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The Directors, whose names appear under the heading "Management of the Fund", accept responsibility for the information contained in this Prospectus and the Supplements hereto. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**If you are in any doubt about the contents of this Prospectus you should consult your stockbroker or other financial adviser. Price for Units in the Fund may fall as well as rise.**

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## **PROSPECTUS**

### **YUKI ASIA UMBRELLA FUND**

**(an open-ended umbrella unit trust established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), as amended)**

**Dated: 22 December, 2021**

## **PRELIMINARY**

**THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT THE FUND AND THE SUB-FUNDS AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR BROKER OR OTHER INDEPENDENT FINANCIAL ADVISER.**

### **Central Bank Authorisation**

**Authorisation of the Fund and approval of its Sub-Funds by the Central Bank is not an endorsement or guarantee of the Fund or of its Sub-Funds by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. Authorisation of the Fund and its Sub-Funds by the Central Bank shall not constitute a warranty as to the performance of the Fund and its Sub-Funds and the Central Bank shall not be liable for the performance or default of the Fund or its Sub-Funds.**

### **Reliance on this Prospectus**

Statements made in this Prospectus and any Supplement are based on the law and practice in force in the Republic of Ireland at the date of the Prospectus or Supplement as the case may be, which may be subject to change. Neither the delivery of this Prospectus nor the offer, issue or sale of Units in the Fund shall under any circumstances constitute a representation that the affairs of the Fund have not changed since the date hereof. This Prospectus will be updated by the Manager to take into account any material changes from time to time and any such amendments will be notified in advance to and cleared by the Central Bank. Any information or representation not contained herein or given or made by any broker, salesperson or other person should be regarded as unauthorised and should accordingly not be relied upon.

### **Risk Warnings**

Investors should read and consider the section entitled "Risk Warnings" before investing in the Fund.

### **General**

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, issue or sale of Units, other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Manager. Neither the delivery of this Prospectus nor the offer, issue or sale of any of the Units shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

This Prospectus does not constitute, and may not be used for the purposes of, 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. The distribution of this Prospectus and the offer, issue or sale of Units in certain jurisdictions may be restricted and, accordingly, persons into whose

possession this Prospectus comes are required to inform themselves about, and to observe, such restrictions. Prospective investors should inform themselves as to (a) the legal requirements within their own jurisdictions for the purchase or holding of Units, (b) any foreign exchange restrictions which may affect them, and the income and other tax consequences which may apply in their own jurisdictions relevant to the purchase, holding or disposal of Units.

### **The United States of America**

None of the Units have been, nor will be, registered under the United States Securities Act of 1933 (the "1933 Act") and, except in a transaction which does not violate the 1933 Act or any other applicable United States securities laws (including without limitation any applicable law of any of the States of the United States), none of the Units may be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or to or for the benefit of a US Person. Neither the Fund nor any Sub-Fund will be registered under the United States Investment Trust Act of 1940. Notwithstanding the foregoing prohibition on offers and sales in the United States or to or for the benefit of US Persons, the Fund may make a private placement of its Units to a limited number or category of US Persons.

### **Ireland**

Applicants will be requested to certify that they are not Irish Residents and not Ordinarily Resident in Ireland (other than Exempted Irish Investors) unless and to the extent that the Manager has resolved to admit such persons on such basis as they may from time to time determine.

### **Marketing Rules**

Distribution of this Prospectus is not authorised after the publication of the latest half-yearly report of the Fund unless it is accompanied by a copy of that report, and is not authorised after the publication of the first annual report of the Fund unless it is accompanied by a copy of the latest annual report and any subsequent half-yearly report. Such reports will form part of this Prospectus.

Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes in that law.

### **Investment Risks**

**Investors should note that because investments in securities can be volatile and that their value may decline as well as appreciate, there can be no assurance that the Fund will be able to attain its objective. The price of Units as well as the income therefrom may go down as well as up to reflect changes in the Net Asset Value of the Fund. An investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. An investment should only be made by those persons who could sustain a loss on their investment. The attention of investors is drawn to the potential for above average risk associated with an investment in the Fund. Accordingly, such investment should only be undertaken by people in a position to take such a risk.**

**Investors' attention is drawn to the risk warnings set out under the heading "Risk Warnings" in the Prospectus.**

**The difference at any one time between the subscription and redemption price of Units means that an investment in the Fund should be viewed as medium to long term.**

### **General**

At the date of this Prospectus, the Fund has no loan capital (including term loans), outstanding or created but unissued and no outstanding mortgages, charges or other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

### **Repurchase Charge**

**Units of each Sub-Fund may be liable for a repurchase charge of up to 3% of the Net Asset Value per Unit of each Unit repurchased. Details of any such charge with respect to one or more Sub-Funds will be set out in the relevant Supplement. It is not the current intention to charge a repurchase charge.**

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

### **Translations**

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 and Supplements. To the extent that there is any inconsistency between the English language Prospectus / Supplements and the Prospectus / Supplements in another language, the English language Prospectus / Supplements will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Units 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.

### **Legal Matters**

Dillon Eustace does not represent and has not represented prospective investors in the course of the organisation of the Fund, the negotiation of its business terms, the offering of the Units or in respect of its ongoing operations. Prospective investors must recognise that, as they have had no representation in the organisation process, the terms of the Fund relating to themselves and the Units have not been negotiated at arm's length. Dillon Eustace does not undertake to monitor the compliance of the Manager or of the Investment Manager and its or their affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does it monitor compliance with applicable tax.

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**YUKI ASIA UMBRELLA FUND**

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## CONTENTS

	Page
DEFINITIONS .....	10
INTRODUCTION .....	22
Profile of a Typical Investor.....	23
Investment Objective and Policies .....	23
Borrowing Powers .....	24
Changes to Investment and Borrowing Restrictions .....	24
Eligible Investors .....	24
Investment Restrictions.....	25
Efficient Portfolio Management .....	30
Collateral Management Policy .....	31
Investment in Financial Indices through the use of Financial Derivative Instruments.....	31
Hedged Classes.....	32
Financial Derivative Instruments .....	33
Distribution Policy .....	35
RISK WARNINGS .....	38
General .....	38
Accounting Standards Risk .....	38
Counterparty Risk .....	40
Counterparty Default: Absence of Regulation.....	40
Credit Default Swap Risk .....	41
Credit Risk .....	41
Currency Risk .....	42
Derivatives, Techniques and Instruments Risk .....	42
Emerging Markets Risk.....	44
Exchange Rate Risk .....	45
Forward Exchange Contract Risk .....	45
Futures and Options Trading is Speculative and Volatile .....	46
Global Financial Market Crisis and Governmental Intervention .....	46
Interest Rate Risk .....	47
Investing in Fixed Income Securities .....	47
Investment Manager Risk .....	47
Investment Return.....	47
Legal Infrastructure .....	48
Liquidity Risk.....	48
Market Disruptions .....	49
Market Risk .....	49
Non-Convertibility of Currency .....	50
Political and / or Regulatory Risks .....	50
Potential to Lose All of the Sum Invested and Unitholder Indemnity .....	50
Redemption Risk.....	50
Redemption Restrictions .....	51

Registration Risk .....	51
Reliability of Credit Ratings .....	52
Reliability of Information .....	52
Remittance of Principal and Investment Income .....	52
Sales and Repurchase Charges .....	52
Settlement Risk .....	52
Stocklending Risk .....	53
Suspension of Dealing .....	53
Unit Currency Designation Risk .....	53
Valuation Risk .....	54
Taxation .....	54
Cyber Security Risk .....	56
 MANAGEMENT OF THE FUND .....	 60
Manager .....	60
Investment Manager .....	64
Trustee .....	64
Duties of the Trustee .....	64
Trustee Liability .....	65
Delegation .....	65
Conflicts of Interest .....	65
Administrator .....	66
Investment Advisory Council .....	67
Placing Agent .....	69
Paying Agents/Representatives/Sub-Distributors .....	69
Dealings by Manager, Investment Manager, Trustee, Administrator, Placing Agent, Placing Agent in Japan and Associates .....	69
Conflicts of Interest .....	71
Soft Commission Arrangements .....	71
Abusive Trading Practices / Market Timing .....	71
 ADMINISTRATION OF THE FUND .....	 73
Description of Units .....	73
Operation of Cash Accounts .....	73
Subscription Price and Subscription Procedures .....	73
Anti-Money Laundering Provisions .....	74
Transfer of Units .....	76
Repurchase of Units .....	77
Compulsory Repurchase or Transfer .....	78
Switching .....	78
Calculation of Net Asset Value .....	80
Publication of Net Asset Value per Unit .....	84
Temporary Suspension of Calculation of Net Asset Value and of Issues and Repurchases .....	84
Taxation on the Occurrence of Certain Events .....	85
 MANAGEMENT AND FUND CHARGES .....	 86



Establishment and Reorganisation Expenses .....	86
The Manager.....	86
Administrator .....	86
Trustee .....	86
Investment Manager, Placing Agent and Placing Agent in Japan .....	87
General .....	87
 TAXATION .....	 90
General .....	90
Irish Taxation .....	90
The Fund.....	90
Stamp Duty .....	91
Unitholders Tax.....	92
Reporting .....	95
Capital Acquisitions Tax.....	95
Compliance with US reporting and withholding requirements.....	96
Common Reporting Standards .....	97
 GENERAL INFORMATION.....	 100
Meetings .....	100
Reports .....	101
Delivery of Investment Reports in an Electronic Form under the Japanese Law.....	101
Notices .....	101
Material Contracts.....	102
Termination .....	103
Continuance or Retirement of Manager .....	104
Retirement of Trustee .....	105
General .....	105
Documents Available for Inspection.....	105
 SCHEDULE 1 .....	 107
SCHEDULE 2 .....	109
SCHEDULE 3 .....	113
SCHEDULE 4 .....	117
 SUPPLEMENT 1 - YUKI JAPAN REBOUNDED GROWTH FUND .....	 117
SUPPLEMENT 2 - YUKI INDIA FUND.....	142

## DEFINITIONS

The following definitions apply throughout this Prospectus unless the context otherwise requires:-

<b>"Accounting Date"</b>	means the date by reference to which the annual accounts of the Fund and each of its Sub-Funds shall be prepared and shall be 31 July in each year, or, in the case of the termination of the Fund or of a Sub-Fund, the date on which the monies required for the final distribution shall have been paid to the Unitholders in the Fund or the relevant Sub-Funds. The Manager and the Trustee, with the consent of the Central Bank, may agree to change the Accounting Date from time to time;
<b>"Accounting Period"</b>	means in respect of each Sub-Fund, a period ending on an Accounting Date and commencing (in the case of the first such period) from and including the date of the first issue of Units of the relevant Sub-Fund or (in any other case) from the day following the end of the last Accounting Period;
<b>"Administrator"</b>	means BNY Mellon Fund Services (Ireland) DAC or any successor company appointed by the Manager and approved by the Central Bank as administrator of the Fund;
<b>"Administration Expenses"</b>	means the sums necessary to provide for all costs, charges and expenses including, but not limited to courier's fees, telecommunication costs and expenses, out-of-pocket expenses (to include, but not limited to, travel expenses), legal, marketing and professional fees and expenses which the Manager incurs whether in litigation on behalf of the Fund or any of its Sub-Funds or in connection with the establishment of or ongoing administration of the Fund or any of its Sub-Funds (including all stamp and other duties, taxes, governmental charges, regulatory fees, valuation fees, property management fees, agents' fees, brokerage fees, bank charges, transfer fees, registration fees and other charges whether in respect of the constitution or increase of the assets or transfer of Units or the purchase or proposed purchase of Investments) or otherwise together with the costs, charges and expenses, including translation costs, of any notices including but not limited to reports, prospecti, listing particulars and newspaper notices given to Unitholders in whatever manner and all properly vouched fees and reasonable out-of-pocket expenses (to include, but not limited to, travel expenses) of any delegate of the Manager duly appointed in accordance with the requirements of the

	Central Bank's Notices plus value added tax (if any) on any such costs, charges and expenses;
<b>"Administration Agreement"</b>	means the administration agreement dated 29 September, 2017, between the Manager and the Administrator, as may be amended or supplemented from time to time;
<b>"AIFM Regulations"</b>	means the European Union (Alternative Investment Fund Managers) Regulations, 2013 (S.I. No. 257 of 2013);
<b>"Application Form"</b>	means any application form as the Manager may prescribe, to be completed by investors subscribing for Units in a Sub-Fund;
<b>"Base Currency"</b>	shall have the meaning set out in the relevant Supplement to the Prospectus for the relevant Sub-Fund;
<b>"Beneficial Owner"</b>	means, in relation to the Fund, (a) a natural person who owns, or is ultimately entitled to control, more than 25% of the Units in the Fund, or (b) any other natural person exercising ultimate control over the entity by means of direct or indirect ownership or by other means, and shall be deemed to include any trustee under, or the settlor of, the arrangements that constitute the Fund;
<b>"Beneficial Ownership Regulations"</b>	means the European Union (Anti-Money Laundering Beneficial Ownership of Corporate Entities) Regulations 2019 as amended by the European Union (Modifications of Statutory Instrument No. 110 of 2019) (Registration of Beneficial Ownership of Certain Financial Vehicles) Regulations 2020 and as may be further amended, consolidated or substituted from time to time;
<b>"Business Day"</b>	means in relation to a Sub-Fund such day or days as shall be so specified in the relevant Supplement for that Sub-Fund;
<b>"Central Bank"</b>	means the Central Bank of Ireland;
<b>"CBI UCITS Regulations"</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 as may be amended, consolidated or substituted from time to time and any other statutory instruments, regulations, rules, conditions, notices, requirements or legally binding guidance of the Central Bank issued from time to time applicable to the Fund, any Sub-Fund and/or the Trustee;

<b>"Class or Classes"</b>	means a class or class of units of a Sub-Fund;
<b>"Dealing Day"</b>	in relation to each Sub-Fund, the meaning assigned to it in the relevant Supplement to this Prospectus for the relevant Sub-Fund;
<b>"Denominated Class Currency"</b>	means the currency of a Class as specified in the relevant Supplement;
<b>"Directors"</b>	means the directors of the Manager for the time being;
<b>"Disbursements"</b>	means all disbursements, costs, charges and expenses of every kind properly incurred by the Trustee in connection with its trusteeship of the Fund and its Sub-Funds including (but not limited to) costs properly incurred by the Trustee in connection with the establishment and ongoing operation of the Fund or any Sub-Fund, courier's fees, telecommunication costs and expenses, the remuneration (at normal commercial rates) and out-of-pocket expenses of any sub-custodian or delegate appointed by it pursuant to the provisions hereof and all legal and other professional expenses in relation to or in any way arising out of the Fund and each of its Sub-Funds (including the establishment thereof) together with any value added tax liability on such disbursements, costs, charges and expenses;
<b>"Distribution Date"</b>	means the date or dates by reference to which a distribution may at the option of the Manager be declared pursuant to the provisions hereof; and details of which will be set out in the relevant Supplement;
<b>"Distribution Payment Date"</b>	means the date upon which the Manager shall determine to make payment of a distribution, details of which will be set out in the relevant Supplement;
<b>"Distribution Period"</b>	means any period ending on an Accounting Date or a Distribution Date as the Manager may select and beginning on the day following the last preceding Accounting Date, or the day following the last preceding Distribution Date, or the date of the initial issue of Units of a Sub-Fund as the case may be;
<b>"EEA"</b>	means the countries for the time being comprising the European Economic Area (being at the date of this

Prospectus, European Union Member States, Norway, Iceland and Liechtenstein);

**“Eligible Assets”**

means those investments which are eligible for investment by a UCITS as detailed in the Regulations;

**“ESMA”**

means the European Securities and Markets Authority;

**"EU"**

means the European Union;

**"Euro"**

means the unit of single currency in the European Union;

**"Euronext"**

means Euronext Dublin (formerly The Irish Stock Exchange);

**"Exempt Irish Investor"**

means:

- (a) 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;
- (b) a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- (c) an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- (d) a special investment scheme within the meaning of Section 737 of the Taxes Act;
- (e) a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- (f) a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- (g) a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Units held are assets of an approved retirement fund or an approved minimum retirement fund;
- (h) a qualifying management company within the meaning of Section 739B of the Taxes Act;
- (i) an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- (j) a personal retirement savings account (“**PRSA**”) administrator acting on behalf of 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 Units are assets of a PRSA;
- (k) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (l) the National Asset Management Agency;

- (m) 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 the State acting through the National Treasury Management Agency;
- (n) the Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurer Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018), and the Motor Insurers' Bureau of Ireland has made a declaration to that effect to the Fund;
- (o) a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the Fund;
- (p) a company that is within the charge to corporation tax in accordance with Section 739G(2) of the Taxes Act in respect of payments made to it by the Fund, that has made a declaration to that effect and that has provided the Fund with its tax reference number but only to extent that the relevant Sub-Fund is a money market fund (as defined in Section 739B of the Taxes Act); or
- (q) any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Units under taxation legislation or by written practice or concession of the Irish Revenue Commissioners without giving rise to a charge to tax in the Fund or jeopardising tax exemptions associated with the Fund giving rise to a charge to tax in the Fund;

provided that they have correctly completed the Relevant Declaration;

**"FATCA"**

means the Foreign Account Tax Compliance Act;

**"Former Manager"**

means YMS Management Services Limited;

**"Fund"**

means Yuki Asia Umbrella Fund;

**"GBP"**

means pounds sterling, the currency of the United Kingdom;

**"GDPR"**

means Regulation (EU) 2016/679 of the European Parliament and of the Council as may be amended, consolidated or substituted from time to time;

<b>"Initial Offer Period"</b>	means the period specified in the relevant Supplement to this Prospectus in respect of each Sub-Fund during which Units are first offered for subscription. The Initial Offer Period may be extended or reduced by the Manager with the consent of the Trustee, Placing Agent and the Placing Agent in Japan provided that the Central Bank is notified in advance of any such extension or reduction;
<b>"Investment Advisory Council"</b>	means the committee established by the Investment Manager, with the approval of the Manager, to advise on the investment management of the Sub-Funds;
<b>"Investment Manager"</b>	means any one or more investment managers or any successor(s) thereto appointed by the Manager to act as investment manager of one or more Sub-Funds as detailed in the relevant Supplement;
<b>"Investment Management Agreement"</b>	means one or more investment management agreements made between the Manager and one or more Investment Manager's as described in the relevant Supplement;
<b>"Irish Resident"</b>	<p>means</p> <ul style="list-style-type: none"> <li>• in the case of an individual, means an individual who is resident in Ireland for tax purposes.</li> <li>• in the case of a trust, means a trust that is resident in Ireland for tax purposes.</li> <li>• in the case of a company, means a company that is resident in Ireland for tax purposes.</li> </ul> <p>An individual will be regarded as being resident in Ireland for a tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is present in Ireland for at least 31 days in each period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at any time during the day.</p> <p>A trust will generally be Irish resident where the trustee is resident in Ireland or a majority of the trustees (if more than one) are resident in Ireland.</p> <p>A company incorporated in Ireland and also companies not so incorporated but that are managed and controlled in Ireland, will be tax resident in Ireland except to the extent</p>

that the company in question is, by virtue of a double taxation treaty between Ireland and another country, regarded as resident in a territory other than Ireland (and thus not resident in Ireland).

It should be noted that the determination of a company's residence for tax purposes can be complex in certain cases and potential investors are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act;

**"Irish Summer Time"**

means the period beginning at 01.00 on the last Sunday in March and ending at 01.00 on the last Sunday in October or such other period as may be determined by the European Parliament and the Council of the European Union;

**"Intermediary"**

means a person who, (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons or (b) holds units in an investment undertaking on behalf of other persons;

**"Ireland"**

means the Republic of Ireland;

**"Japanese Stock Exchange"**

means any of the following exchanges: the Tokyo Stock Exchange Group Inc., the Osaka Securities Exchange, Co., Ltd, the Nagoya Stock Exchange, Inc., the Jasdak Securities Exchange, Inc., the Sapporo Securities Exchange, the Fukuoka Stock Exchange and such other exchanges for emerging stocks which exchanges are maintained or sponsored by each of the aforementioned stock exchanges;

**"Manager"**

means Carne Global Fund Managers (Ireland) Limited or any successor company approved by the Central Bank as manager of the Fund;

**"Member State"**

means a member state of the European Union;

**"Minimum Repurchase"**

means the minimum number of Units which may be repurchased by any Unitholder, the value of which is not less than such amount as may be determined from time to time by the Manager and as will be set out in the relevant Supplement for each Sub-Fund;



<b>"Net Asset Value"</b>	means the net asset value of the Fund or of a Sub-Fund, or attributable to a Class (as appropriate), calculated as described herein;
<b>"Net Asset Value per Unit"</b>	means the net asset value of a Sub-Fund divided by the number of Units in issue in that Sub-Fund or the net asset value attributable to a Class divided by the number of Units issued in that Class rounded to such number of decimal places as the Manager may determine;
<b>"OECD"</b>	means the Organisation for Economic Co-Operation and Development whose participating countries include Australia, Austria, Belgium, Canada, Chile, Colombia, Costa Rica, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Mexico, Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and the United States or other such other members as may be admitted from time to time;
<b>"Ordinarily Resident in Ireland"</b>	<p>means</p> <ul style="list-style-type: none"> <li>- in the case of an individual means an individual who is ordinarily resident in Ireland for tax purposes;</li> <li>- in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes;</li> </ul> <p>An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year.) An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January, 2022 to 31 December, 2022 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2025 to 31 December 2025.</p> <p>The concept of a trust's ordinary residence is somewhat obscure and is linked to its tax residence;</p>
<b>"Placing Agent"</b>	means Yuki - Co, LLC;

<b>"Placing Agent Agreement"</b>	means the agreement dated 30th January, 2019 between Yuki - Co, LLC, the Investment Manager and the Manager;
<b>"Placing Agent in Japan"</b>	means The Bank of New York Mellon Securities Company Japan Ltd.;
<b>"Placing Agent Agreement for Japan"</b>	means the agreement between the Manager and the Placing Agent in Japan, as may be amended from time to time;
<b>"Prospectus"</b>	means the prospectus of the Fund issued in connection with the initial promotion of the Units to the public as modified or supplemented from time to time;
<b>"Recognised Clearing System"</b>	means any clearing system listed in Section 246A of the Taxes Act (including, but not limited to, Euroclear, Clearstream Banking AG, Clearstream Banking SA and CREST) or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue Commissioners, as a recognised clearing system;
<b>"Recognised Market"</b>	means a stock exchange or regulated market which is provided for in the Trust Deed, details of which are set out in Schedule 2;
<b>"Regulations"</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations, 2016) (as may be amended, consolidated or substituted from time to time);
<b>"Relevant Declaration"</b>	means the declaration relevant to the Unitholder as set out in Schedule 2B of the Taxes Act;
<b>"Relevant Period"</b>	means a period of 8 years beginning with the acquisition of a Unit by a Unitholder and each subsequent period of 8 years beginning immediately after the preceding Relevant Period;
<b>"Securities Act"</b>	means the United States Securities Act of 1933, as amended;
<b>"Specified US Person"</b>	means (i) a US citizen or resident individual, (ii) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would have authority under

applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States; excluding (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (6) any bank as defined in section 581 of the U.S. Internal Revenue Code; (7) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (8) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (10) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or (12) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code. This definition shall be interpreted in accordance with the US Internal Revenue Code.

**"Sub-Fund"**

means a Sub-Fund of the Fund designated by such name as the Manager may deem appropriate for the purpose of making investments in accordance with the investment objective and policies applicable to such Sub-Fund and which is established by the Manager from time to time with the prior consent of the Trustee and the prior approval of the Central Bank;

<b>"Supplement"</b>	means any supplement to the prospectus issued by the Manager in connection with a Sub-Fund from time to time;
<b>"Taxes Act"</b>	means the Taxes Consolidation Act, 1997 (of Ireland) as amended;
<b>"Taxonomy Regulation"</b>	means Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, as may be amended or replaced from time to time;
<b>"Trust Deed"</b>	means the Amended and Restated Trust Deed dated 13 <sup>th</sup> of April, 2018 between the Manager and the Trustee, and as may be amended from time to time;
<b>"Trustee"</b>	means The Bank of New York Mellon SA/NV, Dublin Branch or any successor company approved by the Central Bank as trustee of the Fund;
<b>"UCITS"</b>	means an Undertaking for Collective Investment in Transferable Securities established pursuant to EC Council Directive 85/611/EEC of 20 December 1985 as amended, consolidated or substituted from time to time;
<b>"UCITS Directive"</b>	EC Council Directive 2009/65/EC as amended, consolidated or substituted from time to time;
<b>"Unit"</b>	means one unit representing one undivided share in the assets of a Sub-Fund which may be designated in one or more Classes of Units;
<b>"Unitholder"</b>	means a person who is registered as the holder of a Unit from time to time;
<b>"United States"</b>	means the United States of America (including the States and the District of Columbia), its territories, its possessions and all other areas subject to its jurisdiction;
<b>"Unregulated Collective Investment Schemes"</b>	means open-ended collective investment schemes which do not fall under categories 1 or 2 as set out in Central Bank Guidance Notes 1/01 Annex 1, and do not provide a level of investor protection comparable to that of Central Bank authorised scheme (or an equivalent authorised collective investment scheme);

**"USD or US Dollars"**

means US dollars, the currency of the United States;

**"US Person"**

means any resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States, or any person falling within the definition of the term "U. S. person" under Regulation S promulgated under the Securities Act and who does not qualify as "accredited investors" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act;

**"Valuation Point"**

means as described in the relevant Supplement;

**"VAT"**

means value added tax;

In this Prospectus, unless otherwise specified, all references to "billion" are to one thousand million.

## INTRODUCTION

The Fund, constituted on 28<sup>th</sup> May, 2009, is an open-ended umbrella unit trust authorised in Ireland as a UCITS pursuant to the CBI UCITS Regulations. Accordingly, the Fund has been authorised by the Central Bank. Its rules are set out in the Trust Deed which is binding upon the Trustee, the Manager and all Unitholders. Yuki Investments Co., Ltd. is the promoter of the Fund.

The Trust Deed constitutes the Fund which is made up of Sub-Funds each comprising one or more Classes. The Units of each Class of a Sub-Fund will rank *pari passu* with each other in all respects provided they may differ as to certain matters including denominated currency, hedging strategies if any applied to the currency of a particular Class, distribution policy, the level of fees and expenses to be charged, subscription or redemption procedures of the minimum investment and minimum holding applicable. A separate portfolio of assets is not maintained for each Class. Monies subscribed for each Sub-Fund should be Denominated Class Currency of the relevant Class of the relevant Sub-Fund. Investors wishing to place orders in other currencies shall seek the prior consent of the Manager or the Administrator. Monies subscribed for a Class of Units of a Sub-Fund in a currency of such Class will be converted by the Manager or the Administrator to the denominated currency of the Class at what the Manager or the Administrator considers to be the appropriate exchange rate and such subscription shall be in the amount so converted.

As at the date of this Prospectus, the Fund has two Sub-Funds, as listed below:

<u>Sub-Fund</u>	<u>Base Currency</u>
Yuki Japan Rebounding Growth Fund	Japanese Yen
Yuki India Fund	US Dollar

Additional Sub-Funds may, with the prior approval of the Central Bank and the Trustee, be added by the Manager. Additional Classes in a Sub-Fund may, with the prior approval of the Central Bank be established by the Manager. The name of each additional Sub-Fund, the terms and conditions of its initial offer of Units, details of its investment objective and policies, its Base Currency and any applicable fees and expenses shall be set out in a Supplement to this Prospectus. The Manager may, with the prior approval of the Trustee and upon notice to the Central Bank, close any Sub-Fund or Class in existence by serving not less than two months' notice to the Unitholders in that Sub-Fund or Class, as the case may be, and by applying to the Central Bank for revocation of that Sub-Fund's approval.

To invest in the Fund is to purchase Units in a Sub-Fund. It is the Sub-Fund which accumulates the assets on behalf of the Unitholders. A Unit in a Sub-Fund represents the beneficial ownership of one undivided share in the assets of the relevant Sub-Fund referable to that type of Unit. Units in a Sub-Fund may be designated as one or more Classes of Unit as described under the heading "Administration of the Fund – Description of Units" below.

The proceeds from the issue of Units in a Sub-Fund shall be applied in the records and accounts of the Fund for that Sub-Fund and the assets and liabilities and income and expenditure attributable

thereto shall be applied to that Sub-Fund subject to the provisions of the Trust Deed. The assets of a Sub-Fund will be invested separately in accordance with the investment objective and policies of that Sub-Fund as set out in a Supplement to this Prospectus. Supplements may be added to or removed from this Prospectus as Sub-Funds are added to the Fund or revoked, as the case may be.

Each Sub-Fund will be treated as bearing its own liabilities as may be determined at the discretion of the Trustee with the approval of the Manager, provided however, that if the Trustee is of the opinion that a particular liability does not relate to any particular Sub-Fund or Sub-Funds, that liability shall be borne jointly by all Sub-Funds pro rata to their respective Net Asset Values at the time when the expense is incurred.

The Fund is not liable as a whole as the assets of each Sub-Fund shall belong exclusively to that Sub-Fund, shall be segregated from the other Sub-Funds shall not be used to discharge directly or indirectly the liabilities of or claims against any other Sub-Fund and shall not be available for such purpose.

### **Profile of a Typical Investor**

The typical investor shall be an investor who understands and appreciates the risks associated with investing in Units of any Sub-Fund and can tolerate a medium level of volatility and believe that the investment is suitable based upon investment objectives and financial needs. The decision to invest in any Sub-Fund should be determined by the attitude to risk, wish for income or growth, intended investment time horizon and in the context of the investor's overall portfolio. An investment in the Fund or any of its Sub-Funds should be viewed as long term.

### **Investment Objective and Policies**

The investment objective and policies for each Sub-Fund will be formulated by the Manager in consultation with the Investment Manager at the time of the creation of the Sub-Funds. The investment objective and policies of the first Sub-Funds are set out in the Supplements to this Prospectus. The assets of a Sub-Fund will be invested separately in accordance with the investment objective and policies of that Sub-Fund.

A Sub-Fund may employ techniques and instruments such as futures, options, warrants, stock lending agreements and forward currency contracts for efficient portfolio management and / or to protect against exchange risks under the conditions and within the limits laid down by the Central Bank.

Details, if applicable, of techniques and instruments used by a Sub-Fund will be set out in the relevant Supplement.

The investment return to Unitholders of a particular Sub-Fund is related to the Net Asset Value of that Sub-Fund which in turn is primarily determined by the performance of the assets held by that Sub-Fund.

The Investment Manager is responsible for the formulation of each Sub-Fund's current investment objectives and policies and any subsequent changes to those objectives and policies in the light of

political and/or economic conditions. The current investment objectives of a Sub-Fund may be amended from time to time by the Manager with the approval of Unitholders on the basis of a majority of votes cast at a general meeting. No material alteration to such a Sub-Fund's investment policies set out herein may be made for a period of three years from the date on which the relevant Sub-Fund commences to trade except in exceptional circumstances and with the prior consent of the Unitholders. Reasonable notice of any alterations to the investment policies will be given to Unitholders prior to the implementation of such alterations. Each Sub-Fund shall comply with the requirements of Euronext for as long as its Units are listed on Euronext. In the event of a change of investment objectives and policies, Unitholders will be given reasonable notice to enable them to repurchase their Units prior to the implementation of such change. In accordance with the requirements of the Central Bank, material changes to the content of the Prospectus and non-material amendments to the investment policy of a Fund shall be notified to Unitholders in the next set of periodic accounts.

### **Borrowing Powers**

Borrowings on behalf of the Fund or a Sub-Fund may only be made on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of each Sub-Fund. Subject to this limit the Manager may exercise discretion with respect to all borrowing powers on behalf of the Fund. In accordance with the provisions of the CBI UCITS Regulations the Trustee may charge the assets of the Fund or a Sub-Fund as security for such borrowings.

### **Changes to Investment and Borrowing Restrictions**

It is intended that the Fund shall have the power (subject to the prior approval of the Central Bank) to avail of any change in the investment and borrowing restrictions specified in the CBI UCITS Regulations which would permit investment by or on behalf of the Fund in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the CBI UCITS Regulations. Any changes to the investment and borrowing restrictions will be disclosed in an updated Prospectus and may not be made without the prior written approval of all Unitholders or without prior written approval on the basis of a majority of votes cast at a meeting of the Unitholders of a particular Sub-Fund duly convened and held.

### **Eligible Assets and Investment Restrictions**

Investment of the assets of each Sub-Fund must comply with the CBI UCITS Regulations. The Directors may impose further restrictions in respect of any Sub-Fund. The investment and borrowing restrictions applying to the Fund and each Sub-Fund are set out in Schedule 2. Each Sub-Fund may also hold ancillary liquid assets.

### **Eligible Investors**

Each prospective investor is required to certify that the Units of the relevant Sub-Fund are not being acquired directly or indirectly for the account or benefit of a "Restricted Person" and such applicants will not sell or offer to transfer or sell Units of the relevant Fund to a Restricted Person unless the Manager gives its prior approval. "Restricted Person" as used in this Prospectus currently means any



(i) Irish Resident or persons Ordinarily Resident in Ireland other than Exempt Irish Investors and (ii) any person to incur any liability to taxation or to suffer any pecuniary or regulatory disadvantage which any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Manager or the Administrator believes might be prejudicial to the interests of the Unitholders.

## Investment Restrictions

Within each Sub-Fund's investment policy, the following restrictions shall apply:-

1	Permitted Investments Investments of a UCITS are confined to:
1.1	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
1.2	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
1.3	Money market instruments other than those dealt on a regulated market.
1.4	Units of UCITS.
1.5	Units of AIFs.
1.6	Deposits with credit institutions.
1.7	Financial derivative instruments.
2	<b>Investment Restrictions</b>
2.1	A UCITS may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
2.2	<p>Recently Issued Transferable Securities</p> <p>Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.</p> <p>Paragraph (1) does not apply to an investment by a responsible person in US Securities known as "Rule 144 A securities" provided that;</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</p> <p>(b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.</p>
2.3	A UCITS may invest no more than 10% of net assets in transferable securities or money

	market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
2.4	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a UCITS invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the UCITS. <b>This restriction need not be included unless it is intended to avail of this provision and reference must be made to the fact that this requires the prior approval of the Central Bank.</b>
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	A UCITS shall not invest more than 20% of its assets in deposits made with the same body.
2.8	<p>The risk exposure of a UCITS to a counterparty to an OTC derivative may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</p>
2.9	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:</p> <ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> <li>- deposits, and/or</li> <li>- counterparty risk exposures arising from OTC derivatives transactions.</li> </ul>
2.10	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
2.12	A UCITS may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are

members.

