of the trade in respect of the relevant Fund). Where the Manager and/or the Investment Manager enters into OTC FDI trades it may seek to mitigate much of its credit risk to the counterparty by receiving collateral from that counterparty. To the extent that any such FDIs are not fully collateralised, a default by the counterparty may result in a reduction in the value of the relevant Fund and thereby a reduction in the value of an investment in the Fund.

Where the Manager and/or the Investment Manager enters into FDIs with companies related to the Manager and/or the Investment Manager these companies may have interests which conflict with those of a Fund in that they may act as principal or may provide banking, brokerage or other services to a Fund, thereby deriving benefit.

## Financial Indices Investment Risk

Financial indices in which a Fund may invest or gain exposure to will be subject to periodic rebalancing. Rebalancing involves an adjustment to the weightings or components in a financial index in order to meet the index provider's methodology requirements. Where rebalancing occurs, a Fund may adjust its exposure or investment in the financial index to reflect the rebalancing that has occurred. Any rebalancing or investment by the index may result in a Fund incurring certain related costs (including, but not limited to, brokerage or counterparty costs). In the event that the weighting of a stock in a financial index exceeds the investment restrictions applicable to the Fund, the Manager and/or the Investment Manager will review the level of investment in the financial index with a view to returning the Fund to compliance. This may also result in additional costs to the Fund.

## Forward Currency Exchange Contracts Risk

Forward Currency Exchange Contracts and Options thereon, unlike Futures Contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and "cash" trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. For example, there are no requirements with respect to financial responsibility or segregation of customer funds or positions. In contrast to exchange-traded Futures Contracts, interbank traded instruments rely on the dealer or counterparty being contracted with to fulfil its contract. As a result, trading in interbank Forward Currency Exchange Contracts may be subject to more risks than Futures or Options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which a Fund has a forward currency contract. Although a Fund may seek to trade with responsible counterparties, failure by a counterparty to fulfil its contractual obligation could expose the relevant Fund to unanticipated losses. 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. There have been periods during which certain participants in these markets have quoted prices with an unusually wide spread between the price at which they were prepared to buy and that at which they were prepared to sell. Disruptions can occur in any currency market traded by a Fund due to unusually high or low trading volumes, political intervention or other factors. The imposition of controls by

governmental authorities might also limit such forward trading to less than that which the Manager and/or the Investment Manager would otherwise experience, to the possible detriment of a Fund. Market illiquidity or disruption could result in major losses to a Fund.

## Futures Risk

Transactions in Futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the position with cash. They carry a high degree of risk. The low margins normally required in Futures trading permit a very high degree of leverage. As a result, a relatively small movement in the price of a Futures contract may result in a profit or loss which is high in proportion to the amount of funds actually placed as margin and may result in unquantifiable further loss exceeding any margin deposited. Futures trading in many contracts on Futures exchanges (although generally not in currencies) is subject to daily price fluctuation restrictions, commonly referred to as "daily limits", which prohibit the execution of Futures trades on any given day outside a prescribed price range based on the previous day's closing prices. Daily limits do not limit ultimate losses but may make it costly or impossible for the Manager and/or the Investment Manager to liquidate a Futures position against which the market is moving. A series of "limit moves", in which the market price moves the "daily limit" with little or no trading taking place, could subject a Fund to major losses.

## Inflation-Linked Risk

Where a Fund seeks to deliver a return in excess of inflation, a period of low inflation or deflation will adversely affect any economy and as a consequence capital growth of the Fund may be limited or may not be achieved.

## Loans Investment Risk

Where a Fund invests in fixed or floating-rate commercial bank loans from one or more financial institutions ("Lender(s)") to a borrower ("Borrower") by way of (i) assignment/transfer of or (ii) loan participation in the whole or part of the loan amount outstanding it will do so only where the loan qualifies as a money market instrument. The loans must therefore be capable of being freely traded and transferred. Where a Fund invests by way of participation, it will have a contractual relationship only with a Lender as grantor of the participation but not with the Borrower. The Fund can acquire a participatory interest only where the Lender(s) interposition between the Fund and the Borrower is determined by the Manager and/or the Investment Manager to be creditworthy. When purchasing loan participation, the Fund assumes the economic risk associated with the Borrower and the credit risk associated with the Lender. Loan assignments typically involve a transfer of debt from the Lender to a third party. When purchasing loan assignments, the Fund assumes the credit risk associated with the Borrower only.

The Fund may invest in secured or unsecured loans. Loans that are fully secured offer the Fund more protection than an unsecured loan, in the event of non-payment of scheduled interest or principal. However, there is no assurance that the liquidation of collateral from a secured loan would satisfy the Borrower's obligation. In addition, investments in loans through a direct assignment include the risk that if a loan is terminated, the Fund could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral. Loan participation typically represents direct participation in a loan to a Borrower and generally are offered by banks or other financial institutions or lending syndicates. A loan is often administered by an agent bank acting as agent for all holders. Unless, under the terms of

the loan or other indebtedness, the Fund has direct recourse against the Borrower, the Fund may have to rely on the agent bank or other financial intermediary to apply appropriate credit remedies against a Borrower. The loans in which a Fund invested may not be rated by any internationally recognised rating service.

## Mortgage-Backed Securities and Asset-Backed Securities and Prepayment Risk

Traditional debt securities typically pay a fixed rate of interest until maturity, when the entire principal amount is due. By contrast, payments on mortgage-backed securities (MBS) typically include both interest and partial payment of principal. Principal may also be prepaid voluntarily, or as a result of refinancing or foreclosure. The Company may have to invest the proceeds from prepaid investments under less attractive terms and yields. Compared to other debt, MBS are less likely to increase in value during periods of declining interest rates and have a higher risk of decline in value during periods of rising interest rates. They can increase the volatility of the relevant Fund.

Asset-Backed Securities are structured like MBS, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicle instalment sales or instalment loan contracts, leases of various types of real estate and personal property and receivables from credit card agreements. Not all Asset-Backed Securities have the benefit of a security interest in their underlying assets. Such Asset-Backed Securities may present certain additional risks that are not present with other Asset-Backed Securities or MBS. For example, the ability of an issuer of ABS to enforce its security interest in the underlying assets may be limited.

MBS and Asset-Backed Securities are generally issued in multiple classes, each having different maturities, interest rates and payment schedules, and with the principal and interest on the underlying mortgages or other assets allocated among the several classes in various ways. Payment of interest or principal on some classes may be subject to contingencies or some classes or series may bear some or all of the risk of default on the underlying mortgages or other assets. In some cases, the complexity of the payment, credit quality and other terms of such securities may create a risk that terms of the security are not fully transparent. The complexity of MBS and Asset-Backed Securities may make valuation of such securities at an appropriate price more difficult, particularly where the security is customised. In determining the average maturity or duration of an MBS or Asset-Backed Securities, the Manager and/or the Investment Manager must apply certain assumptions and projections about the maturity and prepayment of such security; actual prepayment rates may differ. If the life of a security is inaccurately predicted, the Company may not be able to realise the expected rate of return. In addition, many MBS and Asset-Backed Securities are subject to heightened liquidity risk. The number of investors that are willing and able to buy such instruments in the secondary market may be smaller than that for more traditional debt securities.

A Fund may also invest in collateralised mortgage obligations (CMOs). CMOs are issued in separate classes with different stated maturities that may have different credit and investment profiles. As the mortgage pool experiences prepayments, the pool pays off investors in classes with shorter maturities first. Prepayments may cause the actual maturity of a CMO to be substantially shorter than its stated maturity. Conversely, slower than anticipated prepayments can extend the effective maturities of CMOs, subjecting them to a greater risk of decline in market value in response to rising interest rates than traditional debt securities, and, therefore, potentially increasing their volatility.

CMOs and other instruments with complex or highly variable prepayment terms generally entail greater market, prepayment and liquidity risks than other MBS.

A Fund may also invest in collateralised debt obligations (CDOs), which are tranched securities that involve risks similar to those of CMOs, but are collateralised not by pools of mortgage loans, but pools of other debt obligations (such as corporate debt obligations). The risks of an investment in a CDO depend largely on the type of the collateral securities and the class of the CDO in which a Fund may invest.

CDOs and CMOs carry additional risks to MBS and Asset-Backed Securities including the risks that: (i) the distributions from collateral securities will not be adequate to make interest or other payments; (ii) the quality of the collateral may decline in value or default; (iii) a Fund may invest in tranches of CDOs or CMOs that are subordinate to other tranches; (iv) the complex structure of the security may not be fully transparent and, if not understood at the time of investment, may produce disputes with the issuer or unexpected investment results; and (v) the manager of the CDOs or CMOs may perform poorly.

## Options Risk

Options enable a Fund to take a position in an underlying security. The Option position can offset unfavourable price movements in the underlying security. Specific strategies include covered call writing and protective put buying. Use of these strategies can improve the yield on a security and may be employed to generate addition income or to hedge a security exposure.

### Call Options

The seller (writer) of a call Option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call Option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the Option. The securities necessary to satisfy the exercise of an uncovered call Option may be unavailable for purchase, except at much higher prices, thereby reducing or eliminating the value of the premium. Purchasing securities to cover the exercise of an uncovered call Option can cause the price of the securities to increase, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium investment in the call Option.

### Put Options

The seller (writer) of a put Option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security if the market price falls below the exercise price of the Option. The seller of an uncovered put Option assumes the risk of a decline in the market price of the underlying security below the exercise price of the Option. The buyer of a put Option assumes the risk of losing its entire investment in the put Option.

### Stock Connect Risk

Certain Funds may make investments that are tied economically to issuers from the People's Republic of China ("**PRC**"). This exposure to the Chinese market may be obtained via the Shanghai-Hong Kong Stock Connect program ("**Shanghai Stock Connect**") and the Shenzhen-Hong Kong Stock Connect ("**Shenzhen Stock Connect**") (together "**Stock Connect**") within certain investment quotas as approved under and subject to applicable Chinese regulatory requirements.

### Stock Connect Risks

If a Fund invests through Stock Connect, it will be subject to some or all of the following additional risks, the details of which are contained at Appendix VI:

(a) Risks linked with dealing in securities in China via Stock Connect;

(b) Pre-trade check risk;

(c) Beneficial owner of the Eligible Securities risk;

(d) Not protected by Investor Compensation Fund;

(e) Restriction on Turnaround (day) Trading;

(f) Quota risk;

(g) Difference in trading day and trading hours;

(h) Recalling of eligible stocks;

(i) Trading costs;

(j) Clearing and settlement risk;

(k) Local market rules, foreign shareholding restrictions and disclosure obligations;

(l) No manual trade or block trade, order priority and execution issues;

(m) No off-exchange trading and transfers;

(n) Currency risks;

(o) Risk of ChinaClear default;

(p) Risk of HKSCC default;

(q) Ownership of Eligible Securities risk;

(r) Regulatory risk; and

(s) Taxation risk.

## Repurchase and Reverse Repurchase Agreements Risk

Where a Fund enters into repurchase and reverse repurchase agreements it is exposed to credit risk. This can arise where the seller of a repurchase agreement fails to fulfil its commitment to repurchase the security in accordance with the terms of the agreement. In this instance a Fund may incur a loss to the extent that the proceeds realised on the sale of the securities are less than the repurchase price. Likewise, if the seller becomes insolvent, a bankruptcy court may determine that the securities do not belong to the Fund and may order that the securities be sold to pay off the seller's debts. A Fund may, therefore, experience both delays in liquidating

the underlying securities and losses during the period while it seeks to enforce its rights thereto, including possible sub-normal levels of income and lack of access to income during the period and expenses in enforcing its rights.

Reverse repurchase agreements involve the risk that the market value of the securities sold by a Fund may decline below the prices at which the Fund is obliged to repurchase such securities under the agreement. In the event that the buyer of securities under a reverse repurchase agreement files for bankruptcy or proves insolvent, a Fund's use of proceeds from the agreement may be restricted pending the determination by the other party or its trustee or receiver whether to enforce the obligation to repurchase the securities.

Where repurchase and reverse repurchase agreements are entered into with companies related to the Manager and/or the Investment Manager, these companies may have interests which conflict with those of a Fund in that they may act as principal or may provide banking, brokerage or other services to a Fund, thereby deriving benefit.

## Russian Investment Risk

Russian laws relating to securities investments and regulations have been created on an ad-hoc basis and do not tend to keep pace with market developments leading to ambiguities in interpretation and inconsistent and arbitrary application. Monitoring and enforcement of applicable regulations is rudimentary. Russian rules regulating corporate governance either do not exist or are underdeveloped. As of the date of this Prospectus, the Funds do not actively invest in Russia.

## Small and Mid-Capitalisation ("Cap") Companies Risk

The equity securities of small and mid-cap companies tend to be more volatile and less liquid than the equity securities of large companies. As small and mid-cap companies may experience more market price volatility than equity securities of larger companies, the Net Asset Value of any Funds which invest in small and mid-cap companies may reflect this volatility. Small and mid-cap companies, as compared with larger companies, may have a shorter history of operations, may not have as great an ability to raise additional capital, may have a less diversified product line making them susceptible to market pressure and may have a smaller public market for their shares. Investment in small and mid-cap companies may involve relatively higher investment costs and accordingly investment in Funds which invest in small and mid-cap companies should be viewed as a long-term investment. Such Funds may, however, dispose of an Investment made by it within a relatively short period of time; for example, to meet requests for redemption of Shares.

## Sovereign Debt Risk

Sovereign debt includes securities issued by or guaranteed by sovereign governments, their agencies or instrumentalities, or other government-related entities. The entity that controls the repayment of sovereign debt may not be able or willing to repay the principal and/or interest when due in accordance with the terms of such debt. The entity's ability to repay the principal and/or interest due in a timely manner may be affected by, among other factors, its cash flow, the extent of its foreign reserves (where relevant), the state of its country's economy, the relative size of the debt service burden to the economy as a whole, restrictions on its ability to raise more cash and the political constraints to which the entity may be subject. The value of sovereign debt securities may be affected by the creditworthiness of the relevant government

and any default or potential default by the relevant government. Holders of sovereign debt, including the Fund, may be requested to participate in the rescheduling of such debt and to extend further loans. In addition, there is no bankruptcy proceeding by which this debt may be collected in whole or in part.

## Swaps Risk

Swaps are entered into in an attempt to obtain a particular return without the need to actually purchase the reference asset. Swaps can be individually negotiated and structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, Swaps may increase or decrease the Fund's exposure to long-term or short-term interest rates, currency values, commodities, indices, or other factors such as security prices, baskets of securities, or inflation rates. Depending on how they are used, Swaps may increase or decrease the overall volatility of the Fund's Net Asset Value. Swaps may embed an agreed fee or rate of return for the counterparty.

Most Swaps entered into by a Fund would require the calculation of the obligations of the parties to the agreements on a "net basis". Consequently, a Fund's current obligations (or rights) under a Swap generally will be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the "net amount"). The risk of loss with respect to Swaps is limited to the net amount of payments that the Fund is contractually obligated to make. If the other party to a Swap defaults, a Fund's risk of loss consists of any margin or the net amount of payments that the Fund is contractually entitled to receive if uncollateralised.

## Thematic Risk

Funds or companies focused on particular economic themes may face more specific risks related to such themes. As such they may perform less well than more diverse investments.

The customers and/or suppliers of thematic companies may be concentrated in a particular country, region or industry. Any adverse event affecting one of these countries, regions or industries could have a negative impact on thematic companies. These companies may also be more affected by overall capital spending levels, economic cycles and changes in consumer and social trends than companies focused on more established business industries. Such considerations may lead the value of companies involved in a given economic theme to experience greater volatility than it would likely experience if a broader investment strategy were employed.

The emergent nature of many economic themes could result in increasing regulatory scrutiny in the future, which may impede the growth of companies that develop and/or focus on such economic themes. Further, such companies may be involved in fast evolving industries with increased exposure to the risks associated with changes in applicable laws, as well as market developments, which may cause businesses to contract or close suddenly and negatively impact the value of these companies.

## Warrants Risk

Warrants are similar to Options in that they give the holder the right but not the obligation to buy or sell stock at a set price in the future. A Warrant guarantees the holder the right to buy (or sell) a specific number of shares at a specific price (the strike price) for a defined period of time. Unlike Options on equity securities that are listed and traded on exchanges, Warrants are usually issued by corporations through private transactions and typically trade over-the-counter. The general movement in the stock markets, prevailing and anticipated economic and general economic conditions, interest rate movements, strike level, time remaining to expiry could affect the value of a Warrant. The buyer of a Warrant assumes the risk of losing its entire investment in such Warrant.

# Management and Administration

The Directors control the affairs of the Company and are responsible for the overall investment policy, which will be determined by them.

## Directors of the Company

The Company shall be managed and its affairs supervised by the Directors whose details are set out below. The Directors are all non-executive directors of the Company.

### Michael Boyce

(Chairman) (Irish): Mr. Boyce is an Irish citizen and acts as an independent director and a consultant to a number of Irish collective investment schemes. Prior to being appointed as a Director, Mr. Boyce served as Executive Director of Northern Trust Investor Services (Ireland) Limited, formerly known as Ulster Bank Investment Services Limited ("UBIS").

He also served as Managing Director of Ulster Bank Custodial Services and Managing Director of UBIS prior to Northern Trust's purchase of UBIS in May 2000. Mr. Boyce has worked in the financial services industry for more than 30 years including the areas of stockbroking, fund management and fund administration.

Mr. Boyce is a graduate of the Michael Smurfit School of Business at University College Dublin from which he holds a Diploma in Corporate Governance. He is a member of the Securities Institute, the Institute of Directors Ireland and the Corporate Governance Association of Ireland.

### Joseph L. Kagan

(British/South African): Mr. Kagan is General Counsel of Federated Hermes Limited ("FHL"), responsible for FHL's legal and company secretarial functions and a member of FHL's Senior Management Team. Mr. Kagan joined the firm in 2010 and was promoted to General Counsel in 2021. He is also a director of, and holds other positions with, a number of other Federated Hermes entities.

Prior to joining Federated Hermes, Mr. Kagan was in private practice at City law firm Bryan Cave Leighton Paisner LLP for nine years, where he practised corporate and funds law. Mr. Kagan is qualified as a solicitor in England and Wales and as an attorney in South Africa. He holds a Bachelor of Arts and LLB degree from the University of the Witwatersrand, Johannesburg and a Bachelor of Arts (Honours) Economics degree from the University of Cape Town.

Mr. Kagan is also a shareholder of Federated Hermes.

### Gregory P. Dulski

(American): Mr. Dulski is Federated Hermes' Chief Regulatory Officer, Head of Government Affairs and member of the Senior Management Team of FHL and holds other positions with a number of non-U.S. affiliates of Federated Hermes. Mr. Dulski is responsible for leadership and oversight of FHL's Compliance, Financial Crime and Risk functions, whilst serving as senior counsel of Federated Hermes which includes advocating with global policy makers and oversight of all legal and regulatory matters impacting Federated Hermes' international operations. Mr. Dulski has nearly 20 years of experience in the financial services industry and has worked with Federated Hermes for more than 15 years, both as outside counsel and in-house counsel.

Mr. Dulski serves as a director on a number of Federated Hermes' international boards and has worked extensively on financial services reform in both Europe and the United States. In addition to his work with Federated Hermes, Mr. Dulski has extensive industry experience having worked for Janus Capital Group and ALPS Fund Services in Denver, Colorado and in the investment management group of Reed Smith LLP. Mr. Dulski graduated with honours from The George Washington University School of Law in 2001 and received his undergraduate degree in Accounting from Arizona State University and is a non-practicing certified public accountant.

Mr. Dulski is also a shareholder of Federated Hermes.

### Sylvie McLaughlin

(Irish): Sylvie McLaughlin was appointed Head of Office at Hermes Fund Managers Ireland Limited in August 2021. Ms. McLaughlin is a member of FHL's Senior Management Team and is also a director of a number of other Federated Hermes entities. Prior to joining Hermes Fund Managers Ireland Limited, Ms. McLaughlin was Compliance and Operations Officer for Brandes Investment Partners Ireland Limited since October 2017 and before that spent 12 years working for Arthur Cox LLP where she advised on all aspects of asset management and investment funds in particular, advising international and Irish investment management businesses and financial service providers on legal, compliance and risk matters relating to all Irish legislative and regulatory matters. Ms. McLaughlin is a qualified solicitor, admitted to the Law Society of Ireland in 2005, and holds a Bachelor of Business and Legal Studies from University College Dublin and an MSc (Finance and Financial Law) from the University of London.

### Patrick M. Wall

(Irish): Patrick M. Wall was a senior partner in PricewaterhouseCoopers (PwC) for nearly 30 years specialising in international taxation with a particular focus on investment management and international funds distribution, retiring in 2015. He was Chair of the PwC's Irish Governance Board and served in various senior management roles including tax and financial services leader. He was also a member of the PwC European and Global Investment Management Leadership teams where he had special responsibility for international financial centres and he has been closely associated with the development of the IFSC since its inception. He was a member of the IFSC Clearing House Group for over 20 years and has also chaired and/or participated in various industry/Government working/advisory groups and worked closely with government agencies in the design of Irish tax policy. Prior to joining PwC in 1981, he was an Inspector of Taxes with the Irish Revenue. He currently holds a number of Central Bank approved independent non-executive directorships. He is a graduate of University College Dublin (BA) and is a member of the Institute of Directors (Cert IoD).

## Manager

The Company has appointed Hermes Fund Managers Ireland Limited as its management company pursuant to the Management Agreement. The Manager will be responsible for providing such collective portfolio management services to the Company and each Fund as may from time to time be required, in accordance with the investment objectives and policies described in this Prospectus and the Supplement for the relevant Fund, subject always to the supervision and direction of the Directors. The Manager's functions include general administration and distribution.

The Manager was established on 3 July 2018 in Ireland under registration number 629638, is organised under the laws of Ireland as a private company with limited liability pursuant to the Companies Act, and is authorised by the Central Bank as a UCITS management company.

The Manager is a fully-owned subsidiary of Federated Hermes Limited and a member of the Federated Hermes Group. The Manager is also the manager of other Irish-authorised collective investment schemes such as Federated Unit Trust, Federated Hermes International Funds plc and Federated Hermes Alternative Funds ICAV. Each of these is an umbrella fund comprising one or more sub-funds. The Manager also manages a limited number of segregated and sub-advised accounts and Luxembourg alternative investment funds.

The Manager may, in accordance with the requirements of the Central Bank, appoint one or more investment managers to whom it may delegate all or part of the day to day conduct of its investment management responsibilities in respect of any Fund. Details of any investment managers will, however, be provided to Shareholders on request and disclosed in the Company's periodic reports. The Manager will arrange for the fees and expenses of any investment manager to be paid out of the Manager's fees.

If more than one investment manager is appointed to a Fund, the Manager shall allocate the assets of the Fund between the investment managers in such proportions as it shall, at its discretion, determine.

Details of each of the directors of the Manager are as follows:

### Ronan Walsh

(Irish): Mr. Walsh is an Irish citizen and was a partner in the law firm of Arthur Cox LLP in Dublin from 1981 to April 2009, specialising in corporate law, with a particular emphasis on corporate finance and financial services. Mr. Walsh is also a non-executive director of a number of Irish companies. Mr. Walsh was educated at Trinity College, Dublin and qualified as a solicitor in 1975.

**Gregory P. Dulski, Sylvie McLaughlin, Joseph L. Kagan and Michael Boyce** (whose biographies are set out in the section entitled "Directors of the Company") are also directors of the Manager. All directors of the Manager are non-executive directors, except Ms. McLaughlin is an executive director of the Manager.

## Responsible Investing

Hermes Investment Management Limited is committed to investing responsibly and incorporating environmental, social and governance ("ESG") considerations as fundamental factors in investment decisions. Across the investment process, including stock selection, portfolio construction, and risk management, this means analysing companies' governance practices, environmental impacts, treatment of workforces and influence of operations on local communities, before investing in the individual security or various classes of securities. Once invested, this means aiming to improve the behaviour of those companies by being active, engaged, and responsible owners of those companies and asset classes. The Investment Manager is also an advocate for systematic improvements to the financial system in which they participate.

Further information regarding the Investment Manager approach to responsible investing and incorporation of ESG considerations applied to a specific Fund can be found in the relevant Supplement.

## Stewardship Activities

Voting rights are exercised with a view to achieving best practice standards of corporate governance and equity stewardship and with the aim of supporting the delivery of long-term value in the Funds. In exercising its voting rights (either through the Manager, its delegate or a duly appointed agent), the Company intends to have due regard to relevant best practice standards of corporate governance and equity stewardship and the protection of shareholder rights through company engagement.

Federated Hermes Limited has appointed Hermes Equity Ownership Services Limited ("EOS at Federated Hermes" or "EOS") to assist it and its subsidiaries in stewardship activities. EOS has responsibility for engaging with investee companies on ESG matters with the aim of improving the investee companies' ESG performance and making a recommendation to the Investment Manager as to how to vote, on behalf of the Company, with regards to proxy voting forms received from the entities in which the Funds invest. EOS will make its recommendations in accordance with the Federated Hermes voting guidelines ("Federated Hermes Global Voting Policy and Guidelines"). The Federated Hermes Global Voting Policy and Guidelines articulate EOS' global proxy voting guidelines which inform recommendations and explicitly references environmental, social and governance factors and aims to harness voting rights as an asset to be deployed in support of achieving engagement outcomes. The matters on which EOS may engage with investee companies and/or in respect of which it may recommend the Investment Manager to vote may be subject to limitations, directly or indirectly, on such engagement whether pursuant to the laws and regulations or otherwise of the jurisdiction in which an investee company is domiciled or otherwise applicable to the Investment Manager or any of its delegates. The assessment of the actual or potential impact of any such limitations on the Investment Manager or its delegates shall be a matter solely for the discretion of the Investment Manager or its delegates. The matters on which EOS engages in a particular year will be disclosed in the annual EOS Stewardship Report published on www.hermes-investment.com

EOS' fees will be borne by Hermes Investment Management Limited.

In fulfilling its commitment to being good stewards of those companies in which it is invested through engagement and voting, Hermes Investment Management Limited and EOS may encounter potential conflicts of interest. Hermes Investment Management Limited has adopted a specific conflicts of interest policy which ensures that appropriate processes are established to identify and manage such conflicts fairly and prioritise the long-term value of the companies concerned.

EOS was incorporated under the laws of England and Wales on 30 June 2004. EOS assists its clients in developing and implementing responsible asset management and ownership strategies.

# Investment Managers

## Hermes Investment Management Limited

The Manager has delegated to Hermes Investment Management Limited ("HIML"), day to day portfolio management and certain risk management functions pursuant to the Investment Management Agreement. Among other things, the Investment Manager will be responsible for the management of the investment of the assets of the Fund(s) of the Company to which it has been appointed Investment Manager in accordance with the investment objectives and policies

described in this Prospectus and the Supplement for the relevant Fund, subject always to the supervision and direction of the Manager.

HIML is a wholly owned subsidiary of Federated Hermes Limited. HIML is authorised by the FCA to carry on regulated activities in the United Kingdom and is subject to the rules of the FCA. HIML was incorporated under the laws of England and Wales and was established on 1 February 1990. As at 30 June 2025, funds under investment management and advice of HIML, together with its affiliates, totalled approximately GBP 28.8 billion.

### Federated Investment Counseling

Federated Investment Counseling ("FIC"), has been appointed by the Manager pursuant to the Investment Management Agreement dated 9 July 2020 to provide investment management services to certain Funds, as disclosed in the relevant Supplement. FIC's registered office is at 1001 Liberty Avenue, Pittsburgh, Pennsylvania PA 15222, United States of America.

FIC is regulated by the US Securities and Exchange Commission and provides investment management services to both individual and institutional investors. As of 30 June 2025, FIC had USD 219.0 billion of assets under management.

### MDTA LLC

Federated MDTA LLC ("MDT Advisers") has been appointed by the Manager pursuant to the Investment Management Agreement dated 30 May 2025 to provide investment management services to certain Funds. MDT Advisers is regulated by the US Securities and Exchange Commission and provides investment management services to both individual and institutional investors. The address of MDT Advisers is at 125 High Street, Oliver Tower, 21st Floor, Boston, MA 02110-2704. As of 30 June 2025, assets under management by MDT Advisers totalled USD 23.1 billion.

## Sub-Investment Managers

The Investment Managers may, in accordance with the requirements of the Central Bank, appoint one or more sub-investment managers to whom they may delegate all or part of the day to day conduct of their investment management (or other) responsibilities in respect of any Fund. Details of any sub-investment managers will, however, be provided to Shareholders on request and disclosed in the Company's periodic reports. The Investment Managers will arrange for the fees and expenses of any sub-investment manager to be paid out of the fee it receives from the Manager.

If more than one sub-investment manager is appointed to a Fund, the relevant Investment Manager shall allocate the assets of the Fund between the sub-investment managers in such proportions as it shall, at its discretion, determine, subject always to the supervision and direction of the Manager.

## Distributor

The Manager, whilst it acts as the Company's distributor itself, has also delegated the distribution function in certain jurisdictions to Hermes Investment Management Limited, which as part of its role and at its discretion has the ability to appoint sub-distributors globally, subject always to the supervision and direction of the Manager.

## Securities Lending Agent

A Securities Lending Agent may be appointed as the lending agent for the Company, subject to the terms of a securities lending management agreement that would be put in place to govern such an appointment.

## The Administrator, Registrar and Transfer Agent

Northern Trust International Fund Administration Services (Ireland) Limited has been appointed by the Manager to act as administrator, registrar and transfer agent under the terms of the Administration Agreement as set out under the heading "Material Contracts" below.

The Administrator is a private limited liability company incorporated in Ireland on 15 June 1990 and is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 31 March 2025, the Northern Trust Group's assets under custody and administration totalled USD 16.9 trillion. The principal business activity of the Administrator is the administration of collective investment schemes.

The duties and functions of the Administrator include, inter alia, the calculation of the Net Asset Value and the Net Asset Value per Share, the keeping of all relevant records in relation to the Company as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, the preparation and maintenance of the Company's books and accounts, liaising with the Auditor in relation to the audit of the financial statements of the Company and the provision of certain Shareholder registration and transfer agency services in respect of shares in the Company.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Company and is not responsible for the preparation of this document other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it.

As at the date of this Prospectus, the Administrator is not aware of any conflicts of interest in respect of its appointment as administrator to the Company. If a conflict of interest arises, the Administrator will ensure it is addressed in accordance with the Administration Agreement, applicable laws and in the best interests of the Shareholders.

## The Depositary

The Company and the Manager have appointed Northern Trust Fiduciary Services (Ireland) Limited to act as Depositary to the Company.

The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 31 March 2025, the Northern Trust Group's assets under custody and administration totalled USD 16.9 trillion.

The Depositary has been entrusted with the following main functions:

(i) ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Articles;

(ii) ensuring that the value of the Shares is calculated in accordance with applicable law and the Articles;

(iii) carrying out the instructions of the Company and/or the Manager unless they conflict with applicable law and the Articles;

(iv) ensuring that in transactions involving the assets of the Company any consideration is remitted within the usual time limits;

(v) ensuring that the income of the Company is applied in accordance with applicable law and the Articles;

(vi) monitoring the Company's cash and cash flows; and

(vii) safe-keeping of the Company's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

The Depositary may delegate its safekeeping obligations provided that: (i) the services are not delegated with the intention of avoiding the requirements of the UCITS Regulations, (ii) the Depositary can demonstrate that there is an objective reason for the delegation; and (iii) it has exercised all due skill, care and diligence in the selection and appointment of any third-party to whom it wants to delegate parts of the services, and keeps exercising all due skill, care and diligence in periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation. The Depositary has delegated to its global sub-custodian, the Northern Trust Company, London branch, responsibility for the safekeeping of the Company's financial instruments and cash. The global sub-custodian proposes to further delegate these responsibilities to sub-delegates, the identities of which are set forth in Appendix V attached.

The Depositary Agreement provides that the Depositary shall be liable: (i) in respect of a loss of a financial instrument held in its custody (or the custody of its duly appointed delegate), unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary; and (ii) in respect of all other losses, as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the Regulations.

Further information regarding the Depositary, including its duties and safekeeping functions as well as any conflicts of interest that may arise between the Depositary and the Funds, the Shareholders or the Manager, will be made available to Shareholders upon request or by contacting the Depositary.

## Legal Advisers

The Company has appointed Arthur Cox LLP as its legal advisers.

## Company Secretary

The Company has appointed Bradwell Limited as the company secretary.

## Auditors

The Company has appointed Deloitte, Registered Auditors, Dublin, as its auditors.

## Conflicts of Interest

Due to the widespread operations undertaken by the Directors, the Manager, the Investment Manager, the Administrator and the Depositary and, where applicable, their respective holding companies, subsidiaries and affiliates (each an "Interested Party") conflicts of interest may arise. This includes the conflicts of interest that may emerge through the integration of sustainability risk and factors, including (but not limited to), any activities that give rise to greenwashing, mis-selling, or misrepresentation of investment strategies.

Subject to the provisions below, the Interested Parties may effect transactions where those conflicts arise and shall not (subject as below) be liable to account for any profit, commission or other remuneration arising. All such transactions must be in the best interests of Shareholders.

In the event that a conflict of interest does arise, the Directors will endeavour, so far as they are reasonably able, to ensure that it is resolved fairly and that investment opportunities are allocated on a fair and equitable basis and in the best interests of Shareholders.

Without prejudice to the generality of the foregoing, the following conflicts of interest may arise:

(i) an Interested Party may acquire or dispose of any Investment notwithstanding that the same or similar Investments may be owned by or for the account of or otherwise connected with the Company;

(ii) an Interested Party may acquire, hold or dispose of Investments notwithstanding that such Investments had been acquired or disposed of by or on behalf of the Company by virtue of a transaction effected by the Company in which the Interested Party was concerned provided that the acquisition by an Interested Party of such Investments is effected as if negotiated on an arm's length basis and such Investments held by the Company are acquired on the best terms having regard to the interests of the Company;

(iii) an Interested party may misrepresent the sustainability outcomes and/or labels of investment products and services, or fail to align these consistently with any sustainability preferences (where relevant) of the target market.

(iv) an Interested Party may deal with the Company as principal or as agent, provided that:

A. there is obtained a certified valuation of the transaction by a person approved by the Depositary (or the Directors in the case of a transaction with the Depositary) as independent and competent;

B. the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or

C. where A and B are not practical, execution is on terms which the Depositary (or the Directors in the case of a transaction with the Depositary) is satisfied conforms with the principle that the transaction is in the best interest of the Shareholders and is carried out as if effected on normal commercial terms negotiated at arm's length;

The Depositary (or the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document how it has complied with A, B, or C above. Where transactions are conducted in accordance with C, the Depositary (or the Directors in the case of a transaction involving the Depositary or an affiliate of the Depositary) shall document its rationale for being satisfied that the transaction conformed to the principles outlines in this paragraph.

(i) certain of the Directors of the Company are or may in the future be connected with the Manager and/or the Investment Manager and its affiliates. However, in their capacity as Directors of the Company, they will function as persons with independent fiduciary duties and will not be subject to the control of the Manager and/or the Investment Manager. For the avoidance of doubt, the Directors shall not be liable to account to the Company in respect of such conflict, for example, as a result of receiving remuneration as directors or employees of the Manager and/or the Investment Manager or their affiliates;

(ii) the Manager's fee may be based on a percentage of the Net Asset Value of a Fund. The Manager or its affiliates may provide valuation services to the Administrator (to assist in calculating the Net Asset Value of a Fund) in relation to Investments which are not listed or traded on a Regulated Market. This may result in a potential conflict of interest as the Manager's fee will increase as the Net Asset Value of a Fund increases;

(iii) the Company may invest in other collective investment schemes which may be operated and/or managed by an Interested Party. Where commission is received by the Manager and/or the Investment Manager by virtue of an investment by the Company in the units/shares of any collective investment scheme, such commission will be paid into the property of the relevant Fund; and

(iv) the Company may purchase or hold an Investment the issuer of which is an Interested Party or where an Interested Party is its adviser or banker.

The Manager and, unless otherwise disclosed in the relevant Supplement, any Investment Manager are prohibited from receiving inducements (other than acceptable minor non-monetary benefits) such as "soft commission" arrangements or other inducements from a broker, whether utilised in executing a transaction or otherwise. Where disclosed in the relevant Supplement and permitted under applicable laws and regulations, an Investment Manager may effect transactions through brokers with whom it has "soft commission" arrangements. The benefits provided under such arrangements will assist the relevant Investment Manager in the provision of investment services to the relevant Fund(s) and to other third parties. Specifically, the relevant Investment Manager may agree that a broker shall be paid a commission in excess of the amount another broker would have charged for effecting such transaction so long as, in the good faith judgment of the relevant Investment Manager, the amount of the commission is reasonable in relation to the value of the brokerage and other services provided or paid for by such broker. Such services, which may take the form of research services, quotation services, news wire services, portfolio and trade analysis software systems, or special execution and clearance capabilities, may be used by the relevant Investment Manager or other subsidiaries of Federated Hermes in connection with transactions in which the Funds do not participate. The Investment Manager will, however, always seek "best execution" (i.e., prompt and reliable execution at the most favourable price) of all transactions. Details of any "soft commission" arrangements will be disclosed in the annual and semi-annual reports of the Company.

In managing the assets of the Company, the Manager and each Investment Manager may from time to time receive or utilise certain investment research and statistical and other investment related commentary, statistics, information and assistance or material (collectively "Research") provided by third parties that does not qualify as a minor non-monetary benefit. Direct charges for Research will be borne by the Manager and/or the relevant Investment Manager out of their fees and will not, unless otherwise disclosed in the relevant Supplement and permitted under applicable laws and regulations, be allocated to a Fund.

## Remuneration Policies and Practices

The Manager is subject to remuneration policies, procedures and practices (together, the "Remuneration Policy"). The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the Funds. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Company and the Funds, and includes measures to avoid conflicts of interest. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Company or the Funds, and ensures that no individual will be involved in determining or approving their own remuneration. The Remuneration Policy will be reviewed annually and the Manager shall provide such periodic confirmations to the Company regarding the Manager's compliance with the Remuneration Policy as may be agreed between the Manager and the Company. The Manager shall advise the Company of any changes to the Remuneration Policy on an ongoing basis.

### Decision-Making Process for Determining Remuneration Policy

Details of the up-to-date Remuneration Policy including a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits are available via https://www.hermes-investment.com/ie/en/professional/ie-remuneration-policy/. The remuneration policy summary will be made available for inspection and a paper copy may be obtained, free of charge, at the registered offices of the Manager and the Company.

## Meetings

Shareholders in the Company will be entitled to attend and vote at general meetings of the Company. All general meetings of the Company shall be held in Ireland and at least one general meeting of the Company shall be held in each year as the Company's annual general meeting. At least twenty-one (21) days' notice (inclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given) shall be given to Shareholders. The notice shall specify the place, day and hour of the meeting and the terms of the resolutions to be proposed. A proxy may attend on behalf of any Shareholder.

## Accounts and Information

The Company's accounting period ends on 31 December in each year, and half-yearly reports will be prepared to each 30 June.

The Company prepares an annual report and audited financial statements within four months of the end of the financial period to which they relate, i.e., by 30 April of each year. Copies of the half-yearly report and unaudited financial statements (made up to 30 June) are also prepared within two months of the end of the half year period to which they relate, i.e., by 31 August of each year. Copies of the annual report and audited financial statements and half-yearly report and unaudited financial statements will be sent, on request, to Shareholders.

Copies of the Prospectus, Supplements, annual and half-yearly reports of the Company may be obtained from the Company at its registered office at the address given under "Directory". Alternatively, these can be viewed on the Manager's website at www.hermes-investment.com.

# Valuation, Subscriptions and Redemptions

## Calculation of Net Asset Value

The Net Asset Value of each Fund is expressed in its base currency. The calculation of the Net Asset Value of each Fund and the Net Asset Value attributable to each Share Class thereof will be carried out by the Administrator in accordance with the requirements of the Articles, and details are set out under the heading "Statutory and General Information" below. Except when the determination of the Net Asset Value of any Fund has been suspended or postponed in the circumstances set out under the heading "Temporary Suspensions" below, the calculation of the Net Asset Value of each Fund, the Net Asset Value per Share (and, where there is more than one Share Class of a Fund, the Net Asset Value attributable to each Share Class and the Net Asset Value per Share per Share Class) will be prepared as at each Valuation Point and will be available to Shareholders on request. The Net Asset Value per Share per Share Class may differ between each Share Class of a Fund. The Price (as defined below) shall also be made public at the offices of the Administrator during normal business hours and will be published daily on the Manager's website at https://www.hermes-investment.com/professional/products and will be kept up to date. The Net Asset Value per Share may also be published in such newspapers and/or other publications as may be necessary where the Company is registered in jurisdictions outside Ireland and Shareholders in the relevant jurisdictions will be notified where such publication takes place.

The Net Asset Value attributable to any Share Class of a Fund will be determined by deducting the share of liabilities of that Share Class from its share of the assets of the Fund. Unless otherwise disclosed in the relevant Supplement, the Net Asset Value of each Share of each Share Class will be determined by dividing the Net Asset Value attributable to the class by the number of Shares of that Share Class and rounding the result to four decimal places.

Where there are different Share Classes of a Fund, the relevant Supplement shall state whether or not a hedging policy is being adopted in respect of any Share Class of such Fund. The costs and liabilities/benefits arising from instruments entered into for the purposes of hedging the currency exposures for the benefit of a Share Class of a Fund shall be attributable exclusively to that Share Class.

In calculating the Net Asset Value, the Administrator shall not be liable for any loss suffered by the Company by reason of any error resulting from any inaccuracy in the information provided by any third party pricing service that the Administrator is directed to use by the Company in accordance with the Company's Valuation Policy.

In calculating the Net Asset Value and Net Asset Value per Share, the Administrator shall not be responsible for the accuracy of financial data, opinions or advice furnished to it by the Company, or its delegates, including an external valuer, prime broker(s), market makers and/or independent third party pricing services. The Administrator may accept, use and rely on prices provided to it by the Company, the Manager or its delegates or other agreed independent third party pricing services for the purposes of determining the Net Asset Value and Net Asset Value per Share and shall not be liable to the Company, the Manager, the Depositary, an external valuer, any Shareholder or any other person in so doing by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the Company its delegates, an external valuer or other independent third party pricing services or its delegates that the Administrator is directed to use by the Company or an external valuer in accordance

with the Company's Valuation Policy. The Company acknowledges and agrees that the Administrator has not been retained to act as external valuer or independent valuation agent.

In the event that there is an error in the calculation of the Net Asset Value of the Company or the Fund which results in a Shareholder receiving an overpayment from the Company, the Company reserves the right to seek to recover from such Shareholder any excess amount received by them or to re-issue a contract note with the correct Net Asset Value of the Company or Fund.

## Single Swing Pricing

Shares in each Fund (unless otherwise stated in the relevant Supplement) will be issued and redeemed at a single price (the "Price") (excluding subscription or redemption charges, if any) which will be the Net Asset Value per Share, which may be adjusted on any Dealing Day in the manner set out below depending on whether or not the relevant Fund is in a Net Subscription Position or in a Net Redemption Position on such Dealing Day. Where there is no dealing on the Fund or Share Class of the Fund on any Dealing Day, the Price will be the Net Asset Value per Share unadjusted.

The basis on which the Investments are valued for the purpose of calculating the buying and selling price of Shares is as stipulated in the Articles. The total proceeds of the sale of an Investment may be less than, and the total purchase price of an Investment may be more than, the last traded price (or the bid price where set out in the relevant Fund Supplement) used in calculating the Share price, for example, due to dealing charges, or through dealing at prices other than the last traded price. Under certain circumstances (for example, large volumes of deals) this may have an adverse effect on the Shareholders' interest in a Fund. In order to mitigate this effect, called "dilution", the Manager has the power to apply a dilution adjustment ("Dilution Adjustment"). A Dilution Adjustment is an adjustment to the Share price, expressed as a percentage of Net Asset Value. The Manager shall comply with the Central Bank's requirements in its application of any such Dilution Adjustment.

The Dilution Adjustment for each Fund will be calculated by reference to the estimated costs of dealing in the underlying Investments of that Fund, including any dealing spreads ("Spreads"), commissions and transfer taxes.

## Dilution Adjustment and Large Deals

In the event of the Fund being in a Net Subscription Position on any Dealing Day, the Manager may make a Dilution Adjustment to the Net Asset Value per Share of the relevant Share Classes to cover the Duties and Charges and Spreads, being the costs involved in rebalancing the Fund's portfolio in respect of the net issue of Shares on that Dealing Day.

In the event of the Fund being in a Net Redemption Position on any Dealing Day, the Manager may make a Dilution Adjustment to cover the Duties and Charges and Spreads, being the costs involved in rebalancing the Fund's portfolio in respect of the net redemption of Shares on that Dealing Day.

The purpose of any Dilution Adjustment would be to limit the impact of trading costs on the value of a Fund.

The need to apply a Dilution Adjustment will depend on the volume of sales (where they are issued) or redemptions (where they are cancelled) of Shares. It may also depend on the nature of a particular Fund (i.e. whether it invests primarily in equities or bonds). The Directors may apply a Dilution Adjustment on the issue and redemption of such Shares if, in its opinion, the existing Shareholders (for sales) or remaining Shareholders (for redemptions) might otherwise be adversely affected, and if applying a Dilution Adjustment, so far as practicable, is fair to all Shareholders and potential Shareholders. In particular, the Dilution Adjustment may be applied in circumstances where:

(a) over a dealing period a Fund has experienced a large level (as determined by the Directors) of net issues or redemptions relative to its size. What constitutes a large level is periodically reviewed/altered as appropriate and is generally set at a minimum of 1% of the size of the relevant Sub-Fund;

(b) a Fund is in continual decline (i.e., is experiencing a net outflow of redemptions); and

(c) in any other case where the Directors are of the opinion that the interests of the Shareholders require the imposition of a Dilution Adjustment.

The Dilution Adjustment will involve adding to, when the Fund is in a Net Subscription Position, and deducting from, when the Fund is in a Net Redemption Position, the Net Asset Value per Share such figure as the Directors consider represents an appropriate figure to meet the relevant Duties and Charges and Spreads. The Dilution Adjustment may vary depending on factors such as the size of the Fund, the type of asset class of the Fund, and the market liquidity. Based on historical data, the Dilution Adjustment typically ranges between 0.1% and 0.5%. The resultant amount will be the Price per Share at which all subscriptions and redemptions (including both seeded and unseeded Share Classes) occurring on the relevant Dealing Day will be made.

The Price of each Share Class of the Fund will be calculated separately but any Dilution Adjustment will in percentage terms affect the Price of each Share Class in an identical manner.

It should be noted that as dilution is directly related to the inflows and outflows of monies from a Fund, it is not possible to predict accurately whether or not dilution will occur at any particular future point in time, and how frequently the Manager will need to make such a Dilution Adjustment.

The application of this pricing methodology will comply with the requirements of the Central Bank.

## Subscriptions

The Directors may issue Shares of any Share Class of any Fund and on such terms as they may from time to time determine.

Shares shall be issued at the Net Asset Value per Share plus any charges as specified in the relevant Supplement. All Shares will be in registered form and evidenced by entry on the Company's register of Shareholders and confirmations of ownership in writing, or via electronic methods, will be issued to Shareholders. No share certificates will be issued.

Under the Articles, the Directors are given authority to effect the issue of Shares and have absolute discretion to accept or reject in whole or in part any application for Shares without assigning any reason therefore. The Directors have power to impose such restrictions as they think necessary to ensure that no Shares are acquired by any person which might result in the legal and beneficial ownership of Shares by persons who are not Qualified Holders or expose the Company to adverse tax or regulatory consequences.

If an application is rejected, any monies received will be returned to the applicant (minus any handling charge incurred in any such return) as soon as possible by telegraphic transfer (but without interest, costs or compensation). Additionally, any monies received relating to incomplete applications (for example where documentation relating to anti money laundering measures have not been provided), will be returned by the Administrator within five business days. Should the shareholder wish to progress, all validation checks relating to anti money laundering measures must be completed.