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

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

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

<b>3</b>	<b>Investment in Collective Investment Schemes (“CIS”)</b>
3.1	A UCITS may not invest more than 20% of net assets in any one CIS.
3.2	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
3.3	The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
3.4	When a UCITS invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the UCITS investment in the units of such other CIS.
3.5	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.
<b>4</b>	<b>Index Tracking Sub-Funds</b>
4.1	A UCITS may invest up to 20% of net assets in Units and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the CBI UCITS Regulations and is recognised by the Central Bank.
4.2	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
5.1	An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any Units carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	<p>A UCITS may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting Units of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market</p>

	instruments, or the net amount of the securities in issue cannot be calculated.
5.3	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) Units held by a UCITS in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the UCITS can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</li> <li>(v) Units held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</li> </ul>
5.4	UCITS need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
5.5	The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
5.6	If the limits laid down herein are exceeded for reasons beyond the control of a UCITS, or as a result of the exercise of subscription rights, the UCITS must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
5.7	<p>Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:</p> <ul style="list-style-type: none"> <li>- transferable securities;</li> </ul>

	<ul style="list-style-type: none"> <li>- money market instruments<sup>1</sup>;</li> <li>- units of investment funds; or</li> <li>- financial derivative instruments.</li> </ul>
5.8	A UCITS may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
6.1	The UCITS global exposure relating to FDI must not exceed its total net asset value.
6.2	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the CBI UCITS Regulations/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in CBI UCITS Regulations.)
6.3	<p>UCITS may invest in FDIs dealt in over-the-counter (OTC) provided that</p> <ul style="list-style-type: none"> <li>- The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.</li> </ul>
6.4	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

The above limits on investments are deemed to apply at the time of purchase of the investments. If those limits are subsequently exceeded for reasons beyond the control of a Sub-Fund or as a result of the exercise of subscription rights, the Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation taking due account of the interests of its Unitholders.

### **Efficient Portfolio Management**

A Sub-Fund may employ techniques and instruments for the purposes of efficient portfolio management and to provide protection against exchange rate risks in accordance with the conditions and limits set down by the Central Bank as outlined in the CBI UCITS Regulations. Furthermore, new techniques and instruments may be developed which may be suitable for use by a Sub-Fund in the future and a Sub-Fund may employ such techniques and instruments subject to disclosure in the relevant Sub-Fund Supplement and the prior approval of, and any restrictions imposed by, the Central Bank.

Where a Sub-Fund employs techniques and instruments for the purposes of efficient portfolio management and/or to provide protection against exchange rate risks this will be clearly disclosed in the relevant Sub-Fund Supplement together with details of the risks inherent in the specific instruments.

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<sup>1</sup> Any short selling of money market instruments by UCITS is prohibited

Subject to the conditions and limits set out in the CBI UCITS Regulations, a Sub-Fund may use repurchase agreements, reverse repurchase agreements and/or stocklending arrangements to generate additional income for the relevant Sub-Fund. Details, if applicable, will be disclosed in the relevant Sub-Fund Supplement.

Transaction costs may be incurred in respect of efficient portfolio management techniques used in respect of a Sub-Fund. All revenues from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Sub-Fund. Any direct and indirect operational costs/fees arising from efficient portfolio management techniques do not include hidden revenue and will be paid to such entities as outlined in the annual report of the Fund, which shall indicate if the entities are related to the Manager or the Trustee.

As financial derivative instruments are used for the purposes of efficient portfolio management and/or to protect against currency risks, such use may generate additional capital or income. The Investment Manager expects that the use of FDI will have a limited impact on the net performance of the Fund.

Investors should consult the sections of the Prospectus entitled “Counterparty Risk”, “Derivatives, Techniques and Instruments Risk” and “Conflicts of Interest” for more information on the risks associated with efficient portfolio management.

### **Collateral Management Policy**

In accordance with the requirements of the Central Bank, the Investment Manager, will employ a collateral management policy for and on behalf of the Fund in respect of collateral received in respect of OTC financial derivative transactions whether used for investment or efficient portfolio management purposes. Any collateral received by the Fund shall comprise of assets (including cash) which satisfy the requirements of the Central Bank relating to collateral which may be received by a UCITS. Any re-investment of cash collateral shall be diversified in accordance with the requirements of the Central Bank. Re-invested cash collateral exposes the Fund to certain risks such as the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested. Please refer to the section “Risk Warnings” for information on counterparty risk and credit risk in this regard. Where collateral received by the Fund is on a title transfer basis, it shall be held by the Trustee. For other types of collateral arrangements, the collateral may be held with a third party trustee which is subject to prudential supervision and which is unrelated to the collateral provider.

The level of collateral required to be posted may vary by counterparty with which the Fund transacts and shall be in accordance with the requirements of the Central Bank. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Fund, taking into account the characteristics of the assets received as collateral such as the credit standing or the price volatility and the outcome of any liquidity stress testing policy, where appropriate.

### **Investment in Financial Indices through the use of Financial Derivative Instruments**

A Sub-Fund may gain exposure to financial indices through the use of financial derivative instruments where considered appropriate to the investment objective and investment policies of the relevant Sub-Fund.

The Investment Manager shall only gain exposure to a financial index which complies with the Regulations and the requirements of the Central Bank as set out in the CBI UCITS Regulations and in any guidance issued by the Central Bank and the following provisions will apply to any such financial index:-

- (a) any such financial index will be rebalanced /adjusted on a periodic basis in accordance with the requirements of the Central Bank e.g. on a weekly, monthly, quarterly, semi-annual or annual basis;
- (b) the costs associated with gaining exposure to such a financial index will be impacted by the frequency with which the relevant financial index is rebalanced;
- (c) a list of such financial indices to which a Sub-Fund is exposed will be included in the annual financial statements of the Fund ;
- (d) details of any such financial index used by the Fund will be provided to Unitholders of that Fund by the Investment Manager on request;
- (e) where the weighting of a particular constituent in any such financial index exceeds the investment restrictions set down in the Regulations, the Investment Manager will as a priority objective look to remedy the situation taking into account the interests of the Unitholders of the relevant Sub-Fund.

However where a financial index comprised of Eligible Assets does not fulfil the criteria set out in Article 9(1) of the Commission Directive 2007/16/EC (i.e. sufficiently diversified, representative of an adequate benchmark for the market to which it refers and published in an appropriate manner), investment in such an index by the Manager on behalf of a Sub-Fund is not considered a derivative on a financial index but is regarded as a derivative on the combination of assets comprised in the index. A Sub-Fund may only gain exposure to such a financial index where on a “look through” basis, the Sub-Fund is in a position to comply with the risk spreading rules set down in the Regulations taking into account both direct and indirect exposure of the Sub-Fund to the constituents of the relevant index.

### **Hedged Classes**

Where a Class of a Fund is designated as “hedged” in the relevant Supplement, the Manager shall enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Sub-Fund attributable to a particular Class into the currency of denomination of the relevant Class for the purposes of efficient portfolio management. In addition, a Class designated in a currency other than the Base Currency may be hedged against exchange rate fluctuation risks between the designated currency of the Class and the Base Currency. Where specified in the relevant Supplement, the Fund may also enter into derivative transactions in respect of such hedged Classes in order to hedge against exchange rate fluctuation risks between the designated currency of the Class and the currencies in which the Fund’s assets may be denominated.



Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets / liabilities of a Sub-Fund as a whole but will be attributable to the relevant Class(es) and the gains / losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class.

Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

Where there is more than one hedged Class in a Fund denominated in the same currency (which is a currency other than the Base Currency of the relevant Fund) and it is intended to hedge the foreign currency exposure of such Classes against the Base Currency of the relevant Fund or against the currencies in which the Fund's assets are denominated, the Fund may, in accordance with the Central Bank requirements, aggregate the foreign exchange transactions entered into on behalf of such hedged Classes and apportion the gains/losses on and the costs of the relevant Financial Instruments pro rata to each such hedged Class in the relevant Fund.

Where the Fund seeks to hedge against currency fluctuations at Class level, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Fund. However, over-hedged positions will not exceed 105% of the Net Asset Value of the Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged against currency risk. Hedged positions will be reviewed daily to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels outlined above and are not carried forward from month to month. 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.

To the extent that hedging is successful for a particular Class, the performance of the Class is likely to move in line with the performance of the underlying assets with the result that investors in that Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the particular Fund are denominated.

## **Financial Derivative Instruments**

**The Manager may invest in financial derivative instruments including equivalent cash settled instruments dealt in on a Recognised Exchange and / or in OTC derivative instruments in each case under and in accordance with conditions or requirements imposed by the Central Bank.** The financial derivative instruments in which the Company may invest and the expected effect of investment in such financial derivative instruments on the risk profile of a Sub-Fund are disclosed in Schedule 3 hereto. The purpose of any such investment will be disclosed in the Supplement for the relevant Sub-Fund. If other financial derivative instruments may be invested in for a particular Sub-Fund, such instruments and their expected effect on the risk profile of such Sub-Fund and the extent to which a Sub-Fund may be leveraged through the use of financial derivative instruments will be disclosed in the relevant Supplement.

The Manager will employ a risk management process which will enable it to accurately measure, monitor and manage the risks attached to financial derivative positions and details of this process

have been provided to the Central Bank. The Manager will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to the Central Bank in accordance with CBI UCITS Regulations prior to the Fund engaging in FDI transactions. The Manager will provide to Unitholder holders, on request, supplementary information relating to the risk management methods employed by the Manager including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

For the purpose of providing margin or collateral in respect of transactions in financial derivative instruments, the Manager may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Sub-Fund in accordance with normal market practice.

*Management of Collateral for OTC Financial Derivative Instruments and Techniques for Efficient Portfolio Management*

Collateralization is one of the primary means of managing credit exposure among financial market participants. In derivatives transactions that are presented to a central clearing house, collateral is posted with the clearing house. And, in a bilateral market such as over-the-counter derivatives, market participants post collateral directly with each other. The Manager may invest in financial derivative instruments including listed or OTC derivative instruments and the Manager may receive collateral from the counterparty or let collateral be held in a collateral account with the relevant Sub-Fund's sub-depositary.

Collateral received and any investment of such collateral must meet the requirements of the Central Bank as listed below:

- (i) **Liquidity:** Collateral received other than cash should be sufficiently liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations
- (ii) **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.
- (iii) **Issuer credit quality:** Collateral received should be of high quality.

The Fund shall ensure:

- (a) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Investment Manager acting on behalf of the Manager 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 being conducted of the issuer by the Investment Manager acting on behalf of the Manager without delay.

- (iv) **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.
- (v) **Diversification (asset concentration):**
- (a) Subject to sub-paragraph (b) below, collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value. When a Sub-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.
  - (b) A Sub-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, non-Member State, or public international body of which one or more Member States belong (and which issuers are set out in Section 2.12 of the “Investment Restrictions” section in this Prospectus), provided the Fund will receive securities from at least six different issues with securities from any single issue not accounting for more than 30% of the Sub-Fund’s net asset value;
- (vi) **Immediately available:** Collateral received should be capable of being fully enforced by the relevant Sub- Fund at any time without reference to or approval from the counterparty.

Cash collateral may only be reinvested in:

1. deposits with relevant institutions;
2. high-quality government bonds and/or other public securities;
3. high-quality certificates of deposits;
4. repurchase agreements with counterparties which have high credit ratings and for which the collateral received meets the requirements for collateral in the previous paragraph;
5. daily dealing money market funds which have a high credit rating.

Invested cash collateral may not be placed on deposit with the counterparty or with any entity that is related or connected to the counterparty.

The level of collateral required to be posted may vary by counterparty with which a Sub-Fund trades. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by a Sub-Fund, taking into account both the credit standing and and/or price volatility of the asset.

### **Distribution Policy**

Any distribution declared in respect of a Sub-Fund shall be paid on a Distribution Payment Date. Distributions will be declared at the sole discretion of the Manager. The distribution policy of each Sub-Fund and Class of Units, as applicable, is set out in the relevant Supplement to this Prospectus.

The amount available for distribution from any Sub-Fund in respect of any Distribution Period shall be a sum equal to the aggregate of the net income of the Sub-Fund received by the Manager (whether in the form of dividends, interest or otherwise) during the Distribution Period in relation to such Sub-Fund, together with, such net realised and unrealised gains (i.e. realised and unrealised capital gains net of all realised and unrealised losses) less accrued expenses, subject to certain adjustments as detailed in Clause 20.01 of the Trust Deed.

The amount, if any, to be distributed from a Sub-Fund in respect of each Distribution Period shall be determined by the Manager in consultation with the Investment Advisory Council within the amount available for distribution provided that any amount which is not distributed in respect of such Distribution Period may be carried forward to the next Distribution Period.

Distributions not claimed within six years from their due date will lapse and revert to the relevant Sub-Fund.

Unless otherwise requested by the payee, any distribution payable to a Unitholder shall be paid in the Base Currency of the relevant Sub-Fund by bank transfer at the expense of the Unitholder. Every such bank transfer shall be made payable to the order of such Unitholder, or in the case of joint Unitholders made payable to the order of the first named joint Unitholder on the register at the risk of such Unitholder or joint Unitholders.

Where a distribution has been declared, a Unitholder may elect to reinvest any distribution payable, such that the amount payable shall not be distributed but shall be retained and reinvested for the benefit of the Unitholder, unless otherwise determined by the Manager. Where a Unitholder elects to reinvest any distribution payable, the Manager will issue and credit to the account of the relevant Unitholder the number of Units in the relevant Sub-Fund as are as nearly as possible equal in value to, but not in excess of, the amount of such distribution as the date of issue of such additional Units.

Pending payment to the relevant Unitholder, dividend payments will be held in an account in the name of the relevant Sub-Fund and will be treated as an asset of the relevant Sub-Fund until paid to that Unitholder and will not benefit from the application of any investor money protection rules (i.e. the distribution monies in such circumstances will not be held on trust for the relevant Unitholder). In such circumstances, the Unitholder will be an unsecured creditor of the relevant Sub-Fund with respect to the distribution amount held by the Fund until paid to the Unitholder. In the event of an insolvency of the relevant Sub-Fund or the Fund, there is no guarantee that the relevant Sub-Fund or the Fund will have sufficient funds to pay unsecured creditors in full.

In the event that distributions payable cannot be paid out to an investor, for example where anti-money laundering documentation is not provided or an investor cannot be contacted, it is the responsibility of the investor to ensure all necessary documentation and information required to resolve the issue is provided promptly and is complete and accurate, so that the distributions payable may be released in a timely manner.

Your attention is drawn to the section of the Prospectus entitled “Risk Warnings” – “Operation of Cash Accounts” below.

## **RISK WARNINGS**

### **General**

**The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Sub-Fund may be exposed to other risks of an exceptional nature from time to time. Investment in the Fund carries with it a degree of risk. Different risks may apply to different Sub-Funds and/or Classes. Details of specific risks attaching to a particular Sub-Fund or Class which are additional to those described in this section will be disclosed in the relevant Supplement. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Units.**

**It should be remembered that the price of Units and the income from them may fall as well as rise, and that investors may not get back the amount they have invested. In addition to market factors, changes in exchange rates may cause the value of Units to go up or down.**

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

Investment in certain securities markets involves a greater degree of risk than usually associated with investment in the securities of other major securities markets. Potential investors should consider the following risks and any additional risk(s) relating to any specific Sub-Fund, contained in the relevant Supplement, before investing in any of the Sub-Funds.

Investors should note that investment in a Sub-Fund may decline in value and should be prepared to sustain a total loss of their investment in a Sub-Fund. Investment in a Sub-Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Neither the Manager, nor any of the Investment Managers, Sub-Investment Managers, Investment Advisers or Sub-Investment Advisers appointed by the Manager in respect of any of the Sub-Funds, nor any of their respective subsidiaries, affiliates, associates, agents or delegates, guarantees the performance or any future return of any Sub-Fund.

There is no assurance that the investment objective of any of the Sub-Funds will be achieved. Past performance is not necessarily a guide to future performance and investments should be regarded as medium to long-term. Investment in a Sub-Fund should not be the sole or principal component of any investment portfolio.

### **Accounting Standards Risk**

Accounting standards in some of the countries in which a Sub-Fund may invest do not correspond to international accounting standards. In addition, auditing requirements and standards differ from those generally accepted in international capital markets. Accordingly, a Sub-Fund may have access to less

reliable financial information on a Sub-Fund's investments and on other investments than would normally be the case in more sophisticated markets.

### **Anti-Money Laundering**

If the Fund, the Administrator, the Manager, or any governmental agency believes that a Sub-Fund has accepted contributions, or is otherwise holding assets of, any person or entity that is acting directly or indirectly, in violation of international or other anti-money laundering laws, rules, regulations, treaties or other restrictions, or on behalf of any suspected terrorist or terrorist organisation, suspected drug trafficker, or senior foreign political figure(s) suspected in engaging in foreign corruptions, the Manager or such governmental agency may freeze the assets of such person or entity invested in a Sub-Fund or suspend their repurchase rights. The Fund may also be required to remit or transfer those assets to a governmental agency.

### **Borrowing and Leverage Risk**

Unitholders should be aware that a Sub-Fund may incur borrowings and/or leverage, and that leverage may accentuate falls in the Net Asset Value where the markets move against such Sub-Fund and thereby increase losses. The cumulative effect of the use of leverage by a Sub-Fund, directly or indirectly, in a market that moves adversely to the investments of the entity employing the leverage, could result in a loss to the Sub-Fund that would be greater than if leverage were not employed by such Sub-Fund.

The use of leverage may be integral to a Sub-Fund's strategies, and the Sub-Fund may depend on the availability of credit in order to finance its portfolios. There can be no assurance that the Sub-Funds will be able to maintain adequate financing arrangements under all market circumstances. As a general matter, the banks and dealers that provide financing to a Sub-Fund can apply essentially discretionary margin, haircut, financing, security and collateral valuation policies. Changes by banks and dealers in such policies, or the imposition of other credit limitations or restrictions, whether due to market circumstances or governmental, regulatory or judicial action, may result in margin calls, loss of financing, forced liquidation of positions at disadvantageous prices, termination of swap and repurchase agreements and cross-defaults to agreements with other dealers. Any such adverse effects may be exacerbated in the event that such limitations or restrictions are imposed suddenly and/or by multiple market participants at or about the same time. The imposition of such limitations or restrictions could compel a Sub-Fund to liquidate all or a portion of its portfolio at disadvantageous prices.

### **Brokerage Arrangements**

In selecting brokers and dealers to effect portfolio transactions, the Investment Manager has authority to and may consider such factors as price, the ability of the brokers and dealers to execute transactions efficiently, their facilities, reliability and financial responsibility and the financial products or services provided by such brokers and dealers. Such products and services generally may be of benefit to a Sub-Fund. If the Investment Manager determines in good faith that the amount of transaction costs imposed by a broker or dealer is reasonable in relation to the value of the products or services provided by such broker or dealer, the Investment Manager may incur transaction costs

from such broker or dealer in an amount greater than the amount that might be incurred if another firm were used, provided that such broker or dealer has agreed to provide best execution with respect to such business.

Products or services provided to the Investment Manager may include research reports on particular industries and companies, economic surveys and analyses, recommendations as to specific securities and other products or services (e.g., quotation equipment and computer-related costs and expenses). A report will be included in the Sub-Fund's annual and half-yearly reports describing the Investment Manager's soft commission practices, as appropriate.

### **Class Contamination Risk**

The Investment Manager may engage in hedging transactions to protect Unitholders holding Units denominated in a currency other than the Base Currency from currency fluctuation exposure. However, because all assets of a Fund will be held in a single portfolio, there is no segregation of liability between the separate Classes of such Fund. Therefore, the entire portfolio of a Fund could have to bear a portion of any significant losses incurred in connection with any such hedging transactions for Classes of Units denominated in a currency other than the Base Currency in the event that the amount of such losses exceeds the assets of the Class to which such losses are applicable. The Investment Manager, however, believes that the chance of this occurring is low as these transactions will be engaged in by a Fund for hedging, rather than speculative, purposes.

### **Counterparty Risk**

Each Sub-Fund may have credit exposure to counterparties by virtue of positions in swaps, repurchase transactions, forward exchange rate and other financial or derivative contracts held by the Sub-Fund. To the extent that a counterparty defaults on its obligation and the Sub-Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights.

Each Sub-Fund may also be exposed to a credit risk on parties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments.

### **Counterparty Default: Absence of Regulation**

In general, there is less government regulation and supervision of transactions in the OTC markets (in which currencies spot and option contracts, certain options on currencies and swaps are generally traded) than of transactions entered into on Recognised Exchanges. In addition, many of the protections afforded to participants on some Recognised Exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions. OTC options are not regulated. OTC options are non-exchange traded option agreements, which are specifically tailored to the needs of an individual investor. These options enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these agreements will be the specific firm involved in the transaction rather than a Recognised Exchange and accordingly the bankruptcy or default of a counterparty with which a Sub-



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

### **Credit Default Swap Risk**

If a Sub-Fund is the buyer of a credit default swap, it would be entitled to receive the agreed-upon value (or par) of a referenced debt obligation from the counterparty to the swap on the occurrence of certain credit events in relation to the relevant reference entity. As consideration, the Sub-Fund would pay to the counterparty a periodic stream of fixed payments during the life of the swap if no credit event has occurred, in which case the Sub-Fund would receive no benefits under the swap. In circumstances in which a Sub-Fund does not own the debt securities that are deliverable under a credit default swap, the Sub-Fund is exposed to the risk that deliverable securities will not be available in the market, or will be available only at unfavourable prices. In certain instances of issuer defaults or restructurings, it has been unclear under the standard industry documentation for credit default swaps whether or not a "credit event" triggering the seller's payment obligation had occurred. In either of these cases, a Sub-Fund would not be able to realise the full value of the credit default swap upon a default by the reference entity. As a seller of credit default swaps, a Sub-Fund incurs exposure to the credit of the reference entity and is subject to many of the same risks it would incur if it were holding debt securities issued by the reference entity. However, a Sub-Fund will not have any legal recourse against the reference entity and will not benefit from any collateral securing the reference entity's debt obligations.

### **Credit Risk**

There can be no assurance that the issuers of securities or other instruments in which a Sub-Fund may invest will not be subject to credit difficulties, leading to either the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. Sub-Funds may also be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default. When a Sub-Fund invests in a security or other instrument which is guaranteed by a bank or other type of financial institution there can be no assurance that such guarantor will not itself be subject to credit difficulties, which may lead to the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in such securities or instruments, or payments due on such securities or instruments.

## **Currency Risk**

The Net Asset Value per Unit will be computed in the Base Currency, whereas the Sub-Fund's investments may be acquired in a wide range of currencies some of which may not be freely convertible currencies. It may not be possible or practicable to hedge against the consequent currency risk exposure and in certain instances the Investment Manager may not consider it desirable to hedge against such risk. The Manager and the Investment Manager will enter, and the Investment Manager may recommend entering, into transactions at their discretion and solely for the purposes of hedging currency exposure in accordance with Notices and the guidelines set out by the Central Bank.

In addition, a Class of Unit may be designated in a currency other than the Base Currency of a Sub-Fund which may give rise to a unit currency designation risk which is set out below.

## **Depository Risks**

The Trustee and its delegates, if any, will have custody of a Sub-Fund's securities, cash, distributions and rights accruing to the Sub-Fund's securities accounts. If the Trustee or a delegate holds cash on behalf of a Sub-Fund, the Sub-Fund may be an unsecured creditor in the event of the insolvency of the Trustee or delegates. Although this is generally done to reduce or diversify risk, there can be no assurance that holding securities through the Trustee or its delegates will eliminate depository risk. The Sub-Funds will be subject to credit risk with respect to the Trustee and the delegates, if any.

In addition, certain of a Sub-Fund's assets may be held by entities other than Trustee and its delegates. For example, a Sub-Fund may provide certain of its assets as collateral to brokers in connection with derivatives contracts such as futures, swaps, forwards and certain options. If a Sub-Fund has over-collateralized derivative contracts, it is likely to be an unsecured creditor of any such broker in the event of its insolvency.

## **Derivatives, Techniques and Instruments Risk**

### General

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations.

The use of techniques and instruments also involves certain special risks, including (1) a dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors

being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Sub-Fund's securities, (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption requests as a result of the risks detailed at (1) to (4).

#### Correlation Risk

The prices of derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements. The prices of exchange traded derivative instruments may also be subject to changes in price due to supply and demand factors.

#### Loss of Favourable Performance

The use of derivative instruments to hedge or protect against market risk or to generate additional revenue by writing covered call options may reduce the opportunity to benefit from favourable market movements.

#### Counterparty Exposure and Legal Risk

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

#### Liquidity Risk

Futures positions may be illiquid or difficult to close out because of limits imposed by the relevant exchange on daily price movements. OTC positions are, by definition, illiquid, but the Investment Manager will only enter into OTC transactions with counterparties which are contractually obliged to close out a position on request.

#### Market Risk

When a Sub-Fund purchases a security or an option, the risk to the Sub-Fund is limited to the loss of its investment. In the case of a transaction involving futures, forwards, swaps, contracts for differences or writing options, that Sub-Fund's liability may be potentially unlimited until the position is closed.

#### Margin

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

### Liquidity of Futures Contracts

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

### Forward Trading

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

### **Early Termination**

In the event of the early termination of a Sub-Fund, the Sub-Fund would have to distribute to the Unitholders their *pro-rata* interest in the assets of the Fund. The securities and other investments would have to be sold by the Sub-Fund or distributed to the Unitholders. It is possible that at the time of such sale or distribution certain investments held by the Sub-Fund may be worth less than the initial cost of the investment, resulting in a loss to the Sub-Fund and to its Unitholders. Moreover, in the event the Fund or Sub-Fund terminates prior to the complete amortisation of organisational expenses, any unamortised portion of such expenses will be accelerated and will be debited (and thereby reduce) amounts otherwise available for distribution to Unitholders.

### **Emerging Markets Risk**

Certain Sub-Funds may invest in equity or debt securities of companies in 'emerging' or 'developing' markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalization, and social, political and economic stability; (ii) the small current size of the markets for securities of 'emerging' or 'developing' markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility; (iii) certain national policies which may restrict a Sub-Fund's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; (iv) the absence of developed legal structures governing private or foreign investment and private property; (v) the legal infrastructure and accounting, auditing and reporting standards in 'emerging' or 'developing' markets may not provide the same degree of unitholder

protection or information to investors as would generally apply internationally; (vi) potentially a greater risk regarding the ownership and custody of securities i.e. in certain countries, ownership is evidenced by entries in the books of a company or its registrar. In such instances, no certificates representing ownership of companies will be held by the Trustee or any of its local correspondents or in an effective central depository system; and (vii) 'emerging' or 'developing' markets may experience significant adverse economic developments, including substantial depreciation in currency exchange rates or unstable currency fluctuations, increased interest rates, or reduced economic growth rates than investments in securities of issuers based in developed countries.

The economies of 'emerging' or 'developing' markets in which a Sub-Fund may invest may differ favourably or unfavourably from the economies of industrialised countries. The economies of 'emerging' or 'developing' countries are generally heavily dependent on international trade and 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. Investments in 'emerging' or 'developing' markets entail risks which include the possibility of political or social instability, adverse changes in investment or exchange control regulations, expropriation and withholding of dividends at source. In addition, such securities may trade with less frequency and volume than securities of companies and governments of developed, stable nations and there is also a possibility that redemption of Units following a redemption request may be delayed due to the illiquid nature of such investments.

### **Exchange Rate Risk**

In general, prices for each Sub-Fund's securities will be quoted in local currencies. The Base Currency of each Sub-Fund is set out in the Supplement of the relevant Sub-Fund and each Sub-Fund's distributions will be made in the Class Currency of the relevant class of Unit of each Sub-Fund. Accordingly, changes in currency exchange rates between the Base Currency or the Class Currency and the various local currencies will affect the Sub-Fund's Net Asset Value and the eventual capital returns of each Sub-Fund. While Asian currencies are historically non-volatile relative to the US Dollar and are generally on a pegged / managed float against the US Dollar, certain economic and political events in each of the Asian economies, including changes in foreign exchange policies and current account positions, could cause greater exchange rate volatility.

### **Forward Exchange Contract Risk**

Each Sub-Fund may from time to time enter into currency exchange transactions by buying currency exchange forward contracts for the purposes of hedging against currency exposure.

Each Sub-Fund may enter into forward contracts to hedge against a change in such currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a currency other than the Base Currency of that Sub-Fund. To do this, the Sub-Fund would enter into a forward contract to sell the currency in which the investment is denominated or principally traded in exchange for the Base Currency of the Sub-Fund. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, at the same time they limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the forward contract amounts and the value of the securities

involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the forward contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of a Sub-Fund cannot be assured.

### **Forward-Looking Statements**

This Prospectus contains forward-looking statements. These forward-looking statements reflect the Manager or Investment Manager's view with respect to future events. Actual results could differ materially from those in the forward-looking statements as a result of factors beyond the Manager or Investment Manager's control. Offerees are cautioned not to place reliance on such statements.

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

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

### **Global Financial Market Crisis and Governmental Intervention**

The global financial markets are currently undergoing pervasive and fundamental disruptions and dramatic instability. The extent to which the underlying causes of instability are pervasive throughout global financial markets and have the potential to cause further instability is not yet clear but these underlying causes have led to extensive and unprecedented governmental intervention. Regulators in many jurisdictions have implemented or proposed a number of wide-ranging emergency regulatory measures, including a proposed "bailout fund" in the United States, and restrictions on the short selling of financial and other stocks in many jurisdictions. Such intervention has in certain cases been implemented on an "emergency" basis without much or any notice with the consequence that some market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions has been suddenly and / or substantially eliminated. In addition, due to the uncertain stability of global financial institutions, the security of assets held by any financial institution cannot be guaranteed, notwithstanding the terms of any agreement with such institution. Given the complexities of the global financial markets and the limited time frame within which governments have been able to take action, these interventions have sometimes been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of such markets as well as previously successful investment strategies. It is impossible to predict with certainty what additional interim or permanent governmental restrictions may be imposed on the markets and / or the effect of such restrictions on ability of any Sub-Fund to implement its investment objective / investment policy. However, the Manager believes that there is a likelihood of

increased regulation of the global financial markets, and that such increased regulation could be materially detrimental to the performance of the Sub-Funds.

### **Interest Rate Risk**

The fixed income securities in which each relevant Sub-Fund may invest are interest rate sensitive, which means that their value and, consequently, the Net Asset Value of each relevant Sub-Fund will fluctuate as interest rates fluctuate. An increase in interest rates will generally reduce the value of the fixed income securities. Each relevant Sub-Fund's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates and to utilise appropriate strategies to maximise returns to the Sub-Fund while attempting to minimise the associated risks to its investment capital.

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

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a Sub-Fund's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

Many fixed income securities especially those issued at high interest rates provide that the issuer may repay them early. Issuers often exercise this right when interest rates decline. Accordingly, holders of securities that are pre-paid may not benefit fully from the increase in value that other fixed income securities experience when rates decline. Furthermore, in such a scenario a Sub-Fund may re-invest the proceeds of the pay-off at the then current yields, which will be lower than those paid by the security that was paid off. Pre-payments may cause losses on securities purchased at a premium, and unscheduled pre-payments, which will be made at par, will cause that Sub-Fund to experience loss equal to any unamortized premium.

### **Investment Manager Risk**

The Investment Manager may be consulted with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of a Sub-Fund's investments and the Investment Manager's other duties and responsibilities in relation to that Sub-Fund.

### **Investment Return**

Investment performance information is not necessarily indicative of each Sub-Fund's future performance. The economic and financial performance, and fiscal and monetary management of certain countries, have registered favourable growth and stability during the past five years. There is, however, no guarantee that these levels of economic growth and stability will continue in the future. Accordingly, a Sub-Fund's future performance may not replicate the past investment performance of similar types of investments supervised by the relevant Investment Manager.

### **Ireland-based Entities**

The Fund, the Manager and the Trustee are based in Ireland and are subject to the Irish and European Union regulatory framework applicable to collective investment schemes, managers and trustees. As such, changes in governmental regulation, political structure, local economics and tax laws may adversely impact any or all of the foregoing. No Irish authority has passed upon the merits of an investment in either the Fund or the Sub-Funds. Authorisation of the Fund by the Central Bank is not an endorsement or guarantee of the Fund by the Central Bank, nor is the Central Bank responsible for the contents of this Prospectus.

### **Euronext Listing**

A listing of Units of a Fund or Class on Euronext, if any, will not provide liquidity to investors.

### **Legal Infrastructure**

Company laws in some targeted countries are in their early stage. In the development of these, certain new laws might have a negative impact on the value of an investment which cannot be foreseen at the time the investment is made. As the efficacy of such laws is as yet uncertain, there can be no assurance as to the extent to which rights of foreign Unitholders can be protected. In addition, there may also be a shortage of qualified judicial and legal professionals to interpret or advise upon recently enacted and future laws in some jurisdictions.

### **Liquidity Risk**

Each Sub-Fund endeavours to acquire only such financial instruments for which a liquid market exists. However, not all securities invested in by a Sub-Fund will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. Each Sub-Fund may also encounter difficulties in disposing of assets at their fair market price due to adverse market conditions leading to limited liquidity.

### **Management and Operational Risk**

Each Sub-Fund is subject to management risk because it relies on the Manager's ability to achieve its investment objective. The Manager uses proprietary investment techniques in making investment decisions for each Sub-Fund, but that does not assure that the Manager will achieve the desired results and a Sub-Fund may incur significant losses. The Manager, for example, may fail to use



derivatives effectively, choosing to hedge or not to hedge positions at disadvantageous times. The Manager's portfolio managers may use quantitative analyses and/or models. Any imperfections or limitations in such analyses and/or models could affect the ability of the portfolio managers to implement strategies. By necessity, these analyses and models make simplifying assumptions that limit their efficacy. Models that appear to explain prior market data can fail to predict future market events. Further, the data used in models may be inaccurate and/or it may not include the most recent information about a company or a security. There also can be no assurance that all of the Manager's personnel will continue to be associated with the Manager for any length of time. The loss of the services of one or more employees of the Manager could have an adverse impact on a Sub-Fund's ability to achieve its investment objective.