No Shares of any Fund will be issued or allotted during a period when the determination of Net Asset Value of that Fund is suspended.

All subscriptions will be dealt on a forward pricing basis, i.e., by reference to the Price for Shares calculated as at the Valuation Point on the relevant Dealing Day. Any applications received after the cut-off time specified in the relevant Supplement will normally be held over until the next Dealing Day but may be accepted for dealing on the relevant Dealing Day, at the discretion of the Directors on an exceptional basis only (provided the application is received by the Administrator before the relevant Valuation Point).

In addition, in order to comply with the Investment Undertaking Reporting, FATCA, the Common Reporting Standard and DAC 2 information reporting regimes as implemented in Ireland by Section 891C, Section 891E to Section 891G (inclusive) of the Taxes Act and regulations made pursuant to those sections, Shareholders' personal data (including financial information) may be shared with the Irish Revenue Commissioners. The Irish Revenue Commissioners in turn may exchange information (including personal data and financial information) with foreign tax authorities (including foreign tax authorities located outside the EEA). Please consult the AEOI (Automatic Exchange of Information) webpage on www.revenue.ie for further information in this regard.

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

The Administrator may and will hold all or part of the data provided in accordance with applicable laws even after the investor has fully redeemed from the relevant Fund.

## Account Opening, Subsequent Subscriptions and Electronic Dealing

All applicants applying for the first time for Shares in the Company must complete (or arrange to have completed under conditions approved by the Directors) and sign the Application Form prescribed by the Directors in relation to the Company and the relevant Share Class of a Fund by either wet-ink or by electronic means approved by the Administrator and send the Application Form by post or electronic means approved by the Administrator to the Administrator as well as all relevant anti-money laundering documentation. The Application Form may also be concurrently submitted by fax or other electronic means approved by the Administrator to expedite an account setup process. Subscriptions will only be permitted, and Shares issued once the application form and any required anti-money laundering documentation have been received, reviewed and cleared by the Administrator in line with their money laundering prevention procedures.

Subsequent dealings by existing Shareholders may be made by completing a Dealing Form, which may be submitted by fax without the requirement to submit documents or otherwise in writing as may be prescribed by the Directors, in accordance with the requirements of the Central Bank, from time to time provided that there has been no change in the relevant details of the Shareholder. Subsequent dealings may also be made by electronic instruction methods, which must be pre-agreed with the Administrator. Application Forms and Dealing Forms may be obtained from the Company or the Administrator. Application Forms, Dealing Forms and electronic instruction methods shall (save as determined by the Directors and as outlined in further detail below in the "Policy in relation to amending Dealing Forms" section below) be irrevocable and should be sent to the Administrator by the cut-off time specified in the relevant Supplement.

On an ongoing basis, and as part of the customer due diligence processes and ongoing monitoring, the Administrator may request further anti-money laundering documentation from Shareholders. Should this documentation not be received within a reasonable timeframe (within 120 days), the Directors reserve the right to discontinue the relationship and compulsory redeem the relevant Shares.

## Policy in relation to amending Dealing Forms

### Amendment request is received before the cut-off time

Where an amendment request is received before the cut-off time, the Administrator is authorised to accept any such withdrawal or amendment of a dealing request.

### Amendment request is received after the cut-off time but before the Valuation Point

Where the amendment request is made to the Administrator after the cut-off time for such orders but before the relevant Valuation Point, the Administrator shall refer the request to the Manager. The Manager is fully authorised to determine whether to accept such amendment request on a case-by-case basis. In doing so, it may have regard to such factors as (a) whether it or its delegate has placed trades in furtherance of the previous dealing request, (b) whether the amendment of the request might impact on the Company or on other non-dealing Shareholders, (c) whether there are any circumstances which might justify the request on the part of the investor or potential investor to vary their dealing request (for example, failure or electronic communication or fax or clerical error).

### Amendment request is received after the Valuation Point

Where an amendment request is received after the Valuation Point, the amendment request will be refused and the investor notified accordingly. The investor may then, if they so wish, place a new amended dealing request for the next Dealing Day.

Dealing Forms and electronic instruction methods are considered in greater detail in the "Dealing Form and Electronic Instruction" section below.

## Subscription Price

Shares will be issued on each Dealing Day at the relevant Price.

The latest Price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily on the following website: www.hermes-investment.com.

## Fractions

Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the Price for one Share, provided, however, unless otherwise disclosed in the Relevant Supplement, that fractions shall not be less than four decimal points or such number of decimal points of a Share as the Directors may determine from time to time. Subscription monies, representing less than the relevant fraction of a Share will not be returned to the applicant but will be retained by the Fund in order to defray administration costs.

## Method of Payment

Subscription payments net of all bank charges should be paid to the Administrator by BACS, CHAPS, SWIFT or telegraphic transfer to the bank account specified at the time of dealing (except where local banking practices do not allow electronic bank transfers). Other methods of payment are subject to the prior approval of the Company in consultation with the Administrator. No interest will be paid in respect of payments received in circumstances where the application is held until a subsequent Dealing Day.

## Currency of Payment

Subscriptions may be accepted in a currency other than the designated currency of the relevant Share Class at the discretion of the Administrator (see section headed "Currency of Payment and Foreign Exchange Transactions").

## Timing of Payment

Payment in respect of subscriptions must be received by the Administrator by the time specified in a Supplement in relation to a Fund. If payment in full in cleared funds in respect of a subscription has not been received by the relevant time, the Company and/or the Administrator may cancel the allotment and the Shareholder shall indemnify the Company for any loss suffered by the Company as a result of a failure by the Shareholder to pay the subscription monies by the relevant time. In addition, the Company will have the right to sell all or part of the applicant's holding of Shares in a Fund in order to meet these charges.

Subscription payments should not be transferred to the Administrator until confirmation that the Shareholder account is open, and the dealing account number has been received. Subscription proceeds transferred in advance of the account opening process may result in delays with subscriptions being processed. Payments cannot be accepted during the account opening process, until all anti money laundering checks are complete.

The Company may temporarily borrow an amount equal to the subscription, subject to the Fund's borrowing limit of 10% of its Net Asset Value, and invest the amount borrowed in accordance with the investment objective and policies of the Fund. Once the required subscription monies have been received, the Company will use this to repay the borrowings. In the event of any delay in the settlement of the investor's subscription monies, the Company reserves the right to charge that Shareholder for any interest or other costs incurred by the Company as a result of this borrowing. If the Shareholder fails to reimburse the Company for those charges, the Company will have the right to sell all or part of the investor's holdings of Shares in any Fund in order to meet those charges and/or to pursue that Shareholder for such charges.

The Company reserves the right to reverse any allotment of Shares in the event of a failure by the Shareholder to settle the subscription monies on a timely basis. In such circumstances, the Company shall compulsorily redeem any Shares issued and the Shareholder shall be liable for any loss suffered by the Company in the event that the redemption proceeds are less than the amount originally subscribed for.

## Initial Offer Period

Applications for Shares during the Initial Offer Period must be received during the Initial Offer Period. Subscription monies must be received within three business days thereafter. All applicants applying for Shares during the Initial Offer Period must complete (or arrange to have completed under conditions approved by the Directors) the Application Form and Dealing Form prescribed by the Directors in relation to the relevant Share Class of the Fund. Completed Application Forms and Dealing Forms should be sent to the Administrator.

Notwithstanding the foregoing, subscription monies received during the Initial Offer Period may be returned to investors and the launch of the Fund or a Share Class postponed in the event that, in the Directors' opinion, insufficient monies are received during the Initial Offer Period to launch the Fund or Share Class as a viable concern. Details of the Initial Offer Price per Share for all Share Classes will be set out in the relevant Supplement.

## Operation of Umbrella Cash Account in the name of the Company

The Company has established an Umbrella Cash Account designated in different currencies at umbrella level in the name of the Company. All subscriptions, redemptions or dividends payable to or from the relevant Fund will be channelled and managed through such Umbrella Cash Accounts and no such accounts shall be operated at the level of each individual Fund. However, the Company will ensure that the amounts within an Umbrella Cash Account whether positive or negative can be attributed to the relevant Fund in order to comply with the requirement as set out in the Instrument that the assets and liabilities of each Fund are kept separate from all other Funds and that separate books and records are maintained for each Fund in which all transactions relevant to a Fund are recorded.

Subscription monies received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or is expected to be, received will be held in an Umbrella Cash Account in the name of the Company and will be treated as an asset of the relevant

Company upon receipt and will not benefit from the application of any investor money protection rules (i.e. the subscription monies in such circumstance will not be held on trust as investor monies for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Company with respect to the amount subscribed and held by the Company until such Shares are issued as of the relevant Dealing Day.

In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Investors who have forwarded subscription monies in advance of a Dealing Day as detailed above and which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore, in such circumstances, the investor may not recover all monies originally paid into an Umbrella Cash Account in relation to the application for Shares.

Any failure to supply the Company with any documentation requested by it for anti-money laundering and terrorist financing procedures may result in a delay in the settlement of redemption proceeds or dividend monies. In such circumstances and where a redemption request is received, the Company will process any redemption request received by a Shareholder, however the proceeds of that redemption will be held in an Umbrella Cash Account and, therefore, shall remain an asset of the relevant Fund. The redeeming Shareholder will rank as a general creditor of the relevant Fund until such time as the Company is satisfied that its anti-money laundering and terrorist financing procedures have been fully complied with, following which redemption proceeds will be released.

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

Therefore, a Shareholder is advised to ensure that all relevant documentation requested by the Company or its delegate in order to comply with anti-money laundering, terrorist financing and ongoing client due diligence procedures is submitted to the Company or its delegate prior to subscribing or redeeming Shares in the Company.

In the event of the insolvency of a Fund, recovery of any amounts to which other Funds are entitled, but which may have transferred to the insolvent Fund as a result of the operation of the Umbrella Cash Account, will be subject to the principles of Irish trust law and the terms of the operational procedures for the Umbrella Cash Account. There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent Fund may have insufficient funds to repay amounts due to other Funds.

## Income Equalisation

In accordance with the provisions of the Company's Articles of Association, each Fund operates equalisation in relation to all Share Classes. This means that a Shareholder who has purchased Shares during a Distribution Period will receive a distribution made up of two amounts;

(a) income that has accrued from the date of purchase; and

(b) equalisation, which represents a return of capital.

The effect is that income is distributed to Shareholders in proportion to the duration of their ownership of Shares of a Fund in the relevant Distribution Period.

Equalisation will be calculated on each Dealing Day at each Valuation Point during a Distribution Period. All Shares purchased during a Distribution Period will contain in their Net Asset Value per Share an "equalisation rate", which represents a proportion of the income (if any) of a Fund attributable to the relevant Share Class that has accrued (but has not been distributed) from the beginning of the Distribution Period up to the date of issue of such Share.

The amount of equalisation is therefore reflected in the Price of each Share on each Dealing Day and is refunded to Shareholders as part of the first distribution after their subscription for Shares. Such returned equalisation may be treated as a return of capital for tax purposes depending on the tax rules in the country where a Shareholder pays tax. Shareholders of all Share Classes who redeem their Shares will receive an amount that will include the income accrued to the date of redemption and which may be treated as income for tax purposes, subject to the tax rules in the country where a Shareholder pays tax.

## Anti-Money Laundering

Measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010 - 2021 (the "Criminal Justice Acts"), as may be amended, which are aimed towards the prevention of money laundering and counter terrorist financing require a subscriber to verify his/her identity to the Company.

The documentation required will vary between applicants and is dependent on the type of investor subscribing for Shares in the Company. Where applicable, (for example: in the case of a corporate entity) identification of underlying beneficial ownership of the applicant will be required.

An individual may be required to produce a copy of a passport or identification card duly certified by a public authority such as a notary public or the ambassador in their country of residence, together with one item of evidence of their address such as a utility bill or bank statement dated within the last 6 months. In the case of corporate applicants this may require production of a certified copy of the Certificate of Incorporation (and any change of name), Memorandum and Articles of Association (or equivalent), and the names and addresses of all directors and beneficial owners (who may also be required to provide proof of identity). Updated anti-money laundering documentation may be requested from Shareholders where required from time to time.

In the event of delay or failure by the applicant at any time during the business relationship to produce any information required for verification purposes or for other purposes required in order for the Company to comply with the Criminal Justice Acts, the Administrator may take such action as it sees fit including refusing to proceed with the application, in the case of initial subscriptions, or, in the case of ongoing client due diligence documentation requirements, block any further transactions on the account including any payments due to the Shareholder. Interest will not accrue on any monies held while client due diligence is being completed. None of the Company, the Directors, the Depositary, the Manager, the Investment Manager nor the Administrator shall be liable to the subscriber or Shareholder where an application for Shares is not processed or Shares are compulsorily redeemed in such circumstances. If an application is refused, the Administrator will return application money or the balance thereof by telegraphic

transfer in accordance with any applicable laws to the account from which it was paid at the cost and risk of the applicant. The Administrator may refuse to pay redemption monies to such investors until they comply with applicable verification and identification standards.

In connection with the establishment of anti-money laundering/counter terrorist financing procedures, the Directors may implement additional restrictions on the transfer or dealing in Shares. The Directors may impose additional requirements from time to time to comply with all applicable anti-money laundering/counter terrorist financing laws and regulations.

Each applicant for Shares acknowledges that the Administrator shall be indemnified and held harmless against any loss arising as a result of failure to process his application for, or request for the redemption of Shares, if such information and documentation has been properly requested by the Administrator and has not been provided by the applicant. In addition, if an application is refused, subscription monies will only be returned if such return is permissible under Irish money laundering and counter terrorist financing laws.

The details given above are by way of example only and the Administrator reserves the right to request such documentation as is necessary to verify the identity of the applicant and to ensure compliance by the Company with its obligations under the Criminal Justice Acts.

## Data Protection

Prospective investors should note that by completing an application form in respect of Shares you have provided personal information, which may constitute "personal data" within the meaning of Data Protection Legislation.

Shareholders' personal data will be used by the Company for the following purposes:

- to manage and administer a Shareholder's holding in the Company and any related accounts on an ongoing basis as required for the performance of the contract between the Shareholder and the Company;
- to carry out statistical analysis and market research as necessary and proportionate in the Company's legitimate business interest to assess and improve the Company's business and offerings;
- to comply with legal and regulatory obligations applicable to the Shareholder and the Company from time to time including applicable tax, anti-money laundering and counter terrorist financing legislation. In particular, in order to comply with the information reporting regimes set out in Section 891C and Section 891E to Section 891G (inclusive) of the Taxes Consolidation Act 1997 (as amended) and regulations made pursuant to those sections), Shareholders' personal data (including financial information) may be shared with the Irish Revenue Commissioners. They in turn may exchange information (including personal data and financial information) with foreign tax authorities (including the U.S. Internal Revenue Service and foreign tax authorities located outside the European Economic Area). Please consult the AEOI (Automatic Exchange of Information) webpage on www.revenue.ie for further information in this regard;
- to record the telephone calls from Shareholders and other individuals to the Company and its agents and service providers for record-keeping, security, quality assurance and training purposes; and
- for any other specific purposes where the Shareholder has given specific consent.

Shareholders' personal data may be disclosed by the Company to its delegates, professional advisors, service providers, regulatory bodies, auditors, technology providers and any duly authorised agents or related, associated or affiliated companies of the foregoing for the same or related purposes.

Shareholders' personal data may be transferred to countries outside the EEA which may not have the same or equivalent data protection laws as Ireland. Personal data may be transferred outside the EEA to countries which have been certified by the European Commission as having an adequate level of data protection to enable such transfers to occur. Personal data may also be transferred outside the EEA to countries which have not been certified by the European Commission as having an adequate level of level of data protection, provided that such transfers meet the requirements of Chapter V GDPR. If such transfer occurs, the Company is required to ensure that appropriate safeguards are in place such as entering into model contractual clauses (as published by the European Commission) or ensuring that the recipient is self-certified under the EU-US Data Privacy Framework, if appropriate. For more information on the means of transfer of Shareholders' data or a copy of the relevant safeguards, please contact the Administrator.

Pursuant to the Data Protection Legislation, Shareholders have a number of rights which may be exercised in respect of their personal data, *i.e.*:

- the right of a data subject to receive detailed information on the processing (by virtue of the transparency obligations on data controllers);
- the right of access to personal data held by the Company;
- the right to amend and rectify any inaccuracies in personal data held by the Company;
- the right to erase personal data held by the Company (right to be forgotten);
- the right of data portability of personal data held by the Company;
- the right to restrict the processing of personal data held by the Company;
- the right to object to processing of personal data held by the Company, where such processing is conducted on the basis of the Company's legitimate interests;
- the right to object to automated decision-making, including profiling;
- the right to withdraw consent to processing grounded on consent, however withdrawal of consent will not affect any processing which occurred before consent was withdrawn; and
- the right to lodge a complaint with the competent data protection supervisory authority, which in Ireland is the Irish Data Protection Commission.

These rights will be exercisable subject to limitations as provided for in the Data Protection Legislation. In certain circumstances it may not be feasible for the Company to discharge these rights, for example because of the structure of the Company or the manner in which the Shareholder holds Shares in a Fund. Shareholders may make a request to the Company to exercise these rights by contacting InfoProtect@hermes-investment.com. Requests shall be dealt with in accordance with Data Protection Law.

Please note that personal data may be retained by the Company for the duration of a Shareholder's investment and afterwards in accordance with the Company's legal and regulatory obligations, including but not limited to the Company's record retention policy.

The Company is a data controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by Shareholders in accordance with the Data Protection Legislation. For queries, requests or comments in respect of this notice or the way in which the Company on behalf of the Company uses Shareholders' personal data, please contact the Administrator. Shareholders have the right to lodge a complaint with the Office of the Data Protection Commissioner if they are dissatisfied with the manner in which their personal data is used by the Company.

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

# Redemptions

Shareholders may redeem their Shares in any Fund on any Dealing Day (save during any period when the calculation of the Net Asset Value is suspended) on furnishing to the Administrator a redemption request.

All redemption requests are dealt with on a forward pricing basis, i.e., by reference to the Price for Shares calculated at the Valuation Point on the relevant Dealing Day. If a redemption request is received after the cut-off time specified in the relevant Supplement it shall (unless otherwise determined by the Directors on an exceptional basis only and provided it is received by the Administrator prior to the Valuation Point) be treated as a request for redemption on the Dealing Day following such receipt and Shares will be redeemed at the Price for that day.

## Deferred Redemptions

Where the Company receives in respect of any Dealing Day requests for redemption or switching which in the aggregate amount to more than 10% of the Net Asset Value of any Fund, the Manager, having regard for the best interests of Shareholders, may reduce each such request for redemption or switching of Shares of the relevant Fund pro rata so that all such requests cover no more than 10% of the Net Asset Value of the relevant Fund and shall treat the redemption or switching requests as if they were received on each subsequent Dealing Day until all the Shares in the relevant Fund to which the original request related have been redeemed. If redemption or switching requests are so carried forward, the Manager shall procure that the Shareholders whose dealings are affected thereby are promptly informed. The application of a redemption gate shall apply uniformly to all redeeming/switching Shareholders in the relevant Fund on that Dealing Day.

## Dealing Form and Electronic Instruction

All applicants seeking to redeem Shares must complete (or arrange to have completed under conditions approved by the Directors) and sign a Dealing Form, which may be obtained from the Administrator or the Manager. Completed Dealing Forms should be sent to the Administrator by the cut-off time specified in the relevant Supplement.

Redemption requests will only be accepted where cleared funds have been received and there is no outstanding client due diligence.

Dealing Forms shall (save as determined by the Directors) be irrevocable and may be sent by fax at the risk of the relevant Shareholder.

Electronic instruction methods must be pre-agreed with the Administrator. Electronic instructions shall (save as determined by the Directors) be irrevocable and are sent at the risk of the relevant Shareholder.

## Redemption Price

Shares will be redeemed on each Dealing Day at the relevant Price.

The latest Price for Shares will be available during normal business hours every Business Day at the office of the Administrator and will be published daily on the following website www.hermes-investment.com.

## Fractions

Apart from circumstances in which a Shareholder is redeeming his entire holding of Shares in the Fund:

(a) fractions of Shares will be issued where any part of the redemption monies for Shares represents less than the Price for one Share, provided however, unless otherwise disclosed in the Relevant Supplement, that fractions shall not be less than four decimal points or such number of decimal points of a Share as the Directors may determine from time to time; and

(b) redemption monies representing less than the relevant fraction of a Share will not be returned to a Shareholder but will be retained by the Fund in order to defray administration costs.

## Method of Payment

Redemption payments will be made to the bank account detailed on the Application Form, as subsequently notified to the Administrator in writing or as confirmed under separate agreement with the Distributor and pre-agreed with the Administrator, in its capacity as the Transfer Agent.

## Currency of Payment

Shareholders will normally be repaid in the currency of denomination of the relevant Share Class. Redemptions may be paid in another currency at the request of a Shareholder and at the Administrator's discretion (see section headed "Currency of Payment and Foreign Exchange Transactions" in the Prospectus).

## Timing

Redemption proceeds in respect of Shares will be paid by the time specified in a Supplement in relation to a Fund provided that all the required documentation has been furnished to and received by the Administrator. In exceptional circumstances, and at the discretion of the Directors, redemption proceeds in respect of Shares may be paid at a later date provided that payment on such date is in accordance with the requirements of the Central Bank.

Any failure to supply the Company or the Administrator with any documentation requested by them for anti-money laundering purposes, as described above, may result in a delay in the settlement of redemption proceeds. In such circumstances, the Administrator will process any

redemption request received by a Shareholder, however the proceeds of that redemption shall remain an asset of the Fund and the Shareholder will rank as a general creditor of the Company until such time as the Administrator has verified the Shareholder's identity to its satisfaction, following which redemption proceeds will be released.

## Switching

Shareholders of any Share Class within a Fund may switch free of charge to another Share Class within this Fund or to the same or another Share Class of another Fund as the Directors may permit, subject to meeting the specific requirements set out in the relevant Supplement for the relevant Share Class.

Shareholders of any Share Class within a Fund other than the Class T Shares may switch free of charge to another Share Class within the Fund or to the same or another Share Class of another Fund as the Directors may permit. Shareholders may not switch into or out of Class T Shares.

Shareholders can only switch into Class Z Shares if they have a Client Agreement in place.

On the establishment of any new Fund (or Share Class thereof) the Directors shall specify the switching rights relating to such Fund (or Share Class thereof).

Switching may be effected by submission of a Dealing Form to the Administrator or by such other means, such as by means of written instructions, as the Administrator may prescribe from time to time where such means are in accordance with the requirements of the Central Bank.

If the switch would result in the Shareholder holding a number of Shares in the original Share Class or Fund with a value of less than the Minimum Holding, the Administrator may, at its discretion, convert the whole of the applicant's holding of Shares in the Share Class or Fund or refuse to effect any switch. No switches will be made during any period in which the rights of Shareholders to require the redemption of their Shares are suspended.

The general provisions on procedures for redemptions (including provisions relating to the cut-off time for receipt of Dealing Forms) will apply equally to switching provided, however, that switching requests received prior to the relevant cut-off time on a Dealing Day may be processed and effected on the next Dealing Day.

The number of Shares to be issued in the new Share Class and/or Fund will be calculated in accordance with the following formula:

$$A = \frac{BxCxD}{E}$$

Where

A = number of Shares of the new Share Class and/or Fund to be allocated

B = number of Shares of the original Share Class or Fund to be converted

C = redemption price per Share on the relevant Dealing Day for the original Share Class or Fund

D = the currency conversion factor determined by the Administrator as representing the prevailing rate of exchange of settlement on the relevant Dealing Day applicable to the transfer of assets between the relevant Funds (where the base currencies of the relevant Funds are different) or where the base currencies of the relevant Share Classes or Funds are the same D = 1

E = subscription price per Share on the relevant Dealing Day for the new Share Class and/or Fund

Please see "Currency of Payment and Foreign Exchange Transactions" section below for further information.

# Subscriptions/Redemptions in Specie

## Subscriptions in Specie

The Company may issue Shares of any Share Class of Fund by way of exchange for Investments (as approved by the Manager) provided that:

(a) in the case of a person who is not an existing Shareholder no Shares shall be issued until the person concerned has completed and delivered to the Administrator an Application Form and Dealing Form as required under this Prospectus (or otherwise) and satisfied all the requirements of the Directors and the Administrator as to such person's application, including any anti-money laundering documentation;

(b) the nature of the Investments transferred into the Fund are such as would qualify as Investments of such Fund in accordance with the investment objectives, policies and restrictions of such Fund;

(c) no Shares shall be issued until the Investments shall have been vested in the Depositary or any sub-Depositary to the Depositary's satisfaction and the Depositary shall be satisfied that the terms of such settlement will not be such as are likely to result in any prejudice to the existing Shareholders of the Fund; and

(d) the Depositary is satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to remaining Shareholders and provided that any such exchange shall be effected upon the terms (including provision for paying any expenses of exchange and any preliminary charge as would have been payable for Shares issued for cash) that the number of Shares issued shall not exceed the number which would have been issued for cash against payment of a sum equal to the value of the Investments concerned calculated in accordance with the procedures for the valuation of the assets of the Company. Such sum may be increased by such amount as the Directors may consider represents an appropriate provision for a Dilution Adjustment or Duties and Charges and Spreads which would have been incurred by the Fund in the acquisition of the Investments by purchase for cash or decreased by such amount as the Directors may consider represents any Dilution Adjustment or Duties and Charges and Spreads to be paid to the Fund as a result of the direct acquisition by the Fund of the Investments.

## Redemptions in Specie

The Company may, at its discretion, redeem Shares of any Share Class of a Fund by way of exchange for Investments provided that:

(a) a Dealing Form is completed and delivered to the Administrator as required by this Prospectus and the redemption request otherwise satisfies all the requirements of the Directors and the Administrator (including any anti-money laundering

documentation) as to such request and the Shareholder seeking redemption of Shares, agrees to such course of action;

(b) the Company is satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to the remaining Shareholders, and elects that instead of the Shares being redeemed in cash, the redemption shall be satisfied in specie by the transfer to the Shareholder of Investments provided that the value thereof shall not exceed the amount which otherwise would have been payable on a cash redemption and provided that the transfer of Investments is approved by the Depositary. Such value may be reduced by such amount as the Directors may consider represents any Dilution Adjustment or Duties and Charges and Spreads to be paid to the Fund as a result of the direct transfer by the Fund of the Investments or increased by such amount as the Directors may consider represents any appropriate provision for Dilution Adjustment or Duties and Charges and Spreads which would have been incurred by the Fund in the disposition of the Investments to be transferred. The shortfall (if any) between the value of the Investments transferred on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption shall be satisfied in cash. Any decline in the value of the Investments to be transferred in settlement of a redemption between the relevant Dealing Day and the day on which Investments are delivered to the redeeming Shareholders shall be borne by the redeeming Shareholders; and

(c) if a redeeming Shareholder requests redemption of a number of Shares that represents 5% or more of the Net Asset Value of a Fund, the Directors may in their sole discretion redeem the Shares by way of exchange for Investments and in such circumstances the Company will, if requested by the redeeming Shareholder, sell the Investments on behalf of the Shareholder. The cost of the sale can be charged to the Shareholder.

If the discretion conferred upon the Company above is exercised, the Company shall notify the Depositary and shall supply to the Depositary particulars of the Investments to be transferred and any amount of cash to be paid to the Shareholder. All stamp duties and registration fees in respect of such transfers shall be payable by the Shareholder. Any allocation of Investments pursuant to an in specie redemption is subject to the approval of the Depositary.

## Compulsory Redemption

Some or all of the Shares of any Share Class of any Fund may be redeemed compulsorily if:

(a) in the opinion of the Directors, such redemption would eliminate or reduce the exposure of the Company or its Shareholders to adverse tax or regulatory consequences or if Shares are held by a Shareholder who is not a Qualified Holder;

(b) a Shareholder's holding falls below the relevant Minimum Holding limit;

(c) the holders of 75% in value of the relevant Share Class approve of the redemption at a meeting of the Shareholders thereof of which not less than 21 days' notice has been given;

(d) at the discretion of the Directors, after the first anniversary of the first issue of Shares of the relevant Share Class if the Net Asset Value of the Fund of which the Share Class forms part falls below the amount and for such period specified in the relevant Supplement in respect of such Fund;

(e) in the Directors' opinion, the holding of such Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or its Shareholders as a whole;

(f) at the discretion of the Directors, by giving not less than 30 days' notice in writing to the relevant Shareholders; or

(g) a Shareholder has not completed the anti-money laundering and ongoing client due diligence procedures to the satisfaction of the Company and/or the Administrator.

All the Shares of a Fund may be redeemed at the discretion of the Directors if, after the first anniversary of the first issue of Shares of the Fund, the Net Asset Value of the Fund falls below the amount set out in a Supplement in respect of a Fund for any period of time.

The Company shall have the right to redeem compulsorily any Share at the Price or to require the transfer of any Share to a Qualified Holder if in their opinion (i) such Share is held by a person other than a Qualified Holder; (ii) the redemption or transfer (as the case may be) would eliminate or reduce the exposure of the Company or the Shareholders to adverse tax, legal, reputational, fiscal or regulatory consequences; (iii) the holding of Shares by that Shareholder would be a material administrative disadvantage to the Company or its Shareholders as a whole; (iv) the Shareholder has not completed the anti-money laundering procedures to the satisfaction of the Company and/or the Administrator; or (v) the holding of such Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Company or its Shareholders as a whole.

## Transfer of Shares

Shares are (save as described below) freely transferable and may be transferred in writing in a form approved by the Directors or by such other means as the Company may prescribe from time to time where such means are in accordance with the requirements of the Central Bank. Share Classes which are available only to investors who have entered into a Client Agreement can only be transferred to investors who have a Client Agreement in place. Prior to the registration of any transfer, transferees must complete an Application Form and provide such other information (e.g. any anti-money laundering documentation) as the Company may reasonably require. The Directors may decline to register any transfer of a Share where they reasonably believe that such transfer would result in the legal or beneficial ownership of such Share by a person who is not a Qualified Holder or expose the Company to adverse tax or regulatory consequences.

## Temporary Suspensions

The Manager may, having regard to the best interests of Shareholders and with prior notification to the Depositary, temporarily suspend the determination of the Net Asset Value of any Fund and the issue and redemption of all Share Classes of any Fund during the whole or any part of any period:

(a) when any of the principal markets on which any significant portion of the Investments of the relevant Fund from time to time are quoted, listed, traded or dealt in is closed (otherwise than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended or trading on any relevant Futures exchange or market is restricted or suspended;

(b) when, as a result of political, economic, military or monetary events or any other circumstances outside the control, responsibility and power of the Company, any disposal or valuation of Investments of the relevant Fund is not, in the opinion of the Manager, reasonably practicable without this being seriously detrimental to the interests of owners of Shares in general or the owners of Shares of the relevant Fund or if, in the opinion of the Manager, the redemption price cannot fairly be calculated or such disposal would be materially prejudicial to the owners of Shares in general or the owners of Shares of the relevant Fund;

(c) during which any breakdown occurs in the means of communication normally employed in determining the value of any of the Investments of the Company or when for any other reason the value of any of the Investments or other assets of the relevant Fund cannot reasonably or fairly be ascertained;

(d) when the Company is unable to repatriate funds required for the purpose of making redemption payments or when such payments cannot, in the opinion of the Manager, be effected at normal prices or normal rates of exchange or during which any transfer of funds involved in the realisation or acquisition of Investments or when payments due or redemption cannot, in the opinion of the Manager, be effected at normal prices or normal rates of exchange;

(e) any period when proceeds of the sale or redemption of Shares cannot be transmitted to or from the Company or the Fund's account; or

(f) upon the publication of a notice convening a general meeting of Shareholders for the purposes of resolving to wind up the Company.

The Manager shall not suspend redemptions without also suspending subscriptions and switches.

The period of suspension shall be temporary and limited to the period necessary to address the exceptional circumstances that justify the decision to suspend. The Manager, where possible, will take all necessary steps to bring any period of suspension to an end as soon as possible.

In the event of any suspension as set out above, the Manager will immediately publish such facts on the Manager's website on www.hermes-investment.com and will immediately (and in any event during the Business Day on which the suspension occurred) notify the Central Bank and any other competent authority in a Member State or other country in which Shares are marketed.

## Market Timing

The Company is intended to be a long-term investment vehicle and is not designed to be used by investors for speculating on short-term market or currency movements. The Company reserves the right, as it deems appropriate, to take any necessary or desirable measures in order to limit or prevent abusive trading practices, including "market timing" or "portfolio churning". Such actions may include (but are not limited to) the Company rejecting any application for subscriptions or conversions of Shares from any investor which the Company believes is engaged in or suspected to be engaged in such abusive practices. Although there can be no assurance

that the Company will be able to detect and prevent all such occurrences, the goal of this policy is to minimise any negative impact of such abusive short-term trading practices on the other Shareholders while recognising the benefits that accrue to all Shareholders from sharing fund expenses across a large asset base.

## Currency of Payment and Foreign Exchange Transactions

Where a Shareholder is switching between Share Classes, subscription monies may be paid in a currency other than the currency of denomination of the Share Class into which the Shareholder is investing. In these circumstances, any necessary foreign exchange transactions may be arranged by the Administrator (at its discretion) for the account of, and at the risk and expense of, the applicant at the time the request for the switch is received and accepted. The exchange rate applicable to any such transactions will be the prevailing exchange rate quoted by the Administrator's bankers.

## Capacity Management

The Directors may, at their absolute discretion, impose capacity management related constraints on a Fund. Details about whether a Fund is currently under capacity management constraints will be published on the Manager's website: https://www.hermes-investment.com/ie/en/professional/capacity-management/. Shareholders are advised to consult the Manager's website in advance of submitting any subscription request.

### 1. Normal Scenario

When a Fund is not under capacity management – subscriptions, transfers and switches may be affected in the manner set out in this Prospectus.

### 2. Capacity Constrained Scenario

If a Fund is under capacity management, and within set tolerances, all or some of the following provisions may be applied:

All Share Classes in the relevant Fund may be closed to new investors. However, the Directors reserve the right to open Share Classes to new investors in the future. For the purposes of capacity management, a new investor is an investor who is not on a Fund's shareholder register as of that specific Dealing Day. Under the Articles, the Directors are given authority to affect the issue of Shares and have absolute discretion to accept or reject in whole or in part any application for Shares without assigning any reason. If an application is rejected, any monies received will be returned to the applicant (minus any handling charge incurred in any such return) as soon as possible by telegraphic transfer (but without interest, costs or compensation).

The Directors may, at their absolute discretion, set a Maximum Subsequent Subscription Amount for a Share Class. Maximum Subsequent Subscription Amounts may vary from time to time. Details of the Maximum Subsequent Subscription Amount will be published on the Manager's website: https://www.hermes-investment.com/ie/en/professional/capacity-management/.

In the event that a Shareholder subscribes for more than the Maximum Subsequent Subscription Amount in respect of a Dealing Day, the Directors will reject the subscription in full. Any such monies received will be returned to the Shareholder (minus any handling charge incurred in any such return) as soon as possible by telegraphic transfer (but without interest, costs or compensation).

A Shareholder acting as nominee for a number of underlying beneficial investors will be permitted to subscribe the Maximum Subsequent Subscription Amount for each underlying beneficial investor for whom it is holding Shares directly in a Fund as nominee on the basis that the Shareholder can provide the required undertakings, confirmations, information and ongoing reporting to the Company.

Unless otherwise determined by the Directors and notified to the relevant Shareholders, further investment may be made in all Share Classes by existing Shareholders subject to the Maximum Subsequent Subscription Amount.

If a Shareholder wishes to transfer part of their holding of Shares in a particular Share Class, they may transfer only to another Shareholder who at the time of such transfer also holds Shares in the relevant Fund.

If a Shareholder (other than a Shareholder acting as nominee for an underlying beneficial investor) wishes to transfer Shares to an investor who is not a Shareholder in the relevant Fund, the Shareholder must transfer all of their holding in that Fund and the Shareholder will not be permitted to make further subscriptions into that Fund.

If a Shareholder holding Shares of a particular Share Class as nominee for an underlying beneficial investor wishes to transfer such Shares to an investor who is not a Shareholder in the relevant Fund, the Shareholder must transfer all their holding in that Fund attributable to that beneficial investor.

## Liquidity Management Tools

The Manager employs an appropriate liquidity management framework and associated processes to monitor the liquidity risk of the Company and to ensure that the liquidity profile of the Company's investments complies with its underlying obligations. The Manager regularly conducts stress tests under normal and exceptional liquidity conditions to assess and monitor the liquidity risk of the Company. The Manager ensures that each Fund's investment strategy, liquidity profile and redemption policy are consistent. The liquidity management framework employed by the Manager includes the selection, calibration, activation and deactivation of liquidity management tools ("**LMTs**").

The Manager has selected the LMTs set out below to manage each Fund's liquidity risk under different market conditions, taking into consideration, among other things: the liquidity profile, investment strategy and investor base, of each Fund, as well as the results of liquidity stress testing.

The Manager may decide on the calibration and activation of the selected LMTs in the best interest of the Shareholders and as appropriate in light of market conditions and the relevant characteristics of a Fund. The Manager shall assess whether to activate LMTs individually or in combination with additional LMTs or other liquidity measures.

The LMTs will be applied at the level of each Fund and will therefore be applicable for all Share Classes of the relevant Fund.

Information on the redemption rights applicable to the Funds, and the existing redemption arrangements with Shareholders, is set out in the section of this Prospectus entitled "*Valuation, Subscriptions and Redemptions*".

The following LMTs have been selected by the Manager as referred to in Annex IIA of the Directive:

**Redemption Gate** - please refer to the section of this Prospectus entitled "*Deferred Redemptions*" for information on the conditions under which the Manager may activate this LMT.

**Swing Pricing** – please refer to the section of this Prospectus entitled "*Single Swing Pricing*" and "*Dilution Adjustment and Large Deals*" for information on the conditions under which the Manager may activate this LMT.

**Suspension of subscriptions, redemptions and switches**– please refer to the section of this Prospectus entitled "*Temporary Suspensions*" for information on the conditions under which the Manager may activate this LMT.

In addition to the above identified LMTs the Manager and Company have other tools available for the purposes of managing each Fund's liquidity.

# Fees and Expenses

## Establishment Expenses

The Funds will bear their own direct establishment costs and such costs will be amortised over the first five financial years after their launch or such other period as the Directors may determine and advise to Shareholders via, for example, the Company's financial statements.

Value Added Tax (if any) on fees payable by the Company will be borne by the Company.

## Service Providers' Fees

The fees of service providers to the Funds shall be as set out in the relevant Supplement. The Investment Manager may, in accordance with its responsibilities for the distribution of the Company, and at its sole discretion, agree to pay trailer fees to distributors and/or sub-distributors and/or retrocession fees to Shareholders out of the fees which it receives from the Manager in certain circumstances.

### Administrator's Fees

The Administrator's fee as detailed in a Supplement will be accrued and calculated daily and payable monthly in arrears. The Administrator is also entitled to be paid for all agreed transfer agency charges, transaction fees at normal commercial rates and reimbursed for out of pocket expenses properly incurred by it in the performance of its duties and responsibilities under the Administration Agreement. All such fees and expenses will be borne by the relevant Fund.

### Depositary's Fees

The Depositary's fee as detailed in a Supplement will be accrued daily and payable monthly in arrears. The Depositary shall also be entitled to be reimbursed for all agreed out of pocket expenses properly incurred by it in the performance of its duties. The Depositary will also charge fees and expenses of any delegate of the Depositary, including sub-custodians, provided they are at normal commercial rates.

### Management Fees

The Company will pay the Manager a management fee out of the assets of each Fund. The management fee shall be charged at the rates detailed in the relevant Supplement in relation to each Fund. The management fee shall accrue daily and be payable monthly in arrears at the end of each calendar month. The maximum management fee in respect of each Fund shall be disclosed in the relevant Supplement in relation to each Fund.

### Investment Management Fees

Unless otherwise specified in relation to a Fund, the Manager will discharge the fees of the Investment Manager.

### Sub-Investment Management Fees

Unless otherwise specified in relation to a Fund, the Manager and/or the Investment Manager will discharge the fees of any sub-investment manager appointed by them in relation to a Fund.

## Subscription Fee

The Articles authorise the Directors to charge a preliminary fee on the issue of Shares of some Share Classes up to a maximum of 5% of the Net Asset Value per Share, such fee being payable to the Manager.

## Fees payable to Intermediaries

Additional fees and other service charges in respect of subscriptions for, redemptions of and exchanges of Shares, may be payable by Shareholders or investors to intermediaries or platforms through whom they invest in such amount as they may agree with the relevant intermediaries or platform and this may result in differing yields to different investors in relation to their Shares. Such fees and charges may include an initial sales charge of up to 5% in respect of all A Shares, save in the case of A Shares in any Fixed Income Fund (being a Fund which has the term "Credit" or "Debt" in its name) in which case the initial sales charge may be up to 3%). Any such fees or charges will not be payable to and will not directly benefit the Company and shall be deducted from the subscription proceeds by such intermediary or platform with the balance paid to the Fund in respect of the relevant subscription. The investor is advised to carefully consider these fees charged by the intermediary. The intermediary might be required to make appropriate disclosures to its clients (including, but not limited to, disclosure of any inducements and/or fees received or paid).

## Directors' Fees

The Directors shall be entitled to a fee and remuneration for their services at a rate to be determined from time to time by the Directors. Such fees are accrued daily and paid monthly. The fees of any Director in any one financial year shall not exceed €50,000 without the approval of the board of Directors. The Directors may also be paid, inter alia, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection with the business of the Company. Joseph L. Kagan, Sylvie McLaughlin and Gregory P. Dulski, as executive employees within the Federated Hermes Group, will not be paid a fee.

## Operational Expenses

The Company will also pay out of the assets of each Fund:

(a) any fees in respect of circulating details of the Net Asset Value (including publishing prices) and Net Asset Value per Share;

(b) stamp duties;

(c) taxes (other than taxes taken into account as Duties and Charges) and contingent liabilities as determined from time to time by the Directors;

(d) company secretarial fees;

(e) execution brokerage or other expenses of acquiring and disposing of Investments;

(f) fees and expenses of the auditors, tax, legal and other professional advisers of the Company;

(g) fees and expenses of any portfolio monitoring and/or proxy voting agents;

(h) fees connected with listing of Shares on any stock exchange;

(i) fees and expenses in connection with the distribution of Shares and costs of registration and listing of the Company in jurisdictions outside Ireland;

(j) costs of preparing, printing and distributing the Prospectus and Supplements, KID, KIIDs, reports, financial statements and any explanatory memoranda;

(k) any necessary translation fees;

(l) any costs incurred as a result of periodic updates of the Prospectus of the Company, any Supplements and/or KIIDs / KIDs, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law);

(m) the Central Bank's industry funding levy;

(n) fees connected with the winding up of the Company and/or any Fund;

(o) any other fees and expenses relating to the management and administration of the Company or attributable to the Investments, including but not limited to, the relevant operational expenses of the Manager;

(p) in respect of each financial year of the Company in which expenses are being determined, such proportion (if any) of the establishment expenses and reconstruction expenses (if any) as are being amortised in that year; and

(q) all other liabilities of the Company of whatsoever kind and nature except liabilities represented by Shares in the Company and reserves (other than reserves authorised or approved by the Directors for Duties and Charges or contingencies).

The above expenses shall be charged as between each Fund and Share Class thereof on such terms and in such manner as the Directors (with the consent of the Depositary) deem fair and equitable.

For the avoidance of doubt, from 3 January 2018, all investment research costs will be borne by the Investment Manager.

All fees and expenses, Duties and Charges will be charged to the Fund (and Share Class thereof, if appropriate) in respect of which they were incurred or, where an expense is not considered by the Directors to be attributable to any one Fund (or Share Class thereof), the expense will normally be allocated to Share Classes of all Funds pro rata to the Net Asset Value of the relevant Funds. Expenses of the Company which are directly attributable to a specific Share Class will typically be charged against the income available for distribution to the holders of such Shares, other than in the case of Fees and Expenses to Higher Income Share Classes where such expenses are charged against capital. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees and expenses on an estimated figure for yearly or other periods in advance and accrue the same in equal proportions over any period.

## Rebates

The Manager, Investment Manager/sub-investment manager and/or Distributor/sub-distributor may rebate a portion of the fee they receive to certain investors.

## Commission Sharing

Neither the Manager, the Investment Manager nor any of their affiliates may retain the benefit of any cash commission or rebate paid or payable by any broker or dealer to the Investment Manager or affiliate in respect of any business placed with such broker or dealer by any such person, for and on behalf of the Company.

The execution of all such transactions shall be on a best execution basis and the Company will pay brokerage which is not in excess of customary institutional full brokerage rates for the service provided.

# Allocation of Assets and Liabilities

The Articles require the establishment of a separate Fund for different Share Classes in the following manner:

(a) the records and accounts of each Fund shall be maintained separately in the base currency of the relevant Fund;

(b) the liabilities of each Fund shall be attributable exclusively to that Fund;

(c) the assets of each Fund shall belong exclusively to that Fund, shall be segregated in the records of the Depositary from the assets of other Funds, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for any such purpose;

(d) the proceeds from the issue of each Share Class shall be applied to the relevant Fund established for that Share Class, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;

(e) where any asset is derived from another asset, the derived asset shall be applied to the same Fund as the assets from which it was derived and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund; and

(f) in the case where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, the Directors shall have the discretion, to determine the basis upon which such asset or liability shall be allocated between the Funds and the Directors shall have power at any time and from time to time subject to the approval of the Auditors to vary such basis, provided that the approval of the Auditors shall not be required in any case where the asset or liability is allocated between all Funds pro rata to their Net Asset Values.

# Taxation

## General

**The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of Ireland and/or the jurisdictions in which they may be subject to tax.**

**If you are in any doubt about your tax position, or if you may be subject to tax in a jurisdiction other than Ireland or the UK, you should consult your professional adviser.**

The following is a general summary of the main Irish and United Kingdom tax considerations relevant to the Company and certain investors in the Company who are the beneficial owners of the Shares in the Company. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change and 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). The tax consequences of an investment in Shares in the Company will depend not only on the nature of the Company's operations and the then applicable tax principles, but also on certain factual determinations which cannot be made at this time. Accordingly, its applicability will depend on the particular circumstances of each Shareholder. For tax information relevant to investors resident in other jurisdictions please refer to the Investment Manager's website at www.hermes-investment.com/profesional/products for further details.

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland and the United Kingdom 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.

Dividends (if any) and interest which any of the Funds receive with respect to their Investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of Investments are located. It is anticipated that the Company may not be able to fully benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries.

If this position changes in the future and the application of a lower rate results in a repayment to the Company of withholding tax suffered, the Net Asset Value will not be re-stated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of the repayment.

# Irish Taxation

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 Taxes Act so long as the Company is resident in Ireland for taxation purposes. Accordingly, the taxation position of the Company and the Shareholders is as set out below.

## Definitions

For the purposes of this section, the following definitions shall apply.

**"Exempted Irish Investor"** means the following categories of Irish Resident and Irish Ordinary Resident Shareholders:

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739(B)(1) of the Taxes Act;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a qualifying management company within the meaning of Section 739B(1) of the Taxes Act;
- a specified company within the meaning of Section 734(1) of the Taxes Act;
- a person entitled to exemption from income tax and capital gains tax under Section 784A(2) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- an Irish Resident company investing in a money market fund being a person referred to in Section 739D(6)(k)(I) of the Taxes Act;
- The National Treasury Management Agency or a Fund Investment Vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or Ireland acting through the National Treasury Management Agency;
- the National Asset Management Agency (NAMA);
- an Irish Resident company being a person referred to in section 739D(6)(m) of the Taxes Act; or
- any other Irish Resident or Irish Ordinary Resident who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue

Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company;

provided that they have completed a Relevant Declaration 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 not longer, materially correct.