Each Sub-Fund is also subject to the risk of loss and impairment of operations from operational risk as a result of the Manager's and other service providers' provision of investment management, administrative, custodial, accounting, tax, legal, Unitholder and other services to the Fund. Operational risk can result from inadequate procedures and controls, human error and system failures by a service provider. For example, trading delays or errors (both human and systematic) could prevent a Sub-Fund from purchasing or selling a security that the Manager expects will appreciate or decline in value, as the case may be, thus preventing that Sub-Fund from benefiting from potential investment gains or avoiding losses on the security. The Manager is not contractually liable to the Fund for losses associated with operational risk absent the Manager's negligence or wilful default in the performance of its duties and obligations. Other fund service providers also have limitations on their liability to the Fund for losses resulting from their errors.

### **Market Disruptions**

A Sub-Fund may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from a disconnect with historical prices is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available to a Sub-Fund from its banks, dealers and other counterparties will typically be reduced in disrupted markets. Such a reduction may result in substantial losses to such Sub-Fund. A sudden restriction of credit by the dealer community has resulted in forced liquidations and major losses for a number of investment funds and other vehicles. Because market disruptions and losses in one sector can cause ripple effects in other sectors, many investment funds and other vehicles have suffered heavy losses even though they were not necessarily heavily invested in credit-related investments. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for any of the Sub-Funds to liquidate affected positions and thereby expose the Sub-Funds to losses. There is also no assurance that off-exchange markets will remain liquid enough for the Sub-Funds to close out positions.

### **Market Risk**

Some of the markets or exchanges on which a Sub-Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which a Sub-Fund may liquidate positions to meet repurchase requests or other funding requirements.

### **Non-Convertibility of Currency**

At the time of remittance of income and capital gains, there is no certainty that there will be liquidity. Also, the local authorities might impose certain exchange control measures which might fully or partially affect convertibility of the local currency into the Base Currency of a Sub-Fund or the Class Currency of a Unit.

### **Performance Fee Risk**

Any performance fee payable in respect of a particular Class or Sub-Fund will be based on net realised and net unrealised gains and losses at the end of the relevant calculation period as specified in the relevant Supplement and, as a result, performance fees may be paid on unrealised gains which may subsequently never be realised. Save where performance fee related Classes or series of Classes are issued, the performance fee for any Class or Sub-Fund is calculated for each individual Unit in issue at the end of the relevant period, and the total fee payable for a particular Unit Class is the sum of all such individual calculations relating to that Unit Class. While efforts will be made to eliminate potential inequalities between Unitholders through the performance fee calculation methodology, there may be occasions where a Unitholder may pay a performance fee for which it has received no benefit.

### **Political and / or Regulatory Risks**

The value of the assets of each Sub-Fund may be affected by uncertainties such as international political developments, changes in government policies, taxation, restrictions on foreign investments and currency repatriation, currency fluctuations, and other developments in the legal, regulatory and political climate in the countries in which investments may be made, which may or may not occur without prior notice. Any such changes or developments may affect the value and marketability of the Sub-Fund's investments. Furthermore, it should be noted that the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made do not provide the same degree of investor protection or information to investors as would generally apply in more developed countries.

### **Potential to Lose All of the Sum Invested and Unitholder Indemnity**

Unitholders, when completing an Account Opening Form, will be required to certify that they have sufficient knowledge and experience in business and financial matters so as to be capable of evaluating the merits and risks of an investment in a Sub-Fund, and that they are aware of the risks involved in the proposed investment and of the fact that inherent in such investment is the potential to lose the entire sum invested

### **Redemption Risk**

Large redemptions of Units in a Sub-Fund may result in that Sub-Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets.

### **Redemption Restrictions**

In certain situations the Manager may impose restrictions on the redemption of Units in a particular Sub-Fund or the Fund as a whole. In such situations a Unitholder either may not receive its redemption proceeds until after the sale of sufficient investments to meet those redemption requests, or may not be permitted to redeem its Unitholding until one or more Dealing Days after the Dealing Day to which its redemption request related, or may have its redemption request satisfied by the transfer to it of assets of the relevant Sub-Fund in specie.

If it shall come to the notice of the Directors or if the Directors shall have reason to believe that any Units are owned directly or beneficially by any person or persons in breach of restrictions imposed by the Directors or any declarations or information is outstanding (including inter alia any declarations or information required pursuant to anti-money laundering or counter terrorist financing requirements), the Directors shall be entitled (subject to appropriate authority under the Articles) to give notice (in such form as the Directors deem appropriate) of their intention to compulsorily redeem that person's Units. The Directors may (subject to appropriate authority under the Articles) charge any such Unitholder, any legal, accounting or administration costs associated with such compulsory redemption. In the event of a compulsory redemption, the redemption price will be determined as of the Valuation Point in respect of the relevant Redemption Day specified by the Directors in their notice to the Unitholder. The proceeds of a compulsory redemption shall be paid in accordance with the redemption provisions outlined below.

### **Registration Risk**

In some emerging market countries, evidence of legal title to shares is maintained in "book-entry" form. In order to be recognised as the registered owner of the shares of a company, a purchaser or purchasers' representative must physically travel to a registrar and open an account with the registrar (which, in certain cases, requires the payment of an account opening fee). Thereafter, each time that the purchaser purchases additional shares of the company, the purchasers' representative must present to the registrar powers of attorney from the purchaser and the seller of such shares, along with evidence of such purchase, at which time the registrar will debit such purchased shares from the seller's account maintained on the register and credit such purchased shares to the purchaser's account to be maintained on the register.

The role of the registrar in such custodial and registration processes is crucial. Registrars may not be subject to effective government supervision and it is possible for a Sub-Fund to lose its registration through fraud, negligence or mere oversight on the part of the registrar. Furthermore, while companies in certain emerging market countries may be required to maintain independent registrars that meet certain statutory criteria, in practice, there can be no guarantee that this regulation has been strictly enforced. Because of this possible lack of independence, management of companies in such emerging market countries can potentially exert significant influence over the shareholding in such companies. If the company register were to be destroyed or mutilated, the Sub-Funds holding of the

shares of the company could be substantially impaired, or in certain cases, deleted. Registrars often do not maintain insurance against such occurrences, nor are they likely to have assets sufficient to compensate shareholders. While the registrar and the company may be legally obliged to remedy such loss, there is no guarantee that either of them would do so, nor is there any guarantee that an affected Sub-Fund would be able to bring successfully a claim against them as a result of such loss. Furthermore, the registrar or the relevant company could wilfully refuse to recognise the Fund or a Sub-Fund as the registered holder of shares previously purchased by or in respect of a Sub-Fund due to the destruction of the company's register.

### **Reliability of Credit Ratings**

Each Sub-Fund may only invest in securities / investments of a certain credit rating. Credit ratings may however not always be an accurate or reliable measure of the strength of the securities / investments being invested in. Where such credit ratings prove inaccurate or unreliable losses may be incurred by any Sub-Fund which has invested in such securities / investments.

### **Reliability of Information**

There is no assurance that the sources of the information concerning the targeted countries are wholly reliable. Official statistics may be produced on a basis different to that used in developed countries. Any statements relating to some of the targeted countries must therefore be subject to some degree of uncertainty due to doubts about the reliability of available official and public information.

### **Remittance of Principal and Investment Income**

The remittance of profits earned by foreign investors in certain countries and the repatriation of their investments are governed by relevant local regulations. Pursuant to these regulations, remittances of principal and investment income of the investments and any other amounts may be subject to the approvals of the respective foreign exchange control authorities. There is no certainty that such approvals may be obtained at all times.

### **Risks relating to Reliance on the Investment Manager**

Investment decisions will be made for the Sub-Funds by the Investment Manager. The success of a Sub-Fund will depend on the ability of the Investment Manager to identify suitable investments and the ability of the Investment Manager to dispose of such investments at a profit for the Sub-Fund. Adverse events could affect one or more of the Sub-Fund's investments at the same time. There can be no assurance that the Investment Manager will be successful in this regard.

### **Sales and Repurchase Charges**

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

### **Settlement Risk**

The trading and settlement practices and the reliability of the trading and settlement systems of some of the markets or exchanges on which a Sub-Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by, or disposed of, by a Sub-Fund.

### **Stocklending Risk**

In the event of a Sub-Fund entering into stocklending agreements, Unitholders should be aware that, as with any extensions of credit, there are risks of delay and recovery. Should the borrower of the securities fail financially, the collateral received will be called upon. The value of the collateral received will equal or exceed in value at all times the value of the securities loaned. In the event of a sudden upward market movement, there is a risk that the value of the collateral may fall below the value of the securities transferred.

### **Suspension of Dealing**

In certain situations the Manager, may, with the consent of the Trustee, temporarily suspend the determination of the Net Asset Value of any Sub-Fund. Any such suspension would result in the suspension of the issuing and redemption of the relevant Sub-Fund's Units to and from its Unitholders during such period of suspension.

Notwithstanding that subscription monies, redemption monies and dividend amounts will be held in Cash Accounts in the name of and treated as assets of and attributable to a Sub-Fund:

- (a) any subscription monies received from an investor prior to the Dealing Day of a Sub-Fund in respect of which an application for Units has been, or is expected to be, received will not be taken into account as an asset of the Sub-Fund for the purpose of determining the Net Asset Value of that Sub-Fund until subsequent to the Valuation Point in respect of the Dealing Day as of which Units of the Sub-Fund are agreed to be issued to that investor;
- (b) any redemption monies payable to an investor subsequent to the Dealing Day of a Sub-Fund as of which Units of that investor were redeemed will not be taken into account as an asset of the Sub-Fund for the purpose of determining the Net Asset Value of that Sub-Fund; and
- (c) From the date upon which it becomes payable, any dividend amount payable to a Unitholder will not be taken into account as an asset of the Sub-Fund for the purpose of determining the Net Asset Value of that Sub-Fund.

### **Unit Currency Designation Risk**

A Class of Unit of a Sub-Fund may be designated in a currency other than the Base Currency of that Sub-Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Units as expressed in the designated currency. The Investment Manager may or may not try to mitigate this risk by using Financial Derivative Instruments, including currency options and forward currency exchange contracts set out by, and within the conditions and limits imposed, by the Central Bank. A Class of Unit may not be leveraged as a result of the use of such techniques and instruments, the use of which may be up to but may not exceed 105% of the Net Asset Value attributable to the relevant Class of Unit. Investors should be aware that

this strategy may substantially limit Unitholders of the relevant Class of Unit from benefiting if the designated currency falls against the Base Currency. In such circumstances, Unitholders of the Class of Unit of such a Sub-Fund may be exposed to fluctuations in the Net Asset Value per Unit reflecting the gains/losses on and the costs of the relevant financial instruments.

In the case of an unhedged Class of Unit, a currency conversion will take place on subscriptions, redemptions, exchanges and distributions at prevailing exchange rates.

Although hedging strategies may not necessarily be used in relation to each Class of Unit within a Sub-Fund, the financial instruments used to implement such strategies shall be assets/liabilities of that Sub-Fund as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class of Unit of that Sub-Fund. Any currency exposure of this Class of Unit may not be combined with or offset with that of any other Class of Unit of such a Sub-Fund. The currency exposures of the assets of that Sub-Fund will not be allocated to separate Classes of Units.

### **Unitholder Concentration Risk**

A Sub-Fund may have a limited number of Unitholders or investors and several of these Unitholders may have contributed a substantial percentage of such Sub-Fund's capital. Should one or more of these Unitholders or investors redeem capital from such Sub-Fund - which they may feel compelled to do for reasons entirely unrelated to the performance of such Sub-Fund - the effect on such Sub-Fund could be materially adverse.

### **Valuation Risk**

A Sub-Fund may invest some of its assets in unquoted securities. Such investment will be valued at the probable realisation value as determined in accordance with the provisions set out under the heading "Calculation of Net Asset Value" below. Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. Each Sub-Fund may, for the purpose of efficient portfolio management, engage in derivative instruments in which case there can be no assurance that the valuation as determined in accordance with the provisions set out under the heading "Calculation of Net Asset Value" below reflects the exact amount at which the instrument may be "closed out".

### **Taxation**

Any change in the taxation legislation in Ireland, or elsewhere, could affect (i) the Fund or any Sub-Fund's ability to achieve its investment objective, (ii) the value of the Fund's or any Sub-Fund's investments or (iii) the ability to pay returns to Unitholders or alter such returns. Any such changes, which could also be retroactive, could have an effect on the validity of the information stated herein based on current tax law and practice. Prospective investors and Unitholders should note that the statements on taxation which are set out herein and, as applicable, in any Supplement, are based on advice which has been received by the Manager regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is

made in the Fund will endure indefinitely.

If, as a result of the status of a Unitholder, the Fund or a Sub-Fund becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon, if an event giving rise to a tax liability occurs, the Fund or the Sub-Fund shall be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Units held by the Unitholder or the beneficial owner of the Units as have a value sufficient after the deduction of any redemption charges to discharge any such liability. The relevant Unitholder shall indemnify and keep the Fund or the Sub-Fund indemnified against any loss arising to the Fund or the Sub-Fund by reason of the Fund or the Sub-Fund becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

Unitholders and prospective investors' attention is drawn to the taxation risks associated with investing in the Fund. Please refer to the section headed "Taxation".

### **Foreign Account Tax Compliance Act**

The foreign account tax compliance provisions ("**FATCA**") of the Hiring Incentives to Restore Employment Act 2010 which apply to certain payments are essentially designed to require reporting of Specified US Person's direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service, with any failure to provide the required information resulting in a 30% US withholding tax on direct US investments (and possibly indirect US investments). In order to avoid being subject to US withholding tax, both US investors and non-US investors are likely to be required to provide information regarding themselves and their investors. In this regard the Irish and US Governments signed an intergovernmental agreement ("**Irish IGA**") with respect to the implementation of FATCA (see section entitled "Compliance with US reporting and withholding requirements" for further detail) on 21 December 2012.

Under the Irish IGA (and the relevant Irish regulations and legislation implementing same), foreign financial institutions (such as the Fund) should generally not be required to apply 30% withholding tax. To the extent the Fund however suffers US withholding tax on its investments as a result of FATCA, or is not in a position to comply with any requirement of FATCA, the Administrator acting on behalf of the Fund may take any action in relation to a Unitholder's investment in the Fund to redress such non-compliance and/or to ensure that such withholding is economically borne by the relevant Unitholder whose failure to provide the necessary information or to become a participating foreign financial institution or other action or inaction gave rise to the withholding or non-compliance, including compulsory redemption of some or all of such Unitholder's holding of Units in the Fund.

Unitholders and prospective investors should consult their own tax adviser with regard to US federal, state, local and non-US tax reporting and certification requirements associated with an investment in the Fund.

### **Common Reporting Standard**

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD

developed the Common Reporting Standard (“**CRS**”) to address the issue of offshore tax evasion on a global basis. Additionally, the European Union adopted EU Council Directive 2014/107/EU, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (“**DAC2**”).

The CRS and DAC2 provide a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS and DAC2, participating jurisdictions and EU member states will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures.

The Fund is required to comply with the CRS and DAC2 due diligence and reporting requirements, as adopted by Ireland. Unitholders may be required to provide additional information to the Fund to enable the Fund to satisfy its obligations under the CRS and DAC2. Failure to provide the requested information may subject an investor to liability for any resulting penalties or other charges and/or compulsory redemption of their Units in the Fund.

Unitholders and prospective investors should consult their own tax advisor with respect to their own certification requirements associated with an investment in the Fund.

### **Cyber Security Risk**

The Manager and the Manager’s 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 unauthorized 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 unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Manager, Investment Manager, Administrator or Trustee 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 Administrator’s ability to calculate a Sub-Fund’s NAV; impediments to trading for a Sub-Fund of the Fund; the inability of Unitholders to transact business relating to the Fund or any Sub-Fund; 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 from cyber security incidents affecting issuers of securities in which a Sub-Fund invests, counterparties with which the Manager on behalf of a Sub-Fund 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.



## **Operation of Cash Accounts**

The Manager on behalf of the Fund has established cash accounts designated in different currencies at Sub-Fund level in the name of the relevant Sub-Fund. All subscriptions, redemptions or dividends payable to or from the relevant Sub-Fund will be channelled and managed through such cash accounts (together the "Cash Accounts").

In addition, investors should note that in the event of the insolvency of another Sub-Fund of the Fund, recovery of any amounts to which a relevant Sub-Fund is entitled, but which may have transferred to such other insolvent Sub-Fund as a result of the operation of the Cash Account(s) will be subject to the principles of Irish trust law. There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent Sub-Fund may have insufficient funds to repay the amounts due to the relevant Sub-Fund.

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

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

## **Eurozone Crisis**

As a result of the crisis of confidence in the markets which has caused bond yield spreads (the cost of borrowing in the debt capital markets) and credit default spreads (the cost of purchasing credit protection) to increase, most notably in relation to certain Eurozone countries, certain countries in the European Union ("EU") have had to accept "bailouts" from banks and lines of credit from supra-governmental agencies such as the International Monetary Fund and the recently created European Financial Stability Facility. The European Central Bank has also been intervening to purchase Eurozone debt in an attempt to stabilise markets and reduce borrowing costs. Notwithstanding the

measures which leaders of countries in the Eurozone have agreed, and future measures which may be introduced, it is possible that a country may leave the Eurozone and return to a national currency, and as a result may leave the EU and/or that the euro, the European single currency, will cease to exist in its current form and/or lose its legal status in one or more countries in which it currently has such status. The effect of such potential events on the Fund, its Sub-Funds and/or one or more Classes of Unit is impossible to predict. Such events could result in significant exchange rate volatility and could have an adverse impact on the financial markets, not only within Europe but globally and could have an adverse impact on the value of the Fund's investments.

## **Brexit**

With effect from 31 January, 2020 the United Kingdom is no longer part of the European Union ("Brexit").

Brexit has and may continue to result in substantial volatility in foreign exchange markets which may lead to a sustained weakness in the British pound's exchange rate against the United States dollar, the euro and other currencies which may have an adverse effect on the Fund, the Sub-Funds' investments, and the Investment Manager's business, financial condition, results of operations and prospects. There is also a possibility of reduced liquidity of some securities following Brexit. This could lead to increased difficulty in producing Sub-Fund valuations.

While the full impact of Brexit continues to evolve, the exit of the United Kingdom from the European Union could have a material impact on the region's economy and the future growth of that economy, which may impact adversely on the Investment Manager's business and the Sub-Funds' investments in the United Kingdom and Europe. It could also result in prolonged uncertainty regarding aspects of the United Kingdom and European economy and damage customers' and investors' confidence. Any of these events, as well as an exit or expulsion of a Member State other than the United Kingdom from the European Union, could have a material adverse effect on the financial condition, results of operations and prospects of the Fund, its Sub-Funds and the Investment Manager.

## **GDPR**

The GDPR had direct effect in all Member States from 25 May 2018 and replaced previous EU data privacy laws. Under the GDPR, data controllers are subject to additional obligations including, amongst others, accountability and transparency requirements whereby the data controller is responsible for, and must be able to demonstrate compliance with the rules set down in the GDPR relating to data processing and must provide data subjects with more detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include more enhanced data consent requirements and the obligation to report any personal data breach to the relevant supervisory authority without undue delay. Under the GDPR, data subjects (i.e. identified or identifiable natural persons, to whom the personal data relate) are afforded additional rights, including the right to rectify inaccurate personal information, the right to have personal data held by a data controller erased in certain circumstances and the right to restrict or object to processing in a number of circumstances.

The implementation of GDPR may result in increased operational and compliance costs being borne directly or indirectly by the Fund. If there are breaches or failures in the implementation of these measures by the Manager or any of its service providers, the Fund and the Manager or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the Fund suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

### **Pandemic**

A pandemic may result in sustained market volatility and a period of economic decline globally. A pandemic may also have a significant adverse impact on the value of a Sub-Fund's investments and the ability of the relevant Investment Manager to access markets or implement the Sub-Fund's investment policy in the manner originally contemplated. Government interventions or other limitations or bans introduced by regulatory authorities or exchanges and trading venues as temporary measures in light of significant market volatility may also negatively impact on the relevant Investment Manager's ability to implement a Sub-Fund's investment policy. Sub-Funds' access to liquidity could also be impaired in circumstances where the need for liquidity to meet redemption requests may rise significantly. Services required for the operation of the Fund such as the determination of the Net Asset Value of any Sub-Fund and the issue, conversion and redemption of Units in any Sub-Fund, may in certain circumstances be impacted as a result of such pandemic. In March 2020, the World Health Organisation declared COVID-19 a pandemic and the aftereffect of this pandemic is not yet known.

### **Risk Factors Not Exhaustive**

The investment risks set out in this Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the Fund and any Sub-Fund may be exposed to risks of an exceptional nature from time to time.

Details of specific risks attaching to a particular Sub-Fund or Class which are additional to those described in this section will be disclosed in the relevant Supplement.

## MANAGEMENT OF THE FUND

### Manager

Pursuant to the Management Agreement the Fund has appointed Carne Global Fund Managers (Ireland) Limited as the manager of the Fund. The Manager will be responsible for the management and general administration of the Fund with power to delegate such functions subject to the overall supervision and control of the Manager.

Under the terms of the Management Agreement, the Manager has responsibility for the performance of portfolio management, risk management and certain other functions and services in respect of the Fund and the Sub-Funds' investments and, in connection therewith, to act as the Manager of the Fund for the purposes of the Regulations.

The Directors of the Manager are described below:

#### **Neil Clifford (nationality: Irish – Irish resident)**

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

#### **Teddy Otto (nationality: German – Irish resident)**

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

#### **Michael Bishop (nationality: British – U.K. resident)**

Mr. Bishop was with UBS Global Asset Management (U.K.) Ltd. (1990 – 2011) holding executive director and then managing director positions and was responsible for the development and

management of the U.K. business's range of investment funds. His areas of expertise include U.K. open-ended investment companies, unit trusts, unit linked funds and Irish, Cayman Islands, Channel Islands and other investment structures. He was a director of and responsible for the launch of UBS Global Asset Management Life Ltd. and UBS (Ireland) plc. Mr. Bishop has designed and launched products catering for all capabilities including equities, fixed income and alternative strategies. He has also been responsible for service provider appointment and management, as well as holding senior accounting and managerial roles with other financial services companies including Flemings and Tyndall. He has served on a number of the Investment Management Association's committees, industry forums and consultation groups specialising in U.K. and international regulation, product development and taxation. Mr. Bishop is a Fellow of the Association of Chartered Certified Accountants. Since retiring in 2011, he has been involved with various charities.

**Sarah Murphy (nationality: Irish – Irish resident)**

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

Prior to joining the Carne Group, Sarah held a number of senior management roles in BDO Ireland's corporate services business. During this period, Sarah was responsible for providing advisory services to a broad range of domestic and international clients in relation to corporate governance and company law issues associated with acquisitions, disposals and company re-organisations.

**David McGowan (nationality: Irish – Irish resident)**

David joined Carne as the Global Chief Operating Officer in October 2019. David has over 15 years' experience in building and managing complex operations teams across a variety of industries. David has responsibility for a multitude of operational functions across a number of business lines across the Carne Group. As part of David's remit within Carne Group, he is responsible for ensuring that the most appropriate operating model is in place for the Manager's regulatory environment as the Manager grows in terms of assets under management, number of funds under management and number of delegate arrangements.

In David's role prior to joining Carne, he served as a Director of Global Business Services with LinkedIn leading a number of global business lines, including heading up functions of over 400 full time employees with global accountability for relationship management and management operating systems implementation. Prior to his role with LinkedIn, David was a Director of Global Business Services with Accenture Plc providing domain and analytical support for outsourced relationships in EMEA and project implementation across a number of areas including Customer Success and Sales.

David holds a BSc in Supply Chain Management and Logistics from the Aston University Birmingham.

**Elizabeth Beazley (nationality: Irish – Irish resident)**

Elizabeth Beazley is a Director with the Carne Group specialising in corporate governance, product development, financial reporting and fund oversight for both mutual and hedge funds. Elizabeth has a 20-year track record in financial services. As Group Chief of Staff for Carne Group, Elizabeth works on various strategic projects within the Executive Committee and oversees the Global Onboarding team at Carne which is responsible for overseeing a team project managing the establishment of UCITS and AIFs and several third-party management companies covering service provider selection, governance, documentation drafting and operational set-up.

Elizabeth currently acts as Director on a number of funds/management companies. Prior to joining Carne, Elizabeth spent four years with AIB/BNY Fund Management in Ireland, and before that worked for HSBC. Elizabeth has been a member of various industry working groups including the Technical committee and the ETF committee and currently sits on the Irish Funds' Management Company working group. She graduated with a Bachelor of Commerce from University College Cork and has a Masters' degree in Business Studies from the Smurfit Graduate School of Business. Elizabeth is a member of the Association of Chartered Certified Accountants.

**Christophe Douche (nationality: French – Luxembourg resident)**

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

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

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

The Manager was incorporated in Ireland as a private company on 10 November 2003 with limited liability under registration number 377914. The Manager was also approved by the Central Bank with effect from 16 August 2013 to act as an alternative investment fund manager for qualified investor alternative investment funds pursuant to the AIFM Regulations.

As at the date of this Prospectus, the Manager has issued and paid share capital of €1,575,100.00. The Manager will, at all times, maintain a minimum capital requirement in accordance with regulatory requirements.

A summary of the terms of the Management Agreement is set out in the section headed “Material Contracts”.

### **Delegation by the Manager**

The Manager may delegate part of its function to another party in accordance with the UCITS Regulations and the Management Agreement. The Manager has sub-delegated: (a) to the Investment Manager responsibility for investment management and distribution, as well as the non-exclusive authority to market the Units of the Sub-Funds in the EEA, and (b) to the Administrator, the right and obligation to provide administrative services. Such sub-delegation is detailed in the section headed “Investment Manager” and “Administrator” below.

### **Remuneration Policies and Procedures of the Manager**

The Manager has designed and implements a remuneration policy which is consistent with and promotes sound and effective risk management by having a business model which by its nature does not promote excessive risk taking that is inconsistent with the risk profile of the Sub-Funds. The Manager’s remuneration policy is consistent with the Sub-Funds’ business strategy, objectives, values and interests and includes measures to avoid conflicts of interest.

The Manager has policies in place in respect of the remuneration of senior members of staff, staff whose activities will impact risk, staff who are involved in any control functions, staff who receive remuneration equivalent to senior management.

In line with the provisions of the UCITS Directive and the guidelines issued by ESMA, the Manager applies its remuneration policy and practices in a manner which is proportionate to its size and that of the Fund its internal organisation and the nature, scope and complexity of its activities.

Where the Manager delegates certain portfolio management and risk management functions in respect of the Fund, which it does to the Investment Managers, it may in its discretion decide the extent to which it will delegate portfolio management and risk management and accordingly the individual delegates may be afforded differing levels of responsibilities and remuneration. The Manager will use best efforts to ensure that:

1. the entities to which portfolio or risk management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the relevant guidelines issued by ESMA; or
2. appropriate contractual arrangements are put in place to ensure that there is no circumvention of the remuneration rules set out in the relevant ESMA guidelines.

Further details with regard to the remuneration policy are available at the following website <http://www.carnegroup.com/policies-and-procedures/>

The remuneration policy may be obtained free of charge on request from the Manager.

### **The Company Secretary of the Manager**

The company secretary of the Manager is Carne Global Financial Services Limited and any correspondence for the Manager or Director can be sent to their registered office details of which are set out in the Directory.

### **Investment Manager**

Details of the Investment Manager appointed to manage the investment and reinvestment of the assets of each Sub-Fund will be set out in the relevant Supplement.

### **Trustee**

The Manager has appointed The Bank of New York Mellon SA/NV, Dublin branch to act as Trustee to the Manager on behalf of the Fund.

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

Both the Administrator and the Trustee are wholly-owned indirect subsidiaries of The Bank of New York Mellon Corporation. BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. As at 30 September 2021, it had US\$45.3 trillion in assets under custody and administration and US\$2.3 trillion in assets under management.

### **Duties of the Trustee**

The Trustee has been entrusted with following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Units are carried out in accordance with applicable law and the management regulations/articles of incorporation.
- ensuring that the value of the Units is calculated in accordance with applicable law and the management regulations/articles of incorporation.
- carrying out the instructions of the Manager and/or the Fund unless they conflict with applicable law and the management regulations/articles of incorporation.
- ensuring that in transactions involving the assets of the Fund any consideration is remitted within the usual time limits.
- ensuring that the income of the Fund is applied in accordance with applicable law and the management regulations/articles of incorporation.
- monitoring of the Fund's cash and cash flows



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

### **Trustee Liability**

In carrying out its duties the Trustee shall act honestly, fairly professionally, independently and solely in the interests of the Fund and its Unitholders.

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Directive, and in particular Article 18 of the Regulations, the Trustee shall return financial instruments of identical type or the corresponding amount to the Fund or the Manager acting on behalf of the Fund without undue delay.

The Trustee shall not be liable if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Directive.

In case of a loss of financial instruments held in custody, the Unitholders may invoke the liability of the Trustee directly or indirectly through the Trust/Manager provided that this does not lead to a duplication of redress or to unequal treatment of the Unitholders.

The Trustee will be liable to the Fund for all other losses suffered by the Fund as a result of the Trustee's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Directive.

The Trustee shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Trustee of its duties and obligations.

### **Delegation**

The Trustee has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Trustee's liability shall not be affected by any delegation of its safe-keeping functions under the Trust Deed.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Schedule 4 to the Prospectus. Investors should note that the list of sub-delegates is updated only at each Prospectus review.

### **Conflicts of Interest**

The Trustee is part of an international group of companies and businesses that, in the ordinary course of their business, act simultaneously for a large number of clients, as well as for their own account, which may result in actual or potential conflicts. Conflicts of interest arise where the Trustee or its affiliates engage in activities under the Trust Deed or under separate contractual or other arrangements. Such activities may include:

- (i) providing nominee, administration, registrar and transfer agency, research, agent securities lending, investment management, financial advice and/or other advisory services to the Fund;
- (ii) engaging in banking, sales and trading transactions including foreign exchange, derivative, principal lending, broking, market making or other financial transactions with the Fund either as principal and in the interests of itself, or for other clients.

In connection with the above activities the Trustee or its affiliates:

- (i) will seek to profit from such activities and are entitled to receive and retain any profits or compensation in any form and are not bound to disclose to, the Fund, the nature or amount of any such profits or compensation including any fee, charge, commission, revenue share, spread, mark-up, mark-down, interest, rebate, discount, or other benefit received in connection with any such activities;
- (ii) may buy, sell, issue, deal with or hold, securities or other financial products or instruments as principal acting in its own interests, the interests of its affiliates or for its other clients;
- (iii) may trade in the same or opposite direction to the transactions undertaken, including based upon information in its possession that is not available to the Fund;
- (iv) may provide the same or similar services to other clients including competitors of the Fund;
- (v) may be granted creditors' rights by the Fund which it may exercise.

The Fund may use an affiliate of the Trustee to execute foreign exchange, spot or swap transactions for the account of the Fund. In such instances the affiliate shall be acting in a principal capacity and not as a broker, agent or fiduciary of the Fund. The affiliate will seek to profit from these transactions and is entitled to retain and not disclose any profit to the Fund. The affiliate shall enter into such transactions on the terms and conditions agreed with the Fund.

Where cash belonging to the Fund is deposited with an affiliate being a bank, a potential conflict arises in relation to the interest (if any) which the affiliate may pay or charge to such account and the fees or other benefits which it may derive from holding such cash as banker and not as trustee.

The Manager may also be a client or counterparty of the Trustee or its affiliates.

Up-to-date information on the Trustee, its duties, any conflicts that may arise, the safe-keeping functions delegated by the Trustee, the list of delegates and sub-delegates and any conflicts of interest that may arise from such a delegation will be made available to Unitholders on request.

### **Administrator**

The Manager has appointed BNY Mellon Fund Services (Ireland) DAC to act as administrator, registrar and transfer agent of the Fund with responsibility for performing the day to day administration of the Company, including the calculation of the Net Asset Value and the Net Asset Value per Unit of each Sub-Fund. The Administrator is a private limited company incorporated in Ireland on 31st May 1994 and is engaged in the provision of fund administration, accounting, registration, transfer agency

and related shareholders services to collective investment schemes and investment funds. The Administrator is authorised by the Central Bank under the Investment Intermediaries Act, 1995.

The Administrator is a wholly-owned indirect subsidiaries of The Bank of New York Mellon Corporation. BNY Mellon is a global financial services company focused on helping clients manage and service their financial assets, operating in 35 countries and serving more than 100 markets. BNY Mellon is a leading provider of financial services for institutions, corporations and high-net-worth individuals, providing superior asset management and wealth management, asset servicing, issuer services, clearing services and treasury services through a worldwide client-focused team. As at 30th September 2021, it had US\$45.3 trillion in assets under custody and administration and US\$2.3 trillion in assets under management.

The Administrator will only be liable to the Manager and the Unitholders for any loss suffered by them as a result of the negligence, bad faith, fraud, wilful default or recklessness on the part of the Administrator.

The Manager undertakes to hold harmless and indemnify the Administrator on its own behalf and on behalf of its permitted delegates, servants and agents against all actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the investments or Units) and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Administrator, its permitted delegates, servants or agents in the performance or non-performance of its obligations and duties under the Administration Agreement and from and against all taxes on profits or gains of the Manager or the Fund which may be assessed upon or become payable by the Administrator or its permitted delegates, servants or agents provided that such indemnity shall not be given where the Administrator, the Administrator's servants or agents is or are guilty of negligence, wilful default, bad faith or fraud in the performance or non-performance of its duties under the Administration Agreement.

### **Investment Advisory Council**

The Manager has appointed an Investment Advisory Council. The Investment Advisory Council will at all times act in a non-discretionary capacity and will only have a review and oversight function and for the avoidance of doubt will not make any investment decisions. The Investment Advisory Council will review the performance of the Fund, make recommendations, and will assist in establishing investment guidelines in relation to the Fund's investment policy. The Investment Advisory Council will only make recommendations to the Manager in relation to the Fund's distribution policy.

The Investment Advisory Council and its members will be under no liability to the Manager, the Investment Manager, the Trustee, the Fund or the Unitholders for taking any action or from refraining from taking any action in good faith on the advice of the Investment Manager or other advisers except to the extent that the Investment Advisory Council successfully recovers damages from such Investment Manager or other advisers. The Investment Advisory Council and its members generally will be liable only for their own wilful misfeasance, bad faith, negligence or reckless disregard of their obligations and duties and will not be liable for any loss incurred by reason of any error of law or any

matter or thing done or suffered or omitted to be done by the Investment Advisory Council or its members in good faith.

The Investment Advisory Council shall meet at least once in each year to review the performance of the Fund. Any expenses incurred by the Investment Advisory Council shall be borne by the Fund, but the members of the Investment Advisory Council shall not be entitled to receive any remuneration for acting as members of the Investment Advisory Council. Any expenses incurred by the Investment Advisory Council will be approved by the Manager.

The Manager may appoint other members to the Investment Advisory Council in addition to or in place of the existing members and any appointments to the Investment Advisory Council shall be notified to the Central Bank.

The Investment Advisory Council is currently comprised of three members. The members of the Investment Advisory Council are:

Mr. Magoyuki Oshitani of Sun Dwell, #101, 3-23-10 Nishi-Ochiai, Shinjuku-ku, Tokyo, 161 Japan;

Mr. Magotaka Oshitani of 3-34-32-2605 Nakano, Nakano-ku, Tokyo, 164-0001, Japan; and

Mr. Jeffrey Collett of 2173 Walker Lane, Salt Lake City, UT 84117, United States of America.

**Mr. Magoyuki Oshitani**

Mr Oshitani is the founder, chief investment officer and principal shareholder for the Yuki Group of companies. In 1991, Mr Oshitani established Yuki Asset Management Co., Ltd, starting a consulting business for institutional investors in Japan. Mr Oshitani expanded the business by establishing Yuki Investment Co., Ltd as an investment advisory firm to share his expertise and his investment philosophy with Japanese institutions to help them consistently outperform the market. Prior to 1991, Mr Oshitani was a portfolio manager and director with Fidelity group company in Japan for almost ten years.

**Mr. Magotaka Oshitani**

Mr. Magotaka Oshitani is a director and one of the major shareholders of Yuki Asset Management Co., Ltd., since July 2003, the parent company of YMS Management Services Limited. Since July 2003, he has also been a director and a shareholder of Yuki Investments Co., Ltd where he gained expertise in Yuki's unique equity valuation methodology. Mr. Oshitani has been involved in various Asian projects to which the Yuki Group is committed, as well as having acquired a depth of knowledge of investing in Japanese and Asian equity.

**Mr. O. Jeffrey Collett**

Mr. Collett is the founder and president of B.C. Consulting Services, Inc., which provides advice to offshore funds and special purpose vehicles for institutional and asset management clients. Mr. Collett is a member of the Investment Advisory Council for a number of Yuki funds established in Ireland and

investing in Japanese equities. For the last ten years Mr. Collett has been an investor in and advisor to private equity firms and companies seeking access to Japanese business opportunities. He was formerly vice president at Merrill Lynch in Japan responsible for private placements, structured products and alternative investments.

### **Placing Agent**

Yuki - Co, LLC has been appointed to act as placing agent of the Units as described in the relevant Supplement(s) to this Prospectus, pursuant to the relevant Placing Agent Agreement.

The Placing Agent Agreement shall continue until it is terminated as set out in the agreement. In the absence of bad faith, fraud, negligence or wilful misfeasance or reckless disregard of its duties thereunder the Placing Agent shall not be liable to the Manager or to any Unitholders for any loss or damage sustained or suffered by them arising directly or indirectly out of or as a result or in the course of the discharge of its duties thereunder.

With the consent of the Placing Agent, the Manager may appoint a placing agent either in addition to the Placing Agent or in substitution for the Placing Agent where the Placing Agent's appointment has been terminated.

The Placing Agent may appoint sub-placing agents.

### **Paying Agents/Representatives/Sub-Distributors**

Local laws/regulations in EEA Member States may require the appointment of paying agents/facilities agents/representatives/distributors/correspondent banks ("Paying Agents") and maintenance of accounts by such Paying Agents through which subscription and redemption monies or distributions may be paid. Unitholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or distributions via an intermediate entity rather than directly to the Trustee (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Trustee for the account of the Fund or the relevant Sub-Fund and (b) redemption monies payable by such intermediate entity to the relevant Unitholder. Fees and expenses of Paying Agents appointed by the Manager on behalf of the Fund or a Sub-Fund which will be at normal commercial rates will be borne by the Fund or the Sub-Fund in respect of which a Paying Agent has been appointed.

Country Supplements dealing with matters pertaining to Unitholders in jurisdictions in which Paying Agents are appointed may be prepared for circulation to such Unitholders and, if so, a summary of the material provisions of the agreements appointing the Paying Agents will be included in the relevant Country Supplements.

All Unitholders of the Fund or the Sub-Fund on whose behalf a Paying Agent is appointed may avail of the services provided by Paying Agents appointed on behalf of the Fund or Sub-Fund.

### **Dealings by Manager, Investment Manager, Trustee, Administrator, Placing Agent, Placing Agent in Japan and Associates**

There is no prohibition on dealings in the assets of any Sub-Fund by the Manager, the Investment Manager, the Trustee, the Administrator, the Placing Agent, the Placing Agent in Japan, any sub-placing agent, their delegates or entities related to the Manager, the Investment Manager, the Trustee, the Administrator, the Placing Agent, any sub-placing agent, their delegates or their respective officers, directors or executives, provided that the transaction is effected on normal commercial terms negotiated at arm's length. Such transactions must be consistent with the best interests of the Unitholders.

Transactions permitted are subject to:

- (i) the value of the transaction is certified by a person who has been approved by the Trustee as being independent and competent (or a person who has been approved by the Manager as being independent and competent in the case of transactions involving the Trustee); or
- (ii) the relevant transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or
- (iii) where the conditions set out in (i) and (ii) above are not practical, the Manager is satisfied that the transaction is conducted at arm's length and is in the best interests of Unitholders (or in the case of a transaction involving the Trustee, the Manager is satisfied that the transaction is conducted at arm's length and is in the best interests of Unitholders).

The Trustee (or the Manager in the case of transactions involving the Trustee) must document how it has complied with the provisions of paragraph (a), (b) or (c) above. Where transactions are conducted in accordance with (c) above, the Trustee (or the Manager in the case of transactions involving the Trustee) must document their rationale for being satisfied that the transaction conformed to the principles outlined above.

The Manager, the Investment Manager or any connected persons of the Manager or the Investment Manager may purchase and sell investments for the account of each Sub-Fund or otherwise effect a transaction in circumstances in which either of them has a material interest. All commissions and / or brokerage on such transactions arising from or in connection with any such purchase or sale shall be paid back into the relevant Sub-Fund.

The Manager, the Investment Manager, the Placing Agent, the Placing Agent in Japan and any sub-placing agent shall (without incurring any liability for failing so to do) endeavour to procure that no person who is a director or engaged in the management of the Manager, the Investment Manager, the Placing Agent, the Placing Agent in Japan, any sub-placing agent or any subsidiary or holding company or subsidiary of a holding company of the Manager, the Investment Manager, the Placing Agent, the Placing Agent in Japan or any sub-placing agent shall carry out transactions for himself or make a profit for himself from transactions in any assets of the Sub-Funds.

The Trustee (or the Directors in the case of transactions involving the Trustee) must document how it has complied with the provisions of paragraph (a), (b) or (c) above. Where transactions are conducted

in accordance with (c) above, the Trustee (or the Directors in the case of transactions involving the Trustee) must document their rationale for being satisfied that the transaction conformed to the principles outlined above.

### **Conflicts of Interest**

The Manager, the Investment Advisory Council, the Investment Manager, the Trustee, the Administrator, the Placing Agent, the Placing Agent in Japan, any sub-placing agent and their respective affiliates, officers and shareholders (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of a Sub-Fund. These include management of other funds, purchases and sales of securities, investment and management counselling, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of the assets increases) trustee and custodial services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which a Sub-Fund may invest. In particular, it is envisaged that the Investment Manager may be involved in managing or advising on the investments of other investment funds which may have similar or overlapping investment objectives to or with a Sub-Fund and that investment opportunities shall be fairly allocated to their respective clients. Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they might have. In the event that a conflict of interest does arise, the Manager shall endeavour to ensure that it is resolved fairly and in the interests of Unitholders.

### **Soft Commission Arrangements**

The Investment Manager may utilise brokers with whom soft commission arrangements are in place. A report thereon will be included in each Sub-Fund's annual and semi-annual statements. Any such arrangements will provide for best execution, namely, the best price available in the market, exclusive of any charges but taking account of any other exceptional circumstances such as counterparty risk, order size or client instructions and any benefits provided under such arrangements must be those which assist in the provision of investment services to the Sub-Funds.

### **Abusive Trading Practices / Market Timing**

The Manager generally encourages investors to invest in the Sub-Funds as part of a long-term investment strategy and discourages excessive or short term or abusive trading practices. Such activities, sometimes referred to as "market timing", may have a detrimental effect on the Sub-Funds and Unitholders. For example, depending upon various factors such as the size of the Sub-Fund and the amount of its assets maintained in cash, short-term or excessive trading by Unitholders may interfere with the efficient management of the Sub-Funds' portfolio, increased transaction costs and taxes and may harm the performance of the Sub-Fund.

The Manager seeks to deter and prevent abusive trading practices and to reduce these risks, and in doing so reserves the right to exercise its discretion to reject any subscription or switching transaction

without assigning any reason therefore if, in its judgement, the transaction may adversely affect the interest of a Sub-Fund or its Unitholders.

There can be no assurances that abusive trading practices can be mitigated or eliminated.



## **ADMINISTRATION OF THE FUND**

### **Description of Units**

The Units issued by each Sub-Fund are freely transferable and entitled to participate equally in the profits and distributions of the relevant Sub-Fund and in its assets upon termination. The Units which are of no par value and which must be fully paid up on issue, carry no preferential or pre-emptive rights. Units in each Sub-Fund are issued in registered form and entitlement thereto is evidenced by entry in the register. Fractions of Units rounded to the nearest one thousandth of a Unit may be issued at the discretion of the Manager.

Units in each Sub-Fund may be designated as one or more Classes of Unit the respective rights of which may differ.

### **Operation of Cash Accounts**

The Manager on behalf of the Fund has established Cash Accounts designated in different currencies at Sub-Fund level in the name of the relevant Sub-Fund. All subscriptions, redemptions or dividends payable to or from the relevant Sub-Fund will be channelled and managed through such Cash Accounts and no such accounts shall be operated at umbrella level. However, the Manager on behalf of the Fund, will ensure that all monies in any such Cash Account are recorded in the books and records of the Fund as assets of, and attributable to, the relevant Sub-Fund in accordance with the requirements of the Trust Deed.

Further information relating to such accounts is set out in the sections (i) "Subscription Price and Subscription Procedures" - "Operation of Cash Accounts" (ii) "Repurchase of Units" - "Operation of Cash Accounts"; and (iii) "Distribution Policy", respectively. In addition, your attention is drawn to the section of the Prospectus entitled "Risk Warnings" – "Operation of Cash Accounts" above.

### **Subscription Price and Subscription Procedures**

#### Price

The issue price per Unit during the Initial Offer Period is as set out in the Supplement for each Sub-Fund. Thereafter units will be issued at the Net Asset Value per Unit on the relevant Dealing day. In addition, a subscription charge of up to 3.00% of the Net Asset Value per Unit may be added to the Net Asset Value per Unit at the discretion of the Manager with the resultant figure rounded up to the nearest Unit of the Base Currency.

#### Applications

The terms and conditions applicable to an application for the issue of Units in a Sub-Fund together with subscription and settlement details and procedures and the time for receipt of applications will be specified in the Supplement for the relevant Sub-Fund. Application Forms may be obtained from the Administrator. The Minimum Subscription, Minimum Holding and Minimum Transaction Size for Units,

if applicable, will be set out in the Supplement for each Sub-Fund. The time limit in which payment for subscriptions must be made shall be set out in the Supplement for the relevant Sub-Fund.

The Manager may reject any application in whole or in part without giving any reason for such rejection in which event the subscription monies or any balance thereof will be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's risk.

#### Operation of Cash Accounts

Subscription monies received from an investor in advance of a Dealing Day in respect of which an application for Units has been, or is expected to be, received will be held in a Cash Account in the name of the relevant Sub-Fund and will be treated as an asset of the relevant Sub-Fund 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 in trust as investor monies for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Sub-Fund with respect to the amount subscribed and held by the Fund until such Units are issued as of the relevant Dealing Day. In the event of an insolvency of the Sub-Fund or the Fund, there is no guarantee that the Sub-Fund or the Fund will have sufficient funds to pay unsecured creditors in full.

Your attention is drawn to the section of the Prospectus entitled "Risk Warnings – Operation of Cash Accounts" above.

#### Beneficial Ownership Regulations

The Manager may request such information (including by means of statutory notices) as may be required for the establishment and maintenance of the Manager's beneficial ownership register in accordance with the Beneficial Ownership Regulations in respect of the Fund. It should be noted that a beneficial owner, as defined in the Beneficial Ownership Regulations (a "**Beneficial Owner**") has, in certain circumstances, obligations to notify the Manager in writing of relevant information as to his/her status as a Beneficial Owner and any changes thereto (including where a Beneficial Owner has ceased to be a Beneficial Owner).

Applicants should note that it is an offence under the Beneficial Ownership Regulations for a Beneficial Owner to (i) fail to comply with the terms of a beneficial ownership notice received from or on behalf of the Fund or (ii) provide materially false information in response to such a notice or (iii) fail to comply with his/her obligations to provide relevant information to the Manager as to his/her status as a Beneficial Owner or changes thereto in certain circumstances or in purporting to comply, provide materially false information.

#### **Anti-Money Laundering Provisions**

Measures aimed towards the prevention of money laundering, within the jurisdiction of the Administrator, may require a detailed verification of the applicant's identity. Depending on the circumstances of each application, a detailed verification may not be required where the application is made through a recognised intermediary. These exceptions will only apply if the financial institution or

intermediary referred to above are within a country recognised by Ireland as having equivalent anti-money laundering regulations. A non-corporate applicant shall be required to produce a certified true copy of a passport or identification card that bears evidence of the applicant's identity, signature and date and place of birth duly certified by a notary public or other person specified in the Application Form, together with two original documents bearing evidence of his/her address such as a utility bill or bank statement which are no more than three months old. Corporate applicants may be required to produce a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business address of all directors and an authorised signatories list. Additional documentation may be required.

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

Each applicant for Units acknowledges that the Manager or the Administrator and the Investment Manager shall not be liable for and shall be held harmless against any loss arising as a result of a failure to process his application for Units if such information and documentation as has been requested by the Manager or the Administrator or the Investment Manager has not been provided by the applicant.

Units cannot be applied to an account unless full details of registration and anti-money laundering checks have been completed. Units cannot be sold from an account unless they have been applied.

The Manager or the Administrator or the Investment Manager reserve the right to reject an application in whole or in part where settlement money has not been received by the settlement date or where settlement money has not been received in the Base Currency of the relevant Sub-Fund or for any other reason in which event the application money or any balance thereof will be returned to the applicant without interest by transfer to the applicant's designated account or by post at the applicant's risk.

## **Data Protection**

Prospective investors should note that by completing the Application Form they are providing information to the Manager or its delegates, which may constitute "personal data" within the meaning of the GDPR.

This data will be used for the specific purposes set out in the Application Form which include but are not limited to client identification, the management and administration of investors holding in the Fund, in order to comply with any applicable legal, taxation or regulatory requirements. Personal data provided to the Manager or its delegates (which may include where relevant personal data of persons connected with a corporate Unitholder such as directors, beneficial owners, representatives etc) may be disclosed to such third parties as identified in the Application Form including regulatory bodies, tax authorities, service providers of the Manager or its delegates such as the Administrator, the

Investment Manager, the Depositary etc, other delegates and advisors of the Manager and their or the Manager's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside the EEA which may not have the same data protection laws as in Ireland) for the purposes specified.

Investors have a right to obtain a copy of their personal data kept by the Manager or its delegates on behalf of the Fund, the right to rectify any inaccuracies in personal data held by the Manager or its delegates on behalf of the Fund and in a number of circumstances a right to be forgotten and a right to restrict or object to processing. In certain limited circumstances, a right to data portability may apply. Where a Unitholder is required to give his/her consent to the processing of personal data for certain specific purposes, that Unitholder may withdraw this consent at any time.

The Manager and its appointed service providers will retain all documentation provided by a Unitholder in relation to its investment in the Fund for such period of time as may be required by Irish legal and regulatory requirements, but for at least six years after the period of investment has ended or the date on which a Unitholder has had its last transaction with the Fund.

A copy of the data privacy statement of the Manager relating to the Fund is available upon request from the Manager.

It should also be noted that service providers of the Manager may act as data controllers of the personal data provided to the Fund in certain circumstances. In such instances, all rights afforded to Unitholders as data subjects under the GDPR shall be exercisable by a Unitholder against that service provider as the data controller of his/her personal data.

### **Transfer of Units**

Every Unitholder entered in the register of a Sub-Fund shall be entitled to transfer the Units or any of the Units held by him by an instrument in writing, including facsimile, in any common form approved by the Manager, or in such other form as the Manager may from time to time approve.

Every instrument of transfer must be signed by the transferor and the transferor shall be deemed to remain the holder of the Units intended to be transferred until the name of the transferee is entered in the relevant register in respect thereof.

Every instrument of transfer shall be deposited at the registered office of the Manager or the Administrator for registration and such other evidence or documents as the Manager or the Administrator may require to prove the title of the transferor or his right to transfer the Units.

The Manager or the Administrator may decline to register any transfer of Units if in consequence of such transfer the transferor or transferee would hold less than the minimum holding.

The transferee will be required to complete an application form which includes a declaration that the proposed transferee is not an Irish Resident, Ordinarily Resident in Ireland or US Person.

The Fund will be required to account for Irish tax on the value of the Units transferred at the applicable rate unless it has received from the Unitholder an appropriate statutory declaration in the prescribed form, confirming that the Unitholder is not an Irish Resident and not an Ordinarily Resident in Ireland

in respect of whom it is necessary to deduct tax. The Fund reserves the right to redeem such numbers of Units held by a transferor as may be necessary to discharge the tax liability arising.

### **Repurchase of Units**

Units shall be repurchased at the applicable Net Asset Value per Unit on the Dealing Day on which the repurchase is effected and in accordance with the procedures specified in the relevant Supplement.

A repurchase charge (payable to the relevant Sub-Fund) of up to 3% of the Net Asset Value per Unit of each Unit repurchased may be payable, which shall be deducted from the Net Asset Value per Unit and the resultant figure rounded down to the nearest Unit of Base Currency. Details of the repurchase charge payable will be set out in the relevant Supplement. It is not the current intention of the Manager to impose a repurchase charge. In the event that the Manager decides to do so it will notify relevant Unitholders in advance.

The Manager is entitled to limit the number of Units of each Sub-Fund repurchased on any Dealing Day to 10% of the total number of Units of the relevant Sub-Fund in issue, if in its judgement a repurchase request exceeding 10% of the total number of Units of the relevant Sub-Fund in issue may adversely affect the interest of a Sub-Fund or its Unitholders. In this event, the Manager will apply any requests for redemption on that Dealing Day pro rata and shall treat the redemption requests as if they were received on each subsequent Dealing Day until all the Units to which the original request related have been redeemed.

The right of any Unitholder to require the repurchase of Units of any Sub-Fund shall be temporarily suspended during any period when the calculation of the Net Asset Value of any particular Sub-Fund is suspended in the manner described at page 82 below. Unitholders requesting repurchase will be notified of such suspension and, unless withdrawn, repurchase requests will be considered as at the next Dealing Day following the end of such suspension or on such earlier dealing date following the end of the suspension as the Directors at the request of the applicant may agree.

### **Operation of Cash Accounts**

Redemption monies payable to an investor subsequent to a Dealing Day of a Sub-Fund as of which Units of that investor were redeemed (and consequently the investor is no longer a Unitholder of the relevant Sub-Fund as of the relevant Dealing Day) will be held in a Cash Account in the name of the relevant Sub-Fund and will be treated as an asset of the relevant Sub-Fund until paid to that investor and will not benefit from the application of any investor money protection rules (i.e., the redemption monies in such circumstance will not be held on trust for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Sub-Fund with respect to the redemption amount held by the Fund until paid to the investor. In the event of an insolvency of the Sub-Fund or the Fund, there is no guarantee that the Sub-Fund or the Fund will have sufficient funds to pay unsecured creditors in full.

In the event that redemption proceeds cannot be paid out to an investor, for example where anti-money laundering documentation is not provided or an investor cannot be contacted, it is the responsibility of the investor to ensure all necessary documentation and information required to

resolve the issue is provided promptly and is complete and accurate, so that the redemption proceeds may be released in a timely manner.

Your attention is drawn to the section of the Prospectus entitled “Risk Warnings – Operation of Cash Accounts” above.

### **Compulsory Repurchase or Transfer**

The Manager shall have power to impose such restrictions other than restrictions on transfers as they may think necessary for the purpose of ensuring that no Units are acquired or held by any person in breach of the law or requirements of any country or governmental authority. In this connection, the Manager may: (i) reject in its discretion any subscription for Units in a Sub-Fund, and (ii) pursuant to the Trust Deed repurchase at a price equal to the Net Asset Value per Unit on the relevant Dealing Day at any time Units owned directly or beneficially by any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Units.

Any person who is holding Units in contravention of the restrictions or whose holding could, in the opinion of the Manager or the Administrator, cause the Fund or the Unitholders as a whole to incur any liability to taxation or to suffer any pecuniary or regulatory disadvantage which any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Manager or the Administrator believes might be prejudicial to the interests of the Unitholders shall indemnify the Fund, the Investment Manager, the Administrator, the Trustee and any Unitholder for any loss suffered by it or them as a result of such person or persons acquiring or holding Units in the Fund.

If the disposal, repurchase or transfer of Units by a Unitholder or a distribution to a Unitholder gives rise to a liability related to taxation (e.g. withholding tax) the Manager or the Administrator shall be entitled to: (i) deduct from the payment due to such Unitholder an amount sufficient to discharge the tax liability (including any interest or penalties thereon); (ii) refuse to register any transfer which gives rise to such a liability; or (iii) appropriate and cancel such number of Units held by such Unitholder as have a value sufficient to discharge the tax liability (including interest or penalties thereon).

The Manager may, in its sole discretion, repurchase all (or a portion) of the Units of any Unitholder as at any Dealing Day on five Business Days written notice where such continued holding would result in the relevant Sub-Fund or its Unitholders as a whole, suffering any legal, fiscal, pecuniary, regulatory, taxation or material administrative disadvantage.

The Fund will be required to withhold Irish tax on repurchase monies, at the applicable rate, unless it has received from the Unitholder a Relevant Declaration confirming that either (a) the Unitholder is not an Irish Resident nor a person Ordinarily Resident in Ireland or (b) the Unitholder is an Exempt Irish Investor.

### **Switching**

Unitholders may at the discretion of the Manager or the Administrator, switch some or all of their Units or Class of Units in one or more Sub-Funds or Classes of Units within a Sub-Fund ("Original Units")

by notice in writing to the Manager into Units in one or more Sub-Funds or Class of Units in one or more Sub-Funds ("New Units"). Such notice shall be effective only if accompanied by an application form duly signed by the Unitholder and at such time and in such minimum amounts as the Administrator shall determine. Instructions should include full registration details together with the number of Original Units to be switched to New Units. The Manager or the Administrator may reject any switching request in whole or in part without giving any reason for such rejection.

Switching instructions must be received by the Administrator no later than 5.00 p.m. (Irish time) on the Business Day immediately preceding the relevant Dealing Day. Switching instructions received after the time aforesaid will be dealt with on the Dealing Day next following the relevant Dealing Day unless the Manager at its discretion determines otherwise, provided that any such switching instruction was made before the close of business in the Japanese markets on the relevant Dealing Day. On the relevant Dealing Day the Original Units to be switched shall ipso facto be switched into the appropriate number of New Units.

The Original Units shall on that Dealing Day have the same value (the "Switched Amount") as if they were being redeemed by the Manager or the Administrator from the Unitholder. The appropriate number of New Units shall be equal to the number of Units or Class of Units in the Sub-Fund or Sub-Funds that would be issued on that Dealing Day if the Switched Amount were invested in that Sub-Fund or Sub-Funds. The Manager may at its discretion impose a switching charge of up to 5% of the Net Asset Value of the Units switched.

The number of New Units to be issued on switching shall be determined by the Manager in accordance (or as nearly as may be in accordance) with the following formula:

$$U = \frac{(R \times RP \times ER) - F}{SP}$$

where:-

U = the number of New Units that will be issued;

R = the number of Original Units to be switched;

RP= the Redemption Price of an Original Unit at the Valuation Point on the relevant Dealing Day;

ER= the rate of exchange (if any) determined by the Manager on the relevant Dealing Day as the appropriate rate at which the Base Currency of the Original Units should be switched into the Base Currency of the New Units;

F = a switching charge (if any) of up to 5% of the value of New Units to be issued.

SP= the Subscription Price of a New Units at the Valuation Point on the relevant Dealing Day.

The number of Units will be rounded to the nearest one thousandth of a Unit.

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

The Net Asset Value of a Sub-Fund shall be expressed in the Base Currency of the relevant Sub-Fund and shall be determined for each Sub-Fund on each Dealing Day by ascertaining the value of the assets of the Sub-Fund at the Valuation Point and deducting from such amount the liabilities of the Sub-Fund and dividing the net assets by the number of Units then in issue or deemed to be in issue as at the Valuation Point, and by adjusting the resulting total to the nearest unit of Base Currency. The increase or decrease in the Net Asset Value of a Sub-Fund (as it relates to non-Class specific gains or losses) over or under, as the case may be, the closing Net Asset Value of that Sub-Fund on the immediately preceding Dealing Day is then allocated between the different Classes of Units in that Sub-Fund based on their pro rata closing Net Asset Values on the immediately preceding Dealing Day, as adjusted for subscriptions and redemptions executed at the prices calculated as at the immediately preceding Dealing Day. Class specific gains or losses for the period are allocated to the relevant Class. Each Net Asset Value of a Class is then divided by the number of Units in issue, respectively, and then rounded to the nearest Unit of Base Currency.

The assets of a Sub-Fund will be valued at the Valuation Point as follows:

- (a) Assets listed or traded on a stock exchange or regulated market (other than those referred to at (e) and (h) below) for which market quotations are readily available shall be valued at the last traded price provided that the value of any investment listed on a stock exchange or regulated market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange or on a regulated market may be valued taking into account the level of premium or discount as at the date of valuation of the investment as determined by the Manager approved for such purpose by the Trustee.

If for specific assets the last traded price do not, in the opinion of the Manager, reflect their fair value, or are not available the value shall be estimated with care and in good faith by the Manager, approved for such purpose by the Trustee, in consultation with the Investment Manager with a view to establishing the probable realisation value for such assets as at the close of business on the relevant market that most immediately precedes the Valuation Point;

- (b) If the assets are listed or traded on several stock exchanges or regulated markets, the last traded price on the stock exchange or regulated market which, in the opinion of the Manager in consultation with the Investment Manager, constitutes the main market for such assets, will be used;
- (c) In the event that any of the investments are not listed or traded on any stock exchange or regulated market, such securities shall be valued at their probable realisation value as at the close of business on the relevant market that most immediately precedes the Valuation Point estimated with care and in good faith (i) the Manager or (ii) a competent person, firm or



corporation (including the Administrator or the Investment Manager) selected by the Manager and approved for the purpose by the Trustee or (iii) any other means provided that the value is approved by the Trustee.. Such probable realisation value will be determined:

- (i) by using the original purchase price;
- (ii) where there have been subsequent trades with substantial volumes, by using the last traded price provided the Manager or the Administrator in consultation with the Investment Manager considers such trades to be at arm's length;
- (iii) where the Manager in consultation with the Investment Manager believes the investment has suffered a diminution in value, by using the original purchase price which shall be discounted to reflect such a diminution;
- (iv) if the Manager in consultation with the Investment Manager believes a mid-quotation from a broker is reliable, by using such a mid-quotation or, if unavailable, a bid quotation.

Alternatively, the Manager in consultation with the Investment Manager, may use such probable realisation value estimated with care and in good faith and as may be recommended by a competent professional appointed by the Manager or the Administrator or the Investment Manager and approved for such purpose by the Trustee. Due to the nature of such unquoted securities and the difficulty in obtaining a valuation from other sources, such competent professional may be related to the Investment Manager.

- (d) Cash and other liquid assets will be valued at their face value with interest accrued, where applicable up to close of business on the relevant market that most immediately precedes the Valuation Point.
- (e) Units or shares in open-ended collective investment schemes will be valued at the latest available net asset value as at the close of business on the relevant market that most immediately precedes the Valuation Point; units or shares in closed-ended collective investment schemes will, if listed or traded on a stock exchange or regulated market, be valued at the official close of business price on the principal exchange or market for such investment as at the Valuation Point or, if unavailable at the probable realisation value, as estimated with care and in good faith and as may be recommended by a competent professional appointed by the Manager or the Administrator or the Investment Manager and approved for the purpose by the Trustee.
- (f) The Manager may adjust the value of such investments if it considers such adjustment is required to reflect the fair value thereof in the context of currency, marketability and / or such other considerations which are deemed relevant with the approval of the Trustee;
- (g) Any value expressed otherwise than in the Base Currency of the relevant Sub-Fund (whether of an investment or cash) and any non-base currency borrowing shall be converted into the Base Currency at the rate (whether official or otherwise) which the Administrator deems appropriate in the circumstances;

- (h) Financial derivative instruments which are not listed on any official stock exchange or traded on any other Regulated Market will be valued in accordance with market practice subject to the valuation provisions detailed in Article 11 of Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR) and the related Commission Delegated Regulation (EU) No 149/2013. Derivative contracts which are not traded on a Regulated Market and which are not cleared by a clearing counterparty may be valued on the basis of the mark to market value of the derivative contract or if market conditions prevent marking to market, reliable and prudent marking to model may be used. Derivative contracts which are not traded on a regulated market and which are cleared by a clearing counterparty (including, without limitation, swap contracts) may be valued either using the counterparty valuation or an alternative valuation such as a valuation calculated by the Manager or by an independent pricing vendor. The Fund must value an OTC derivative on a daily basis. Where the Fund values an OTC derivative using an alternative valuation, the Fund will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA. The alternative valuation is that provided by a competent person appointed by the Manager and approved for the purpose by the Trustee, or a valuation by any other means provided that the value is approved by the Trustee and the alternative must be fully reconciled to the counterparty valuation on a monthly basis. Where significant differences arise these will be promptly investigated and explained. Where the Fund values an OTC derivative, which is cleared by a clearing counterparty, using the clearing counterparty valuation, the valuation must be approved or verified by a party who is approved for the purpose by the Trustee and who is independent of the counterparty and the independent verification must be carried out at least weekly. The reference to an independent party may include the Manager. It can also include a party related to the counterparty provided the related party constitutes an independent unit within the counterparty's group which does not rely on the same pricing models employed by the counterparty and the relationship between the parties and attendant risks are disclosed in the Prospectus. Where the independent party is related to the OTC counterparty and the risk exposure to the counterparty may be reduced through the provision of collateral, the position must also be subject to verification by an unrelated party to the counterparty on a six month basis.
- (i) Derivative contracts which are not traded on an exchange or market, including, without limitation, swap contracts (each an "OTC Derivative"), will be valued daily either (i) on the basis of a quotation provided by the relevant counterparty and such valuation shall be approved or verified at least weekly by a party who is approved for the purpose by the Trustee and who is independent of the counterparty (the "Counterparty Valuation"); or (ii) using an alternative valuation provided by a competent person appointed by the Manager or the Administrator and approved for the purpose by the Trustee or (iii) a valuation by any other means provided that the value is approved by the Trustee (the "Alternative Valuation"). Where such Alternative Valuation method is used the Manager or the Administrator will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA and will be reconciled to the Counterparty Valuation on a monthly basis. Where significant differences arise these will be promptly investigated by the Administrator and explained to the Manager.

- (j) Forward foreign exchange contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market or by reference to the price at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken.
- (k) In the case of a Sub-Fund which is a money market fund the Manager may use the amortised cost method of valuation, whereby securities are valued at their acquisition cost, adjusted for amortisation of premium or accretion of discount on the securities, providing such Sub-Fund meets the requirements of the Central Bank, as set out below:
  - (i) the Sub-Fund has a triple A rating from an internationally recognised rating agency, together with a supplementary market risk rating (such as AAAM by Standards & Poors or Aaa/MR1+ by Moodys);
  - (ii) the Sub-Fund has been established as a Sub-Fund with a constant Net Asset Value or an accumulating Net Asset Value; and
  - (iii) the Sub-Fund has, as its principal investment objective, the preservation of principal and the maintenance of liquidity.

Securities of a Sub-Fund which is a money market fund are restricted to securities which comply with one of the following criteria:

- (a) have a maturity at issuance of up to and including 397 days;
- (b) have a residual maturity of up to and including 397 days;
- (c) undergo regular yield adjustments in line with money market conditions at least every 397 days; and / or
- (d) the risk profile, including credit and interest rate risks, corresponds to that of financial instruments which have a maturity of up to and including 397 days or are subject to a yield adjustment at least every 397 days.

In the case of (c) and (d), the securities must also meet with the final maturity requirements of the relevant rating agency.

The weighted average maturity of a Sub-Fund which is a money market fund must not exceed 60 days.

The Manager or the Administrator 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 requirements of the Central Bank.

- (l) The Manager may value securities of a Sub-Fund which is not a money market fund using the amortised cost method of valuation in respect of highly rated instruments with a residual maturity not exceeding six months, in accordance with the requirements of the Central Bank.

In the event of it being impossible, impractical or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out in paragraphs (a) to (l) above, or if such valuation is not representative of the securities fair market value, the Administrator is entitled to use

an alternative valuation method which has been approved by the Trustee in order to reach a proper valuation of that specific investment.

### **Publication of Net Asset Value per Unit**

Except where the determination of the Net Asset Value of a Sub-Fund, the Net Asset Value per Unit or the Net Asset Value per Class of Unit and the issue and redemption of Units has been suspended in the circumstances described below, the Net Asset Value per Unit or Class of Unit on each Dealing Day will be made public at the registered office of the Administrator and will be notified by the Administrator without delay to Euronext and will be published in the Financial Times.