**"Foreign Person"** means a person who is neither an Irish Resident nor an Irish Ordinary Resident for tax purposes and either: (i) it has provided the Company with the Relevant Declaration under Schedule 2B of the Taxes Act and in respect of whom the Company is not in possession of any information that would reasonably suggest that the Relevant Declaration is not, or is no longer, materially correct; and (ii) it has confirmed that to the Company and the Company is in possession of written notice of approval from the Irish 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.

**"Intermediary"** means an intermediary within the meaning of Section 739B(1) being a person who:

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

**"Ireland"** means the Republic of Ireland.

**"Irish Ordinary Resident"**

- in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes;
- in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

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

An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive year in which s/he is not resident.

The concept of ordinary residence does not apply to corporate entities.

**"Irish Resident"**

- in the case of a company, means a company that is resident in Ireland for tax purposes;
- in the case of an individual, means an individual who is resident in Ireland for tax purposes; or
- in the case of a trust, means a trust that is resident in Ireland for tax purposes.

**"Residence"** – Individual

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

- spends 183 days or more in Ireland in that twelve month tax year; or
- has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that twelve month tax year together with the number of days spent in Ireland in the preceding twelve month tax year. Presence in a twelve month tax year by an

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

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. **"Residence"** – Trust

A trust will generally be regarded as resident in Ireland for tax purposes if all of its trustees are resident for tax purposes in Ireland. However, the rules to determine the residency of a trust can be complex and trustees should consult their professional advisers if they are in doubt as to whether the trust is resident in Ireland.

**"Residence"** – Company

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which was incorporated in Ireland on or after 1 January 2015 is tax resident in Ireland except where the company is regarded as resident in a country other than Ireland and no resident in Ireland under a double taxation treaty between Ireland and that other country.

**"Relevant Declaration"** means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act. The Relevant Declaration for investors who are neither Irish Resident nor Irish Ordinary Resident (or Intermediaries acting for such investors) is set out in the Application Form accompanying this Prospectus.

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

- a Foreign Person; or
- an Exempted Irish Investor.

## The Company

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

However, Irish tax can arise (at rates ranging from 25% to 60%) on the happening of a "chargeable event" in respect of the Company. A chargeable event includes any distribution or payments to Shareholders or any encashment, repurchase, redemption, cancellation or transfer of Shares and any deemed disposal of Shares 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 on the Company in respect of chargeable events in respect of a Shareholder who is a Foreign Person or is an Exempted Irish Investor. In the absence of a signed and completed Relevant Declaration there is a presumption that the investor is Irish Resident or Irish Ordinary Resident or is not an Exempted Irish Investor and a charge to tax arises. However, it is not necessary to obtain a Relevant Declaration from Shareholders if appropriate measures have been put in place by the Company to ensure Shareholders are neither Irish Resident nor Irish Ordinary Resident and the Company has received written notice of approval from the Irish 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.

A chargeable event does not include:

- an exchange by a Shareholder, effected by way of an arm's length bargain with the Company of Shares in the Company for other Shares in the Company;
- any transaction (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;
- a transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses, civil partners, former spouses, and former civil partners subject to certain conditions; and
- an exchange of Shares arising on a qualifying amalgamation or reconstruction of the Company with another investment undertaking (within the meaning of Section 739H of the Taxes Act).

In addition, 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.

If the Company becomes liable to account for tax if a chargeable event occurs, the Company shall be entitled to deduct from the payment arising on a chargeable event an amount equal to the appropriate tax and/or where applicable, to repurchase or cancel such number of Shares held by the Shareholder or such beneficial owner as are 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.

Please see the "Shareholders" section below dealing with the tax consequences for the Company and the Shareholders of chargeable events in respect of:

(i) Shareholders who are neither Irish Resident nor Irish Ordinary Resident;

(ii) Shareholders who are either Irish Resident or Irish Ordinary Resident; and

(iii) Exempt Irish Investors.

An additional regime applies to IREFs (i.e. Irish Real Estate Funds) which imposes a 20% withholding tax on 'IREF taxable events'. This primarily targets non-Irish resident investors. On the basis that neither the Company, nor any of its Funds, holds or intends to hold Irish property assets, these provisions should not be relevant and are not discussed further.

## Shareholders

### (i) Shareholders who are neither Irish Resident nor Irish Ordinary Resident

Shareholders who are neither Irish Resident nor Irish Ordinary Resident and 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 an encashment, 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 Irish 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 Shareholder who is a Foreign Person (or an intermediary acting on its behalf) fails to make the necessary declaration of non-residence, tax will be deducted as described below 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.

### (ii) Shareholders who are Irish Resident or Irish Ordinary Resident

#### Deduction of Tax

Unless a Shareholder is an Exempted Irish Investor, tax at the rate of 41% will be deducted and remitted to the Irish Revenue Commissioners by the Company from distributions made by the Company and any gains arising to a Shareholder on an encashment, repurchase, redemption, cancellation or transfer or other disposal of Shares by such Shareholder. Tax at a rate of 25% will be deducted and remitted to the Irish Revenue Commissioners by the Company from distributions made by the Company and any gains arising to Shareholders which are Companies on an encashment, repurchase, redemption, cancellation or transfer or other disposal of Shares by such Shareholder provided the Company is in possession of a relevant declaration from such Shareholder that it is a company and which includes the company's tax reference number.

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.

#### Deemed disposal

A deemed disposal of Shares will occur on each and every eight anniversary of the acquisition of Shares in the Company held by Taxable Irish Persons. The Company may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where more than 10% or more of the Net Asset Value of the Shares in the Company is held by Taxable Irish Persons, the Company will be liable to account for the tax arising on a deemed disposal in respect of Shares in that Fund. However, where less than 10% of the Net Asset Value of Shares in the Company is held by Taxable Irish Persons, the Company may, and it is expected that the Company will, elect not to apply a withholding tax to a deemed disposal of Shares in the Company and the Administrator will advise the Irish Revenue Commissioners of this election. Shareholders who are Taxable Irish Persons will therefore be required to account for the tax arising under the self-assessment system themselves. Shareholders should contact the Administrator to ascertain whether the Company made such an election in order to establish their responsibility to account to the Irish Revenue Commissioners for any relevant tax.

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, 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% (or in the case of Irish resident corporate Shareholders where a relevant declaration has been made, at the rate of 25%). Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

### Residual Irish Tax Liability

Irish Resident corporate Shareholders which receive distributions from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the Taxes Act from which tax at 25% (or 41% if no declaration has been made) has been deducted. Subject to the comments below concerning tax on a currency gain, in general, such Shareholders will not be subject to further Irish tax on any other payments received in respect of their shareholding from which tax has been deducted. An Irish Resident corporate Shareholder whose Shares are held in connection with a trade will be taxable on any Irish income or gains received from the Company as part of that trade with a set-off against corporation tax payable for any tax deducted from those payments by the Company. In practice, where tax at a rate higher than 25% has been deducted from payments to a corporate Shareholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25% should be available.

Where a currency gain is made by a Shareholder on the disposal of his or her Shares, such Shareholder may be liable to capital gains tax in the year of assessment in which the Shares are disposed of.

Any Shareholder who is a Taxable Irish Person and who receives a distribution or a gain on an encashment, repurchase, redemption, cancellation, transfer or other disposal of Shares from which tax has not been deducted by the Company (for example, because the Shares are held in a recognised clearing system), may be liable to account for income tax or corporation tax on the amount of such distribution or gain under the self-assessment system and in particular, Part 41A of the Taxes Act.

### (iii) Shareholders who are Exempted Irish Investors

The Company will not be required to deduct tax in respect of Exempted Irish Investors, 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.

In general, there is no provision for any refund of tax to Shareholders who are Exempted Irish Investors where tax has been deducted in the absence of the necessary declaration.

## Investment Undertaking Reporting

Pursuant to Section 891C of the Taxes Act and the Return of Values (Investment Undertakings) Regulations 2013, there is an obligation on the Company to report information in relation to Shareholders and the value of their investments to the Irish Revenue Commissioners on an annual basis. The details to be reported include the name, address, date of birth (if on record) and the tax reference number of the Shareholder (being an Irish tax reference number or VAT

registration number, or in the case of an individual, the individual's PPS number or, in the absence of a tax reference number, a marker indicating that this was not provided) and the investment number associated with and the value of the Shares held by the Shareholder. These provisions do not require such details to be reported in respect of (i) Shareholders who are neither Irish Resident nor Irish Ordinary Resident (provided the Relevant Declarations have been made, (ii) Exempted Irish Investors, or (iii) Shareholders whose Shares are held in a recognised clearing system (as designated by order of the Irish Revenue Commissioners).

## Stamp Duty

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the Taxes Act, generally, no stamp duty is 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 property.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and 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 stock or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the Taxes Act) which is registered in Ireland.

## Capital Acquisitions Tax

The disposal of Shares by means of a gift or inheritance made by persons not domiciled or Ordinarily Resident in Ireland will not be subject to Irish gift or inheritance tax (Capital Acquisitions Tax), provided that the Company falls within the definition of an investment undertaking (within the meaning of Section 739B of the Taxes Act) and that:

(i) at the date of the gift or inheritance, the beneficiary is neither domiciled nor Ordinary Resident in Ireland;

(ii) at the date of the disposition, the Shareholder disposing of the Shares is neither domiciled nor Ordinarily Resident in Ireland; and

(iii) the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the "valuation date" (as defined for Irish Capital Acquisitions Tax Purposes).

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

## Foreign Account Tax Compliance Act

The provisions of FATCA are designed to require certain U.S. persons' direct and indirect ownership of certain non-U.S. accounts and non-U.S. entities to be reported by foreign financial institutions ("**FFIs**") to foreign tax authorities who will then provide the information to the IRS.

The Company may be regarded as an FFI for FATCA purposes. FATCA may impose a withholding tax of up to 30% with respect to certain U.S. source income (including dividends and interest).

FATCA compliance is enforced under Irish tax legislation, including the Financial Accounts Reporting (United States of America) Regulations 2014, and reporting rules and practices.

In order to comply with its FATCA obligations, the Company may require Shareholders to provide the Company with information and documentation prescribed by applicable law and such additional documentation as reasonably requested by the Company. The Company may disclose the information, certificates or other documentation that it receives from (or concerning) its Shareholders to the Irish Revenue Commissioners as necessary to comply with the Irish tax legislation and reporting rules and practices relating to FATCA, related intergovernmental agreements or other applicable law or regulation.

If a Shareholder causes (directly or indirectly) the Company to suffer a withholding for or on account of FATCA ("FATCA Deduction") or other financial penalty, cost, expense or liability, the Company may compulsorily repurchase any Shares of such Shareholder and/or take any action required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically borne by such shareholder. Each prospective investor should consult their own tax adviser regarding the requirements under FATCA with respect to their particular circumstances.

Although the Company will use commercially reasonable efforts to comply with any requirements that are necessary to avoid the imposition of withholding taxes on payments to the Company pursuant to FATCA, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of FATCA, the return of all investors may be materially affected.

## Common Reporting Standard

The Common Reporting Standard ("CRS") is an agreement to automatically exchange information based on Article 6 of the Convention on Mutual Administrative Assistance in Tax Matters. This agreement came in to force on 1 January 2016. The Republic of Ireland is a party to this agreement. The Company is required to provide details of non-Irish resident investors holding assets in the Republic of Ireland to the Irish Revenue Commissioners on an annual basis. The Irish Revenue Commissioners are then required to report this information to the tax authority in the country in which the non-Irish investor resides.

Accordingly, in order to comply with its CRS obligations, the Company may require investors to provide the Company with information and documentation prescribed by applicable law and such additional documentation as reasonably requested by the Company. By subscribing for Shares in the Company, each Shareholder is agreeing to provide such information upon request from the Company or its delegate. Shareholders refusing to provide the requisite information to the Company may be reported to the Irish Revenue Commissioners or other parties as necessary to comply with the CRS.

The above description is based in part on regulations, guidance from the OECD and the CRS, all of which are subject to change. Each prospective investor should consult their own tax adviser regarding the requirements under the CRS with respect to their particular circumstances.

Although the Company will use commercially reasonable efforts to comply with any requirements that are necessary to avoid the imposition of any penalties on payments to the Company pursuant to the CRS, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to penalties as a result of the CRS, the return of all investors may be materially affected.

# Information for Investors in the Federal Republic of Germany

Please refer to the "Country Supplement for Germany" to obtain further information which is specific to German investors. The Country Supplement for Germany forms part of and should be read in conjunction with this Prospectus.

# Statutory and General Information

## 1. Incorporation, Registered Office and Share Capital

(a) The Company was incorporated in Ireland on 23 October 2008 as an investment company with variable capital, limited liability and having segregated liability between its Funds under registration number 463628.

(b) The registered office of the Company is presently at 7/8 Upper Mount Street, Dublin 2, D02 FT59, Ireland.

(c) On incorporation the authorised share capital of the Company was GBP 1,000,000 divided into 1,000,000 Subscriber Shares of a par value of GBP 1 each and 500,000,000,000 shares of no par value initially designated as participating shares. The unclassified shares are available for issue as Shares.

These Subscriber Shares may be repurchased by the Company at any time. The repurchase price will be GBP 1 per Subscriber Share.

(d) As of the date of this Prospectus, no capital of the Company is under option or is agreed, conditionally or unconditionally to be put under option.

(e) Neither the Subscriber Shares nor the participating shares carry pre-emption rights.

## 2. Share Rights

(a) **Subscriber Shares**

The holders of the Subscriber Shares shall:

(i) on a vote taken on a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per Subscriber Share;

(ii) not be entitled to any dividends whatsoever in respect of their holding of Subscriber Shares; and

(iii) in the event of a winding up or dissolution of the Company, have the entitlements referred to under "Distribution of Assets on a Liquidation" below.

(b) **Shares**

The holders of Shares shall:

(i) on a vote taken on a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per whole Share;

(ii) be entitled to such dividends as the Directors may from time to time declare; and

(iii) in the event of a winding up or dissolution of the Company, have the entitlements referred to under "Distribution of Assets on a Liquidation" below.

# 3. Voting Rights

This is dealt with under the rights attaching to the Subscriber Shares and Shares respectively referred to at 2 above. Shareholders who are individuals may attend and vote at general meetings in person or by proxy. Shareholders who are corporations may attend and vote at general meetings by appointing a representative or by proxy.

At any general meeting on a show of hands every holder of Shares who (being an individual) is present in person or (being a corporation) is present by duly authorised representative shall have one vote. On a poll every such holder present as aforesaid or by proxy shall have one vote for every Share held.

To be passed, ordinary resolutions of the Company in a general meeting will require a simple majority of the votes cast by the Shareholders voting in person or (being a corporation) present by a duly authorised representative or by proxy at the meeting at which the resolution is proposed.

A majority of not less than 75% of the Shareholders present in person or (being a corporation) present by a duly authorised representative or by proxy and (being entitled to vote) voting in general meetings is required in order to pass a special resolution including a resolution to (i) rescind, alter or amend an Article or make a new Article and (ii) wind up the Company.

# 4. Memorandum of Association

The Memorandum of Association of the Company provides that the Company's sole object 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 operating on the principle of spreading investment risk in accordance with the Regulations. The object of the Company is set out in full in Clause 3 of the Memorandum of Association which is available for inspection at the registered office of the Company.

# 5. Articles of Association

## Alteration of Share capital

The Company may from time to time by ordinary resolution increase its capital, consolidate and divide its Shares or any of them into Shares of a larger amount, sub-divide its Shares or any of them into Shares or a smaller amount, or cancel any Shares not taken or agreed to be taken by any person. The Company may also by special resolution from time to time reduce its share capital in any way permitted by law.

## Issues of Shares

The Shares shall be at the disposal of the Directors and they may (subject to the provisions of the Act) allot, offer or otherwise deal with or dispose of them to such persons, at such times and on such terms as they may consider in the best interests of the Company.

## Variation of rights

Whenever the share capital is divided into different Share Classes, the rights of any class may be varied or abrogated with the consent in writing of the holders of three quarters of the issued and outstanding Shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of that class of Shares and the necessary quorum shall be (other than an adjourned meeting) two persons holding Shares issued in that class (and at the adjourned meeting the necessary quorum shall be one person holding shares of that class or his proxy).

The special rights attaching to any Shares of any class shall not (unless the conditions of issue of such class of shares expressly provide otherwise) be deemed to be varied by the creation or issue of other Shares ranking equally therewith.

## Transfers of Shares

(a) All transfers of Shares shall be effected by an instrument in writing in a form approved by the Directors but need not be under seal or by such other means as the Administrator may prescribe from time to time where such means are in accordance with the requirements of the Central Bank. No transfer of Subscriber Shares can be effected without the prior written consent of the Company.

(b) The instrument of transfer of a share must be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Company's register of shareholders in respect of such Share.

(c) The Directors may decline to register a transfer of Shares unless the instrument of transfer is deposited at the registered office of the Company together with such evidence as is required by the Directors to show the right of the transferor to make the transfer and satisfying the Directors as to their requirements to prevent money laundering as they may apply from time to time. The registration of transfers may be suspended for such times and at such periods as the Directors may determine provided always that such registration may not be suspended for more than thirty days in any one year.

(d) The Directors may decline to register any transfer of a Share where:

  (i) they are aware or reasonably believe that such transfer would result in the beneficial ownership of such Shares by a person who is not a Qualified Holder or expose the Company to adverse tax or regulatory consequences; or

  (ii) to a person who is not already a Shareholder if, as a result of such transfer, the proposed transferee would not be the holder of a Minimum Holding.

## Directors

(a) Any Director who devotes special attention to the business of the Company may be paid such extra remuneration as the Directors may determine. (See section headed "Fees and Expenses" above in relation to the Director's Fees).

(b) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, and may act in a professional capacity to the Company on such terms as the Directors may determine.

(c) Subject to the provisions of the Act, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:

(i) may be a party to, or otherwise interested in, any transaction or arrangement with the Company or any subsidiary or associated company thereof;

(ii) may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company thereof is otherwise interested; and

(iii) shall not be accountable, by reason of his office, to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.

(d) A Director shall not generally be permitted to vote at a meeting of the Directors or a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote. Notwithstanding the foregoing, a Director shall be entitled to vote (and be counted in the quorum) in respect of resolutions concerning certain matters in which he has an interest including (inter alia) any proposal concerning any other company in which he is interested, directly or indirectly provided, that he is not the holder of or beneficially interested in 10% or more of the issued shares of any class of such company or of the voting rights available to members of such company (or of a third company through which his interest is derived).

(e) There is no provision in the Articles requiring a Director to retire by reason of any age limit and no share qualification for Directors.

(f) The number of Directors shall not be less than two (2).

(g) The quorum for meetings of Directors may be fixed by the Directors and unless so fixed shall be two (2).

(h) The office of a Director shall be vacated in any of the following circumstances:

(i) he ceases to be a Director by virtue of any provisions of the Act or becomes prohibited by law from being a Director;

(ii) without prejudice to paragraph (i) above, the Central Bank has issued a prohibition notice in respect of such a Director;

(iii) he becomes a bankrupt or makes any arrangement or composition with his creditors generally;

(iv) in the opinion of a majority of the Directors he becomes incapable by reason of mental disorder of discharging his duties as a Director;

(v) he resigns from his office by notice to the Company;

(vi) he is convicted of an indictable offence and the Directors determine that as a result of such conviction he should cease to be a Director;

(vii) by a resolution of a majority of his co-Directors, he is requested to vacate office;

(viii) without prejudice to paragraph (vii) above, a majority of the Directors are satisfied on reasonable grounds that he no longer complies with any standards of fitness and probity in a code issued by the Central Bank from time to time;

(ix) he shall for more than six (6) consecutive months have been absent without permission of the Directors from any meetings of the Directors held during that period and the Directors pass a resolution that he has by reason of such absence vacated office.

The Company may also, as a separate power, in accordance with and subject to the provisions of the Act, by ordinary resolution of the shareholders, remove any Director (including any managing director or other executive director) before the expiry of his period of office notwithstanding anything to the contrary contained in the Articles or in any agreement between the Company and any such Director.

## Borrowing powers

The Directors may exercise all the powers of the Company to borrow or raise money (including the power to borrow for the purpose of repurchasing Shares) and to hypothecate, mortgage, charge or pledge its undertaking, property, assets or any part thereof. The Company may not borrow other than in accordance with the provisions of the Regulations.

## Dividends

No dividends are payable on the Subscriber Shares.

Subject to the provisions of the Act, the Company may by ordinary resolution declare dividends on a class or Share Classes, but no dividends shall exceed the amount recommended by the Directors. If the Directors so resolve and in any event on the winding up of the Company or on the total redemption of Shares, any dividend which has remained unclaimed for six (6) years shall be forfeited and become the property of the relevant Fund.

## Distribution of assets on a liquidation

(a) If the Company shall be wound up the liquidator shall apply the assets of the Company in such manner as he thinks fit in satisfaction of creditors' claims.

(b) The assets available for distribution among the members shall then be applied in the following priority:

(i) firstly, in the payment to the holders of the Shares of each class of each Fund of a sum in the currency in which that class is designated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such class held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such

payment to be made. In the event that, as regards any class of Shares there are insufficient assets available in the relevant Fund to enable such payment to be made recourse shall be had to the assets of the Company (if any) not comprised within any of the Funds and not (save as provided in the Act) to the assets comprised within any of the Funds;

(ii) secondly, in the payment to the holders of each class of Shares of any balance remaining in the relevant Fund, such payment being made in proportion to the number of Shares held; and

(iii) thirdly, in the payment to the holders of the Shares of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the value of each Fund and within each Fund to the value of each class and in proportion to the number of Shares held in each class.

(c) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall be compelled to accept any assets in respect of which there is liability and any member may instruct the liquidator to sell any assets, to which he is entitled, on his behalf.

## Indemnities

The Directors (including alternates), Secretary and other officers of the Company and its former directors and officers shall be indemnified by the Company against losses and expenses which any such person may become liable to by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, wilful default, bad faith, recklessness, breach of contract or negligence). The Administrator, the Manager and the Depositary shall be entitled to such indemnity from the Company under such terms and subject to such conditions and exceptions and with such entitlement to have recourse to the assets of the Company with a view to meeting and discharging the costs thereof as shall be provided under the Administration Agreement, the Management Agreement and the Depositary Agreement respectively.

## The assets of the Company's Funds and the calculation of the Net Asset Value of the Shares

(a) The Net Asset Value of each Fund shall be the value of all the assets comprised in the Fund less all the liabilities attributable to the Fund and subject to the Regulations.

(b) The assets of the Company and each of the Funds shall be deemed to include (i) subscription monies receivable for Shares allocated, all cash in hand, on deposit or on call including any interest accrued thereon and all accounts receivable, (ii) all bills, demand notes, certificates of deposit and promissory notes, (iii) all bonds, forward currency transactions, time notes, shares, stock, convertibles, units of or participation in collective investment schemes/mutual funds, debentures, debenture stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, contracts for differences, fixed rate securities, floating rate securities, securities in respect of which the return and/or repurchase amount is calculated by reference to any index, price or rate, financial instruments and other investments and securities owned or contracted for in respect of the Company, other than rights and securities issued by it; (iv) all stock and cash dividends and cash distributions to be received in respect of a Fund and not yet received by the Company but declared to stockholders on record on a date on or before the day as of which the Net Asset Value is being determined, (v) all interest accrued on any interest-bearing securities owned by the Company except to the extent that the same is included or reflected in, the principal value of such security, (vi) all other Investments of the Company, (vii) the establishment costs attributable to the Company and the cost of issuing and distributing Shares of the Company in so far as the same have not been written off and (viii) all other assets of the Company of every kind and nature including prepaid expenses as valued and defined from time to time by the Directors.