### **Temporary Suspension of Calculation of Net Asset Value and of Issues and Repurchases**

The Manager or the Administrator may, with the consent of the Trustee, temporarily suspend the calculation of the Net Asset Value of each or any Sub-Fund, the Net Asset Value per Unit or Class of Units of each such Sub-Fund and the issue and repurchase of Units of such Sub-Funds to and from Unitholders when:

- during the whole or part of any period (other than ordinary holidays or customary weekends) when any of the Recognised Exchanges on which Investments of the relevant Sub-Fund are quoted, listed, traded or dealt are closed or during which dealings therein are restricted or suspended or trading is suspended or restricted;
- during the whole or any part of any period when circumstances outside the control of the Manager exist as a result of which any disposal or valuation of the assets of the relevant Sub-Fund is not reasonably practicable or would be detrimental to the interests of Unitholders or it is not possible to transfer monies involved in the acquisition or disposition of Investments to or from the relevant account maintained for the Sub-Fund;
- during the whole or any part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the assets of the relevant Sub-Fund;
- during the whole or any part of any period when for any reason the value of any assets of the relevant Sub-Fund cannot be reasonably, promptly or accurately ascertained;
- during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of any Sub-Fund or the Trustee or the Manager is unable to repatriate funds required for making redemption payments or when such payments cannot in the opinion of the Manager be effected at normal rates of exchange;
- upon mutual agreement between the Manager and the Trustee for the purpose of winding up the Fund or terminating any Sub-Fund or Class; or
- if any other reason makes it impossible or impracticable to determine the value of a substantial portion of the assets of the Fund or any Sub-Fund.

Any such suspension will be notified without delay to the Central Bank and to Euronext and shall be notified to Unitholders if in the opinion of the Manager or the Administrator it is likely to exceed fourteen (14) days and will be notified to investors or Unitholders requesting issue or redemption of Units by the Manager or the Administrator at the time of application for such issue or filing of the

written request for such repurchase. Where possible all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

### **Taxation on the Occurrence of Certain Events**

The attention of investors is drawn to the section of the Prospectus headed "Irish Taxation" and in particular the taxation liability arising on the occurrence of certain events such as the encashment, redemption or transfer of Units by or payment of dividends to Unitholders who are Irish Resident or Ordinarily Resident in Ireland. Furthermore, if the Fund or a Sub-Fund becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon if an event giving rise to a tax liability occurs, the Fund or the Sub-Fund shall be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Units held by the Unitholder or the beneficial owner of the Units as have a value sufficient after the deduction of any redemption charges to discharge any such liability. The relevant Unitholder shall indemnify and keep the Fund or the Sub-Fund indemnified against any loss arising to the Fund or the Sub-Fund by reason of the Fund or the Sub-Fund becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

## **MANAGEMENT AND FUND CHARGES**

### **Establishment and Reorganisation Expenses**

All fees and expenses relating to the establishment and organisation of the Fund and its initial Sub-Fund including the fees of the Fund's professional advisers were borne by the Fund. Such fees are being amortised over the first five Accounting Periods of the Fund and shall be subject to such adjustment following the establishment of any new Sub-Funds as the Manager may determine.

The amortisation of establishment expenses is not permitted under International Financial Reporting Standards ("IFRS"), which requires they be recognised as they arise in the income statement. However, the Manager considers that the amortisation of these expenses is a more equitable approach, ensuring that the initial investors in the initial Sub-Funds of the Fund do not bear the full extent of these costs, and have decided that for the purposes of the calculation of the Net Asset Value they will amortise the estimated establishment expenses over five years. Given that the basis adopted by the Fund for the purpose of calculating the Net Asset Value deviates from the basis required under IFRS, the Fund may be required to include a reconciliation note in the annual accounts of the Fund to reconcile values arrived at by the two bases and may result in the audit opinion on the annual report being qualified in this regard.

### **The Manager**

The Manager shall be entitled to receive out of the assets of each Sub-Fund a fee as set out in the relevant Supplement to this Prospectus which shall accrue daily and be payable monthly in arrears inclusive of value added tax, if any, thereon.

The Manager shall be entitled to be repaid all of its Administration Expenses out of the assets of each Sub-Fund including, but not limited to, legal fees, couriers fees, telecommunication costs and expenses and all properly vouched and reasonable out of pocket expenses of the Investment Manager and the Investment Advisory Council.

The expenses of the Manager, the Investment Manager, the Administrator and the Trustee shall be similarly borne by each of the Sub-Funds.

### **Administrator**

The Administrator shall be entitled to receive out of the assets of each Sub-Fund a fee as set out in the relevant Supplement to this Prospectus which shall accrue daily and be payable monthly in arrears inclusive of value added tax, if any, thereon.

### **Trustee**

The Trustee shall also be entitled to receive out of the assets of the relevant Sub-Fund, an annual fee and transaction charges as specified in the relevant Supplement to this Prospectus.

The fees of any Sub-Custodian appointed by the Trustee (charged at normal commercial rates) will be paid out of the assets of the relevant Sub-Fund.

### **Investment Manager, Placing Agent and Placing Agent in Japan**

The Investment Manager, the Placing Agent and the Placing Agent in Japan shall be entitled to receive out of the assets of the relevant Sub-Fund, an annual fee. The maximum permitted combined fee payable to the Investment Manager, the Placing agent and the Placing Agent in Japan in respect of each Class of Unit will be as specified in the relevant Supplement to the Prospectus.

The Investment Manager may also charge a performance fee for certain Classes, details of which will be set out in the relevant Supplement to the Prospectus. The Investment Manager may in its discretion decide to share a portion of any performance fee received by it with another party.

### **General**

Each Sub-Fund is separately responsible for the expenses incurred by it in connection with litigation. A Sub-Fund shall indemnify the Trustee in certain circumstances against all losses, costs and expenses incurred in litigation by or on behalf of the Sub-Fund. The Manager is entitled to recover from a Sub-Fund the costs and expenses incurred by it in litigation by or on behalf of that Sub-Fund.

Each Sub-Fund pays out of its assets all fees, costs and expenses, including Administration Expenses and Disbursements, of or incurred by the Manager and the Trustee for the Fund and its Sub-Funds in connection with the ongoing management, administration and operation of the Fund and its Sub-Funds. Such fees, costs expenses and disbursements payable by the relevant Sub-Fund include, but are not limited to:

- all taxes or government duties which may be payable on the assets, income or expenses of the Fund or any Sub-Fund or Class and bank charges and commissions incurred by or on behalf of the Trustee or the Manager in relation to the administration of the Fund or any of its Sub-Funds;
- the remuneration, commission and expenses of any paying agent or representative or correspondent bank appointed by the Manager in any jurisdiction in compliance with the law or other requirements of that jurisdiction;
- the remuneration, commissions and expenses incurred or payable in the marketing, promotion and distribution of Units including without limitation commissions payable to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any Units of the Fund or any Sub-Fund or Class and the costs and expenses of preparation and distribution of all marketing material and advertisements;
- all fees and expenses connected with the preparation, publication and supply of information to Unitholders and the public including, without limitation, the cost of preparing, translating, printing, distributing the Prospectus and any Supplements and any periodic updates thereof, marketing literature, the annual audited report, the half yearly reports and any other periodic

reports and the calculation, publication and circulation of the Net Asset Value per Unit, certificates, confirmations of ownership and of any notices given to Unitholders in whatever manner;

- all fees and expenses incurred in connection with the convening and holding of Unitholders' meetings;
- all fees and expenses incurred or payable in registering and maintaining a Sub-Fund or Class registered with any and all governmental and/or regulatory and/or rating agencies, clearance and/or settlement systems and/or any exchanges in any various countries and jurisdictions including, but not limited to, all filing and translation expenses;
- all fees and expenses incurred or payable in listing and in maintaining or complying with the requirements for the listing of the Units on Euronext (or any other exchange to which Units may be admitted);
- legal and other professional fees and expenses incurred by the Manager or any delegate duly appointed by the Manager in any actions taken or proceedings instituted or defended to enforce, protect, safeguard, defend or recover the rights or property of the Fund or any of its Sub-Funds;
- any amount payable under indemnity provisions contained in these presents or any agreement with any functionary appointed by the Manager to act on behalf of the Fund or any of the Sub-Funds other than provisions indemnifying the functionary against claims arising from negligence, gross negligence, fraud or wilful default;
- all sums payable in respect of any policy of insurance taken out by the Manager in respect of its involvement in the operation and management of the Fund including, without limitation, any policy in respect of directors' and officers' liability insurance cover;
- all other liabilities and contingent liabilities of the Trustee and the Manager of whatsoever kind and all fees and expenses incurred in connection with the operation and management of the Fund including, without limitation, interest on borrowings, all company secretarial expenses and all Companies Registration Office filings and any statutory fees and all regulatory fees as applicable;
- all expenses involved in obtaining and maintaining a credit rating for the Fund or any Sub-Fund(s) or Class(es) from any rating agency;
- all fees and expenses of the Auditors, tax, legal and other professional advisers and any valuer or other supplier of services in respect of the Fund or any of the Sub-Funds;
- the costs of any amalgamation or restructuring of the Fund or any Sub-Fund(s) or Class(es);
- the costs of terminating the Fund and any Sub-Funds;



- all other fees and all expenses incurred in connection with the operation and management of the Fund;
- out-of-pocket expenses incurred in respect of the preparation of financial statements;

in each case plus any applicable value added tax.

## **TAXATION**

### **General**

**The information given is not exhaustive and does not constitute legal or tax advice. It does not purport to deal with all of the tax consequences applicable to the Fund or its current or future Sub-Funds or to all categories of investors, some of whom may be subject to special rules.**

**Unitholders and prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Units under the laws of the jurisdictions in which they may be subject to tax.**

**The following is a brief summary of certain aspects of Irish taxation law and practice relevant to the transactions contemplated in this Prospectus. It is based on the law and practice and official interpretation in force at the date of this document. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Fund will endure indefinitely.**

Dividends, interest and capital gains (if any) which the Fund / any of the Sub-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 Fund may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Fund, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Unitholders rateably at the time of repayment.

### **Irish Taxation**

The Manager has been advised that on the basis that the Fund is resident in Ireland for taxation purposes the taxation position of the Fund and the Unitholders is as set out below.

### **The Fund**

The Fund will be regarded as resident in Ireland for tax purposes if the Trustee of the Fund is regarded as tax resident in Ireland. It is the intention of the Manager that the business of the Fund will be conducted in such a manner as to ensure that it is Irish resident for tax purposes. The Manager has been advised that the Fund qualifies as an investment undertaking as defined in Section 739B (1) of the Taxes Act. Under current Irish law and practice, the Fund is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a “chargeable event” in the Fund. A chargeable event includes any distribution payments to Unitholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Units or the appropriation or cancellation of Units of a Unitholder by the Fund for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Fund in respect of chargeable events in respect of a Unitholder who is neither Irish Resident nor Ordinarily

Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration or the Fund satisfying and availing of equivalent measures (see paragraph headed “*Equivalent Measures*” below) there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. A chargeable event does not include:

- An exchange by a Unitholder, effected by way of an arm's length bargain where no payment is made to the Unitholder, of Units in the Fund for other Units in the Fund;
- Any transactions (which might otherwise be a chargeable event) in relation to units held in a Recognised Clearing System as designated by order of the Irish Revenue Commissioners;
- A transfer by a Unitholder of the entitlement to Units where the transfer is between spouses and former spouses, subject to certain conditions; or
- An exchange of Units arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Fund with another investment undertaking.

If the Fund becomes liable to account for tax if a chargeable event occurs, the Fund 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 appropriate or cancel such number of Units held by the Unitholder or the beneficial owner of the Units as are required to meet the amount of tax. The relevant Unitholder shall indemnify and keep the Fund indemnified against loss arising to the Fund by reason of the Fund becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Dividends received by the Fund from investment in Irish equities may be subject to Irish dividend withholding tax at a rate of 25% (such sum representing income tax). However, the Fund can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Fund to receive such dividends without deduction of Irish dividend withholding tax.

## **Stamp Duty**

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Units in the Fund. Where any subscription for or redemption of Units is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets.

No Irish stamp duty will be payable by the Fund 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 stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B (1) of the Taxes Act (that is not an Irish Real Estate Fund within the meaning of Section 739K of the Taxes Act) or a “qualifying company” within the meaning of Section 110 of the Taxes Act) which is registered in Ireland.

## Unitholders Tax

### *Units which are held in a Recognised Clearing System*

Any payments to a Unitholder or any encashment, redemption, cancellation or transfer of Units held in a Recognised Clearing System will not give rise to a chargeable event in the Fund (there is however ambiguity in the legislation as to whether the rules outlined in this paragraph with regard to Units held in a Recognised Clearing System, apply in the case of chargeable events arising on a deemed disposal, therefore, as previously advised, Unitholders should seek their own tax advice in this regard). Thus the Fund will not have to deduct any Irish taxes on such payments regardless of whether they are held by Unitholders who are Irish Residents or Ordinarily Resident in Ireland, or whether a non-resident Unitholder has made a Relevant Declaration. However, Unitholders who are Irish Resident or Ordinarily Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Units are attributable to a branch or agency in Ireland may still have a liability to account for Irish tax on a distribution or encashment, redemption or transfer of their Units.

To the extent any Units are not held in a Recognised Clearing System at the time of a chargeable event (and subject to the discussion in the previous paragraph relating to a chargeable event arising on a deemed disposal), the following tax consequences will typically arise on a chargeable event.

### Unitholders who are neither Irish Residents nor Ordinarily Resident in Ireland

The Fund will not have to deduct tax on the occasion of a chargeable event in respect of a Unitholder if (a) the Unitholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Unitholder has made a Relevant Declaration on or about the time when the Units are applied for or acquired by the Unitholder and (c) the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration (provided in a timely manner) or the Fund satisfying and availing of equivalent measures (see paragraph headed “*Equivalent Measures*” below) tax will arise on the happening of a chargeable event in the Fund regardless of the fact that a Unitholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Unitholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland no tax will have to be deducted by the Fund on the occasion of a chargeable event provided that either (i) the Fund satisfied and availed of the equivalent measures or (ii) the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Unitholders who are neither Irish Residents nor Ordinarily Resident in Ireland and either (i) the Fund has satisfied and availed of the equivalent measures or (ii) such Unitholders have made Relevant Declarations in respect of which the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, will not be liable to Irish tax in respect of income from their Units and gains made on the disposal of their Units. However, any corporate Unitholder which is not Irish Resident and which holds Units directly or

indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Units or gains made on disposals of the Units.

Where tax is withheld by the Fund on the basis that no Relevant Declaration has been filed with the Fund by the Unitholder, Irish legislation provides for a refund of tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

#### Unitholders who are Irish Residents or Ordinarily Resident in Ireland

Unless a Unitholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Units are purchased by the Courts Service, tax at the rate of 41% (25% where the Unitholder is a company and an appropriate declaration is in place) will be required to be deducted by the Fund from a distribution (where payments are made annually or at more frequent intervals) to a Unitholder who is Irish Resident or Ordinarily Resident in Ireland. Similarly, tax at the rate of 41% (25% where the Unitholder is a company and an appropriate declaration is in place) will have to be deducted by the Fund on any other distribution or gain arising to the Unitholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Units by a Unitholder who is Irish Resident or Ordinarily Resident in Ireland.

The Finance Act 2006 introduced rules (which were subsequently amended by the Finance Act 2008) in relation to an automatic exit tax for Unitholders who are Irish Resident or Ordinarily Resident in Ireland in respect of Units held by them in the Fund at the ending of a Relevant Period. Such Unitholders (both companies and individuals) will be deemed to have disposed of their Units ("deemed disposal") at the expiration of that Relevant Period and will be charged to tax at the rate of 41% (25% where the Unitholder is a company and an appropriate declaration is in place) on any deemed gain (calculated without the benefit of indexation relief) accruing to them based on the increased value (if any) of the Units since purchase or since the previous exit tax applied, whichever is later.

For the purposes of calculating if any further tax arises on a subsequent chargeable event (other than chargeable events arising from the ending of a subsequent Relevant Period or where payments are made annually or at more frequent intervals), the preceding deemed disposal is initially ignored and the appropriate tax calculated as normal. Upon calculation of this tax, credit is immediately given against this tax for any tax paid as a result of the preceding deemed disposal. Where the tax arising on the subsequent chargeable event is greater than that which arose on the preceding deemed disposal, the Fund will have to deduct the difference. Where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal, the Fund will refund the Unitholder for the excess (subject to the paragraph headed "*15% threshold*" below).

#### *10% Threshold*

The Fund will not have to deduct tax ("exit tax") in respect of this deemed disposal where the value of the chargeable units (i.e. those Units held by Unitholders to whom the declaration procedures do not

apply) in the Fund (or Sub-Fund being an umbrella scheme) is less than 10% of the value of the total Units in the Fund (or the Sub-Fund) and the Fund has made an election to report certain details in respect of each affected Unitholder to the Irish Revenue Commissioners (the “Affected Unitholder”) in each year that the de minimus limit applies. In such a situation then the obligation to account for the tax on any gain arising on a deemed disposal will be the responsibility of the Unitholder on a self-assessment basis (“self-assessors”) as opposed to the Fund or Sub-Fund (or their service providers). The Fund is deemed to have made the election to report once it has advised the Affected Unitholders in writing that it will make the required report.

#### *15% Threshold*

As previously stated where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal (e.g. due to a subsequent loss on an actual disposal), the Fund will refund the Unitholder the excess. Where however immediately before the subsequent chargeable event, the value of chargeable units in the Fund (or Sub-Fund being an umbrella scheme) does not exceed 15% of the value of the total Units, the Fund may elect to have any excess tax arising repaid directly by the Irish Revenue Commissioners to the Unitholder. The Fund is deemed to have made this election once it notifies the Unitholder in writing that any repayment due will be made directly by the Irish Revenue Commissioners on receipt of a claim by the Unitholder.

#### *Other*

To avoid multiple deemed disposal events for multiple Units an irrevocable election under Section 739D(5B) can be made by the Fund to value the Units held at the 30<sup>th</sup> June or 31<sup>st</sup> December of each year prior to the deemed disposal occurring. While the legislation is ambiguous, it is generally understood that the intention is to permit a fund to group units in six month batches and thereby make it easier to calculate the exit tax by avoiding having to carry out valuations at various dates during the year resulting in a large administrative burden.

The Irish Revenue Commissioners have provided updated investment undertaking guidance notes which deal with the practical aspects of how the above calculations/objectives will be accomplished.

Unitholders (depending on their own personal tax position) who are Irish Resident or Ordinarily Resident in Ireland may still be required to pay tax or further tax on a distribution or gain arising on an encashment, redemption, cancellation, transfer or deemed disposal of their Units. Alternatively they may be entitled to a refund of all or part of any tax deducted by the Fund on a chargeable event.

#### *Equivalent Measures*

The Finance Act 2010 (“Act”) introduced measures commonly referred to as equivalent measures to amend the rules with regard to Relevant Declarations. The position prior to the Act was that no tax would arise on an investment undertaking with regard to chargeable events in respect of a unitholder who was neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event, provided that a Relevant Declaration was in place and the investment undertaking was not in possession of any information which would reasonably suggest that the information contained therein was no longer materially correct. In the absence of a Relevant Declaration there was a presumption

that the investor was Irish Resident or Ordinarily Resident in Ireland. The Act however contained provisions that permit the above exemption in respect of unitholders who are not Irish Resident nor Ordinarily Resident in Ireland to apply where the investment undertaking is not actively marketed to such investors and appropriate equivalent measures are put in place by the investment undertaking to ensure that such unitholders are not Irish Resident nor Ordinarily Resident in Ireland and the investment undertaking has received approval from the Irish Revenue Commissioners in this regard.

### *Personal Portfolio Investment Undertaking*

The Finance Act 2007 introduced provisions regarding the taxation of Irish Resident individuals or Ordinarily Resident in Ireland individuals who hold units in investment undertakings. These provisions introduced the concept of a personal portfolio investment undertaking ("PPIU"). Essentially, an investment undertaking will be considered a PPIU in relation to a specific investor where that investor can influence the selection of some or all of the property held by the investment undertaking either directly or through persons acting on behalf of or connected to the investor. Depending on individuals' circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual investors i.e. it will only be a PPIU in respect of those individuals' who can "influence" selection. Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual on or after 20<sup>th</sup> February 2007, will be taxed at the rate of 60% (currently). Specific exemptions apply where the property invested in has been widely marketed and made available to the public or for non-property investments entered into by the investment undertaking. Further restrictions may be required in the case of investments in land or unquoted units deriving their value from land.

### **Reporting**

Pursuant to Section 891C of the Taxes Act and the Return of Values (Investment Undertakings) Regulations 2013, the Fund is obliged to report certain details in relation to Units held by investors to the Irish Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the value of the Units held by, a Unitholder. In respect of Units acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Unitholder (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. No details are to be reported in respect of Unitholders who are;

- Exempt Irish Investors (as defined above);
- Unitholders who are neither Irish Resident nor Ordinarily Resident in Ireland (provided the relevant declaration has been made); or
- Unitholders whose Units are held in a Recognised Clearing System.

### **Capital Acquisitions Tax**

The disposal of Units may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the Fund falls within the definition of investment undertaking (within the meaning of Section 739B (1) of the Taxes Act), the disposal of Units by a Unitholder is not liable to

Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, the Unitholder disposing ("disponer") of the Units is neither domiciled nor Ordinarily Resident in Ireland; and (c) the Units are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponer will not be deemed to be resident or ordinarily resident in Ireland at the relevant date unless;

- i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and
- ii) that person is either resident or ordinarily resident in Ireland on that date.

### **Compliance with US reporting and withholding requirements**

The foreign account tax compliance provisions ("**FATCA**") of the Hiring Incentives to Restore Employment Act 2010 represent an expansive information reporting regime enacted by the United States ("**US**") aimed at ensuring that Specified US Persons with financial assets outside the US are paying the correct amount of US tax. FATCA will generally impose a withholding tax of up to 30% with respect to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends paid to a foreign financial institution ("**FFI**") unless the FFI enters directly into a contract ("**FFI agreement**") with the US Internal Revenue Service ("**IRS**") or alternatively the FFI is located in a IGA country (please see below). An FFI agreement will impose obligations on the FFI including disclosure of certain information about US investors directly to the IRS and the imposition of withholding tax in the case of non-compliant investors. For these purposes the Fund would fall within the definition of a FFI for the purpose of FATCA.

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the US developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement ("**Irish IGA**") on the 21<sup>st</sup> December 2012 and provisions were included in Finance Act 2013 for the implementation of the Irish IGA and also to permit regulations to be made by the Irish Revenue Commissioners with regard to registration and reporting requirements arising from the Irish IGA. In this regard, the Irish Revenue Commissioners (in conjunction with the Department of Finance) have issued Regulations – S.I. No. 292 of 2014 which is effective from 1 July 2014. Supporting Guidance Notes have been issued by the Irish Revenue Commissioners and are updated on an ad-hoc basis.

The Irish IGA is intended to reduce the burden for Irish FFIs of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish FFI (unless the FFI is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners. The Irish Revenue Commissioners will then provide such information to the IRS (by the 30<sup>th</sup> September of the



following year) without the need for the FFI to enter into a FFI agreement with the IRS. Nevertheless, the FFI will generally be required to register with the IRS to obtain a Global Intermediary Identification Number commonly referred to as a GIIN.

Under the Irish IGA, FFIs should generally not be required to apply 30% withholding tax. To the extent the Fund does suffer US withholding tax on its investments as a result of FATCA, the Directors of the Manager may take any action in relation to an investor's investment in the Fund to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI gave rise to the withholding.

Each prospective investor should consult their own tax advisor regarding the requirements under FATCA with respect to their own situation.

### **Common Reporting Standard**

On 14 July 2014, the OECD issued the Standard for Automatic Exchange of Financial Account Information ("**the Standard**") which therein contains the Common Reporting Standard ("**CRS**"). This has been applied in Ireland by means of the relevant international legal framework and Irish tax legislation. Additionally, on 9 December 2014, the European Union adopted EU Council Directive 2014/107/EU, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation ("**DAC2**") which, in turn, has been applied in Ireland by means of the relevant Irish tax legislation.

The main objective of the CRS and DAC2 is to provide for the annual automatic exchange of certain financial account information between relevant tax authorities of participating jurisdictions or EU member states.

The CRS and DAC2 draw extensively on the intergovernmental approach used for the purposes of implementing FATCA and, as such, there are significant similarities between the reporting mechanisms. However, whereas FATCA essentially only requires reporting of specific information in relation to Specified US Persons to the IRS, the CRS and DAC2 have significantly wider ambit due to the multiple jurisdictions participating in the regimes.

Broadly speaking, the CRS and DAC2 will require Irish Financial Institutions to identify Account Holders (and, in particular situations, Controlling Persons of such Account Holders) resident in other participating jurisdictions or EU member states and to report specific information in relation to these Account Holders (and, in particular situations, specific information in relating to identified Controlling Persons) to the Irish Revenue Commissioners on an annual basis (which, in turn, will provide this information to the relevant tax authorities where the Account Holder is resident). In this regard, please note that the Fund will be considered an Irish Financial Institution for the purposes of the CRS and DAC2.

For further information on the CRS and DAC2 requirements of the Fund, please refer to the below "CRS/DAC2 Data Protection Information Notice".

Unitholders and prospective investors should consult their own tax advisor regarding the requirements under CRS/DAC2 with respect to their own situation.

#### *CRS/DAC2 Data Protection Information Notice*

The Fund hereby confirms that it intends to take such steps as may be required to satisfy any obligations imposed by (i) the Standard and, specifically, the CRS therein, as applied in Ireland by means of relevant international legal framework and Irish tax legislation and (ii) DAC2, as applied in Ireland by means of the relevant Irish tax legislation, so as to ensure compliance or deemed compliance (as the case may be) with the CRS and the DAC2 from 1 January 2016.

In this regard, the Fund is obliged under Section 891F and Section 891G of the Taxes Act and regulations made pursuant to those sections to collect certain information about each Unitholder's tax arrangements (and also collect information in relation to relevant Controlling Persons of specific Unitholders).

In certain circumstances, the Fund may be legally obliged to share this information and other financial information with respect to a Unitholder's interests in the Fund with the Irish Revenue Commissioners (and, in particular situations, also share information in relation to relevant Controlling Persons of specific Unitholders). In turn, and to the extent the account has been identified as a Reportable Account, the Irish Revenue Commissioners will exchange this information with the country of residence of the Reportable Person(s) in respect of that Reportable Account.

In particular, information that may be reported in respect of a Unitholder (and relevant Controlling Persons, if applicable) includes name, address, date of birth, place of birth, account number, account balance or value at year end (or, if the account was closed during such year, the balance or value at the date of closure of the account) any payments (including redemption and dividend/interest payments) made with respect to the account during the calendar year, tax residency(ies) and tax identification number(s).

Unitholders (and relevant Controlling Persons) can obtain more information on the Fund's tax reporting obligations on the website of the Irish Revenue Commissioners (which is available at <http://www.revenue.ie/en/business/aeoi/index.html>) or the following link in the case of CRS only: <http://www.oecd.org/tax/automatic-exchange/>.

All capitalised terms above, unless otherwise defined above, shall have the same meaning as they have in the Standard or DAC2 (as applicable).

#### **Mandatory Disclosure Rules**

Council Directive (EU) 2018/822 (amending Directive 2011/16/EU), commonly referred to as "DAC6", became effective on 25 June 2018. Relevant Irish tax legislation has since been introduced to implement this Directive in Ireland.

DAC6 creates an obligation for persons referred to as “intermediaries” to make a return to the relevant tax authorities of information regarding certain cross-border arrangements with particular characteristics, referred to as “hallmarks” (most of which focus on aggressive tax planning arrangements). In certain circumstances, instead of an intermediary, the obligation to report may pass to the relevant taxpayer of a reportable cross-border arrangement.

The transactions contemplated under the prospectus may fall within the scope of DAC6 and thus may qualify as reportable cross-border arrangements. If that were the case, any person that falls within the definition of an “intermediary” (this could include the Administrator, the Manager, the Trustee, the legal and tax advisers of the Fund, the Investment Manager etc.) or, in certain circumstances, the relevant taxpayer of a reportable cross-border arrangement (this could include Unitholder(s)) may have to report information in respect of the transactions to the relevant tax authorities. Please note that this may result in the reporting of certain Unitholder information to the relevant tax authorities.

Unitholders and prospective investors should consult their own tax advisor regarding the requirements of DAC6 with respect to their own situation.

## GENERAL INFORMATION

### Meetings

The Manager or the Trustee may, and the Manager shall, at the request in writing of Unitholders together holding not less than 75 per cent in value of the Units in issue, convene meetings of the Unitholders at any time.

All business transacted at a meeting of Unitholders duly convened and held shall be by way of extraordinary resolution unless otherwise provided in the notice convening the meeting.

Not less than fourteen (14) days' notice of every meeting must be given to Unitholders. The notice shall specify the place, day and hour of meeting and the terms of the resolution to be proposed. A copy of the notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee. A copy of the notice shall be sent by post to the Manager unless the meeting shall be convened by the Manager. The accidental omission to give notice to or the non-receipt of notice by any of the Unitholders shall not invalidate the proceedings at any meeting.

Two Unitholders present either in person or by proxy shall be a quorum for a general meeting unless the Trust or Fund or Class has only one Unitholder, in which case one Unitholder shall constitute a quorum. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Unitholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Chairman may determine and at such adjourned meeting, the Unitholders present shall be a quorum.

At any meeting (a) on a show of hands every Unitholder who is present in person or by a proxy shall have one vote and (b) on a poll every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is the Unitholder.

With regard to the respective rights and interests of Unitholders in different Sub-Funds or Classes the foregoing provisions shall have effect subject to the following modifications:

- (a) a resolution which in the opinion of the Manager affects one Sub-Fund or Class only shall be deemed to have been duly passed if passed at a separate meeting of the Unitholders of that Sub-Fund or Class;
- (b) a resolution which in the opinion of the Manager affects more than one Sub-Fund or Class but does not give rise to a conflict of interest between the Unitholders of the respective Sub-Funds or Classes shall be deemed to have been duly passed at a single meeting of the Unitholders of those Sub-Funds or Classes;
- (c) a resolution which in the opinion of the Manager affects more than one Sub-Fund or Class and gives or may give rise to a conflict of interest between the Unitholders of the respective Sub-Funds or Classes shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Unitholders of those Sub-Funds

or Classes, it shall be passed at separate meetings of the Unitholders of those Sub-Funds or Classes.

## **Reports**

In respect of each Accounting Period the Administrator shall cause to be audited and certified by the auditors an annual report relating to the management of the Fund and each of its Sub-Funds. Such annual report shall contain such information required under the CBI UCITS Regulations. There shall be attached to such annual report a statement by the Trustee in relation to the Fund and each of its Sub-Funds and a statement of such additional information as the Central Bank may specify.

The said annual report shall be sent to Unitholders and Euronext not later than four months after the end of the period to which it relates.

The Administrator shall prepare an un-audited half-yearly report for the six months immediately succeeding the Accounting Date by reference to which the last annual report of the Fund and of each of the Sub-Funds was prepared. Such half-yearly report shall be in a form approved by the Central Bank and shall contain such information required under the CBI UCITS Regulations.

Copies of the said half-yearly report shall be made available to Unitholders not later than two months from the end of the period to which it relates. The half-yearly report shall be prepared for the period ending 31 January, each year.

The Administrator shall provide the Central Bank and Euronext with any monthly or other reports it may require.

The Manager or its delegate may from time to time prepare un-audited periodic reports for each Sub-Fund, such un-audited periodic reports shall contain such information that the Manager may determine to disclose pertaining to a Sub-Fund and shall be made available, upon request to the Manager or its delegate, to Unitholders within a Sub-Fund to which the report relates.

The yearly and half-yearly reports and the Trust Deed can be obtained free of charge at the respective registered offices of the Administrator and the Trustee. In addition, a copy of the Trust Deed will be sent by the Administrator to Unitholders, upon written request.

## **Delivery of Investment Reports in an Electronic Form under the Japanese Law**

The Manager shall prepare and deliver, in respect of the Units of the Series Trust offered in Japan, investment reports (unyo hokokusho) as set forth in Articles 59 and 14 of the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951, as amended) (the "**ITIC Act**") and, may provide such investment reports in an electronic form in lieu of delivery in a printed form in accordance with Article 59 and Article 14, Paragraphs 1 and 2 of the ITIC Act and the regulations thereunder; provided that, however, in the case where any requests for such investment reports to be delivered in a printed form are received, the Manager shall deliver them in a printed form accordingly.

## **Notices**

Notices may be given to Unitholders and shall be deemed to have been duly given as follows:

MEANS OF DISPATCH	DEEMED RECEIVED
Delivery by Hand :	The day of delivery or next following Business Day if delivered outside usual business hours.
Post :	7 Business Days after posting
Fax :	Positive transmission receipt received.
Electronically :	The day on which the electronic transmission has been sent to the electronic information system designated by the Unitholder.
Publication :	The day of publication in such newspaper as the Manager and the Trustee may agree

### Material Contracts

The following contracts, further details of which are set out in the sections headed "Management of the Fund" and "Management and Fund Charges", not being contracts entered into in the ordinary course of business, have been or will be entered into and are or may be material:

- (i) The Trust Deed between the Manager and the Trustee.
- (ii) The Placing Agent Agreement between the Manager and the Placing Agent pursuant to which the Placing Agent have been appointed to act as placing agent for the Sub-Funds.
- (iii) The Placing Agent Agreement for Japan between the Manager and the Placing Agent in Japan pursuant to which the Placing Agent in Japan was appointed as Placing Agent in Japan for certain Units of the Fund or its Sub-Funds.
- (iv) The Administration Agreement between the Manager and the Administrator pursuant to which the Administrator has been appointed as administrator to the Fund.
- (v) The Swiss Representative Agreement dated 24 February, 2014 as amended and novated.
- (vi) The Swiss Paying Agent Agreement dated 4 March, 2014 as amended and novated.

Any other contracts subsequently entered into, not being contracts entered into in the ordinary course of business which are or may be material, shall be detailed in the appropriate Supplement or Supplements to this Prospectus.

## Termination

The Fund and any of its Sub-Funds will terminate after one hundred years from its constitution or alternatively the Fund or any of its Sub-Funds or Classes may be terminated by the Trustee by notice in writing as hereinafter provided upon the occurrence of any of the following events, namely:

- (i) if the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or ceases business or becomes (in the reasonable judgement of the Trustee) subject to the de facto control of some corporation or person of whom the Trustee does not reasonably approve or if a receiver is appointed in respect of any of the assets of the Manager or if an examiner is appointed to the Manager pursuant to the Companies (Amendment) Act, 1990;
- (ii) if in the reasonable opinion of the Trustee the Manager shall be incapable of performing its duties or fails to perform its duties satisfactorily, or shall do any other thing which in the reasonable opinion of the Trustee is intended to bring the Fund into disrepute or to be harmful to the interests of Unitholders;
- (iii) if any law shall be passed which renders it illegal or in the reasonable opinion of the Trustee impracticable or inadvisable to continue the Fund or any of its Sub-Funds or Classes;
- (iv) if no successor manager has been appointed within ninety days of the service of notice by the Trustee as provided for in the Trust Deed; or
- (v) if within a period of three months from the date of the Trustee expressing in writing to the Manager its desire to retire the Manager shall have failed to appoint a new Trustee under the terms of the Trust Deed.

The Fund or any of its Sub-Funds or Classes may be terminated by the Manager (having notified the Investment Advisory Council in advance) by notice in writing as hereinafter provided in any of the following events, namely:

- (i) if one year from the date of the first issue of Units or on any Dealing Day thereafter the Net Asset Value of all of the Sub-Funds or of any Sub-Fund or Class shall be less than one million US Dollars or its equivalent in other currencies;
- (ii) if the Fund shall cease to be a Unit Trust authorised under the UCITS Regulations or if any of its Sub-Funds shall cease to be authorised by the Central Bank;
- (iii) if any law shall be passed which renders it illegal or in the reasonable opinion of the Manager impracticable or inadvisable to continue the Fund;
- (iv) if within a period of three months from the date of the Manager expressing in writing to the Trustee its desire to retire, a replacement manager shall not have been appointed; or

- (v) if within a period of three months from the date of the Investment Manager expressing in writing to the Manager its desire to retire the Manager shall have failed to appoint a new Investment Manager.
- (vi) if all Units in the Fund or any of its Sub-Funds have been redeemed.

The party terminating the Fund or a Sub-Fund or Classes shall give notice thereof to the Unitholders in the manner herein provided and by such notice fix the date on which such termination is to take effect which date shall not be less than 30 days after the service of such notice.

The Fund or any of its Sub-Funds or Classes may at any time be terminated by extraordinary resolution of a meeting of the Unitholders duly convened and held in accordance with the provisions contained in the Schedule to the Trust Deed and such termination shall take effect from the date on which the said resolution is passed or such later date (if any) as the said resolution may provide.

Not later than 30 days before the termination of the Fund or of a Sub-Fund or Class, as the case may be, the Manager shall (if practically possible) give notice to the Unitholders advising them of the impending distribution of the assets of the Fund or of the Sub-Fund or Class, as the case may be. After the giving of notice of such termination the Manager shall procure the sale of all investments then remaining in the Trustee's and its nominee's hands as part of the assets of the Fund or of the Sub-Fund and such sale shall be carried out and completed in such manner and within such period before or after the termination of the Fund or of the Sub-Fund or Class as the Manager and the Trustee thinks desirable. The Manager shall at such time or times as it shall deem convenient and at its entire discretion procure the distribution to the Unitholders pro rata to the number of Units of each Sub-Fund held by them respectively all net cash proceeds derived from the realisation of the investments of the relevant Sub-Fund and any cash then forming part of the assets of the relevant Sub-Fund so far as the same are available for the purpose of such distribution. Every such distribution shall be made only after the certificates relating to the Units in respect of which the same is made shall have been lodged with the Manager together with such form of request for payment and receipt as the Manager shall in its absolute discretion require provided that the Manager shall be entitled to retain out of any such monies in the hands of the Trustee full provision for all costs, charges, expenses, claims, liabilities and demands relating to the relevant Sub-Fund, for which the Manager is or may become liable or incurred, made or expended by the Manager in connection with the liquidation of the Fund or any of the Sub-Funds, as the case may be, and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands.

### **Continuance or Retirement of Manager**

The Manager shall so long as the Fund subsists continue to act as the Manager thereof in accordance with the terms of the Trust Deed.

The Manager for the time being shall be subject to removal in any of the following events and shall be so removed by immediate notice in the case of (i) below and three months' notice in the case of (ii) below; notice must be in writing given by the Trustee to the Manager:-



- (i) if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed in respect of any of the assets of the Manager or if an examiner is appointed to the Manager pursuant to the Companies (Amendment) Act, 1990; or
- (ii) if a Meeting of the Unitholders by extraordinary resolution determines that the Manager should retire.

The Manager shall have the power on the giving of three months' written notice to the Trustee to retire in favour of some other corporation approved by the Trustee and the Central Bank upon and subject to such corporation entering into an acceptable deed.

### **Retirement of Trustee**

The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new Trustee or the termination of the Fund, including termination of the Fund by the Trustee where the Manager shall have failed to appoint a new Trustee within a period of three months from the date of the Trustee expressing in writing its desire to retire. In the event of the Trustee desiring to retire, the Manager may by supplemental deed appoint any duly qualified corporation with the prior approval of the Central Bank to be the Trustee in the place of the retiring Trustee.

### **General**

Neither the Fund nor any Sub-Fund is engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Manager or to the Trustee to be pending or threatened by or against the Fund or any Sub-Fund since its establishment.

At the date of this Prospectus, no Units have been conditionally or unconditionally put under option.

No Director of the Manager, or any connected person, has any interest in the Units of the Fund.

No Director of the Manager has any interest in any transaction which has been effected by the Fund and which is unusual in its nature or conditions or significant to the business of the Fund.

### **Documents Available for Inspection**

The following documents are available for inspection on any Business Day at the registered office of the Administrator and in the case of the documents referred to at (a) and (c) below, at the offices of the Manager from the date of this Prospectus:

- (a) the material contracts referred to above;
- (b) annual reports, incorporating audited financial statements, and half-yearly reports, incorporating unaudited financial statements, when published;
- (c) The CBI UCITS Regulations.
- (d) A memorandum detailing the names of all companies and partnerships of which the Directors of the Manager have been a director or partner in the past five years, together with an

indication of whether or not the individual is still a director or partner is available for inspection at the offices of the Listing Agent.

Copies of each of the documents referred to at (b) above can be obtained by Unitholders at the registered office of the Administrator free of charge on request.

## SCHEDULE 1

### ADDITIONAL INFORMATION FOR QUALIFIED INVESTORS IN SWITZERLAND

**This Swiss country supplement contains information for qualified Swiss investors in respect of the Yuki Asia Umbrella Fund (the "Fund") and forms part of and must be read in conjunction with the prospectus for the Yuki Asia Umbrella Fund, dated 22 December, 2021 and the Supplements for the Yuki Japan Rebounding Growth Fund and the Yuki India Fund (the "Sub-Funds") attached thereto (the "Prospectus"). All capitalised terms herein contained shall have the same meaning in this country supplement as in the Prospectus, unless otherwise indicated.**

The Fund is an open-ended umbrella unit trust established as an undertaking for collective investment in transferable securities pursuant to the European Communities and established in Ireland. The Fund is intended for qualified investors in Switzerland as set out under article 10 paragraph 3 of the Swiss Collective Investment Schemes Act ("**CISA**") as revised, and under Article 6 of the Swiss Federal Collective Investment Schemes Ordinance ("**CISO**") ("**Qualified Investors**"). This Fund and the Sub-Funds shall not be authorised by the Swiss Financial Markets Supervisory Authority ("**FINMA**") for distribution.

The Swiss Representative is: Carnegie Fund Services S.A., 11 rue du Général-Dufour, 1204 Geneva, Switzerland, Tel.: + 41 (0)22 705 11 78, Fax: + 41 (0)22 705 11 79.

The Swiss Paying Agent is: Banque Cantonale de Genève, 17 quai de l'Île, 1204 Geneva, Switzerland.

The Fund documents can be obtained free of charge from the Swiss Representative. The Fund documents include: The Prospectus and Supplements for the Sub-Funds, the Key Investor Information Documents ("**KIIDs**") the Trust Deed, the annual report as well as the semi-annual report.

#### *Payment of retrocessions and rebates*

The Fund and its delegates may pay retrocessions as remuneration for distribution activity in respect of Sub-Funds Units in Switzerland. Retrocessions are deemed to be payments and other soft commissions paid by the Fund and its delegates to eligible third parties for distribution activities in respect of Units in Switzerland. This remuneration may be deemed payment for the following services in particular:

- Marketing activities related to the development of new investor relationships;
- Arranging and co-ordinating investor conferences and seminars;
- Clarifying and answering specific questions from investors pertaining to the investment product.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the Unitholders.

The recipients of the retrocessions must ensure transparent disclosure and inform investors,

unsolicited and free of charge, about the amount of remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually receive for distributing the collective investment schemes of the investors concerned.

In respect of distribution in Switzerland, the Manager of the Fund and its delegates do not pay any rebates to reduce the fees or costs incurred by the investor and charged to the fund.

In respect of the Units of the Sub-Funds distributed in Switzerland, the place of performance and the place of jurisdiction are at the registered office of the representative in Switzerland.

**Dated: 22 December, 2021**

## SCHEDULE 2

The following is a list of regulated stock exchanges and markets which operate regularly and are recognised and open to the public in which the assets of each Sub-Fund may be invested from time to time. The exchanges and markets are listed in accordance with the Central Bank's requirements. With the exception of permitted investments in unlisted securities and over-the-counter derivative instruments, investment in securities and derivative instruments will be restricted to the stock exchanges and markets below. The Central Bank does not issue a list of approved stock exchanges or markets. The stock exchanges and markets listed in the prospectus will be drawn from the following list.

(i) any stock exchange which is:-

located in any Member State of the European Union; or

located in any Member State of the European Economic Area (EEA) (European Union, Norway, Iceland and Liechtenstein); or

located in any of the following countries:-

Australia

Canada

Japan

Hong Kong

New Zealand

Switzerland

United States of America

(ii) any of the following stock exchanges:-

Argentina	Buenos Aires Stock Exchange
Argentina	Bolsa de Comercio de Cordoba
Argentina	Bolsa de Comercio Rosario
Argentina	Bolsa de Comercio de Mendoza S.A.
Bangladesh	Dhaka Stock Exchange
Bangladesh	Chittagong Stock Exchange
Bermuda	The Bermuda Stock Exchange Ltd
Botswana	Botswana Stock Exchange
Brazil	Securities, Commodities and Futures Exchange
Chile	Santiago Stock Exchange
Chile	Bolsa Electronica de Chile
China	Shanghai Stock Exchange
China	Shenzhen Stock Exchange
Croatia	Zagreb Stock Exchange
Ecuador	Guayaquil Stock Exchange
Ecuador	Quito Stock Exchange
Ghana	Ghana Stock Exchange
India	Bangalore Stock Exchange

India	Calcutta Stock Exchange
India	Delhi Stock Exchange Association
India	Madras Stock Exchange
India	National Stock Exchange Of India
Indonesia	Indonesia Stock Exchange
Israel	Tel Aviv Stock Exchange
Jamaica	The Jamaica Stock Exchange
Jordan	Amman Stock Exchange
Rep. of Kazakhstan	Kazakhstan Stock Exchange
Kenya	Nairobi Stock Exchange
Malaysia	Malaysia Exchange
Mauritius	The Stock Exchange of Mauritius Ltd
Mexico	Mexican Stock Exchange
Morocco	Casablanca Stock Exchange
Namibia	Namibian Stock Exchange
Nigeria	Nigerian Stock Exchange
Pakistan	Islamabad Stock Exchange
Philippines	Philippines Stock Exchange
Singapore	Singapore Stock Exchange
South Africa	JSE Securities Exchange South Africa
South Korea	Korea Exchange
Sri Lanka	Colombo Stock Exchange
Swaziland	Swaziland Stock Exchange
Taiwan	Taiwan Stock Exchange
Thailand	Stock Exchange of Thailand
Turkey	Istanbul Stock Exchange
Ukraine	Ukrainian Stock Exchange
United Arab emirates	Abu Dhabi Securities Market
Uruguay	Bolsa de Valores de Montevideo
Zimbabwe	Zimbabwe Stock Exchange

(iii) any of the following markets :

MICEX

RTS1

the market organised by the International Securities Market Association;

the market conducted by the “listed money market institutions”, as described in the Financial Services Authority publication “The Investment Business Interim Prudential Sourcebook” (which replaces the “Grey Paper”) as amended from time to time;

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

The OTC market in Japan regulated by the Securities Dealers Association of Japan.

NASDAQ in the United States;

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

The OTC market in the United States regulated by the Financial Industry Regulatory Authority;

The OTC market in Canadian Government Bonds regulated by the Investment Industry Regulatory Organisation of Canada;

The French market for Titres de Créances Négotiables (OTC market in negotiable debt instruments);

EASDAQ Europe (European Association of Securities Dealers Automated Quotation - is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges);

JASDAQ in Japan.

The OTC market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.

SESDAQ (the second tier of the Singapore Stock Exchange).

USFE (US Futures Exchange).

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

in a Member State;

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

in the United States of America, on the

- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex US;
- New York Futures Exchange;
- New York Board of Trade;
- New York Mercantile Exchange;

- in Canada, on the
  - the Montreal Exchange;
  - the Toronto Stock Exchange;

in China, on the Shanghai Futures Exchange;  
in Hong Kong, on the Hong Kong Futures Exchange;  
in Japan, on the

- Osaka Securities Exchange;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;

in New Zealand, on the New Zealand Futures and Options Exchange;

in Singapore, on the

- Singapore Exchange;
- Singapore Commodity Exchange;

in Switzerland, on the SWX Swiss Exchange.

Subject to the prior agreement of the Central Bank, the Fund may, in the future invest in other markets (not listed above) which are regulated, operate regularly and are recognised and open to the public.



### **SCHEDULE 3**

#### **Techniques and Instruments for the purpose of Efficient Portfolio Management**

For the purposes of this Section, "relevant institutions" refers to those institutions specified in the CBI UCITS Regulations.

1. The Fund may employ techniques and instruments relating to transferable securities and money market instruments which the Manager reasonably believes to be economically appropriate to the efficient portfolio management of the Sub-Fund in accordance with the investment objective of each Sub-Fund and subject to the Regulations and to conditions imposed by the Central Bank. The attention of investors is drawn to the risks described under the headings "Currency Risk" and "Derivatives, Techniques and Instruments Risk" in the 'Risk Warnings' Section of the Prospectus.
2. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:
  - (i) they are economically appropriate in that they are realised in a cost-effective way;
  - (ii) they are entered into for one or more of the following specific aims:
    - (a) reduction of risk;
    - (b) reduction of cost;
    - (c) 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 risk diversification rules set out in the Regulations;
  - (iii) their risks are adequately captured by the risk management process of the Fund; and
  - (iv) they cannot result in a change to the Fund declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

#### **Derivative Contracts**

3. Please refer to "Investment Restrictions" in this Prospectus in relation to the Central Bank's requirements where financial derivative instruments are used. Financial derivative instruments used for efficient portfolio management, in accordance with paragraph 1, must also comply with the provisions of the CBI UCITS Regulations.

#### **Use of Repurchase/Reverse Repurchase agreements and Stock Lending**

4. Repurchase/reverse repurchase agreements, ("repo contracts") and stock lending may only be effected in accordance with normal market practice.

5. Collateral obtained under a repo contract or stock lending arrangement must, at all times, meet with the following criteria:
  - (i) Liquidity: Collateral must be sufficiently liquid in order that it can be sold quickly at a robust price that is close to its pre-sale valuation.
  - (ii) Valuation: Collateral must be capable of being valued on at least a daily basis and must be marked to market daily;
  - (iii) Issuer credit quality: Where the collateral issuer is not rated A-1 or equivalent, conservative haircuts must be applied. The Fund shall ensure:
    - (a) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Investment Advisor acting on behalf of the Fund 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 being conducted of the issuer by the Investment Advisor acting on behalf of the Fund without delay.
  - (iv) Diversification (asset concentration):
    - (a) Subject to sub-paragraph (b) below, collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value. When 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.
    - (b) 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, non-Member State, or public international body of which one or more Member States belong (and which issuers are set out in Section 2.12 of the "Permitted Investments and Investment Restrictions" section in this Prospectus), provided the Fund will receive securities from at least six different issues with securities from any single issue not accounting for more than 30% of the Fund's Net Asset Value;
6. Until the expiry of the repo contract or stock lending arrangement, collateral obtained under such contracts or arrangements:
  - (a) must equal or exceed, in value, at all times the value of the amount invested or securities loaned;

- (b) must be transferred to the depositary, or its agent; and
- (c) must be immediately available to the Fund, without recourse to the counterparty, in the event of a default by that entity.

Paragraph (6) is not applicable in the event that the Fund uses tri-party collateral management services of International Central Securities Depositories or relevant institutions which are generally recognised as specialists in this type of transaction. The Trustee must be a named participant to the collateral arrangements.

7. Non-cash collateral:

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

8. Cash collateral:

Cash may not be invested other than in the following:

- (i) deposits with relevant institutions;
- (ii) government or other public securities;
- (iii) certificates of deposit issued by relevant institutions;
- (iv) letters of credit with a residual maturity of three months or less, which are unconditional and irrevocable and which are issued by relevant institutions;
- (v) repurchase agreements, provided collateral received falls under categories (i)-(iv) and (vi) of this paragraph;
- (vi) daily dealing money market funds which have and maintain a rating of AAA or equivalent. If investment is made in a linked fund, as described in the CBI UCITS Regulations, no subscription, conversion or redemption charge can be made by the underlying money market fund.

9. In accordance with paragraph 2(iv) of this Section, invested cash collateral held at the risk of the Fund, other than cash collateral invested in government or other public securities or money market funds, must be invested in a diversified manner. The Fund must be satisfied, at all times, that any investment of cash collateral will enable it to meet with its repayment obligations.

10. Invested cash collateral may not be placed on deposit with, or invested in securities issued by, the counterparty or a related entity.

11. Notwithstanding the provisions of paragraph 6(b), the 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.

12. Without prejudice to paragraphs 7 and 8 above, the 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 CBI 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 net asset value of the Fund. 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;
  - (ii) the market value of the instrument concerned if non-cash collateral is held.
13. Any counterparty to a stocklending agreement, repurchase agreement, reverse repurchase agreements and/or financial derivatives instrument shall be subject to an appropriate internal credit assessment carried out by the investment advisor on behalf of the Fund which shall include amongst other considerations, external credit ratings of the counterparty. where such counterparty (a) is subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the investment advisor in the credit assessment process; and (b) where a counterparty is downgraded to a-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the investment advisor on behalf of the Fund without delay.
14. The Fund must have the right to terminate the stock lending arrangement 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 5 business days or other period as normal market practice dictates.
15. Repo contracts, stock borrowing or stock lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the Regulations respectively.
16. The annual report and audited accounts and the half yearly report and unaudited accounts of the Fund will contain details of the following:
- (a) the exposure obtained through efficient portfolio management techniques;
  - (b) the identity of the counterparty(ies) to these efficient portfolio management techniques;
  - (c) the type and amount of collateral received by the UCITS to reduce counterparty exposure; and
  - (d) the revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred.

## SCHEDULE 4

### Trustee's Delegation of Safekeeping Duties

Country/Market	Subcustodian	Address
<b>Argentina</b>	The Branch of Citibank, N.A. in the Republic of, Argentina	Bartolome Mitre 530, 3rd floor (C1036AAJ) Ciudad de Buenos Aires Argentina
<b>Australia</b>	Citigroup Pty Limited	Level 16, 120 Collins Street Melbourne, VIC 3000 Australia
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation	1, Queen's Road, Central, Hong Kong
<b>Austria</b>	UniCredit Bank Austria AG	Rothschildplatz 1 1020 Vienna, Austria
<b>Bahrain</b>	HSBC Bank Middle East Limited	The address of the registered office of HSBC Bank Middle East Limited is: HSBC Bank Middle East Limited, The Gate Village, Building 8, Level 1, Dubai International Financial Centre (DIFC), P O Box 30444, Dubai, United Arab Emirates  The address of HSBC Bahrain is: HSBC Bank Middle East Ltd Securities Services 4th Floor Building No 2505 Road No 2832 Al Seef 428 Kingdom of Bahrain
<b>Bangladesh</b>	The Hongkong and Shanghai Banking Corporation	1 Queen's Road Central, Hong Kong SAR
<b>Belgium</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>Bermuda</b>	HSBC Bank Bermuda Limited	37 Front Street, Hamilton HM11 PO Box HM 1020 Hamilton HM DX, Bermuda
<b>Botswana</b>	Stanbic Bank Botswana Limited	Plot 50672, Fairgrounds Office Park Gaborone, Botswana
<b>Brazil</b>	Citibank N.A., Brazil	Citibank N.A. , Brazilian Branch Avenida Paulista, 1111 Sao Paulo, S.P. Brazil 01311-920

<b>Brazil</b>	Itaú Unibanco S.A	Praça Alfredo Egydio de Souza Aranha, 100 São Paulo, S.P. - Brazil 04344-020
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	48 Sitnyakovo Blvd Serdika Offices, 10th floor Sofia 1505, Bulgaria
<b>Canada</b>	CIBC Mellon Trust Company (CIBC Mellon)	1 York Street, Suite 900 Toronto, Ontario, M5J 0B6 Canada
<b>Cayman Islands</b>	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286 United States
<b>Channel Islands</b>	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286 United States
<b>Chile</b>	Banco de Chile	Ahumada 251 Santiago, Chile Postal code 8320204
<b>Chile</b>	Itaú Corpbanca S.A	Avda. Presidente Riesco No 5537 18 <sup>th</sup> Floor Las Condes Santiago, Chile
<b>China</b>	HSBC Bank (China) Company Limited	33 Floor, HSBC Building, Shanghai ifc 8 Century Avenue, Pudong Shanghai, China (200120)
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria	Carrera 9A No. 99-02 Piso 2 Santa Fe de Bogotá, Colombia
<b>Costa Rica</b>	Banco Nacional de Costa Rica	1st and 3rd Avenue, 4th Street San José, Costa Rica
<b>Croatia</b>	Privredna banka Zagreb d.d.	Radnicka cesta 50 10 000 Zagreb Croatia
<b>Cyprus</b>	BNP Paribas Securities Services	2 Lampsakou street 115 28 Athens Greece
<b>Czech Republic</b>	Citibank Europe plc, organizacni slozka	Bucharova 2641/14 158 02 Prague 5, Czech Republic
<b>Denmark</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgården 8 106 40 Stockholm - Sweden
<b>Egypt</b>	HSBC Bank Egypt S.A.E.	306 Corniche El Nil, Maadi, Cairo, Egypt

<b>Estonia</b>	SEB Pank AS	Tornimäe Str. 2 15010 Tallinn Estonia
<b>Eswatini</b>	Standard Bank Eswatini Limited	Corporate Place, Swazi Plaza Mbabane, Eswatini

<b>Euromarket</b>	Clearstream Banking S.A.	42 Avenue J.F. Kennedy 1855 Luxembourg Grand Duchy of Luxembourg
<b>Euromarket</b>	Euroclear Bank SA/NV	1 Boulevard du Roi Albert II B-1210 Brussels - Belgium
<b>Finland</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgården 8 106 40 Stockholm - Sweden
<b>France</b>	BNP Paribas Securities Services S.C.A.	Office Address :Les Grands Moulins de Pantin – 9 Rue du Débarcadère 93500 Pantin, France  Legal address: 3 rue d'Antin, 75002 Paris, France
<b>France</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>Germany</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
<b>Ghana</b>	Stanbic Bank Ghana Limited	Stanbic Heights, Plot No. 215 South Liberation RD, Airport City, Cantonments, Accra, Ghana
<b>Greece</b>	BNP Paribas Securities Services	2 Lampsakou street 115 28 Athens Greece
<b>Hong Kong</b>	Citibank N.A. Hong Kong	50/F, Champion Tower Three Garden Road, Central Hong Kong
<b>Hong Kong</b>	Deutsche Bank AG	57/F International Commerce Centre 1 Austin Road West, Kowloon, Hong Kong
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation	1, Queen's Road, Central, Hong Kong SAR
<b>Hungary</b>	Citibank Europe plc. Hungarian Branch Office	Váci út 80, 1133 Budapest, Hungary

<b>Iceland</b>	Landsbankinn hf.	Head office address: Austurstræti 11 155 Reykjavík, Iceland Operations address: Hafnarstræti 6 155 Reykjavík Iceland
<b>India</b>	Deutsche Bank AG	4th Floor, Block I, Nirlon Knowledge Park, W.E. Highway Mumbai - 400 063, India
<b>India</b>	The Hongkong and Shanghai Banking Corporation Limited	1 Queen's Road Central Hong Kong SAR
<b>Indonesia</b>	Deutsche Bank AG	5th Floor, Deutsche Bank Building Jl. Imam Bonjol No.80, Jakarta – 10310, Indonesia
<b>Ireland</b>	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286, United States
<b>Israel</b>	Bank Hapoalim B.M.	63 Yehuda Halevi St. Tel Aviv 6522701 Israel
<b>Italy</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>Japan</b>	Mizuho Bank, Ltd.	Shinagawa Intercity Tower A, 2-15-1, Konan, Minato-ku, Tokyo 108-6009, Japan
<b>Japan</b>	MUFG Bank, Ltd.	1-3-2, Nihombashi Hongoku-cho, Chuo-ku, Tokyo 103-0021, Japan
<b>Jordan</b>	Standard Chartered Bank, Jordan Branch	Shmeissani, Al-Thaqafa Street , Building # 2, P.O.Box 926190 Amman 11190 Jordan
<b>Kazakhstan</b>	Citibank Kazakhstan Joint-Stock Company	Park Palace Building A, 41 Kazybek Bi Street, Almaty, A25T0A1 Kazakhstan
<b>Kenya</b>	Stanbic Bank Kenya Limited	First Floor, Stanbic Bank Centre P.O. Box 72833 00200 Westlands Road, Chiromo, Nairobi, Kenya.
<b>Kuwait</b>	HSBC Bank Middle East Limited, Kuwait	Sharq Area, Abdulaziz Al Sager Street, Al Hamra Tower, 37F P.O. Box 1683, Safat 13017, Kuwait



<b>Latvia</b>	AS SEB banka	Meistaru iela 1 Valdlauci Kekavas pagasts, Kekavas novads LV-1076 Latvia
<b>Lithuania</b>	AB SEB bankas	Konstitucijos Ave. 24, LT-08105, Vilnius, Lithuania
<b>Luxembourg</b>	Euroclear Bank SA/NV	1 Boulevard du Roi Albert II B-1210 Brussels - Belgium
<b>Malawi</b>	Standard Bank PLC	Standard Bank Centre Africa Unity Avenue P O Box 30380 Lilongwe 3 Malawi
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad	Level 20, Menara IMC No 8 Jalan Sultan Ismail 50250 Kuala Lumpur, Malaysia
<b>Malta</b>	The Bank of New York Mellon SA/NV, Asset Servicing, Niederlassung Frankfurt am Main	Friedrich-Ebert-Anlage, 49 60327 Frankfurt am Main Germany
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	The address of the registered office and head office of The Hongkong and Shanghai Banking Corporation Limited is: HSBC Main Building 1 Queen's Road Central Hong Kong SAR  Address in Mauritius: The Hongkong and Shanghai Banking Corporation Limited Securities Services, Custody and Clearing Department 6F HSBC Centre 18 CyberCity Ebene Mauritius
<b>Mexico</b>	Banco Nacional de México S.A., integrante del Grupo Financiero Banamex	Official address: Isabel la Católica No.44 Colonia Centro México City C.P. 06000 Mexico  Securities Services Head Offices: Actuario Roberto Medellín 800, 5° floor north Colonia Santa Fe Ciudad de Mexico , Mexico

<b>Mexico</b>	Banco S3 CACEIS Mexico, S.A., Institución de Banca Múltiple	Av. Vasco De Quiroga No. 3900 Torre Diamante A, Piso 20. Lomas de Santa Fe, Contadero Ciudad de Mexico - CDMX, 05300 Mexico
<b>Morocco</b>	Citibank Maghreb S.A.	Zenith Millenium, Immeuble 1 Sidi Maarouf, B.P. 40 20190 Casablanca Morocco
<b>Namibia</b>	Standard Bank Namibia Limited	Standard Bank Campus, No. 1 Chasie Street Hill Top Kleine Kuppe Windhoek Namibia
<b>Netherlands</b>	The Bank of New York Mellon SA/NV	Rue Montoyer, 46 1000 Brussels Belgium
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation	HSBC Tower, Level 21, 188 Quay Street, Auckland 1010, New Zealand
<b>Nigeria</b>	Stanbic IBTC Bank Plc.	Walter Carrington Crescent Victoria Island Lagos, Nigeria
<b>Norway</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgården 8 106 40 Stockholm - Sweden
<b>Oman</b>	HSBC Bank Oman S.A.O.G.	Ground Floor, Head Office Building, P.O. Box 1727, Al Khuwair, Postal Code 111, Sultanate of Oman
<b>Pakistan</b>	Deutsche Bank AG	242-243, Avari Plaza, Fatima Jinnah Road Karachi – 75330, Pakistan
<b>Panama</b>	Citibank N.A., Panama Branch	Calle Punta Darien y Punta Coronado Torre de las Américas Torre B, Piso 14 Apartado 0834-00555 Panama City, Panama
<b>Peru</b>	Citibank del Peru S.A.	Avenida Canaval y Moreyra, 480, 3rd floor Lima 15047, Peru
<b>Philippines</b>	Deutsche Bank AG	19th Floor, Four/NEO 31st Street corner 4th Avenue E-Square Zone, Crescent Park West Bonifacio Global City, Taguig City 1634 Philippines
<b>Poland</b>	Bank Polska Kasa Opieki S.A.	53/57 Grzybowska Street 00-844 Warszawa Poland
<b>Portugal</b>	Citibank Europe Plc	North Wall Quay 1, Dublin Ireland
<b>Qatar</b>	Qatar National Bank	Al Corniche Street PO Box 1000 Doha Qatar

<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation	1, Queen's Road, Central, Hong Kong
<b>Romania</b>	Citibank Europe plc Dublin, Romania Branch	145, Calea Victoriei 010072 Bucharest Romania
<b>Russia</b>	AO Citibank	8-10, building 1 Gasheka Street Moscow 125047 Russia
<b>Russia</b>	PJSC ROSBANK	Mashi Poryvaevoy, 34 107078 Moscow Russia
<b>Saudi Arabia</b>	HSBC Saudi Arabia	HSBC Building, 2nd Floor, 7267 Olaya Al-Murooj, Riyadh 12283-2255, Kingdom of Saudi Arabia
<b>Serbia</b>	UniCredit Bank Serbia JSC	Rajiceva Street 27-29, 11000 Belgrade, Serbia
<b>Singapore</b>	DBS Bank Ltd	12 Marina Boulevard Marina Bay Financial Centre Tower 3 Singapore 018982
<b>Singapore</b>	Standard Chartered Bank (Singapore) Limited	8 Marina Boulevard Marina Bay Financial Centre Tower 1, #27-00 Singapore 018981
<b>Slovak Republic</b>	Citibank Europe plc, pobočka zahraničnej banky	Dvorakovo nabrežie 8 811 02 Bratislava, Slovak Republic
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.	Ameriška ulica 2, SI-1000 Ljubljana, Slovenia
<b>South Africa</b>	Standard Chartered Bank, Johannesburg Branch	115 West Street, 2nd Floor Sandton 2000 South Africa
<b>South Africa</b>	The Standard Bank of South Africa Limited	9th Floor 5 Simmonds Street Johannesburg 2001, South Africa
<b>South Korea</b>	Deutsche Bank AG	12F, Centropolis Tower A, 26, Ujeongguk-ro, Jongno-gu, Seoul, Korea, 03261
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	Direct Custody and Clearing Korea, Securities Services 8F, HSBC Building 37, Chilpae-ro, Jung-gu, Seoul, Korea, 04511
<b>Spain</b>	Banco Bilbao Vizcaya Argentaria, S.A.	Plaza San Nicolás, 4 48005 Bilbao Spain

<b>Spain</b>	CACEIS Bank Spain, S.A.U.	Parque Empresarial La Finca Paseo Club Deportivo 1 - Edificio 4, Planta 2 28223 Pozuelo de Alarcón (Madrid)
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation	1 Queen's Road Central Hong Kong SAR
<b>Sweden</b>	Skandinaviska Enskilda Banken AB (Publ)	Kungsträdgården 8 106 40 Stockholm - Sweden
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd.	Paradeplatz 8 8001 Zurich Switzerland
<b>Switzerland</b>	UBS Switzerland AG	Max-Högger-Strasse 808048 Zürich, Switzerland
<b>Taiwan</b>	HSBC Bank (Taiwan) Limited	11/F, No. 369, Section 7 Zhongxiao East Road Nangang District Taipei City 115 Taiwan
<b>Tanzania</b>	Stanbic Bank Tanzania Limited	Plot Number 99A Corner of Ali Hassan Mwinyi and Kinondoni Roads PO Box 72647 Dar es Salaam Tanzania
<b>Thailand</b>	The Hongkong and Shanghai Banking Corporation	Level 5, HSBC Building, 968 Rama IV Road, Bangrak Bangkok 10500, Thailand
<b>Tunisia</b>	Union Internationale de Banques	65 Avenue Habib Bourguiba, 1000 Tunis, Tunisia
<b>Turkey</b>	Deutsche Bank A.S.	Esentepe Mahallesi Büyükdere Caddesi Ferko Signature No. 175/149 Sisli Istanbul, Turkey
<b>U.A.E.</b>	HSBC Bank Middle East Limited (HBME)	HSBC Bank Middle East Limited Securities Services UAE- Markets & Securities Services, HSBC Tower, Downtown Dubai, Level 16, PO Box 66, Dubai, United Arab Emirates.
<b>U.K.</b>	Depository and Clearing Centre (DCC) Deutsche Bank AG, London Branch	Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom
<b>U.K.</b>	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286, United States
<b>U.S.A.</b>	The Bank of New York Mellon	240 Greenwich Street New York, NY 10286 United States

<b>U.S.A. Precious Metals</b>	HSBC Bank, USA, N.A.	452 Fifth Avenue, New York, NY 10018
<b>Uganda</b>	Stanbic Bank Uganda Limited	Plot 17 Hannington Road Short Tower- Crested Towers P.O. Box 7131, Kampala, Uganda
<b>Ukraine</b>	JSC "Citibank" Full name Joint Stock Company "Citibank"	16G Dilova Street 03150 Kiev Ukraine
<b>Uruguay</b>	Banco Itaú Uruguay S.A.	Zabala 1463 CP 11.000 Montevideo, Uruguay
<b>Vietnam</b>	HSBC Bank (Vietnam) Ltd	Floor 1,2,3,6, The Metropolitan 235 Dong Khoi, District 1 Ho Chi Minh City Vietnam
<b>WAEMU</b>	Société Générale Côte d'Ivoire	5/7 Avenue Joseph Anoma 01 BP 1355 Abidjan 01 - Ivory Coast
<b>Zambia</b>	Stanbic Bank Zambia Limited	Stanbic House, Plot 2375, Addis Ababa Drive P.O Box 31955 Lusaka, Zambia
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited	59 Samora Machel Avenue, Harare, Zimbabwe

## SUPPLEMENT 1 - YUKI JAPAN REBOUNDED GROWTH FUND

### Supplement to the Prospectus for Yuki Asia Umbrella Fund Dated 22 December, 2021

This Supplement contains information related specifically to Yuki Japan Rebounding Growth Fund (the "**Sub-Fund**"), a sub-fund of Yuki Asia Umbrella Fund (the "Fund") an open-ended umbrella unit trust authorised by the Central Bank pursuant to the provisions of the CBI UCITS Regulations.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Fund dated 22 December, 2021 (the "Prospectus") which immediately precedes this Supplement, is incorporated herein, and which contains the general description of:**

- **the Fund and its management and administration**
- **its general management and Fund charges**
- **the taxation of the Fund and of its Unitholders and**
- **its risk factors**

and is available from the Administrator at One Dockland Central, Guild St, IFSC, Dublin 1, Ireland.