(c) The valuation principles to be used in valuing the Company's assets are as follows:

(i)

A. the amortised cost method of valuation may only be used in relation to Funds which comply with the Central Bank's requirements for short-term money market funds and where a review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the Central Bank's guidelines; and

B. money market instruments in a money-market or non-money market fund may be valued on an amortised basis in accordance with the Central Bank's requirements;

the value of an Investment which is quoted, listed or normally dealt in on a Regulated Market shall (save in the specific cases set out in the relevant paragraphs below) be the last traded price on such Regulated Market as at the Valuation Point or, in accordance with the terms of any relevant Supplement, either the closing mid-market price or the latest mid-market price as at the Valuation Point when no last traded price is available, provided that:

C. if an Investment is quoted, listed or normally dealt in on more than one Regulated Market, the Directors may, in their absolute discretion, select any one of such markets for the foregoing purposes (provided that the Directors have determined that such market constitutes the main market for such Investment or provides the fairest criteria for valuing such securities) and once selected a market shall be used for future calculations of the Net Asset Value with respect to that Investment unless the Directors otherwise determine;

D. in the case of any Investment which is quoted, listed or normally dealt in on Regulated Market but in respect of which for any reason, prices on that market may not be available at any Relevant Time, or, in the opinion of the Directors, may not be representative, the value therefore shall be the probable realisation value thereof estimated with care and in good faith by a competent person, firm or association making a market in such Investment (approved for the purpose by the Depositary) and/or any other competent person, appointed by the Directors (and approved for the purpose by the Depositary); and

E. in the case of any Investment which is quoted, listed or normally dealt in on a Regulated Market but which was acquired at a premium or at a discount outside or off the relevant market, the level of premium or discount at the date of valuation may be taken into account when valuing such Investment provided the Depositary ensures that the adoption of such procedure is justifiable in the context of establishing the probable realisation value thereof.

(i) the value of any Investment which is not quoted, listed or normally dealt in on a Regulated Market shall be the probable realisable value estimated with care and in good faith by a competent person, firm or association making a market in such Investment (approved for the purpose by the Depositary) and/or any other competent person appointed by the Directors (and approved for the purpose by the Depositary);

(ii) the value of any Investment which is a unit of or participation in an open-ended collective investment scheme/mutual fund shall be the latest available Net Asset Value of such unit/participation as published by the collective investment scheme;

(iii) the value of any prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors (with the approval of the Depositary) may consider appropriate in such case to reflect the true value thereof;

(iv) cash in hand and cash deposits shall be valued at their nominal value plus accrued interest from the date on which the same were acquired or made;

(v) treasury bills shall be valued at the closing mid-market price on the market on which same are traded or admitted to trading as at the Valuation Point, provided that where such price is not available, same shall be valued at the probable realisation value estimated with care and good faith by a competent person (appointed by the Directors and approved for the purpose by the Depositary);

(vi) bonds, notes, debenture stocks, certificates of deposit, bank acceptances, trade bills and similar assets shall be valued at the latest available middle market dealing price on the market on which these assets are traded or

admitted for trading (being the market which is the sole market or in the opinion of the Directors the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired. Notwithstanding the foregoing, bonds may be valued using bid prices obtained from pricing vendors approved for that purpose by the Directors, where set out in the relevant Fund supplement plus any interest accrued thereon from the date on which same were acquired;

(vii) the value of any exchange traded futures contracts and options (including index futures) which are dealt in on a Regulated Market shall be the settlement price as determined by the market in question, provided that if such settlement price is not available for any reason or is unrepresentative, same shall be valued at the probable realisation value estimated with care and good faith by a competent person (appointed by the Directors and approved for the purpose by the Depositary);

(viii) the value of any OTC FDI contracts shall be valued at least daily at a price obtained from the counterparty or by an alternative valuation provided by a competent person (which may be the Investment Manager) appointed by the Company and approved by the Depositary for such purpose, or by any other means provided the value is approved by the Depositary. If a derivative instrument is valued at a price obtained from the counterparty, such price shall be verified at least weekly by a party independent of the counterparty (which may be the Investment Manager) approved for such purpose by the Depositary. If a derivative instrument is valued in any other way, the Company will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA and such alternative valuation shall be reconciled on at least a monthly basis to a valuation provided by the counterparty and any significant difference shall be promptly investigated and explained.

Forward foreign exchange and interest rate swaps contracts for which market quotations are freely available will be valued by reference to market quotations (in which case there is no requirement to have such prices independently verified or reconciled to the counterparty valuation). If no such market quotations are available, interest rate swaps contracts will be valued in accordance with the previous paragraph;

(ix) money market Investments of a Fund with a known residual maturity of less than three months and that have no specific sensitivity to market parameters, including credit risk may be valued using the amortised cost method of valuation in accordance with the requirements of the Central Bank. The Directors or their delegates shall review or cause a review to take place of deviations between the amortised method of valuation and the market value of Investments in accordance with the Central Bank's requirements;

(x) notwithstanding any of the foregoing sub-paragraphs, the Directors with the approval of the Depositary may adjust the value of any Investment if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof;

(xi) if in any case a particular value is not ascertainable as above provided or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant Investment then in such case the method of valuation of the relevant Investment shall be such as the Directors shall decide with the approval of the Depositary;

(xii) notwithstanding the foregoing, where at any time of any valuation any asset of the Company has been realised or contracted to be realised there shall be included in the assets of the Company in place of such asset the net amount receivable by the Company in respect thereof provided that if such amount is not then known exactly then its value shall be the net amount estimated by the Directors as receivable by the Company and provided that such adjustment method is approved by the Depositary; and

(xiii) the Directors, may, in order to comply with any applicable accounting standards, present the value of any assets of the Company in financial statements to Shareholders in a manner different to that set out in the Articles.

(d) Any certificate as to Net Asset Value of Shares given in good faith (and in the absence of negligence or manifest error) by or on behalf of the Directors shall be binding on all parties.

## 6. Circumstances of a Winding Up

(a) The Company shall be wound up in the following circumstances:

(i) by the passing of a special resolution for a winding-up;

(ii) where the Company does not commence business within a year of being incorporated or where it suspends its business for a year;

(iii) where the number of members falls below the statutory minimum of 2;

(iv) where the Company is unable to pay its debts and a liquidator has been appointed;

(v) where the appropriate court in Ireland is of the opinion that the Company's affairs and the powers of the Directors have been exercised in a manner oppressive to members; or

(vi) the appropriate court in Ireland is of the opinion that it is just and equitable that the Company should be wound up.

(b) The Depositary Agreement provides that where the Depositary has given to the Company notice of termination and no new Depositary shall have been appointed in accordance with the Articles within 120 days from the giving of such notice, the Depositary may require the Directors to convene a general meeting of the Company and propose at the meeting a resolution that the Company be wound up. The Depositary's appointment under the Depositary Agreement shall not however terminate until revocation of the authorisation of the Company by the Central Bank.

## 7. Money Laundering

The Company has a responsibility for compliance with money laundering regulations and, for that reason, existing Shareholders, potential subscribers for and transferees of Shares may be asked for proof of identity, and/or to fulfil other requirements. Until satisfactory proof of identity is provided and/or those requirements are fulfilled, the Directors reserve the right to withhold issuance, redemption and approval of transfers of Shares.

In case of delay or failure to provide satisfactory proof of identity, the Company and the Administrator may take such action as they see fit including the right to redeem issued Shares compulsorily. In addition, the Company will not pay/settle the proceeds of any redemption in circumstances where the Shareholder has failed to provide satisfactory evidence of their identity.

## 8. Directors' Interests

Sylvie McLaughlin is an executive employee of the Manager, Hermes Fund Managers Ireland Limited. Joseph L. Kagan is an executive employee of the Manager's parent company, Federated Hermes Limited. Gregory P. Dulski is an executive employee of Federated Hermes Limited.

## 9. Commissions

Save as disclosed under the heading "Fees and Expenses" above, no commissions, discounts, brokerages or other special terms have been granted or are payable by the Company in connection with the issue or sale of any capital of the Company.

## 10. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Company and are, or may be, material:

(a) the Depositary Agreement. The Depositary Agreement dated 1 February 2019 between the Company, the Manager and the Depositary under which the Depositary has been appointed as Depositary of the Company's assets subject to overall supervision of the Directors, as may be amended from time to time. This agreement provides that the appointment of the Depositary will continue unless and until terminated by any party giving to the other party not less than 90 days' written notice although in certain circumstances the Agreement may be terminated immediately by the any party provided that the appointment of the Depositary shall continue in force until a replacement Depositary approved by the Central Bank has been appointed and provided further that if within a period of 90 days' from the date on which the

Depositary notifies the Company and/or the Manager of its desire to retire or from the date on which the Company and/or the Manager notifies the Depositary of its intention to remove the Depositary, no replacement Depositary shall have been appointed, the Company or the Manager on behalf of the Company shall apply to the High Court for an order to wind up the Company or convene an extraordinary general meeting of the Shareholders of the Company at which there shall be proposed an ordinary resolution to wind up the Company. This Agreement contains certain indemnities in favour of the Depositary (and each of its officers, employees and delegates) which are restricted to exclude matters arising by reason of the negligent or intentional failure of the Depositary in the performance of its duties.

(b) the Administration Agreement. The Administration Agreement dated 1 February 2019 between the Company, the Manager and the Administrator as amended or updated from time to time pursuant to which the Administrator has been appointed as administrator to administer the affairs of the Company subject to the overall supervision of the Directors, as may be amended from time to time. This agreement provides that the appointment of the Administrator will continue unless and until terminated by the any party giving to the other party not less than 90 days' written notice although in certain circumstances the Agreement may be terminated immediately by either party to the other. This agreement contains certain indemnities in favour of the Administrator (and its officers and employees) which are restricted to exclude, inter alia, matters arising by reason of the negligence, wilful default or fraud of the Administrator or its permitted delegates in the performance of its obligations and duties.

(c) the Management Agreement. The Management Agreement dated 1 February 2019 between the Company and the Manager pursuant to which the Manager has been appointed as manager to carry out the investment management, distribution and administration services in respect of the Company. This Agreement provides that the appointment of the Manager will continue unless and until terminated by the any party giving to the other party not less than 90 days' written notice although in certain circumstances the Agreement may be terminated immediately by either party to the other. The Management Agreement contains certain indemnities in favour of the Manager (and its officers and employees) which are restricted to exclude, inter alia, matters arising by reason of the negligence, wilful default or fraud of the Manager or its permitted delegates in the performance of its obligations and duties.

(d) the Investment Management Agreements. The Investment Management Agreement dated 1 February 2019 between the Manager and HIML in respect of certain Funds of the Company. The Investment Management Agreement provide that the appointment of HIML will continue in force unless and until terminated by either party giving to the other not less than three months' written notice although in certain circumstances (e.g. the insolvency of either party, unremedied breach after notice, etc.) the Agreement may be terminated forthwith by notice in writing by either party to the other. The Investment Management Agreement contains indemnities in favour of HIML other than for matters arising by reason of its negligence, wilful default, fraud or bad faith. The Investment Management Agreement dated 9 July 2020 between the Manager and FIC in respect of certain Funds of the Company. The Investment Management Agreement provides that the appointment of FIC will continue in force unless and until terminated by either party giving to the other not less than three months' written notice although in certain circumstances (e.g. the insolvency of either party, unremedied breach after

notice, etc.) the Agreement may be terminated forthwith by notice in writing by either party to the other. The Investment Management Agreement contains indemnities in favour of FIC other than for matters arising by reason of its negligence, wilful default, fraud or bad faith. The Investment Management Agreement dated 30 May 2025 between the Manager and MDT Advisers in respect of certain Funds of the Company provides that the appointment of MDT Advisers will continue in force unless and until terminated by either party giving to the other not less than three months' written notice although in certain circumstances (e.g. the insolvency of either party, unremedied breach after notice, etc.) the Agreement may be terminated forthwith by notice in writing by either party to the other. The Investment Management Agreement contains indemnities in favour of MDT Advisers other than for matters arising by reason of its negligence, wilful default, fraud or bad faith.

## 11. Inspection of Documents

Copies of the following documents will be available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and public holidays) and may be obtained, on request, free of charge, from the registered office of the Company in Dublin:

(a) this Prospectus and any Supplement or addendum thereto;

(b) any KIID (UK Investors), KID (investors outside the UK);

(c) the Memorandum and Articles of Association of the Company; and

(d) the latest annual and half-yearly reports of the Company (when issued).

# Appendix I

## Stock Exchanges and Regulated Markets

With the exception of permitted investment in unlisted securities in accordance with the permitted limits as outlined further in the "Investment and Borrowing Restrictions" section at Appendix III below, investment will be restricted to those stock exchanges and markets listed below in this Prospectus or any Supplement thereto or revision thereof each of which stock exchanges and markets is regulated, operates regularly, is recognised and is open to the public. These stock exchanges and markets are listed in accordance with the requirements of the Central Bank, it being noted that the Central Bank does not issue a list of approved markets and exchanges.

1. Stock exchanges in any Member State of the European Union, Norway, Iceland or Liechtenstein, Australia, Canada, Guernsey, Japan, Hong Kong, New Zealand, Switzerland, United Kingdom or the United States.
2. The following stock exchanges:

| | |
|---|---|
| **in Argentina** | Bolsa de Comercio de Buenos Aires<br>Mercado Abierto Electronico S.A. |
| **in Bangladesh** | the Dhaka Stock Exchange |
| **in Bermuda** | the Bermuda Stock Exchange Ltd |
| **in Brazil** | the B3 |
| **in Chile** | the Santiago Stock Exchange<br>the Bolsa Electronica de Chile |
| **in China** | the Shanghai Stock Exchange<br>the Shenzhen Stock Exchange |
| **in Colombia** | the Bolsa de Valores de Columbia |
| **in Egypt** | Egyptian Exchange (EGX) |
| **in Guernsey** | the International Stock Exchange |
| **in India** | the National Stock Exchange of India<br>the Mumbai Stock Exchange<br>the Bombay Stock Exchange (BSE)<br>the Calcutta Stock Exchange<br>the Inter-connected Stock Exchange of India Ltd |
| **in Indonesia** | the Indonesian Stock Exchange |
| **in Israel** | the Tel Aviv Stock Exchange |
| **in Jordan** | the Amman Stock Exchange |
| **In Kuwait** | Boursa Kuwait |
| **in Kenya** | Nairobi Securities Exchange |
| **in Malaysia** | the Bursa Malaysia |
| **in Mauritius** | The Stock Exchange of Mauritius |

| | |
|---|---|
| **in Mexico** | the Bolsa Mexicana de Valores (Mexican Stock Exchange) |
| **in Morocco** | the Casablanca Stock Exchange |
| **in Nigeria** | the Nigerian Stock Exchange |
| **in Pakistan** | the Pakistan Stock Exchange |
| **in Peru** | the Bolsa de Valores de Lima |
| **in Philippines** | the Philippine Stock Exchange |
| **in Qatar** | the Qatar Stock Exchange |
| **in Russia** | the Moscow Exchange |
| **in Saudi Arabia** | Tadawul |
| **in Singapore** | the Singapore Exchange |
| **in South Africa** | JSE Limited |
| **in South Korea** | The Korea Stock Exchange (Stock Market) Korean Exchange (KOSDAQ) |
| **in Sri Lanka** | the Colombo Stock Exchange |
| **in Taiwan** | the Taiwan Stock Exchange<br>the Taipei Exchange |
| **in Thailand** | the Stock Exchange of Thailand |
| **in Tunisia** | the Bourse de Tunis |
| **in Turkey** | Borsa Istanbul |
| **in UAE** | Abu Dhabi Securities Market<br>Dubai Financial Market (DFM)<br>NASDAQ Dubai<br>Dubai Mercantile Exchange |
| **in Uruguay** | Bolsa de Valores de Montevideo |
| **in Vietnam** | Ho Chi Minh Stock Exchange (HSX or HOSE)<br>Hanoi Stock Exchange (HNX) |

3. The following regulated markets:

(a) the market organised by the International Capital Market Association;

(b) the market conducted by "listed money market institutions" as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, foreign currency and bullion)";

(c) NASDAQ in the United States;

(d) the market in US Government Securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;

(e) the OTC market in the United States regulated by the National Association of Securities Dealers Inc.;

(f) the OTC market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers;

(g) EASDAQ (European Association of Securities Dealers Automated Quotation);

(h) NASDAQ Europe (the European Association of Securities Dealers Automated Quotation);

(i) the market conducted by "listed money market institutions" as described in the Bank of England publication on "The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, foreign currency and bullion)";

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

(k) the OTC market in Japan regulated by the Securities Dealers Association of Japan;

(l) the French market for "Titres de Creance Negotiable" (OTC market in negotiable debt instruments);

(m) the OTC market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;

(n) the Second Marche of the stock exchange set up in France in accordance with the laws of France;

(o) the Korea Exchange (Futures Market);

(p) the OTC market in Czech government securities traded on the Short-Term Bond Market known as the TKD System;

(q) the Chicago Mercantile Exchange (CME) and the Chicago Board of Trade (CBOT);

(r) Australia Stock Exchange (ASE);

(s) Hong Kong Futures Exchange (HFE); and

(t) Singapore Exchange Limited (SGX).

4. Any approved derivative market:

(a) within the European Economic Area, Australia, Canada, Japan, Hong Kong, New Zealand, Switzerland, United Kingdom and the United States which is not listed in paragraph 3 on which FDIs are traded.

(b) the following markets:

| | |
|---|---|
| **in Brazil** | the B3 |
| **in Malaysia** | the Malaysia Derivatives Berhad (BMD) |
| **in Mexico** | the Mexican Derivatives Exchange |
| **in South Africa** | the South African Futures Exchange (SAFEX) |
| **in Turkey** | the Turkish Derivatives Exchange |

The above markets are consistent with the Articles and are listed in accordance with the requirements of the Central Bank, it being noted the Central Bank does not issue a list of approved markets or stock exchanges.

# Appendix II

## FDIs/Efficient Portfolio Management

### A. Investment in FDIs

The following provisions apply whenever a Fund proposes to engage in transactions in FDIs including, but not limited to, Futures, Forward Currency Exchange Contracts, Swaps, inflation Swaps (which may be used to manage inflation risk), Options, swaptions and Warrants, where the transactions are for the purposes of the efficient portfolio management of any Fund or for direct investment purposes (and such intention is disclosed in the Fund's investment policy). Where it does intend to engage in transactions in relation to FDIs, the Company will employ a risk management process to enable it to manage, monitor and measure, on a continuous basis, the risk of all open derivative positions and their contribution to the overall risk profile of a Fund's portfolio. The Company will, on request, provide supplemental information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

The conditions and limits for the use of such techniques and instruments in relation to each Fund are as follows:

1. Where a Fund uses the commitment approach to calculate its global exposure, its global exposure relating to FDI must not exceed its total Net Asset Value and therefore leverage will be limited to 100% of the Net Asset Value of such Fund. The total gross exposure associated with investments of a Fund using the commitment approach, including investments of FDI, may amount to 200% of the Net Asset Value of a Fund. Where a Fund uses Value-at-Risk, details will be set out in its Supplement.
2. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the regulatory investment limits. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria for financial indices.)
3. A Fund may invest in FDIs dealt in OTC provided that the counterparties to OTC transactions are institutions (with legal personality, typically located in OECD jurisdictions) subject to prudential supervision and belonging to categories approved by the Central Bank.
4. Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

### B. Counterparty Policy

Counterparties with whom the Investment Manager, on behalf of a Fund, transacts will be one of the following:

(i) a credit institution authorised in the European Economic Area (EEA) (European Union Member States, Norway, Iceland, Liechtenstein) and / or in the UK in the event that it ceases to be an EEA Member State;

(ii) a credit institution authorised within a signatory state, other than a Member State of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States);

(iii) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;

(iv) an investment firm, authorised in accordance with the Markets in Financial Instruments Directive in an EEA Member State or in the UK in the event that it ceases to be an EEA Member State and subject to compliance with the requirements of the Central Bank); or

(v) is an entity subject to regulation as a Consolidated Supervised Entity ("CSE") by the US Securities and Exchange Commission.

In the case of a counterparty which is not a credit institution, the counterparty complies with the requirements of the Central Bank UCITS Regulations where a credit assessment has been undertaken. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay.

In the case of subsequent novation of OTC derivative contracts, the counterparty must be one of the following:

1. the entities set out in paragraphs (i) to (iv) above; or
2. a central counterparty (CCP) authorised or recognised by ESMA under Regulation (EU) No. 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR) or, pending recognition by ESMA under Article 25 of EMIR, an entity classified as a derivatives clearing organisation by the Commodity Futures Trading Commission or a clearing agency by the SEC (both CCP).

## C. Efficient Portfolio Management - Other Techniques and Instruments

Where disclosed in a Fund's Supplement, the Company may employ techniques and instruments relating to transferable securities and money market instruments for efficient portfolio management purposes subject to the conditions imposed by the Central Bank. Techniques and instruments which relate to transferable securities and money market instruments and which are used for the purpose of efficient portfolio management, including FDIs which are not used for direct investment purposes, shall be understood as a reference to techniques and instruments which fulfil the following criteria:

(a) they are economically appropriate in that they are realised in a cost-effective way;

(b) they are entered into for one or more of the following specific aims:

i. reduction of risk;

ii. reduction of cost;

iii. generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the regulatory risk diversification rules;

(c) their risks are adequately captured by the risk management process of the Fund; and

(d) they cannot result in a change to the Fund's declared investment objectives or add supplementary risks in comparison to the general risk policy as described in the sales documents.

In addition to entering into FDI for efficient portfolio management purposes, the Company may also employ (without limit) techniques including repurchase/reverse repurchase agreements and securities lending for the purposes of efficient portfolio management only and subject to the Central Bank UCITS Regulations and the conditions set out below.

(a) Repurchase/reverse repurchase agreements ("repo contracts") and stock lending arrangements may only be effected in accordance with normal market practice;

(b) Without prejudice to the provisions below relating to the use of non-cash and cash collateral, a Fund may be permitted to undertake repo transactions pursuant to which additional leverage is generated through the re-investment of collateral. In this case, the repo transaction must be taken into consideration for the determination of global exposure as required by the Central Bank UCITS Regulations. Any global exposure generated must be added to the global exposure created through the use of derivatives and the total of these must not be greater than 100% of the Fund's Net Asset Value. Where collateral is re-invested in financial assets that provide a return in excess of the risk-free return the Fund must include, in the calculation of global exposure:

(i) the amount received if cash collateral is held; or

(ii) the market value of the instrument concerned if non-cash collateral is held.

(c) The counterparty to a repo contract or stock lending arrangement must comply with the requirements of the Central Bank UCITS Regulations where a credit assessment has been undertaken. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay;

(d) Repo contracts, stock borrowing or stock lending agreements do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively;

(e) The Company must have the right to terminate the stock lending agreement at any time and demand the return of any or all of the securities loaned. The agreement must provide that, once such notice is given, the borrower is obligated to redeliver the securities within five business days or other period as normal market practice dictates; and

(f) A Fund may enter into stock lending programmes organised by generally recognised International Central Securities Depositories Systems provided that the programme is subject to a guarantee from the system operator.

For the avoidance of doubt, the Company does not currently employ repurchase/reverse repurchase agreements and securities lending for the purposes of efficient portfolio management. Should it be decided in the future to do, the relevant Supplement will be updated as required.

## D. Collateral Policy

1. All assets received by the Company on behalf of a Fund in the context of efficient portfolio management techniques should be considered as collateral. All assets received by the Company on behalf of a Fund in the context of efficient portfolio management techniques and/or OTC FDI transactions must comply with the criteria set out below.