Application has been made to the Euronext for the JPY Institutional Class 2, the USD Hedged Unit Class, and the JPY Unit Class of the Fund to be admitted to the Official List and traded on the Main Securities Market of Euronext. The JPY Unit Class, USD Hedged Unit Class and the JPY Institutional Class 2 of the Fund were listed on April 11, 2011, October 31, 2018 and August 19, 2015 respectively. No application has been made for the Units of the Fund to be listed on any other stock exchange. The Directors do not anticipate that an active secondary market will develop in the Units of the Fund.

**The Sub-Fund may invest substantially in deposits with credit institutions and/or in money market instruments. An investment in the Sub-Fund is neither insured nor guaranteed by any government. Government agencies or instrumentalities or any bank guarantee fund. Units of the Sub-Fund are not deposits or obligations of, or guaranteed or endorsed by, any bank and the amount invested in Units may fluctuate up and/or down.**

Carne Global Fund Managers (Ireland) Limited is the Manager of the Fund. The Directors of the Manager are Mr. Teddy Otto, Ms. Elizabeth Beazley, Mr. Michael Bishop, Mr. Neil Clifford, Ms. Sarah Murphy, Mr. David McGowan and Mr. Christophe Douche.

The Sub-Fund does not have as its objective sustainable investment, nor does it promote environmental, social and governance ("ESG") characteristics. As a result, the Sub-Fund does not fall within the scope of the Taxonomy Regulation. The investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

The Bank of New York Mellon SA/NV, Dublin Branch is the Trustee of the Fund. BNY Mellon Fund Services (Ireland) DAC is the Administrator of the Fund. Carne Global Financial Services Limited is

appointed to act as Company Secretary of the Manager. The audited financial information for the Fund will be sent on request to any Unitholder.

**1. Base Currency**

The Base Currency of the Sub-Fund is Japanese Yen.

## 2. Classes

Class	Currency	Hedged/ Unhedged	Subscription Charge and Repurchase Charge	Maximum Combined Investment Manager, Placing Agent and Placing Agent in Japan Fee	Initial Offer Period	Minimum Initial Investment/ Minimum Holding/ Minimum Subsequent Investment	Performance Fee Chargeable	Marketing in Japan
JPY Unit Class	JPY	Unhedged	3% and 1%	1.50%	Closed and available at the Net Asset Value per Unit.	JPY1,000,000/ JPY1,000,000/ JPY1,000,000.	No	No
JPY Institutional Class	JPY	Unhedged	3% and 1%	1.1%.	Closed and available at the Net Asset Value per Unit.	JPY100,000,000/ JPY100,000,000/ JPY1,000,000.	No	Private Placement
JPY Institutional Class 2	JPY	Unhedged	3% and 1%	1.0%	Closed and available at the Net Asset Value per Unit.	JPY 2 billion*	No	No



USD Hedged Unit Class	USD	Hedged	3% and 1%	1.50%	Closed and available at the Net Asset Value per Unit.	USD10,000/ USD10,000/ USD10,000.	No	No
USD Hedged Class 2	USD	Hedged	3% and 1%	1.0%	From 3rd October, 2017 until 5pm on 21 June, 2022 at and initial offer price of USD 1,000 per Unit (the "Initial Offer Price").	USD 20 million	No	No
Euro Hedged Class	EUR	Hedged	3% and 1%	1.50%	Closed and available at the Net Asset Value per Unit.	EUR10,000/ EUR10,000/ EUR10,000.	No	No
Euro Institutional Class	EUR	Hedged	3% and 1%	1.0%.	From 16 <sup>th</sup> April, 2018 until 5pm on 21 June, 2022	EUR15,000,000	No	No

					at and initial offer price of EUR 1,000 per Unit (the “Initial Offer Price”).			
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\* This amount may be waived or lowered at the discretion of the Manager.

### **3. Business Day**

Business Day means every day (except Saturday and Sunday) which is a bank business day in Dublin, London, and Tokyo.

### **4. Dealing Day**

The Dealing Day for the Sub-Fund is each Business Day.

### **5. Valuation Point and Valuation Day**

The relevant Valuation Point is 12:00 Noon (Irish time) on the relevant Dealing Day. The Valuation Day is each Dealing Day.

### **6. Investment Objective**

The investment objective of the Sub-Fund is to achieve both short and long term capital appreciation.

### **7. Investment Policies**

The Investment Manager will seek to achieve the investment objective of the Sub-Fund by investing primarily in Japanese equities of companies which (i) are expanding and growing through their contribution to the growth of the Asian economy and also their contribution to wealth creation in the Asian countries, (ii) possess strong competitiveness in industries expected to show significant growth in the future, (iii) are restructuring their operations to strengthen or focus on industries expected to show significant growth in the future, and (iv) have higher long-term growth potential. The securities in which the Sub-Fund will invest will be listed and/or traded on a Recognised Stock Exchange.

The Investment Manager will have the ability to retain up to 100% in cash and/or money market instruments, to include, but will not be limited to, short-term fixed and/or floating rate investment grade government bonds or bills issued or backed by the Japanese Government in order to control risks in a volatile market situation, as well as to take advantage of timing of the potential rebound in the Japanese markets.

The Investment Manager will invest at least 51% of the Net Asset Value of the Euro Hedged Class of the Sub-Fund at any time in equities which are listed on a stock exchange or traded on a regulated market. The term "equities" in this context does not include units or shares of investment funds, real estate investment trusts (REITs) or depositary receipts.

#### *Stock Selection*

The Investment Manager's selection criteria is a thorough bottom-up analysis, which means that the Investment Manager will make on-site visits, interview management and officers, and analyse company financial data (public and private) to determine the value of companies screened through a

proprietary data base of around 3,700 listed companies. Stock price data on this database is updated regularly.

The Investment Manager will utilise available in-house three years earnings per share growth rate estimates to identify and capture long-term capital appreciation.

#### **8. Investment Manager, Placing Agent and Placing Agent in Japan.**

The Investment Manager is Yuki Management & Research Co., Limited ("YMR"), whose principal place of business is Tanaka Yaesu Building, 1-5-15 Yaesu, Chuo-ku, Tokyo, Japan 103-0028.

Following a review of the Yuki Group business, YMR was granted a licence by the Financial Services Agency of Japan in December, 2010 solely to provide discretionary investment advice, and commenced operations in February 2011. Prior to this, the investment management services were carried out by a related Yuki company, namely YMR Fund Services Co., Ltd (formerly called "Yuki Management & Research Co., Ltd" which was established in July, 2001 and granted a license in April 2002 by the Financial Services Agency of Japan to provide discretionary investment advice). Key investment staff of YMR Fund Services Co., Ltd were transferred to YMR and investment philosophy and strategies employed remain unchanged.

Pursuant to the Investment Management Agreement dated as of 1<sup>st</sup> February, 2011 and as novated to the Manager by a novation agreement dated 1<sup>st</sup> July, 2014 the Manager has delegated its investment management functions to the Investment Manager who manages the investment, realisation and re-investment of the assets of the Sub-Fund on a fully discretionary basis.

The Manager shall not be held liable for any actions, costs, charges, losses, damages or expenses arising as a result of the acts or omissions of the Investment Manager.

The Investment Management Agreement provides that YMR was appointed to act as investment manager in respect of the Fund for the purposes of providing a discretionary investment management service in respect of all investments made and to be made from time to time by each Sub-Fund and providing the Manager with ongoing investment management and advisory services in connection with the investment, realisation and re-investment of the assets of each Sub-Fund. The Manager has agreed to indemnify and hold the Investment Manager, its employees, delegates and agents, harmless against all or any damages, losses, liabilities, actions, proceedings, claims, costs and expenses (including without limitation, reasonable legal and professional expenses) ("Loss") arising from the wilful default, fraud, bad faith, negligence or reckless disregard of its obligations under the Investment Management Agreement which may be suffered or incurred by the Investment Manager in the performance of its duties under the Investment Management Agreement, provided that the Investment Manager shall not be indemnified in any case with respect to any matter arising from its wilful default, fraud, bad faith, negligence or reckless disregard of its obligations thereunder. The Investment Management Agreement may be terminated by either party upon 90 days' written notice, or immediately upon certain specified events such as material breach or termination of the Fund.

The Manager has appointed Yuki - Co, LLC as Placing Agent pursuant to the Placing Agreement. The Placing Agent is a member of the Financial Industry Regulatory Authority ("FINRA") with FINRA

registration number CRD 282236 and its registered address is 2173 Walker Lane, Salt Lake City, Utah 84117, United States. Pursuant to the Placing Agent Agreement, the Placing Agent shall use all reasonable endeavours to procure purchasers for Units in the Fund and in doing so its duties shall include, but shall not be limited to; (i) marketing the Fund in the United States of America and certain other jurisdictions, subject to compliance with the CBI UCITS Regulations and local applicable laws, and the Placing Agent's membership of FINRA; (ii) providing Unitholders and prospective investors with information relating to the Fund and its Sub-Funds, upon request; (iii) advising investors with regard to an investment in the Fund and any of its Sub-Funds; (iv) arranging for Unitholders and prospective investors to deal directly with the administrator of the Fund for the purpose of making subscription and/or redemption applications for Units in a Sub-Fund; and (v) maintaining an ongoing client relationship with Unitholders in the Fund (irrespective of whether such Unitholders were introduced to the Fund by the Placing Agent or not).

The Placing Agent in Japan appointed by the Manager pursuant to the Placing Agent Agreement for Japan is The Bank of New York Mellon Securities Company Japan Ltd. who has been appointed in respect of private placings in Japan only.

## **9. Additional Risk Warnings**

Persons interested in purchasing Units in the Sub-Fund should also refer to the section headed "Risk Warnings" in the main body of the Prospectus. The Risk Warnings referred to in the Prospectus and this Supplement are not intended to be an exhaustive statement of the risks to which the Sub-Fund is subject.

### **Exchange Risk**

The Fund's Net Asset Value per Unit will be affected by the exchange rate fluctuation. Depending on the currency volatility, the value of the Unit Class will go up and down, which may not guarantee an investor's principal amount.

### **Sustainability Risk**

The management of sustainability risk forms a part of the due diligence process implemented by the Investment Manager.

When assessing the sustainability risk associated with underlying investments, the Investment Manager is assessing the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance event or condition ("ESG Event").

Using qualitative processes, sustainability risk is identified, monitored and managed by the Investment Manager in the following manner:

- (i) Prior to acquiring investments on behalf of the Sub-Fund, the Investment Manager conducts fundamental analysis on each potential investment in order to allow it to assess the adequacy of the ESG programmes and practices of an issuer to manage the sustainability risk it faces. The information gathered from the fundamental analysis conducted will be taken into account

by the Investment Manager in deciding whether to acquire a holding in an issuer and may result in the Investment Manager making a decision to invest in an issuer, notwithstanding any rating it may or may not have received from ESG rating agencies.

- (ii) During the life of the investment, sustainability risk is monitored through review of ESG data published by the issuer (where relevant) to determine whether the level of sustainability risk has changed since the initial assessment has been conducted. Where the sustainability risk associated with a particular investment has increased beyond the ESG risk appetite for the relevant Sub-Fund, the Investment Manager will consider selling or reducing the Sub-Fund's exposure to the relevant investment, taking into account the best interests of the Unitholders of the Sub-Fund.

Taking the above approach into account, the Investment Manager assesses the sustainability risk (being the risk that the value of the Sub-Fund could be materially negatively impacted by an ESG Event) faced by the Sub-Fund as low.

The Manager, in conjunction with the Investment Manager, has decided not to consider principal adverse impacts of investment decisions on sustainability factors on the basis that principal adverse impacts are not deemed relevant for the time being due to the characteristics of the Sub-Fund, including its current investment policy. Should there be any material change to the characteristics of the Sub-Fund, the Investment Manager may decide to consider any relevant principal adverse impacts.

## **10. Issue of Units**

The USD Hedged Class 2 in the Fund has been offered from 9 a.m. (Irish time) on the 3rd of October, 2017 and will be available until 5 p.m. (Irish time) on the 21 June, 2022 (the "Initial Offer Period") at the Initial Offer Price as detailed in the table under the heading "2. Classes" above and subject to acceptance of applications for Units by the Manager and will be issued for the first time as at the Dealing Day on or after expiry of the Initial Offer Period.

The Euro Institutional Class in the Fund will be offered from 9 a.m. (Irish time) on 16<sup>th</sup> of April, 2018 and will be available until 5 p.m. (Irish time) on 21 June, 2022 (the "Initial Offer Period") at the Initial Offer Price as detailed in the table under the heading "2. Classes" above and subject to acceptance of applications for Units by the Manager and will be issued for the first time as at the Dealing Day on or after expiry of the Initial Offer Period.

The JPY Institutional Class, the JPY Institutional Class 2, JPY Unit Class, Euro Hedged Class and the USD Hedged Unit Class in the Sub-Fund, subject to acceptance of applications for Units by the Manager, are issued on each Dealing Day at the Net Asset Value on that Dealing Day (plus duties and charges, where applicable).

Additional Classes of Units in the Sub-Fund will be offered as set out in the chart at Section 2 "Classes" above and subject to acceptance of applications for units by the Directors, such units will be issued for the first time on the first Dealing Day after the expiry of the initial offer period.

The initial offer period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any such shortening or extension of the initial offer period. After the closing of the initial offer period, units in the Sub-Fund will be issued at the Net Asset Value per unit.

## **11. Application for Units**

### Applications

Investors buying Units for the first time should complete the Application Form available from the Manager or the Administrator which should be completed, signed and forwarded by facsimile or any form of secure electronic communication agreed in advance with the Administrator and in accordance with the requirements of the Central Bank (with the original to follow by post) to the Administrator. Subsequent applications may be made by fax or any form of secure electronic communication agreed in advance with the Administrator and in accordance with the requirements of the Central Bank and must include the following information:

- the amount of cash to be invested or the number of Units to be applied for;
- the name and the Unitholder number (if available) of the applicant;
- confirmation that the application has been made in compliance with the terms and conditions of the Prospectus;
- the name of the Sub-Fund.

During the Initial Offer Period, applications for Units must be received by the Administrator at its registered office no later than 5.00 p.m. (Irish Time)/ 6.00 p.m. (Irish Summer Time) on the last day of the Initial Offer Period.

Thereafter, applications must be received by the Administrator no later than 4.00 a.m. (Irish time) / 5.00 a.m. (Irish Summer Time) as the case may, be on the relevant Dealing Day. Applications received after the time aforesaid will be dealt with on the Dealing Day next following the relevant Dealing Day unless the Manager at its discretion determines otherwise provided that any such application was made before the close of business in the Japanese markets on the relevant Dealing Day.

### Settlement

During the Initial Offer Period cleared subscription monies must be received by the Administrator at its registered office no later than 5.00 p.m. (Irish time)/ 6.00 p.m. (Irish Summer Time) on the last day of the Initial Offer Period.

Thereafter, settlement for subscriptions should normally be made within five Business Days from and including the relevant Dealing Day or such other shorter period as may be specified by the Manager or the Administrator. Settlement should be made by bank transfer (at the investor's expense) to the account specified in the relevant Application Form:

The Manager or the Administrator has the right to cancel any purchase contract which is not settled in full within five Business Days after the relevant Dealing Day. The applicant remains liable for any loss

incurred by the Manager or the Administrator in the case of non-settlement regardless of whether the Manager or the Administrator cancelled the purchase as indicated above.

Applications for Units should be placed in the relevant Class Currency.

#### Minimum Investment and Holding.

The minimum initial investment, minimum holding and minimum subsequent investments per Unitholder of each Class is as set in the chart in Section 2 “**Classes**” above.

The aggregate of an investor’s investments in each Sub-Fund can be taken into account for the purpose of determining the above requirement.

The Manager may, at its sole discretion, waive or reduce the minimum initial investment, minimum holding and minimum subsequent investment.

#### Suspension of Issue of Units

No Units may be issued in the Sub-Fund during any period when the calculation of the Net Asset Value is suspended in the manner described at page 82 above except those for which applications have previously been received and accepted by the Manager or the Administrator. Applicants for Units will be notified of such suspension and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

#### Fractions

Fractions of Units rounded to the nearest one thousandth of a Unit may be issued at the discretion of the Manager or the Administrator. Fractional Units shall not carry voting rights.

#### Contract Notes

The Administrator shall be responsible for maintaining the Fund’s register of Unitholders in which all issues and other transactions will be recorded. All Units will be registered and the register will be evidence of ownership.

The Administrator shall send out the contract note by facsimile or email no later than close of business in Ireland on the relevant Dealing Day to the investor.

## **12. Repurchase of Units**

Units shall be repurchased at the applicable Net Asset Value per Unit on the Dealing Day on which the repurchase is affected.

Repurchase requests must be received by the Administrator no later than 4.00 a.m. (Irish time) / 5.00 a.m. (Irish Summer Time) as the case may be on the relevant Dealing Day. Repurchase requests received after the time aforesaid will be dealt with on the Dealing Day next following the relevant



Dealing Day unless the Manager at its discretion determine otherwise provided that, any such repurchase request was made before the close of business in the Japanese markets on the relevant Dealing Day.

Requests for the repurchase of Units should be submitted to the Administrator and may be made by fax or any form of secure electronic communication agreed in advance with the Administrator and in accordance with the requirements of the Central Bank. Redemption orders will only be processed where payment is made to an investor's account of record. Third party payments are not permitted.

Repurchase requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. No repurchase payment will be made from an investor's holding until the original subscription Application Form and all documentation required by the Manager or the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

It is not the current intention of the Manager to impose the 10% limitation of repurchase of Units provided in the section of the Prospectus entitled "Repurchase of Units" on any of the Unit Classes of the Sub-Fund.

Settlement will be made by bank transfer at the Unitholder's expense. Payment will be made in the relevant class currency within 10 Business Days after the relevant Dealing Day. Settlement may be delayed if subscription/anti-money laundering documentation has not been received in full. Amendments to an investor's registration details and payment instructions will only be affected on receipt of original documentation.

The Administrator shall send out the repurchase contract note by facsimile or email no later than close of business in Ireland on the relevant Dealing Day to the investor.

### **13. Calculation of Net Asset Value**

For the JPY Institutional Class, the Net Asset Value per Unit will be rounded to the nearest Unit (i.e. the nearest whole Yen).

### **14. Hedged Class**

As part of the investment strategy of the Sub-Fund certain classes as set in the chart in Section 2 "Classes" above (the "Hedged Class") will be hedged against exchange rate fluctuation risks between the denominated Class currency and the Base Currency of the Sub-Fund. Any financial instruments used to implement such strategies with respect to the Class such as short market futures utilized to protect the Class from overall downward Japanese equity market movements, shall be assets/liabilities of the Sub-Fund as a whole but will be attributable to the Hedged Class and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the Hedged Class and may not be combined or offset against the exposures of other Classes or specific assets. Such transactions will not result in the Class being leveraged.

The hedging strategy being implemented employs a currency overlay to hedge the NAV of the Hedged Class. This hedging strategy is applied to funds with underlying assets in one or multiple currencies and is designed to reduce, but not eliminate, currency exposure between the Base Currency and the hedging currency. Subscriptions to the Hedged Class will be converted into the Base Currency of the Sub-Fund at the spot rate. As part of the same contract, the resultant Base Currency exposure is hedged at the forward foreign exchange (FX) rate. The hedging transaction is then rolled at least on a monthly basis, crystallising any gain or loss on the hedge.

Where the Investment Manager seeks to hedge against currency fluctuations at Class level, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Sub-Fund. In any event over-hedged positions will not exceed 105% of the Net Asset Value of the Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged against currency risk. Hedged positions will be reviewed daily to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels outlined above and are not carried forward from month to month. 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. The gain or loss on the currency protection then forms part of the Hedged Class daily NAV calculation.

During the period of the hedge, the volatility in exchange rates and underlying fund assets are monitored. In periods of high volatility, the forward FX transaction may be rolled earlier, hence crystallising any gain or loss and reinvesting it into the underlying fund more rapidly than would otherwise have been the case. This process seeks to mitigate but will not eliminate deviation in returns between the Hedged Class and the Base Currency Unit Class. In no event will over hedged positions be carried forward.

To the extent that hedging is successful for the Hedged Class the performance of this Class is likely to move in line with the performance of the underlying assets with the result that investors in this Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the Sub-Fund are denominated.

It is intended that the currency hedging strategy which will be employed will be based on the most up-to-date information in relation to the Net Asset Value of the Sub-Fund, and will also take into account those confirmed pending subscriptions and redemptions relating to unitholder activity that will be processed through each Class in the Sub-Fund as at the relevant Valuation Point. The currency hedging strategy will be monitored and adjusted in line with the valuation cycle at which investors are able to subscribe to and redeem from the Sub-Fund.

#### **14. Fees**

In addition to the general management and fund charges set out in the Prospectus under the heading "Management and Fund Charges - General" the following fees and expenses are payable out of the Sub-Fund.

### Manager

The Manager is entitled to receive an annual fee of 0.015% of the Net Asset Value of the Sub-Fund, plus reimbursement of expenses incurred and VAT, if any.

The fee payable to the Manager is subject to a minimum monthly fee of Euro 2,500 (plus VAT, if any). The management fee shall accrue daily and shall be payable monthly in arrears.

### Administrator

The Administrator is entitled to an annual fee based on the rates set out below (plus VAT, if any) payable out of the assets of the Sub-Fund, which shall not exceed 0.05% of the Net Asset Value of the Sub-Fund.

The Administrator is entitled to receive an annual fee based on the following rates:

- 0.05% of the Net Asset Value of the Sub-Fund on the portion of the Net Asset Value up to \$250 million; plus
- 0.04% of the Net Asset Value of the Sub-Fund on the portion of the Net Asset Value in excess of \$250 million and up to \$500 million;
- 0.03% of the Net Asset Value of the Sub-Fund on the portion of the Net Asset Value in excess of \$500 million and up to \$1 billion;
- 0.015% of the Net Asset Value of the Sub-Fund on the portion of the Net Asset Value in excess of \$1 billion.

The Administrator's annual fee is subject to a minimum fee per annum in respect of the Sub-Fund of \$60,000, which shall accrue daily and be payable monthly in arrears.

The Administrator shall be entitled to receive Unit Class fees of \$2,500 per Sub-Fund per annum when the number of Unit Classes exceeds three in the Sub-Fund.

The annual fee payable to the Administrator shall be attributable to all Unit Classes and shall represent a deduction from the Net Asset Value of the Sub-Fund and, accordingly, each Class.

The Administrator shall be entitled to receive reasonable out-of-pocket expenses payable out of the assets of the Sub-Fund.

### Trustee

The Trustee shall be entitled to an annual fee based on the rates set out below (plus VAT, if any) payable out of the assets of the Sub-Fund, which shall not exceed 0.2% of the Net Asset Value of the Sub-Fund. Any fees payable will be subject to a minimum of \$30,000, which shall accrue daily and be payable monthly in arrears.

The Trustee is entitled to receive an annual fee based on the following rates:

- 2 bps of the Net Asset Value of the Sub-Fund on the portion of the Net Asset Value up to \$250 million; plus
- 1.75 bps of the Net Asset Value of the Sub-Fund on the portion of the Net Asset Value in excess of \$250 million and up to \$500 million;
- 1.5 bps of the Net Asset Value of the Sub-Fund on the portion of the Net Asset Value in excess of \$500 million and up to \$1 billion;
- 1 bp of the Net Asset Value of the Sub-Fund on the portion of the Net Asset Value in excess of \$1 billion.

The annual fee payable to the Trustee shall be attributable to all Unit Classes and shall represent a deduction from the Net Asset Value of the Sub-Fund and, accordingly, each Class.

The Trustee will be entitled to be reimbursed by the Sub-Fund for all reasonable out-of-pocket expenses properly incurred in the performance of its duties.

#### Investment Manager, Placing Agent and Placing Agent in Japan

The Investment Manager, Placing Agent and Placing Agent in Japan shall receive a combined annual fee not to exceed 1.5% of the Net Asset Value of the Sub-Fund, accrued daily and payable monthly in arrears. The relevant fee for each Class is set out in Section 2 “**Classes**” above.

The Placing Agent shall pay out of its own fee received, the fees of any sub-placing agent.

#### Performance Fee

The Investment Manager, Placing Agent and Placing Agent in Japan do not currently receive a performance fee from the Fund. A performance fee will not be introduced until should time that a revised Supplement is filed with and approved by the Central Bank.

#### Subscription Charge

A subscription charge of up to 3.00% of the Net Asset Value per Unit may be added to the Net Asset Value per Unit with the resultant figure rounded up to the nearest Unit of the Base Currency. The subscription charge shall be payable to and divided amongst the Placing Agent and any appointed sub-placing agent.

#### Repurchase Charge

It is not the current intention of the Manager to impose a repurchase charge. In the event that the Manager decides to do so it will notify relevant Unitholders in advance.

### **15. Distributions**

Distributions if any are expected to be declared within five Business Days of the Accounting Date and paid within ten Business Days of the Accounting Date in each year.

Distributions, if any, will be subject to the conditions set out under the heading “Distribution Policy” in the Prospectus and will be declared at the sole discretion of the Manager.

#### **16. Additional Investment Restriction**

The Sub-Fund may invest, subject to a maximum limit of 10% of the Sub-Fund's assets in aggregate, in units or shares of other collective investment undertakings whose investment policy is consistent with the investment policy of the Sub-Fund. The Sub-Fund will also follow the investment restrictions set out in the Prospectus under the heading “Investment Restrictions”.

#### **17. General**

##### ***DELIVERY OF INVESTMENT REPORTS IN AN ELECTRONIC FORM UNDER THE JAPANESE LAW***

The Manager shall prepare and deliver, in respect of the Units of the Fund offered in Japan, by way of a public offering, investment reports (*unyo hokokusho*) as set forth in Articles 59 and 14 of the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951, as amended) (the “ITIC Act”) and, may provide such investment reports in an electronic form in lieu of delivery in a printed form in accordance with Article 59 and Article 14, Paragraphs 1 and 2 of the ITIC Act and the regulations thereunder; provided that, however, in the case where any requests for such investment reports to be delivered in a printed form are received, the Manager shall deliver them in a printed form accordingly. The Manager will not prepare and deliver investment reports (*unyo hokokusho*) in respect of the Units of the Fund offered in Japan by way of a private placement to qualified institutional investors only, in accordance with Article 59 and Article 14, Paragraph 1, Item 1 of the ITIC.

**Dated: 22 December, 2021**

## **SUPPLEMENT 2 - YUKI INDIA FUND**

### **Supplement to the Prospectus for Yuki Asia Umbrella Fund Dated 22 December, 2021**

This Supplement contains information related specifically to Yuki India Fund (the "Sub-Fund"), a sub-fund of Yuki Asia Umbrella Fund (the "Fund"), an open-ended umbrella unit trust authorised by the Central Bank pursuant to the provisions of the CBI UCITS Regulations.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Fund dated 22 December, 2021 (the "Prospectus") which immediately precedes this Supplement, is incorporated herein, and which contains the general description of:**

- **the Fund and its management and administration**
- **its general management and Fund charges**
- **the taxation of the Fund and of its Unitholders and**
- **its risk factors**

and is available from the Administrator at One Dockland Central, Guild St, IFSC, Dublin 1, Ireland.

**Non-resident Indians should consult the Investment Manager before making investments in the Sub-Fund.**

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. The Net Asset Value of the Sub-Fund is likely to have a high volatility due to its investment policy or portfolio management techniques. The Indian stock exchanges are less liquid and experience greater volatility than more established markets.**

Carne Global Fund Managers (Ireland) Limited is the Manager of the Fund. The Directors of the Manager are Mr. Teddy Otto, Ms. Elizabeth Beazley, Mr. Michael Bishop, and Mr. Neil Clifford, Ms. Sarah Murphy, Mr. David McGowan and Mr. Christophe Douche.

The Bank of New York Mellon SA/NV, Dublin Branch is the Trustee of the Fund. BNY Mellon Fund Services (Ireland) DAC is the Administrator of the Fund. Carne Global Financial Services Limited is appointed to act as Company Secretary of the Manager. The audited financial information for the Fund will be sent on request to any Unitholder.

Investors should read and consider the section entitled "Risk Factors" in both the Prospectus and this Supplement before investing in the Fund.

This document does not constitute or form part of any offer or invitation to sell or issue, or the solicitation of any offer to purchase or subscribe for Units in any jurisdiction in which such offer or solicitation is unlawful.

## **1. Interpretations**

Capitalised expressions used and not defined below shall bear the meanings as set out in the Prospectus.

“Base Currency”	U.S. Dollars;
“Business Day”	means any day (except Saturday or Sunday) on which (i) stock exchanges are open in India, and (ii) banks in Ireland, the United Kingdom and Japan are open for business;
“Dealing Day”	means 9 a.m. (Irish time) on the relevant Business Day, or such other time as may be determined by the Manager and notified to Unitholders, provided that there shall be at least one Dealing Day per fortnight.;
“Dealing Deadline”	means 4.00 a.m. (Irish time) / 5.00 a.m. (Irish Summer Time) on the Business Day, or such other time as the Manager may determine and notify to Unitholders, provided always that the Dealing Deadline precedes the Valuation Point;
“FII”	means Foreign Institutional Investor;
“FII Regulations”	means Foreign Institutional Regulations, 1995;
“FPI”	means Foreign Portfolio Investor;
“FPI Regulations”	means SEBI (Foreign Portfolio Investors) Regulations, 2019;
“Initial Offer Price”	USD 10.00;
“INR”	means, Indian Rupee, the lawful currency for the time being of India;
“Investment Manager”	means Yuki Management & Research Co.;
“RBI”	means the Reserve Bank of India;
“SEBI”	means the Securities and Exchange Board of India;

“U.S. Person”	means a U.S. Person as defined in Regulations S under the 1933 Act;
“Valuation Point”	means 12 noon (Irish time) on the relevant Business Day.



## 2. Classes

Class	Class Currency	Initial Price	Minimum Transaction Size for Initial Investment	Minimum Holding Amount	Minimum Transaction Size for Subsequent Investments	Minimum Transaction Size for Redemptions	Hedged Unhedged /	Accumulating / Distributing
USD Class	USD	10USD	USD10,000	USD10,000	USD10,000	USD10,000	Unhedged	Accumulating

The Manager has the power to issue further Classes of Units upon prior notification to and clearance in advance from the Central Bank.

The Manager reserves the right to waive or reduce the Minimum Transaction Size for Initial investment, the Minimum Holding amount, the Minimum Transaction Size for subsequent investments and the Minimum Transaction Size for redemptions.

### **3. Investment Objective**

The investment objective of the Sub-Fund is to achieve medium to long-term growth through investment primarily in growth oriented Indian equities or India related equities which are listed on the Indian stock exchanges or on Recognised Exchanges worldwide.

### **4. Investment Policies**

The Investment Manager intends to achieve the investment objective of the Sub-Fund by direct investment primarily in a diversified portfolio of Indian equities and Indian equity related securities of companies whose equity and equity related securities are listed, traded or dealt in on Indian stock exchanges listed in Schedule 2 of the Prospectus. The Investment Manager may also invest in (i) companies that have their registered office in India and are listed on Recognised Exchanges worldwide, and/or (ii) companies that exercise a preponderant part of their economic activity in India and are listed on Recognised Exchanges worldwide. The Investment Manager will seek to identify what it considers growth-type companies through an analysis of their fundamentals, analysing income statements, balance sheets, cash flows and comparing current valuations with historical valuations. Such analysis is essential in identifying companies that are growing their enterprise value, earnings and margins. The Investment Manager does not have defined limits for investments into either large or mid and small-cap companies. The Investment Manager will determine the mix of the Sub-Fund across the market cap spectrum. The Investment Manager will select stocks based on the strength of their fundamentals, such as earnings growth and improving margins. The Investment Manager will not set a target allocation of a particular market cap segment, but will invest based on its analysis of the potential rise in value of each stock. The range of the allocation is to give the Investment Manager the flexibility to design the best possible portfolio taking into account the factors mentioned above.

The Sub-Fund has no restrictions as to the proportion of assets allocated to companies in any particular economic sector and shall be diversified. The Investment Manager will allocate investments across different sectors to avoid any concentration in a single sector. The Investment Manager will invest across many of the following sectors: Banking & Financial Services, Information Technology, Consumer Goods, Healthcare, Automobile, Industrials, Cement, Energy and Telecom services.

The Sub-Fund will not follow a benchmark and will be actively managed.

In relation to the equity related securities in which the Investment Manager may invest, these may include, but are not limited to, preference shares and convertible preference shares. The Investment Manager may invest in American Depositary Receipts ("ADRs") and Global Depositary Receipts ("GDRs") of Indian companies which are listed on a Recognised Exchange for the purpose of gaining indirect exposure to equity securities where the Investment Manager feels it is more efficient to do so.