    (a) Liquidity: collateral received other than cash should be transferable securities or money market instruments (of any maturity) which are 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;

    (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. Collateral may be marked to market daily by the counterparty using its procedures, subject to any agreed haircuts, reflecting market values and liquidity risk and may be subject to variation margin requirements;

    (c) Issuer credit quality: collateral received should be of high quality. In making such a determination (a) where the issuer is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account in the credit assessment process; and (b) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (a) this shall result in a new credit assessment of the issuer being conducted without delay;

    (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): Subject to the below, collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Fund's Net Asset Value. When a 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. A Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Any such Fund shall receive securities from at least six different issues, but securities from any single issue should not account for more than 30 per cent of the Fund's net asset value. Where it is intended that a Fund may be fully collateralised in securities issued or guaranteed by a Member State, this shall be set out in the relevant Supplement. The Member States, local authorities, or public international bodies or guaranteeing securities which can be accepted as collateral for more than 20% of a Fund's Net Asset Value shall also be set out in the relevant Supplement; and

    (f) Immediately available: collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

2. Collateral received on a title transfer basis should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party Depositary which is subject to prudential supervision and which is unrelated to the provider of the collateral.
3. Non-cash collateral cannot be sold, pledged or re-invested.
4. Cash collateral may not be invested other than in the following:
   i. deposits with Relevant Institutions;
   ii. high-quality government bonds;
   iii. reverse repurchase agreements provided the transactions are with Relevant Institutions and the Company on behalf of a Fund 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 CESR/10-049)*; or
   v. In accordance with paragraph (d) of Section C above, invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or a related entity.
5. Permitted types of collateral

   Where a Fund receives collateral as a result of trading in FDI on an OTC basis or as result of entry into repurchase agreements or stock lending the Company intends, subject to the criteria set out at D.1.(a-f), above, to accept collateral in the following form:

   (a) cash; or

   (b) government bonds with fixed interest rate payments with a minimum rating of Aaa/AAA by Moody's, Fitch and Standard & Poor's and a maximum maturity, or remaining maturity, of ten years.
6. Level of collateral required

   The value of any collateral received by the Company, adjusted in light of the haircut policy, must be marked to market daily and must equal or exceed, in value, at all times, the value of the amount invested or securities loaned.
7. Haircut Policy

   Non-cash collateral received by a Fund will be subject to a haircut of between 95% to 99% of the value of such collateral.
8. Stress Testing Policy

   A Fund receiving collateral for at least 30% of its Net Asset Value 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 Company, on behalf of the Fund, to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:

   i. design of stress test scenario analysis including calibration, certification and sensitivity analysis;

ii. empirical approach to impact assessment, including back-testing of liquidity risk estimates;

iii. reporting frequency and limit/loss tolerance threshold(s); and

iv. mitigation actions to reduce loss, including haircut policy and gap risk protection.

9. Reinvested Cash Collateral Risks

Where a Fund reinvests cash collateral this will generate market exposure within the expectation of generating capital gain. Where the reinvestment does not achieve this aim, and, instead the reinvestment generates a loss, the Fund will bear this loss and will be obliged to return to the counterparty the full value of the cash collateral originally invested (rather than the then current value market value of the cash collateral post reinvestment).

10. Fees and Expenses

There is no current intention for the Investment Manager, on behalf of a Fund, to enter into repurchase agreements or reverse repurchase agreements or to engage in securities lending transactions. To the extent the Investment Manager takes advantage from the use of efficient portfolio management techniques in respect of a Fund, the Fund will bear the associated direct and indirect costs (which should not include hidden costs) and will not participate in revenue sharing arrangements. The Investment Manager shall ensure that all revenues arising from efficient portfolio management techniques and instruments, net of direct or indirect costs, are returned to the relevant Fund. To the extent the Company on behalf of a Fund, engages in efficient portfolio management techniques, the Company will disclose information on the costs and fees, as well as the identity of the entity or entities, to which such costs and fees are paid, indicating whether or not these are related parties to the Depositary in the annual report of the Company, to the extent required by the Regulations.

# Appendix III

## Investment and Borrowing Restrictions

Investment of the assets of the relevant Fund must comply with the Regulations. The Regulations provide:

| 1 | **Permitted Investments** |
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| | Investments of each Fund are confined to: |
| **1.1** | Transferable securities and money market instruments, as prescribed in the Central Bank UCITS Regulations, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State. |
| **1.2** | Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year. |
| **1.3** | Money market instruments, as defined in the Regulations, other than those dealt on a regulated market. |
| **1.4** | Units of UCITS. |
| **1.5** | Units of AIFs. |
| **1.6** | Deposits with credit institutions as prescribed in the Central Bank UCITS Regulations, from time to time. |
| **1.7** | FDIs as prescribed in the Central Bank UCITS Regulations. |

| 2 | **Investment Restrictions** |
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| **2.1** | Each Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1 as accords with the requirements of the Central Bank. |
| **2.2** | Each Fund may invest no more than 10% of its 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 a Fund in certain US securities known as Rule 144A securities which satisfy the requirements of paragraph 1.1 provided that:<br>(i) the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and<br>(ii) the securities are not illiquid securities, i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the Fund. |
| **2.3** | Each Fund may invest no more than 10% of its 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% is less than 40%. |
| **2.4** | The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its Net Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of the Fund. **To avail of this provision the prior approval of the Central Bank is required.** |

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| **2.5** | The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members. |
| **2.6** | The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3. |
| **2.7** | Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of a Fund |
| **2.8** | The risk exposure of a Fund to a counterparty to an OTC derivative and/or to efficient portfolio management techniques may not exceed 5% of its Net Asset Value.<br>This limit is raised to 10% in the case of credit institutions authorised in the EEA, credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand. |
| **2.9** | Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of its Net Asset Value:<br>– investments in transferable securities or money market instruments;<br>– deposits; and/or<br>– counterparty risk exposures arising from OTC derivatives transactions. |
| **2.10** | The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of its Net Asset Value. |
| **2.11** | Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of its Net Asset Value may be applied to investment in transferable securities and money market instruments within the same group. |
| **2.12** | Each Fund may invest up to 100% of its 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.<br>The individual issuers must be listed in the prospectus and may be drawn from the following list:<br>OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the relevant issues are investment grade), Government of India (provided the relevant issues are investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter-American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Export-Import Bank.<br>Each Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of its Net Asset Value. |

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| **3** | Investment in Collective Investment Schemes ("CIS") |
| **3.1** | Investments made by a Fund in units of a UCITS or other CIS may not exceed, in aggregate, 10% of the assets of the Fund. |
| **3.2** | Notwithstanding the provisions of paragraph 3.1, where the investment policy of a Fund states that it may invest more than 10% of its assets in other UCITS or collective investment undertakings, the following restrictions shall apply instead of the restrictions set out at section 3.1 above:<br>(i) Each Fund may not invest more than 20% of its Net Asset Value in any one CIS.<br>(ii) Investments in AIFs may not, in aggregate, exceed 30% of the Funds' Net Asset Value. |
| **3.3** | The CIS in which a Fund invests may not itself invest more than 10% of its Net Asset Value in other open-ended CIS. |
| **3.4** | When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS. |
| **3.5** | Where a commission (including a rebated commission) is received by the Investment Manager or an investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund. |

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| **4** | **Index Tracking UCITS** |
| **4.1** | A Fund may invest up to 20% of its 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 regulatory criteria recognised by the Central Bank. |
| **4.2** | The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions. |

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| **5** | **General Provisions** |
| **5.1** | The Company may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body. |
| **5.2** | A Fund may acquire no more than:<br>(i) 10% of the non-voting shares of any single issuing body;<br>(ii) 10% of the debt securities of any single issuing body;<br>(iii) 25% of the units of any single CIS;<br>(iv) 10% of the money market instruments of any single issuing body.<br>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. |

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| **5.3** | 5.1 and 5.2 shall not be applicable to:<br>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;<br>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;<br>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;<br>(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.<br>(v) Shares held by the Company in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of Shares at Shareholders' 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 six months following the date of their authorisation, provided they observe the principle of risk spreading. |
| **5.6** | If the limits laid down herein are exceeded for reasons beyond the control of a 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 Shareholders. |
| **5.7** | The Company may not carry out uncovered sales of:<br>(i) transferable securities;<br>(ii) money market instruments*;<br>(iii) units of CIS; or<br>(iv) FDIs. |
| **5.8** | A Fund may hold ancillary liquid assets. |

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| **6** | **Financial Derivative Instruments ('FDIs')** |
| **6.1** | The Company global exposure relating to FDI must not exceed its total Net Asset Value. |
| **6.2** | Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Central Bank UCITS Regulations.) |
| **6.3** | 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. |
| **6.4** | Investment in FDIs are subject to the conditions and limits laid down by the Central Bank. |

*Any short selling of money market instruments by the Company is prohibited.

## Borrowing Restrictions

The Regulations provide that the Company in respect of each Fund:

(a) may not borrow, other than borrowings which in the aggregate do not exceed 10% of the Net Asset Value of the Fund and provided that this borrowing is on a temporary basis. Borrowing may be secured on the assets of the Fund. Credit balances (e.g., cash) may not be offset against borrowings when determining the percentage of borrowings outstanding; and

(b) may acquire foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of the borrowing restriction in paragraph (a), 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 purposes of paragraph (a) above.

# Appendix IV

## Selling Restrictions

### Argentina

This prospectus has not been registered with the Comisión Nacional de Valores ("CNV").

This Prospectus, and the information contained herein does not constitute and is not intended to constitute an offer of Shares and accordingly should not be construed as such. This document and the information contained herein has been made available in accordance with the restrictions and/or limitations implemented by any applicable laws and regulations.

This document is directed at and intended for institutional investors (as such term is defined in each jurisdiction in which the product is marketed). Each subscriber or purchaser of Shares should inform themselves of and observe all applicable laws, rules and regulations of any relevant jurisdictions and obtain professional advice as to whether he/she/it is qualified to subscribe to or purchase the Shares

### Australia

This Prospectus is not a prospectus or product disclosure statement under the Corporations Act 2001 (Cth) (Corporations Act) and does not constitute a recommendation to acquire, an invitation to apply for, an offer to apply for or buy, an offer to arrange the issue or sale of, or an offer for issue or sale of, any securities in Australia except as set out below. The Company has not authorised nor taken any action to prepare or lodge with the Australian Securities & Investments Commission an Australian law compliant prospectus or product disclosure statement. Accordingly, this Prospectus may not be issued or distributed in Australia and the Shares may not be offered, issued, sold or distributed in Australia by the Manager, Investment Manager, or any other person, under this Prospectus other than by way of or pursuant to an offer or invitation that does not need disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act or otherwise. This Prospectus does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of shares to a 'retail client' (as defined in section 761G of the Corporations Act and applicable regulations) in Australia.

### Brunei

This prospectus relates to a private collective investment scheme under the Securities Markets Order, 2013 and the regulations thereunder ("Order"). This Prospectus is intended for distribution only to specific classes of investors who are an accredited investor, an expert investor or an institutional investor as defined in the Order at their request so that they may consider an investment and subscription in the Shares and must not, therefore, be delivered to, or relied on by, a retail client. The Authority is not responsible for reviewing or verifying any prospectus or other documents in connection with this collective investment scheme. The Authority has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus and has no responsibility for it. The Shares to which this Prospectus relates may be illiquid or subject to restrictions on their resale.

Prospective purchasers of the Shares offered should conduct their own due diligence on the Shares.

## Canada

The Shares may not be offered and sold, and this Prospectus may not be delivered, in Canada or to a resident of Canada unless the investor qualifies as a "permitted client", as such term is defined in National Instrument 31-103 - Registration Requirements, Exemptions and Ongoing Registrant Obligations and the offering, purchase and sale of the Shares is otherwise conducted in accordance with the requirements of applicable securities legislation of the investor's province or territory of residence.

## Chile

This Prospectus has not been and will not be registered with the Superintendencia de Valores y Seguros.

The issuing of shares is subject to the regulations contained in General Rule No. 336 of 27 June, 2012 (Norma de Carácter General 336 de fecha 27 de junio de 2012) issued by the Financial Markets Commission (Comisión para el Mercado Financiero). The offering relates to Shares not registered in the Securities Registry (Registro de Valores) or the Foreign Securities Registry (Registro de Valores Extranjeros) maintained by the Financial Markets Commission and therefore are not subject to its surveillance.

The Shares cannot be publicly-offered while unregistered in the appropriate Securities Registry.

## People's Republic of China

This Prospectus does not constitute a public offer of the Shares, whether by sale or subscription, in the People's Republic of China (excluding Hong Kong, Macau and the Republic of China, the "PRC"). The Shares are not being offered or sold directly or indirectly in the PRC to or for the benefit of, legal or natural persons of the PRC. Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Shares or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this Prospectus are required by the issuer and its representatives to observe these restrictions.

## Colombia (SFC)

This Prospectus, and the information contained herein does not constitute and is not intended to constitute an offer of Shares and accordingly should not be construed as such. This document and the information contained herein has been made available in accordance with the restrictions and/or limitations implemented by any applicable laws and regulations.

This document is directed at and intended for institutional investors (as such term is defined in each jurisdiction in which the product is marketed). Each subscriber or purchaser of Shares should inform themselves of and observe all applicable laws, rules and regulations of any relevant jurisdictions and obtain professional advice as to whether he/she/it is qualified to subscribe to or purchase the Shares.

## Hong Kong

Shares in any Fund may not be offered or sold in Hong Kong by means of this Prospectus or any other document other than to "professional investors" as defined in Part I of Schedule 1 to within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong or the Securities and Futures (Professional Investor) Rules (Cap. 571D) of the laws of Hong Kong and any rules made thereunder or in other circumstances which do not result in the document being a "Prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong (the "CO") or which do not constitute an offer to the public within the meaning of the CO.

No action has been taken, in Hong Kong or elsewhere, to permit the distribution of this document to the public of Hong Kong or in a manner in which this document may be accessed or read by the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong). No Shares in the Company will be issued to any person other than the person to whom this document has been sent. No person in Hong Kong other than the person to whom the copy of this document has been addressed may treat the same as constituting an invitation to him to invest. This document may not be reproduced in any form or transmitted to any person other than the person to whom it is addressed.

**The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Prospectus you should obtain independent professional advice.**

## India

The Shares are not being offered to the Indian public for sale or subscription. The Shares are not registered and/or approved by the Securities and Exchange Board of India, the Reserve Bank of India or any other governmental/ regulatory authority in India. This Prospectus is not and should not be deemed to be a 'prospectus' as defined under the provisions of the Companies Act, 2013 (18 of 2013) and the same shall not be filed with any regulatory authority in India. The Company does not guarantee or promises to return any portion of the money invested towards the Shares by an investor and an investment in the Shares is subject to applicable risks associated with an investment in the Shares and shall not constitute a deposit within the meaning of the Banning of Unregulated Deposits Schemes Act, 2019. Pursuant to the Foreign Exchange Management Act, 1999 and the regulations issued there under, any investor resident in India may be required to obtain prior special permission of the Reserve Bank of India before making investments outside of India, including any investment in the Company. The Company has neither obtained any approval from the Reserve Bank of India or any other regulatory authority in India nor does it intend to do so and hence any eligible investor who is resident of India will be entirely responsible for determining its eligibility to invest in the Shares.

## Indonesia

This Prospectus does not constitute a public offer under the laws and regulations of Indonesia and the Shares may not be sold to the public in Indonesia.

## Malaysia

No action has been, or will be, taken to comply with Malaysian laws for making available, offering for subscription or purchase, or issuing any invitation to subscribe for or purchase or sale of the Shares in Malaysia or to persons in Malaysia as the Shares are not intended by the Company to

be made available, or made the subject of any offer or invitation to subscribe or purchase, in Malaysia. Neither this Prospectus nor any document or other material in connection with the Shares should be distributed, caused to be distributed or circulated in Malaysia. No person should make available or make any invitation or offer or invitation to sell or purchase the Shares in Malaysia unless such person takes the necessary action to comply with Malaysian laws.

## New Zealand

This Prospectus is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013 (the FMCA) and does not contain all the information typically included in such offering documentation. The offer of Shares does not constitute "regulated offer" for the purposes of the FMCA and, accordingly, there is neither a product disclosure statement nor a register entry available in respect of the offer. Shares may not be offered in breach of the FMCA other than to persons who are:

1. "wholesale investors" within the meaning of clause 3(2) of schedule 1 of the FMCA, being persons who fall within one or more of the following categories of "wholesale investor":
   - (i) A person that is an "investment business" within the meaning of clause 37 of schedule 1 of the FMCA;
   - (ii) A person that meets the investment activity criteria specified in clause 38 of schedule 1 of the FMCA;
   - (iii) A person that is "large" within the meaning of clause 39 of schedule 1 of the FMCA; or
   - (iv) A person that is a "government agency" within the meaning of clause 40 of schedule 1 of the FMCA; or
2. in other circumstances where there is no contravention of the FMCA.

## Peru

This prospectus has not been and will not be registered with the Peruvian Superintendency of Capital Markets (Superintendencia del Mercado de Valores, or the "SMV"). Shares are not permitted to be sold, offered or issued in Peru except, among others, if such offering is considered a private offer under the securities laws and regulations of Peru.

The shares cannot be offered or sold in Peru or in any other jurisdiction except in compliance with the securities laws thereof. In making an investment decision, institutional investors (as defined by Peruvian law) must rely on their own examination of the terms of the offering of the shares to determine their ability to invest in the shares.

## Philippines

This Prospectus has not been registered with the Philippine Securities and Exchange Commission under the Philippine Securities Regulation Code ("SRC"). Any offer or sale of the Shares is subject to registration requirements under the SRC unless such offer or sale qualifies as an exempt transaction.

The Shares are being sold to the investor on the understanding that it is a "Qualified Buyer" as defined under 10.1(1) of the Code, and consequently this transaction is exempt from registration requirements.

By purchase of a Share, the investor will be deemed to acknowledge that the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase, such Shares was made outside the Philippines.

## Taiwan

This Prospectus has not been and will not be registered with the Securities and Futures Bureau or Financial Supervisory Commission of Taiwan. Shares are not permitted to be sold, offered or issued in Taiwan except:

(i) outside Taiwan for purchase by such investors outside Taiwan or

(ii) by the offshore banking units (as defined in the R.O.C. statute for offshore banking operations) of Taiwan banks, the offshore securities units (as defined in the R.O.C. statute for offshore banking operations) of Taiwan securities firms or the offshore insurance units (as defined in the R.O.C. statute for offshore banking operations) of Taiwan insurance companies purchasing the Shares either for their proprietary account or for the accounts of their non-Taiwan clients; and/or

(iii) where applicable, through properly financial institutions expressly permitted to make shares available to their customers under applicable Taiwanese laws and regulations.

Each subscriber or purchaser of Shares must seek professional advice as to whether he/she/it is qualified to subscribe to or purchase Shares and represents and warrants that he/she/it is duly qualified to subscribe to or purchase the Shares under applicable Taiwan laws and regulations. Purchasers/ subscribers may be restricted or prohibited from re-selling the Shares.

## Thailand

The Prospectus has not been approved by the Securities and Exchange Commission of Thailand which takes no responsibility for its contents. No offer to the public to purchase the Shares will be made in Thailand and this Prospectus is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

## **United Arab Emirates** (excluding Dubai International Financial Centre and Abu Dhabi Global Market)

This Prospectus, and the information contained herein, does not constitute, and is not intended to constitute, a public offer of Shares in the United Arab Emirates (the "UAE") and accordingly should not be construed as such. The Shares are only being offered to a limited number of sophisticated investors in the UAE who (a) are willing and able to conduct an independent investigation of the risks involved in an investment in such strategies, and (b) upon their specific request. The Shares have not been approved by or licensed or registered with the UAE Central Bank, the Emirates Securities and Commodities Authority ("ESCA") or any other relevant licensing authorities or governmental agencies in the UAE. The marketing of any fund requires the prior approval of the ESCA unless the provisions of the SCA Board of Directors' Chairman Decision No. 9/R.M. of 2016 concerning the regulations on mutual funds do not apply. The Prospectus is for the use of the named addressee only and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof).

## UK

The Company is recognised in the UK under the Financial Services and Markets Act 2000 as a recognised scheme, and accordingly this Prospectus may be issued or distributed to the general public in the UK.

Prospective investors in the UK should read this Prospectus together with the supplement for UK investor which sets out further UK-related information including in relation to investor protection, UK facilities agent and UK taxation.

## Uruguay

This Prospectus has not and will not be registered with Financial Services Superintendency of the Central Bank of Uruguay ("BCU"). The Shares correspond to investment funds that are not investment funds regulated by Uruguayan law 16,774 dated September 27, 1996, as amended.

The sale of Shares qualifies as a private placement pursuant to section 2 of Uruguayan law 18,627. Shares must not be offered or sold to the public in Uruguay, except in circumstances which do not constitute a public offering or distribution under Uruguayan laws and regulations.

This Prospectus, and the information contained herein does not constitute and is not intended to constitute an offer of Shares and accordingly should not be construed as such. This document and the information contained herein has been made available in accordance with the restrictions and/or limitations implemented by any applicable laws and regulations.

This document is directed at and intended for institutional investors (as such term is defined in each jurisdiction in which the product is marketed). Each subscriber or purchaser of Shares should inform themselves of and observe all applicable laws, rules and regulations of any relevant jurisdictions and obtain professional advice as to whether he/she/it is qualified to subscribe to or purchase the Shares.

## US

The Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "1933 Act") or the securities laws of any of the states of the US. The Shares may not be offered or sold directly or indirectly in the US or to or for the account or benefit of any US Person, except pursuant to an exemption from, or in a transaction not subject to the regulatory requirements of, the 1933 Act and any applicable state securities laws. Any re-offer or resale of any of the Shares in the US or to US Persons may constitute a violation of US law. The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "1940 Act"), and investors will not be entitled to the benefit of registration.

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

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold in the US except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom.

In order to ensure compliance with the restrictions referred to above, the Company and its Funds are, accordingly, not open for investment by any US Person and/or Canadian Resident except in exceptional circumstances and then only with the prior consent of the Directors. Please see below for the definition of US Person and additional information on the restrictions pertaining to US Persons.

Shares may not be acquired or owned by, or acquired with the assets of, an ERISA Plan.

A prospective investor may be required at the time of acquiring Shares to represent that such investor is (i) a Qualified Holder and, in particular, is not a US Person or Canadian Resident or acquiring Shares for the account or benefit, directly or indirectly, of a US Person or Canadian Resident, and (ii) not an ERISA Plan or acquiring Shares with the assets of an ERISA Plan. The granting of prior consent by the Company to an investment does not confer on the investor a right to acquire Shares in respect of any future or subsequent application.

Shareholders are required to notify the Company immediately in the event that they cease to be a Qualified Holder.

# Definition of US Person and Related Information

## Information Related to Definition of US Person(s)

Each subscriber for Shares will be required to certify to the Company, among other things, that the Shares are not being acquired and will not at any time be held for the account or benefit, directly or indirectly, of any US Person (as defined below) or any non-US person subject to the restrictions described herein. Shareholders are required to notify the Company immediately of any change in such information. EACH SHAREHOLDER WILL BE REQUIRED TO VERIFY THAT IT IS NOT A US PERSON THAT IS PROHIBITED FROM OWNING SHARES IN THE COMPANY.

Each prospective Shareholder is urged to consult with its own advisers to determine the suitability of an investment in the Shares, and the relationship of such an investment to the purchaser's overall investment programme and financial and tax position. By subscribing for Shares, each purchaser of Shares represents that, after all necessary advice and analysis, its investment in the Company is suitable and appropriate, in light of the foregoing considerations.

ERISA PLANS AND PERSONS ACQUIRING SHARES WITH THE ASSETS OF AN ERISA PLAN MAY NOT PURCHASE SHARES IN THE FUNDS.

THE TAX AND OTHER MATTERS DESCRIBED IN THIS PROSPECTUS DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SHAREHOLDERS.

THE SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED. THE COMPANY IS NOT AND WILL NOT BE REGISTERED UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED. THE INVESTMENT MANAGER IS NOT REGISTERED AS AN INVESTMENT ADVISER UNDER THE US INVESTMENT ADVISERS ACT OF 1940, AS AMENDED.

## Definition of US Person(s)

A "US Person" is a person described in any the following paragraphs:

1. With respect to any person, any individual or entity that would be a US Person under Regulation S of the US Securities Act of 1933. The Regulation S definition is set forth

below. **Even if you are not considered a US Person under Regulation S, you can still be considered a "US Person" within the meaning of this Prospectus under Paragraphs 2, 3 and 4, below.**

2. With respect to any person, any individual or entity that would be excluded from the definition of "Non-United States person" in Commodity Futures Trading Commission ("CFTC") Rule 4.7. The definition of "Non-United States person" is set forth below.
3. With respect to individuals, any US citizen or "resident alien" within the meaning of US income tax laws as in effect from time to time. Currently, the term "resident alien" is defined under US income tax laws to generally include any individual who (i) holds an Alien Registration Card (a "green card") issued by the US Immigration and Naturalization Service or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any current calendar year if (i) the individual was present in the US on at least 31 days during such year and (ii) the sum of the number of days on which such individual was present in the United States during the current year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days.
4. With respect to persons other than individuals, (i) a corporation or partnership created or organised in the United States or under the law of the United States or any state, (ii) a trust where (a) a US court is able to exercise primary supervision over the administration of the trust and (b) one or more US persons have the authority to control all substantial decisions of the trust and (iii) an estate which is subject to US tax on its worldwide income from all sources.

## Regulation S Definition of US Person

1. Pursuant to Regulation S of the US Securities Act of 1933, as amended (the "Act"), "US Person" means:

   (i) any natural person resident in the United States;

   (ii) any partnership or corporation organised or incorporated under the laws of the United States;

   (iii) any estate of which any executor or administrator is a US person;

   (iv) any trust of which any trustee is a US person;

   (v) any agency or branch of a foreign entity located in the United States;

   (vi) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;

   (vii) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident in the United States; or

   (viii) any partnership or corporation if:

   A. organised or incorporated under the laws of any non-US jurisdiction; and

   B. formed by a US Person principally for the purpose of investing in securities not registered under the Act, unless it is organised or

incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the Act) who are not natural persons, estates or trusts.

2. Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or (if an individual) resident in the United States shall not be deemed a "US Person".
3. Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person shall not be deemed a "US Person" if:
    a. an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and
    b. the estate is governed by non-US law.
4. Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person shall not be deemed a "US Person" if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person.
5. Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country shall not be deemed a "US Person".
6. Notwithstanding (1) above, any agency or branch of a US Person located outside the United States shall not be deemed a "US Person" if:
    (i) the agency or branch operates for valid business reasons; and
    (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
7. The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans shall not be deemed "US Persons".

In addition, a discretionary or similar account managed or held for the benefit of a US Person as defined above will be treated as a US Person, irrespective of whether discretion is exercised within or outside the United States.

The Directors may amend the definition of "US Person" without notice to Shareholders as necessary in order best to reflect then-current applicable US law and regulation. Contact your sales representative for a list of persons or entities that are deemed to be "US Persons".

## Definition of "Non-United States Person"

CFTC Rule 4.7 currently provides in relevant part that the following persons are considered "Non-United States persons":

1. a natural person who is not a resident of the United States or an enclave of the US government, its agencies or instrumentalities;

2. a partnership, corporation or other entity, other than an entity organised principally for passive investment, organised under the laws of a non-US jurisdiction and which has its principal place of business in a non-US jurisdiction;
3. an estate or trust, the income of which is not subject to US income tax regardless of source;
4. an entity organised principally for passive investment such as a pool, investment company or other similar entity, provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)(2) or (3)) represent in the aggregate less than ten per cent. of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States persons; and
5. a pension plan for the employees, officers or principals of an entity organised and with its principal place of business outside the United States.

**Where the Company becomes aware that any Shares are directly or beneficially owned by any person in breach of the above restrictions, the Company may direct the Shareholder to transfer his Shares to a person qualified to own such Shares or to request the Company to redeem Shares, in default of which, the Shareholder shall, on the expiration of 30 days from the giving of such notice, be deemed to have given a request in writing for the redemption of the Shares.**

# Appendix V

## List of sub-custodial agents appointed by The Northern Trust Company

The Depositary's global sub-custodian has appointed the following entities as sub-delegates in each of the markets set forth below. This list may be updated from time to time and is available upon request in writing from the Administrator or the Depositary. The Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to The Northern Trust Company or any of the sub-delegates listed below. The Depositary will notify the board of the Company of any such conflict should it so arise.

| **Depositary – Sub-custodian Delegate Information** | | |
|---|---|---|
| **Country** | **Sub-Custodian** | **Sub-Custodian Delegates** |
| Argentina | Citibank N.A., Buenos Aires Branch | |
| Australia | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Australia Limited |
| Austria | UniCredit Bank Austria AG | |
| Bahrain | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited |
| Bangladesh | Standard Chartered Bank | |
| Belgium | The Northern Trust Company | |
| Bermuda | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Bermuda Limited |
| Bosnia and Herzegovina (Federation of Bosnia-Herzegovina) | Raiffeisen Bank International AG | Raiffeisen Bank Bosnia DD BiH |
| Bosnia and Herzegovina (Republic of Srpska) | Raiffeisen Bank International AG | Raiffeisen Bank Bosnia DD BiH |
| Botswana | Standard Chartered Bank Botswana Limited | |
| Brazil | Citibank N.A., Brazilian Branch | Citibank Distribuidora de Titulos e Valores Mobiliaros S.A ("DTVM") |
| Bulgaria | Citibank Europe plc, Bulgaria Branch | |
| Canada | The Northern Trust Company, Canada | |
| Canada* | Royal Bank of Canada | |
| Chile | Citibank N.A. | Banco de Chile |
| China A Share | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (China) Company Limited |
| China A Share | Industrial and Commercial Bank of China Limited | |
| China B Share | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (China) Company Limited |
| Clearstream | Clearstream Banking S.A | |

| Depositary – Sub-custodian Delegate Information | | |
|---|---|---|
| **Country** | **Sub-Custodian** | **Sub-Custodian Delegates** |
| Colombia | Cititrust Columbia S.A. Sociedad Fiduciaria | |
| Costa Rica | Banco Nacional de Costa Rica | |
| Côte d'Ivoire | Standard Chartered Bank (Mauritius) Limited | Standard Chartered Bank Cote d'Ivoire SA |
| Croatia | UniCredit Bank Austria AG | Zagrebacka Banka d.d. |
| Cyprus | Citibank Europe PLC | |
| Czech Republic | UniCredit Bank Czech Republic and Slovenia, a.s. | |
| Denmark | Skandinaviska Enskilda Banken AB (publ) | |
| Egypt | Citibank N.A., Cairo Branch | |
| Estonia | Swedbank AS | |
| Euroclear | Euroclear Bank S.A./N.V | |
| Finland | Skandinaviska Enskilda Banken AB (publ) | |
| France | The Northern Trust Company | |
| Germany | The Northern Trust Company | |
| Ghana | Standard Chartered Bank Ghana Limited | |
| Greece | Citibank Europe PLC | |
| Hong Kong | The Hongkong and Shanghai Banking Corporation Limited | |
| Hong Kong (Stock Connect) | The Hongkong and Shanghai Banking Corporation Limited | |
| Hungary | Citibank Europe plc. | |
| Iceland | Landsbankinn hf | |
| India | Citibank N.A. | |
| Indonesia | Standard Chartered Bank | |
| Ireland | The Northern Trust Company, London | |
| Israel | Citibank, N.A., Israel Branch | |
| Italy | Citibank Europe plc | |
| Japan | The Hongkong and Shanghai Banking Corporation Limited | |
| Jordan | Bank of Jordan Plc | |
| Kazakhstan | Citibank Kazakhstan JSC | |
| Kenya | Standard Chartered Bank Kenya Limited | |
| Kuwait | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited |
| Latvia | Swedbank AS | |
| Lithuania | AB SEB bankas | |
| Luxembourg | Euroclear Bank S.A./N.V. | |

| Depositary – Sub-custodian Delegate Information | | |
|---|---|---|
| **Country** | **Sub-Custodian** | **Sub-Custodian Delegates** |
| Malaysia | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Malaysia Berhad |
| Mauritius | The Hongkong and Shanghai Banking Corporation Limited | |
| Mexico | Banco Citi Mexico S.A. | |
| Morocco | Citibank Maghreb S.A | |
| Namibia | Standard Bank Namibia Ltd | |
| Netherlands | The Northern Trust Company | |
| New Zealand | The Hongkong and Shanghai Banking Corporation Limited | |
| Nigeria | Stanbic IBTC Bank Plc | |
| Norway | Skandinaviska Enskilda Banken AB (publ) | |
| Oman | First Abu Dhabi PJSC, Oman Branch | |
| Pakistan | Citibank N.A., Karachi Branch | |
| Panama | Citibank N.A., Panama Branch | |
| Peru | Citibank del Peru S.A. | |
| Philippines | The Hongkong and Shanghai Banking Corporation Limited | |
| Poland | Bank Handlowy w Warszawie S.A | |
| Portugal | BNP Paribas SA | |
| Qatar | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited |
| Romania | Citibank Europe PLC | |
| Russia | AO Citibank | |
| Saudi Arabia | The Northern Trust Company of Saudi Arabia | |
| Serbia | UniCredit Bank Austria A.G. | UniCredit Bank Serbia JSC |
| Singapore | The Hongkong and Shanghai Banking Corporation Limited | |
| Slovakia | Citibank Europe PLC | |
| Slovenia | UniCredit Banka Slovenija d.d. | |
| South Africa | The Standard Bank of South Africa Limited | |
| South Korea | The Hongkong and Shanghai Banking Corporation Limited | |
| Spain | Citibank Europe plc | |
| Sri Lanka | Standard Chartered Bank | |
| Sweden | Skandinaviska Enskilda Banken AB (publ) | |
| Switzerland | UBS AG Switzerland | |

| Depositary – Sub-custodian Delegate Information | | |
|---|---|---|
| **Country** | **Sub-Custodian** | **Sub-Custodian Delegates** |
| Taiwan | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (Taiwan) Limited |
| Tanzania | Standard Chartered Bank (Mauritius) Limited | Standard Chartered Bank Tanzania Limited |
| Thailand | Citibank N.A., Bangkok Branch | |
| Tunisia | Union Internationale De Banques | |
| Turkey | Citibank A.S. | |
| Uganda | Standard Chartered Bank Uganda Limited | |
| Ukraine | JSC "Citibank" | |
| United Arab Emirates (ADX) | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited (DIFC) Branch |
| United Arab Emirates (DFM) | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited (DIFC) Branch |
| United Arab Emirates (NASDAQ) | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited (DIFC) Branch |
| United Kingdom | Euroclear UK & International Limited (Northern Trust self-custody) | |
| United States | The Northern Trust Company | |
| Uruguay | Banco Itau Uruguay S.A. | |
| Vietnam | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (Vietnam) Ltd |
| West Africa (UEMOA) | Standard Chartered Bank (Mauritius) Limited | Standard Chartered Bank Code d'Ivoire SA |
| Zambia | Standard Chartered Bank Zambia PLC | |
| Zimbabwe | The Standard bank of South Africa Limited | Stanbic Bank Zimbabwe Limited |

** The Royal Bank of Canada serves as Northern Trust's Sub-Custodian for securities not eligible for settlement in Canada's local central securities depository.*

# Appendix VI

## Stock Connect disclosures

### Investment in China

Certain Funds may invest in securities or instruments which have exposure to the Chinese market. Direct exposure may be obtained via Stock Connect or indirectly via access products such as H-Shares, participation notes, equity-linked notes or similar financial instruments, or through other UCIs that invest in China, where the underlying assets consist of securities issued by companies quoted on regulated markets in China, and/or the performance of which is linked to the performance of securities issued by companies quoted on regulated markets in China. Other than risks involved in investments on an international basis and in emerging markets and frontier markets, as well as other risks of investments generally as described above which are applicable to investments in China, investors should also note the additional specific risks below.

### Stock Connect Risks

#### Risks linked with dealing in securities in China via Stock Connect

A Fund may invest through Shanghai Stock Connect in certain eligible stocks listed on the Shanghai Stock Exchange ("**SSE**") ("**SSE Securities**") and through the Shenzhen Stock Connect in certain eligible stocks listed on the Shenzhen Stock Exchange ("**SZSE**") ("**SZSE Securities**"), (collectively with the SSE Securities, "**Eligible Securities**").

The relevant regulations are untested and subject to change. Stock Connect is subject to quota limitations which may restrict the Fund's ability to deal via Stock Connect on a timely basis. This may impact the Fund's ability to implement its investment strategy effectively.

The scope of the Shanghai Stock Connect includes all constituent stocks of the SSE 180 Index and the SSE 380 Index and all the SSE-listed China A Shares which have corresponding H shares listed on SEHK, except for the following:

(a) SSE listed shares which are included in the "risk alert board" or under a delisting arrangement;

(b) SSE listed shares which are not traded in RMB.

The scope of Shenzhen Stock Connect includes all constituent stock of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of RMB6 billion or above and all the SZSE-listed China A Shares which have corresponding H shares listed on SEHK, except the following:

(a) SZSE-listed shares which are not traded in RMB;

(b) SZSE-listed shares which are subject to suspension; and

(c) SZSE-listed shares which are included in the "risk alert board" or under a delisting arrangement.

Shareholders should note further that under the relevant regulations a security may be recalled from the scope of Stock Connect. This may adversely affect the Fund's ability to meet its investment objective, e.g. when the Investment Manager wishes to purchase a security which is recalled from the scope of Stock Connect.

### Pre-trade check

PRC law provides that the SSE and SZSE will reject a sell order if an investor does not have sufficient available China A Shares in its account. SEHK will apply a similar check on all sell orders of Stock Connect securities on the Northbound Trading link at the level of SEHK's registered exchange participants ("**Exchange Participants**") to ensure there is no overselling by any individual exchange participant ("**Pre-Trade Checking**"). In addition, Stock Connect investors will be required to comply with any requirements relating to Pre-Trade Checking imposed by the applicable regulator, agency or authority with jurisdiction, authority or responsibility in respect of Stock Connect ("**Stock Connect Authorities**").

This Pre-Trade Checking requirement may require a pre-trade delivery of the Eligible Securities from a Stock Connect investor's domestic custodian or sub-custodian to the Exchange Participant which will hold and safekeep such securities so as to ensure that they can be traded on a particular trading day. There is a risk that creditors of the Exchange Participant may seek to assert that such securities are owned by the Exchange Participant and not the Stock Connect investor, if it is not made clear that the Exchange Participant acts as a custodian in respect of such securities for the benefit of the Stock Connect investor.

When the Investment Manager trades Eligible Securities through a broker affiliated to the Investment Manager's sub-custodian, who is an Exchange Participant and a clearing agent of its affiliated broker, the Stock Connect investor may request such a Custodian Participant to open a Special Segregated Account ("**SPSA**") in Hong Kong Central Clearing and Settlement System ("**CCASS**") to maintain its holdings in SSE Securities CCASS will take a snapshot of the SSE Securities holdings under each SPSA of an Exchange Participant and replicate such holdings to perform pre-trade checking, no pre-trade delivery of securities will be required and the above risk is mitigated.

### Beneficial owner of the Eligible Securities

Stock Connect comprises the Northbound link, through which Hong Kong and overseas investors like the Fund may purchase and hold Eligible Securities ("**Northbound Trading**"), and the Southbound link, through which investors in Mainland China may purchase and hold shares listed on the SEHK ("**Southbound Trading**"). These Eligible Securities will be held following settlement by brokers or custodians as clearing participants in accounts in ("**CCASS**") maintained by the Hong Kong Securities and Clearing Corporation Limited ("**HKSCC**") as central securities depositary in Hong Kong and nominee holder. HKSCC in turn holds Eligible Securities of all its participants through a "single nominee omnibus securities account" in its name registered with ChinaClear, the central securities depositary in Mainland China.

Because HKSCC is only a nominee holder and not the beneficial owner of Eligible Securities, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that Eligible Securities will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under Mainland China law. However, HKSCC will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in Eligible Securities in Mainland China. Foreign investors like the concerned Funds investing through the Stock Connect holding the Eligible Securities through

HKSCC are the beneficial owners of the assets and are therefore eligible to exercise their rights through the nominee only. While PRC law does not prohibit a Stock Connect investor as a beneficial owner from taking legal actions directly in PRC courts, the beneficial owner may need to be prepared to conduct the actions at its own costs and provide indemnity to HKSCC in relation to the actions.

### Not protected by Investor Compensation Fund

Investors should note that any Northbound or Southbound Trading under Stock Connect will not be covered by Hong Kong's Investor Compensation Fund or the China Securities Investor Protection Fund ("CSIPF") and thus investors will not benefit from compensation under such schemes.

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong. Examples of default are insolvency, in bankruptcy or winding up, breach of trust, defalcation, fraud, or misfeasance.

The Investor Compensation Fund only covers products traded in Hong Kong's recognised securities market (i.e. SEHK) and recognised futures market (i.e. Hong Kong Futures Exchange Limited or "HKFE"), as defined in the Securities and Futures Ordinance (Cap 571) of Hong Kong. Since defaults in relation to Northbound Trading do not involve products listed or traded on SEHK or HKFE, thus, similar to the case of investors trading overseas securities, such defaults will not be covered by the Investor Compensation Fund.

On the other hand, according to the Measures for the Administration of Securities Investor Protection Fund 《證券投資者保護基金管理辦法》, the functions of CSIPF include "indemnifying creditors as required by China's relevant policies in case a securities company is subjected to compulsory regulatory measures including dissolution, closure, bankruptcy and administrative takeover by the China Securities Regulatory Commission ("**CSRC**") and custodian operation" or "other functions approved by the State Council". However, since Northbound Trading is carried out through securities brokers in Hong Kong and not PRC brokers, the CSIPF also does not extend to protect defaults experienced on Northbound Trading.

### Restriction on day trading

Save with a few exceptions, day (turnaround) trading is generally not permitted on the China A Share market. If a Fund buys Eligible Securities on a dealing day (T), the Fund may not be able to sell the Eligible Securities until on or after T+1 day.

### Quotas used up

When the respective aggregate quota balance for Northbound Trading is less than the daily quota, the corresponding buy orders will be suspended on the next trading day (sell orders will still be accepted) until the aggregate quota balance returns to the daily quota level. Once the daily quota is used up, acceptance of the corresponding buy orders will also be immediately suspended and no further buy orders will be accepted for the remainder of the day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will be continued to be accepted. Depending on the aggregate quota balance situation, buying services will be resumed on the following trading day.

### Difference in trading day and trading hours

Due to differences in public holiday between Hong Kong and Mainland China or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours in the three markets SSE, SZSE and SEHK. Stock Connect will only operate on days when all the relevant markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but it is not possible to carry out any China A Shares trading in Hong Kong. The Investment Manager should take note of the days and the hours during which Stock Connect is open for business and decide according to its own risk tolerance capability whether or not to take on the risk of price fluctuations in China A Shares during the time when Stock Connect is not trading.

### The recalling of eligible stocks and trading restrictions

A stock may be recalled from the scope of eligible stocks for trading via Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the Investment Manager. The Investment Manager should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by SSE, SZSE and SEHK.

Under Stock Connect, the Investment Manager will only be allowed to sell China A Shares but restricted from further buying if: (i) the China A Share subsequently ceases to be a constituent stock of the relevant indices; (ii) the China A Share is subsequently under "risk alert"; and/or (iii) the corresponding H share of the China A Share subsequently ceases to be traded on SEHK. The Investment Manager should also note that price fluctuation limits would be applicable to China A Shares.

### Trading costs

In addition to paying trading fees and stamp duties in connection with China A Shares trading, the Funds carrying out Northbound Trading should also take note of any new portfolio fees, dividend tax and tax concerned with income arising from stock transfers which would be determined by the relevant authorities.

### Local market rules, foreign shareholding restrictions and disclosure obligations

Under Stock Connect, China A Shares listed companies and trading of China A Shares are subject to market rules and disclosure requirements of the China A Shares market. Any changes in laws, regulations and policies of the China A Shares market or rules in relation to Stock Connect may affect share prices. The Investment Manager should also take note of the foreign shareholding restrictions and disclosure obligations applicable to China A Shares.

The Investment Manager will be subject to restrictions on trading (including restriction on retention of proceeds) in China A Shares as a result of its interest in the China A Shares. The Investment Manager is solely responsible for compliance with all notifications, reports and relevant requirements in connection with its interests in China A Shares.

Under the current Mainland China rules, once an investor holds up to 5% of the shares of a company listed on the SSE or SZSE, the investor is required to disclose his interest within three working days and during which he cannot trade the shares of that company. Furthermore, according to PRC Securities Law a shareholder of 5% or more of the total issued shares of a PRC listed company ("major shareholder") sells shares within six months from purchasing them or

purchases shares within 6 months of the holder's last sale of shares, all proceeds of the sale must be paid to such PRC listed company.

According to existing Mainland China practices, the Investment Manager as beneficial owners of China A Shares traded via Stock Connect cannot appoint proxies to attend shareholders' meetings on its behalf. HKSCC can attend shareholders' meeting or appoint Stock Connect investor as proxy when the articles of association of the listed company allows.

### Clearing, settlement and custody risks

HKSCC and ChinaClear have established the clearing links between the two exchanges and each will become a participant of the other to facilitate clearing and settlement of cross-border trades. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Hong Kong and overseas investors which have acquired Stock Connect securities through Northbound Trading should maintain such securities with their brokers' or custodians' stock accounts with CCASS (operated by HKSCC).

### No manual trade or block trade

Currently there is no manual trade facility or block trade facility for Stock Connect securities transactions under Northbound Trading. A Fund's investment options may become limited as a result.

### Order priority

Trade orders are entered into China Stock Connect System ("CSC") based on time order. Trade orders cannot be amended, but may be cancelled and re-entered into the CSC as new orders at the back of the queue. Due to quota restrictions or other market intervention events, there can be no assurance that trades executed through a broker will be completed.

### Execution issues

Stock Connect trades may, pursuant to the Stock Connect rules, be executed through one or multiple brokers that may be appointed by the Investment Manager for Northbound Trading. Given the Pre-Trade Checking requirements and hence the pre-trade delivery of Eligible Securities to an Exchange Participant, the Investment Manager has determined that it is in the interest of a Fund that it only executes Stock Connect trades through a broker who is affiliated to the Depositary's sub-custodian that is an Exchange Participant. In that situation, whilst the Investment Manager will be cognisant of its best execution obligations it will not have the ability to trade through multiple brokers and any switch to a new broker will not be possible without a commensurate change to the Depositary's sub-custody arrangements.

### No off-exchange trading and transfers

Market participants must match, execute or arrange the execution of any sale and buy orders or any transfer instructions from investors in respect of any Eligible Securities in accordance with the Stock Connect rules. This rule against off-exchange trading and transfers for trading of Eligible Securities under Northbound Trading may delay or disrupt reconciliation of orders by market participants. However, to facilitate market players in conducting Northbound Trading and

the normal course of business operation, off-exchange or "non-trade" transfer of Eligible Securities for the purposes of post-trade allocation to different Funds by fund managers have been specifically allowed.

### Currency risks

Northbound investments by a Fund in the Eligible Securities will be traded and settled in Renminbi. If the Fund holds a class of shares denominated in a local currency other than RMB, the Fund will be exposed to currency risk if the Fund invests in a RMB product due to the need for the conversion of the local currency into RMB. During the conversion, the Fund will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Fund purchases it and when the Fund redeems/sells it, the Fund will still incur a loss when it converts the redemption/sale proceeds into local currency if RMB has depreciated.

### Risk of ChinaClear default

ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. Pursuant to the General Rules of CCASS, if ChinaClear (as the host central counterparty) defaults, HKSCC will, in good faith, seek recovery of the outstanding Eligible Securities and monies from ChinaClear through available legal channels and through ChinaClear's liquidation process, if applicable.

HKSCC will in turn distribute the Stock Connect securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connect authorities. Although the likelihood of a default by ChinaClear is considered to be remote, the Fund should be aware of this arrangement and of this potential exposure before engaging in Northbound Trading.

### Risk of HKSCC default

A failure or delay by the HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Eligible Securities and/or monies in connection with them and the Fund and its investors may suffer losses as a result. The Investment Manager shall not be responsible or liable for any such losses.

### Ownership of Eligible Securities

Eligible Securities are uncertificated and are held by HKSCC for its accountholders. Physical deposit and withdrawal of Eligible Securities are not available under the Northbound Trading for the Funds.

The Funds' title or interests in, and entitlements to Eligible Securities (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction. It is therefore uncertain whether the Chinese courts would recognise the ownership interest of the investors when direct interest cannot be established or proved due to circumstances to allow them standing to take legal action against the Chinese entities in case disputes arise.

The above may not cover all risks related to Stock Connect and any above mentioned laws, rules and regulations are subject to change.

This is a complex area of law and investors should seek independent professional advice.

# China Tax Considerations

## Stock Connect Tax Considerations

The Chinese tax authorities have clarified that:

an exemption from valued added tax and income tax on capital gains applies to trading on Stock Connect (this is stated to be a temporary exemption, but no expiry date is provided);

(a) normal Chinese stamp duty is payable; and

(b) a 10% dividend withholding tax will be applied.

Investors should seek their own tax advice on their position with regard to their investment in any Fund.