Although it is the intention of the Investment Manager to deploy its assets as detailed above, the Sub-Fund may also retain up to 10% in cash, cash equivalents and money market instruments (including, but not limited to, cash deposits, commercial paper and certificates of deposit) in the appropriate circumstances. Such circumstances may include but are not limited to where market conditions may

require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses. However, the above limit may be increased during periods where the Investment Manager believes that a larger cash position is warranted such as periods of economic uncertainty.

## **5. Investment Strategy**

The Investment Manager shall predominantly follow a bottom-up approach with emphasis on building its exposure around strong companies that have a high earnings growth potential based on; (i) the size of the market; (ii) the resources available to the company; (iii) its access to capital; (iv) how feasible it is to establish enough market share that it can determine the price at which it offers its products or services and preserve or increase profit margins; or (v) market share or brand strength. The Sub-Fund shall have a higher weighting in industries that exhibit an ability to generate high operating cashflows and preferably free cashflows as well.

Through the use of this bottom-up approach, the Investment Manager identifies and screens opportunities across multiple industries in the Indian region. The Investment Manager believes that long-term outperformance can be achieved by investing in companies which, among other things, (i) have strong management which clearly defines its business plan, market strategy and produces strong earnings, preserving and growing margins as it invests in its future through such things as focused capital expenditure and research and development; (ii) market position (iii) have high and/or improving quality of earnings, (iv) demonstrate that management interests are aligned with their shareholders' interests and (v) trade at attractive valuations. The Investment Manager's bottom-up approach includes in-house financial analysis and absolute and relative valuation techniques. The Investment Manager's in-house financial analysis involves gathering financial information that companies report to the market and add that information to its own proprietary database. The Investment Manager analyses this information to determine a "growth universe" which includes companies that have the earnings growth, strong margins, productivity and other characteristics that make them attractive investment prospects.

The Investment Manager monitors the investment restrictions applicable to the Sub-Fund. As soon as the Investment Manager becomes aware that the weighting of any particular stock exceeds the permitted investment restrictions, the Investment Manager will seek to either unwind that particular position or reduce the Sub-Funds exposure to that stock to ensure that the Sub-Fund at all times operates within the permitted investment restrictions and complies with the requirements of the CBI UCITS Regulations.

For the purpose of making investments in Indian stocks, the Sub-Fund shall register itself as a Category II FPI under the FPI Regulations.

Category II FPI includes 'appropriately regulated' (i.e. regulated/supervised by the securities market regulator or the banking regulator of the concerned jurisdiction) broad based funds such as mutual funds, investment trusts, or broad based funds whose investment manager is 'appropriately regulated' and registered as a Category II FPI. For the purpose of ascertaining the 'Broad Based Criteria' the applicant should be incorporated outside India and should have at least 20 investors with no investor holding more than 49% of the shares/units of the fund. Provided that the Broad Based Fund has an

institutional investor who holds more than 49% of the shares/units in the fund, such institutional investor must itself fulfil the Broad Based Criteria. Further, in fulfilling the 20 investor criteria, the underlying investors of entities which have been set up for the sole purpose of pooling funds and making investments in the investor entity is considered.

In addition to its compliance with the UCITS Regulations, CBI UCITS Regulations and Central Bank guidance, investment policies of the Sub-Fund shall also comply with the regulations for FPI investments as established by SEBI and the RBI.

## **6. Investment and Borrowing Restrictions**

Investment of the assets of the Sub-Fund must comply with the CBI UCITS Regulations. The Manager may impose further restrictions in respect of the Sub-Fund. The investment and borrowing restrictions applying to the Sub-Fund are set out in the “Investment Restrictions” section of the Prospectus. With the exception of permitted investments in unlisted securities, investment in securities will be restricted to the stock exchanges or markets listed in Schedule 2 of the Prospectus of the Fund.

The Investment Manager may invest up to a maximum of 10% of the Net Asset Value of the Sub-Fund in other collective investment schemes in accordance with the requirements of the Central Bank and the investment restrictions set out in “Investment Restrictions” section of the Prospectus, where the investment policies of such collective investment schemes are consistent with those of the Sub-Fund.

The Sub-Fund has the ability to hold cash from time to time if the Investment Manager believes it is appropriate and is not obliged to be fully invested.

### **Borrowing Powers**

The Manager on behalf of the Sub-Fund may only borrow for cash flow purposes on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of the Sub-Fund. Subject to this limit the Manager may exercise all borrowing powers on behalf of the Sub-Fund or the Sub-Fund and may charge the Sub-Funds assets as security for such borrowings only in accordance with the provisions of the CBI UCITS Regulations.

### **Change to Investment and Borrowing Restrictions**

It is intended that the Manager and the Sub-Fund shall have the power, subject to the prior approval of the Central Bank and the prior approval of Unitholders and as disclosed in an updated Prospectus, to avail of any change in the investment and borrowing restrictions specified in the CBI UCITS Regulations which would permit investment by the Sub-Fund in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited.

## **7. Efficient Portfolio Management Techniques**

The Sub-Fund will not invest in derivatives instruments (including structured deposits, products or instruments) for investment purposes. Furthermore, the Sub-Fund itself will not be leveraged for investment, efficient portfolio management purposes.

## **8. Investment Manager and Placing Agent**

The Investment Manager is Yuki Management & Research Co., Limited, whose principal place of business is Tanaka Yaesu Building, 1-5-15 Yaesu, Chuo-ku, Tokyo, Japan 103-0028.

The Investment Manager was established in July, 2001 and granted a license in April 2002 by the Financial Services Agency of Japan to provide discretionary investment advice. Pursuant to the Investment Management Agreement dated as of 1<sup>st</sup> February, 2011 and as novated to the Manager by a novation agreement dated 1<sup>st</sup> July, 2014 the Manager has delegated its investment management functions to the Investment Manager who manages the investment, realisation and reinvestment of the assets of the Sub-Fund on a fully discretionary basis.

The Manager shall not be held liable for any actions, costs, charges, losses, damages or expenses arising as a result of the acts or omissions of the Investment Manager.

The Investment Management Agreement provides that the Investment Manager was appointed to act as investment manager in respect of the Fund for the purposes of providing a discretionary investment management service in respect of all investments made and to be made from time to time by each Sub-Fund and providing the Manager with ongoing investment management and advisory services in connection with the investment, realisation and re-investment of the assets of each Sub-Fund. The Manager has agreed to indemnify and hold the Investment Manager, its employees, delegates and agents, harmless against all or any damages, losses, liabilities, actions, proceedings, claims, costs and expenses (including without limitation, reasonable legal and professional expenses) ("Loss") arising from the wilful default, fraud, bad faith, negligence or reckless disregard of its obligations under the Investment Management Agreement which may be suffered or incurred by the Investment Manager in the performance of its duties under the Investment Management Agreement. The Investment Manager shall not be indemnified in any case with respect to any matter arising from its wilful default, fraud, bad faith, negligence or reckless disregard of its obligations thereunder. The Investment Management Agreement may be terminated by either party upon 90 days' written notice, or immediately upon certain specified events such as material breach or termination of the Fund.

The Manager has appointed Yuki - Co, LLC as Placing Agent pursuant to the Placing Agreement. The Placing Agent is a member of the Financial Industry Regulatory Authority ("FINRA") with FINRA registration number CRD 282236 and its registered address is 2173 Walker Lane, Salt Lake City, Utah 84117, United States. Pursuant to the Placing Agent Agreement, the Placing Agent shall use all reasonable endeavours to procure purchasers for Units in the Fund and in doing so its duties shall include, but shall not be limited to; (i) marketing the Fund in the United States of America and certain other jurisdictions, subject to compliance with the CBI UCITS Regulations and local applicable laws,

and the Placing Agent's membership of FINRA; (ii) providing Unitholders and prospective investors with information relating to the Fund and its Sub-Funds, upon request; (iii) advising investors with regard to an investment in the Fund and any of its Sub-Funds; (iv) arranging for Unitholders and prospective investors to deal directly with the administrator of the Fund for the purpose of making subscription and/or redemption applications for Units in a Sub-Fund; and (v) maintaining an ongoing client relationship with Unitholders in the Fund (irrespective of whether such Unitholders were introduced to the Fund by the Placing Agent or not).

## **9. Additional Risk Warnings**

Persons interested in purchasing Units in the Sub-Fund should also refer to the section headed "Risk Warnings" in the main body of the Prospectus. The Risk Warnings referred to in the Prospectus and this Supplement are not intended to be an exhaustive statement of the risks to which the Sub-Fund is subject.

### Investment Objective Risk

There is no guarantee that the investment objective of the Sub-Fund will be achieved.

### Market Risk

The market price of investments owned by the Sub-Fund may go up or down, sometimes unpredictably. The value of an investment may decline due to general market conditions, such as real or perceived adverse economic conditions or general adverse investment sentiment. Investments may also decline in value due to factors which affect a particular market sector.

### *Certain Risk Factors Concerning India*

Given the focus of its investment strategy, the success of the Sub-Fund will depend in large part on the general economic and business conditions in India. Risks associated with the investments in India, including but not limited to the risks described below, could adversely affect the performance of the Sub-Fund and result in substantial losses. No assurance can be given as to the ability of the Sub-Fund to achieve any return on its investments and, in turn, any return on an investor's investment in the Sub-Fund. Accordingly, in acquiring Units in the Sub-Fund, appropriate consideration should be given to the following factors:

#### *Indian Governmental, Economic and Political Factors*

The value of the Sub-Fund's investments may be adversely affected by potential political and social uncertainties in India. Certain developments are beyond the control of the Sub-Fund, such as the possibility of nationalization, expropriations, confiscatory taxation, political changes, government regulation, social instability, diplomatic disputes or other similar developments, could adversely affect the Sub-Fund's investments.

India is a country which comprises diverse religions and ethnic groups. It is the world's most populous democracy and has a well-developed and stable political system. Ethnic issues and border disputes

have, however, given rise to ongoing tension in the relations between India and its neighbouring countries, particularly over the North and North East regions of the country, and between certain segments of the Indian population. The Indian government is also confronted by insurgencies and separatist movements in several states in addition to Kashmir. Any exacerbation of such tensions could adversely affect economic conditions in India and consequently the Sub-Fund's investments.

While fiscal and legislative reforms have led to economic liberalization and stabilization in India over the past ten years, the possibility that these reforms may be halted or reversed could significantly and adversely affect the value of investments in India. The Sub-Fund's investments could also be adversely affected by changes in laws and regulations or the interpretation thereof, including those governing foreign investment, anti-inflationary measures, rates and methods of taxation, and restrictions on currency conversion, imports and sources of supplies.

Although India has experienced significant growth in the past, there can be no assurance that such growth will occur over the next few years. For example, the relocation trend may decelerate by reason of a general economic downturn in one or more industrialised nations, by the promulgation of governmental policies in those nations discouraging the relocation of labour or by a voluntary reduction in relocation by companies in response to negative popular opinion or customer dissatisfaction. Adverse economic conditions or stagnant economic development in India could adversely affect the value of the Sub-Fund's investments.

#### Indian Securities Market

The securities of the portfolio companies are listed or soon to be listed on an Indian or overseas stock exchange as a means of creating liquidity for that investment. In connection with soon to be listed portfolio companies, the Sub-Fund may be required not to dispose of the securities in that portfolio company for a lock-in period in excess of 12 (twelve) months due to contractual obligations or regulatory constraints. However, the listing of these securities will provide a viable exit mechanism, as these securities may suffer from low trading volumes and low market capitalization at the time of the intended disposal. Any such investment in soon to be listed portfolio companies would be limited and would amount to less than 10% of the Net Asset Value of the Fund. This limit forms part of the aggregate 10% limit in unlisted securities in accordance with the UCITS Regulations. For the avoidance of doubt, investments in listed securities are not subject to any lock-in requirement.

Stock markets are volatile and may decline significantly in response to adverse issuer, political, regulatory, market or economic developments. Different parts of the market and different types of equity securities may react differently to these developments. For example, small cap stocks may react differently than large cap stocks. Issuer, political or economic developments may affect a single issuer, issuers within an industry, sector or geographic region, or the market as a whole. Further, the Indian stock market has previously experienced substantial fluctuations in the prices of listed securities and no assurance can be given that such volatility will not occur in the future.

Securities listed on Indian stock exchanges may have low market capitalization and trading volume. There can be no assurance that sales on the Indian stock exchanges will provide a viable exit mechanism for the Sub-Fund's investments. In addition, Unitholders must keep in mind that

allegations of fraudulent transactions have led to a number of crises on the Indian stock exchanges leading to a loss of confidence and temporary closure.

Indian stock exchanges utilize 'circuit breaker' systems under which trading in particular stocks or entire trading could potentially be suspended on account of excessive volatility in a stock or on the market. Such disruptions could significantly impact the ability of the Sub-Fund to sell its investments and adversely affect the Sub-Fund's performance.

A high proportion of the shares of many companies in India may be held by a limited number of persons. A limited number of issuers in most, if not all, securities markets in India may represent a disproportionately large percentage of market capitalization and trading value. The limited liquidity of securities markets may affect the Sub-Fund's ability to acquire or dispose of securities at the price and time it wishes to do so. The illiquidity of Sub-Fund investments may continue even if the underlying companies obtain listings on their respective home country exchanges. In addition, settlement systems in India may be less developed than in more established markets and could impede the Sub-Fund's ability to effect transactions in these countries. Disclosure and regulatory standards of securities markets in India are in many respects less stringent than U.S. standards. Furthermore, there may be a lower level of monitoring and regulation of the markets and the activities of investors in such markets, and enforcement of existing regulations may be extremely limited. Consequently, should the Sub-Fund make investments through the public markets in India, the prices at which the Sub-Fund may acquire investments may be affected by other market participants' anticipation of the Sub-Fund's investments, by trading by persons with material non-public information and by securities transactions by brokers in anticipation of transactions by the Sub-Fund in particular securities.

#### Regulatory Change

The market regulator, SEBI can impose restrictions on trading in certain securities, limitations on price movements and margin requirements. SEBI may impose such restrictions only in cases where certain rules and regulations are being flouted by companies. If trading is suspended in a particular security due to such an action by SEBI, then the Investment Manager must wait until SEBI change its ruling or another higher authority in India (for example the Security Appellate Tribunal or the Supreme Court in India) pass a judgment in favour of such company. In any case, the Investment Manager will ensure that the Sub-Funds' investments are well diversified across sectors and market caps and that securities are selected through robust internal processes. From July 2013 onwards, the securities market regulator has been further empowered to carry out various enforcement activities like attaching properties to realize penalties, search and seize information, access special courts for speedy trials, etc. which can significantly affect the related companies. Consequently, an investment in Indian securities should be deemed highly volatile and should be made only by sophisticated persons who are able to bear the risk of complete loss of an investment.

Unitholders should be aware of the risks associated with the Sub-Fund's investment policy and are advised to consult with their professional advisors, such as lawyers, financial advisers or accountants, when determining whether an investment in the Sub-Fund is/are suitable for them.

#### Inflationary Pressures in India



Although inflation in India has been relatively modest over the last 10 years, there is no assurance that inflation rates will not increase. High inflation may lead to the adoption of corrective measures designed to moderate growth, regulate prices of staples and other commodities and otherwise contain inflation. Such measures could inhibit economic activity in India and thereby possibly adversely affect the Company's investments.

#### *Currency Exchange Rate Risks*

The FEMA differentiates foreign exchange transactions between Capital Account Transactions and Current Account Transactions. A Capital Account Transaction is generally defined as one that alters the assets or liabilities, including contingent liabilities outside India, of persons resident in India or assets or liabilities in India of person's resident outside India. FEMA further provides for specific classes of transactions that fall within the ambit of Capital Account Transactions and the RBI has issued regulations governing each such class of transactions. Transactions other than Capital Account Transactions, including payments in connection with foreign trade, current businesses, services, short term credit and banking facilities, interest payments, living expenses, foreign travel, education and medical care are Current Account Transactions.

Currency risk in relation to the Indian rupee remains a significant risk factor, and the cost of hedging this currency risk (if available) could reduce the Sub-Fund's returns. A decrease in the value of the Indian rupee would adversely affect the Sub-Fund's returns, and such a decrease may be likely given India's current account deficits and its budget deficits.

Also, the exchange rate between the Indian rupee and the U.S. dollar may fluctuate substantially in the future. Further depreciation of the value of the Indian rupee as regards foreign currencies will result in a higher cost to the Sub-Fund for foreign currency denominated expenses, including the purchase of certain capital equipment. There can be no assurance that fluctuations will not occur in the future.

#### *Indian Legal System*

Indian civil judicial process to enforce remedies and legal rights is less developed, more lengthy and, therefore, more uncertain than that in more developed countries. Enforcement by the Sub-Fund of civil liabilities under the laws of a jurisdiction other than India may be adversely affected by the fact that the Sub-Fund's portfolio companies may have a significant amount of assets in India. The laws and regulations in India can be subject to frequent changes as a result of economic, social and political instability. In addition, the level of legal and regulatory protections customary in countries with developed securities markets to protect investors and securities transactions, and to ensure market discipline, may not be available. Where the legal and regulatory framework is in place, the enforcement may be inadequate or insufficient. Regulation by the exchanges and self-regulatory organizations may not be recognized as law that can be enforced through the judiciary or by means otherwise available to the investors in developed markets.

#### *Updates to the SEBI and the RBI policies*

Under the FPI Regulations, for the Sub-Fund to be registered as an FPI under Category II which is a “broad based fund” or as a “broad based sub-account”, it should have at least 20 investors with no single investor holding more than 49% of the units or shares of the fund. Though, if any institutional investor holds more than 49% of the units or shares of the fund, then such institutional investor should, in turn, be a “broad based fund” itself, and must satisfy the above criteria. In the case that the Sub-Fund fails to meet the broad based criteria, it shall be treated as a Category III FPI.

FPIs are obliged, under the terms of the undertakings and declarations made by them at the time of registration, to immediately notify the SEBI or the designated depository participant (as the case may be) of any change in the information provided in the application for registration. Failure by FPIs to adhere to the provisions of the Securities Exchange Board of India Act, 1992 ("**SEBI Act**"), the rules and the FPI Regulations thereunder renders them liable for punishment prescribed under the SEBI Act and the Securities Exchange Board of India (Intermediaries) Regulations, 2008 which include, inter alia, imposition of penalty and suspension or cancellation of the certificate of registration.

#### *Corporate Disclosure, Accounting, Custody and Regulatory Standards*

Indian disclosure and regulatory standards are in many respects less stringent than standards in certain OECD countries. There may be less publicly available information about Indian companies than is regularly published by or about companies in such other countries. The difficulty in obtaining such information may mean that the Sub-Fund may experience difficulties in obtaining reliable information regarding any corporate actions and dividends of companies in which the Sub-Fund has invested which may, in turn, lead to difficulties in determining the Net Asset Value with the same degree of accuracy which might be expected from more established markets. Indian accounting standards and requirements also differ in significant respects from those applicable to companies in many OECD countries. Indian trading, settlement and custodial systems are not as developed as certain OECD countries, and the assets of the Sub-Fund which are traded in the Indian market and which have been entrusted to sub-depositaries in the Indian market may be exposed to risk.

#### *Credit Ratings Risk*

The Investment Manager may, when implementing the Fund’s investment policy, utilize credit ratings provided by local Indian credit agencies such as CRISIL, ICRA, CARE etc. The Investment Manager believes that the ratings provided by these Indian agencies are most appropriate for the Sub-Fund and best reflect the credit of the assets under consideration for investment by the Investment Manager because of their presence in India. The criteria used by these Indian agencies for obtaining a particular rating may differ from some of the international rating agencies and may therefore result in different ratings being applied to certain assets. Unitholders should be aware that ratings by global rating agencies may be different from ratings by local ratings agencies. As a result the domestic ratings may need to be scaled down accordingly. The Investment Manager may also use ratings provided by international ratings agencies as appropriate.

#### *Loss of FPI Registration*

For accessing the Indian securities market, the Sub-Fund will need to be registered as a FPI under the FPI Regulations. The investment by the Sub-Fund is dependent on the continued registration of the Sub-Fund as a FPI.

In the event such registration as an FPI is terminated or is not renewed, the Fund could potentially be forced to redeem the investments held in the particular unit class, and such forced redemption could adversely affect the returns to the Unitholders.

### *Investigations*

Any investigations of, or actions against, the Sub-Fund initiated by SEBI or any other Indian regulatory authority may impose a ban of the investment and advisory activities of the Sub-Fund.

### *Indian Tax Risks*

The section below is a summary of taxation law and practice in force in the relevant countries at the date of this Supplement and is subject to changes therein and is not exhaustive. Investors will be subject to risks and uncertainties associated with tax, which can be complex for all types of investors, including tax exempt entities. Levels and bases of taxation in the relevant countries may change. The Sub-Fund's investment as an FPI, will be made with an intention to achieve the Sub-Fund's investment objectives, and notwithstanding anything contained herein to the contrary, there can be no assurance that the structure of any investment will be tax efficient for any particular investor, that any particular tax result will be achieved or that distributions may not be subject to withholding or other taxes. Prospective investors should consult their own professional advisors with respect to the specific tax consequences of any investment in the Sub-Fund.

### Reliance on India-Ireland Double Tax Avoidance Agreement

Investors should note that taxation of the income of the Sub-Fund arising from its investments in India is expected to be beneficially treated under the provisions of the India-Ireland Double Tax Avoidance Agreement (the "**Treaty**"). No assurance can be given that the terms of the Treaty will not be subject to re-negotiation in the future and any change could have a material adverse effect on the returns of the Sub-Fund. There can be no assurance that the Treaty will continue and will be in full force and effect during the life of the Sub-Fund. Further, it is possible that Indian tax authorities may seek to take the position that the Sub-Fund is not entitled to the benefit of the Treaty.

### Tax Residency of the Sub-Fund

Currently, in order for the Sub-Fund to maintain its tax status, continued attention must be paid to ensure that all relevant tax residency conditions as required in Ireland are satisfied for the purpose of availing the benefits under the Treaty. However, amendments to the Income Tax Act, 1961 ("ITA") as well as the introduction of Rule 21AB of the Income Tax Rules, 1962 stipulates a procedural requirement on non-residents claiming the benefits of any tax treaty. It is provided that tax treaty benefits would not be available to non-residents unless they produce a tax residency certificate (containing the prescribed particulars) obtained from the government of the country or specified territory. Further, amendments made to the ITA via the Finance Act, 2013 stipulate provision of certain

information in order to continue to obtain tax treaty benefits. In the event, the Sub-Fund cannot provide the prescribed particulars, there can be no assurance that the Sub-Fund will continue to qualify for, or receive the benefits of the Treaty. Further, the tax residency certificate by itself may not be sufficient for availing tax treaty benefits.

#### Tax Residency of the Investment Manager

Under the current provisions of the ITA, a company is tax resident in India in a given financial year if: (i) it is incorporated in India; or (ii) its 'place of effective management' ("POEM"), in that year, is in India. POEM is based on the place where key management and commercial decisions of the entity that are necessary for the conduct of business of an entity as a whole are, in substance made. The Central Board of Direct Taxes ("CBDT") has issued Guidelines clarifying what may constitute "effective management".

While the Sub-Fund believes that the activities of the Sub-Fund and Investment Manager described in this Supplement should not create a POEM of the Sub-Fund or the Investment Manager in India, there may be a risk that the Indian tax authorities will claim that these activities have resulted in the POEM of the Sub-Fund and/or the Investment Manager being situated in India. If for any reason the activities are held to locate the POEM of the Sub-Fund and/or the Investment Manager in India, then the global profits of the Sub-Fund or the Investment Manager could be subject to taxation in India.

#### Exposure to Permanent Establishment ("PE")

While the Sub-Fund believes that the activities of the Investment Manager described in this Prospectus should not create a PE of the Investment Manager in India, there may be a risk that the Indian tax authorities will claim that these activities have resulted in a PE of the Investment Manager in India.

Income arising to the Sub-Fund from the sale of Units in India would be categorised as 'capital gains' therefore, the concept of PE and the resulting Indian tax implications is relevant to any interest income that Sub-Fund earns in India.

If for any reason the activities are held to be a PE of the Sub-Fund and/or the Investment Manager in India, then the interest income of the Sub-Fund or the income of the Investment Manager to the extent attributable to the PE would be subject to taxation in India. Further, the benefits of the Treaty with regard to the capital gains tax exemption may also not be available to the Sub-Fund.

### **10. Initial Offer of Units**

The USD Class in the Sub-Fund will be offered from 9 a.m. (Irish time) on the 18<sup>th</sup> December 2018 and will be available until 5 p.m. (Irish time) on the, 21 June 2022 (the "Initial Offer Period") at the Initial Offer Price as detailed in the table under the heading "2. Classes" above and subject to acceptance of applications for Units by the Manager and will be issued for the first time as at the Dealing Day after the closure of the Initial Offer Period.

Additional Classes of Units in the Sub-Fund may be offered in the future and will be included in a revised Supplement issued by the Manager in advance of such offering.

The initial offer period may be shortened or extended by the Manager. The Central Bank will be notified in advance of any such shortening or extension of the initial offer period. After the closing of the initial offer period, units in the Sub-Fund will be issued at the Net Asset Value per unit.

## **11. Application for Units**

### Applications

Investors buying Units for the first time should complete the Application Form available from the Manager or the Administrator which should be completed, signed and forwarded by facsimile or any form of secure electronic communication agreed in advance with the Administrator and in accordance with the requirements of the Central Bank (with the original to follow by post) to the Administrator. Subsequent applications may be made by fax or any form of secure electronic communication agreed in advance with the Administrator and in accordance with the requirements of the Central Bank and must include the following information:

- the amount of cash to be invested or the number of Units to be applied for;
- the name and the Unitholder number (if available) of the applicant;
- confirmation that the application has been made in compliance with the terms and conditions of the Prospectus;
- the name of the Sub-Fund.

During the Initial Offer Period, applications for Units must be received by the Administrator at its registered office no later than 5.00 p.m. (Irish Time) on the last day of the Initial Offer Period.

Thereafter, applications must be received by the Administrator no later than 4.00 a.m. (Irish time) / 5.00 a.m. (Irish Summer Time) as the case may, be on the relevant Dealing Day. Applications received after this time will be dealt with on the next Dealing Day, unless the Manager at its discretion determines otherwise, provided that any such application was made before the Valuation Point.

### Settlement

During the Initial Offer Period cleared subscription monies must be received by the Administrator at its registered office no later than 5.00 p.m. (Irish time)/ 6.00 p.m. (Irish Summer Time) on the last day of the Initial Offer Period.

Thereafter, settlement for subscriptions should normally be made within five Business Days from and including the relevant Dealing Day or such other shorter period as may be specified by the Manager or the Administrator. Settlement should be made by bank transfer (at the investor's expense) to the account specified in the relevant Application Form:

The Manager or the Administrator has the right to cancel any purchase contract which is not settled in full within five Business Days after the relevant Dealing Day. The applicant remains liable for any loss incurred by the Manager or the Administrator in the case of non-settlement regardless of whether the Manager or the Administrator cancelled the purchase as indicated above.

Applications for Units should be placed in the relevant Class Currency.

#### Minimum Investment and Holding.

The minimum initial investment, minimum holding and minimum subsequent investments per Unitholder of each Class is as set in the chart in Section 2 “**Classes**” above.

The aggregate of an investor’s investments in each Sub-Fund can be taken into account for the purpose of determining the above requirement.

The Manager may, at its sole discretion, waive or reduce the minimum initial investment, minimum holding and minimum subsequent investment.

#### Suspension of Issue of Units

No Units may be issued in the Sub-Fund during any period when the calculation of the Net Asset Value is suspended in the manner described in the Prospectus except those for which applications have previously been received and accepted by the Manager or the Administrator. Applicants for Units will be notified of such suspension and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

#### Fractions

Fractions of Units rounded to the nearest one thousandth of a Unit may be issued at the discretion of the Manager or the Administrator. Fractional Units shall not carry voting rights.

#### Contract Notes

The Administrator shall be responsible for maintaining the Sub-Fund’s register of Unitholders in which all issues and other transactions will be recorded. All Units will be registered and the register will be evidence of ownership.

The Administrator shall send out the contract note by facsimile or email no later than close of business in Ireland on the relevant Dealing Day to the investor.

### **12. Repurchase of Units**

Units shall be repurchased at the applicable Net Asset Value per Unit on the Dealing Day on which the repurchase is affected.

Repurchase requests must be received by the Administrator no later than 4.00 a.m. (Irish time) / 5.00 a.m. (Irish Summer Time) as the case may be on the relevant Dealing Day. Repurchase requests received after the time aforesaid will be dealt with on the Dealing Day next following the relevant Dealing Day unless the Manager at its discretion determine otherwise provided that, any such application was made before the Valuation Point.

Requests for the repurchase of Units should be submitted to the Administrator and may be made by fax or any form of secure electronic communication agreed in advance with the Administrator and in accordance with the requirements of the Central Bank. Redemption orders will only be processed where payment is made to an investor's account of record. Third party payments are not permitted.

Repurchase requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. No repurchase payment will be made from an investor's holding until the original subscription Application Form and all documentation required by the Manager or the Administrator (including any documents in connection with anti-money laundering procedures) has been received from the investor and the anti-money laundering procedures have been completed.

Settlement will be made by bank transfer at the Unitholder's expense. Payment will be made in the relevant class currency within 10 Business Days after the relevant Dealing Day. Settlement may be delayed if subscription/anti-money laundering documentation has not been received in full. Amendments to an investor's registration details and payment instructions will only be affected on receipt of original documentation.

The Administrator shall send out the repurchase contract note by facsimile or email no later than close of business in Ireland on the relevant Dealing Day to the investor.

### **13. Calculation of Net Asset Value**

The Net Asset Value per Unit is calculated in accordance with the "Calculation of Net Asset Value" section of the Prospectus.

In addition to the publication of the Net Asset Value per Unit in the manner described in the Prospectus at the section entitled "Publication of Net Asset Value per Unit", the Net Asset Value per Unit of the Sub-Fund shall also be available from Bloomberg, which shall be updated following each calculation of Net Asset Value per Unit.

### **14. Hedged Class**

The Sub-Fund may establish Hedged Classes as part of the investment strategy of the Sub-Fund and detail of such classes will be included in the chart in Section 2 "**Classes**" above (the "Hedged Class"). Such Classes may be hedged against exchange rate fluctuation risks between the denominated Class currency and the Base Currency of the Sub-Fund. Forward foreign exchange contracts may be used to implement such strategies with respect to the Class utilised to protect the Class from overall downward India equity market movements, shall be assets/liabilities of the Sub-Fund as a whole but will be attributable to the Hedged Class and the gains/losses on and the costs of

the relevant financial instruments will accrue solely to the Hedged Class and may not be combined or offset against the exposures of other Classes or specific assets. Such transactions will not result in the Class being leveraged.

The Investment Manager's hedging strategy is designed to reduce, but not eliminate, currency exposure between the Base Currency and the hedging currency. Subscriptions to the Hedged Class will be converted into the Base Currency of the Sub-Fund at the spot rate. As part of the same contract, the resultant Base Currency exposure is hedged at the forward foreign exchange (FX) rate. The hedging transaction is then rolled at least on a monthly basis, crystallising any gain or loss on the hedge.

Where the Investment Manager seeks to hedge against currency fluctuations at Class level, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Sub-Fund. In any event over-hedged positions will not exceed 105% of the Net Asset Value of the Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged against currency risk. Hedged positions will be reviewed daily to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels outlined above and are not carried forward from month to month. 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. The gain or loss on the currency protection then forms part of the Hedged Class daily NAV calculation.

During the period of the hedge, the volatility in exchange rates and underlying fund assets are monitored. In periods of high volatility, the forward FX transaction may be rolled earlier, hence crystallising any gain or loss and reinvesting it into the underlying fund more rapidly than would otherwise have been the case. This process seeks to mitigate but will not eliminate deviation in returns between the Hedged Class and the Base Currency Unit Class. In no event will over hedged positions be carried forward.

To the extent that hedging is successful for the Hedged Class the performance of this Class is likely to move in line with the performance of the underlying assets with the result that investors in this Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the Sub-Fund are denominated.

It is intended that the currency hedging strategy which will be employed will be based on the most up-to-date information in relation to the Net Asset Value of the Sub-Fund, and will also take into account those confirmed pending subscriptions and redemptions relating to unitholder activity that will be processed through each Class in the Sub-Fund as at the relevant Valuation Point. The currency hedging strategy will be monitored and adjusted in line with the valuation cycle at which investors are able to subscribe to and redeem from the Sub-Fund.

#### Unhedged Classes

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



## 15. Fees

In addition to the general management and fund charges set out in the Prospectus under the heading "Management and Fund Charges - General" the following fees and expenses are payable out of the Sub-Fund.

### Establishment Expenses

The establishment expenses of the Sub-Fund are estimated to be up to €50,000 and will be amortised over the first five years of the Sub-Fund's operation.

### Manager

The Manager is entitled to receive an annual fee of 0.04% of the Net Asset Value of the Sub-Fund, plus reimbursement of expenses incurred and VAT, if any.

The fee payable to the Manager is subject to a minimum monthly fee of Euro €2,500 per month (plus VAT, if any). The management fee shall accrue daily and shall be payable monthly in arrears.

### Administrator

The Administrator is entitled to an annual fee based on the rates set out below (plus VAT, if any) payable out of the assets of the Sub-Fund, which shall not exceed 0.05% of the Net Asset Value of the Sub-Fund.

The Administrator is entitled to receive an annual fee based on the following rates:

- 0.05% of the Net Asset Value of the Sub-Fund on the portion of the Net Asset Value up to \$250 million; plus
- 0.04% of the Net Asset Value of the Sub-Fund on the portion of the Net Asset Value in excess of \$250 million and up to \$500 million;
- 0.03% of the Net Asset Value of the Sub-Fund on the portion of the Net Asset Value in excess of \$500 million and up to \$1 billion;
- 0.015% of the Net Asset Value of the Sub-Fund on the portion of the Net Asset Value in excess of \$1 billion.

The Administrator's annual fee is subject to a minimum fee per annum in respect of the Sub-Fund of \$60,000, which shall accrue daily and be payable monthly in arrears.

The Administrator shall be entitled to receive Unit Class fees of \$2,500 per Sub-Fund per annum when the number of Unit Classes exceeds three in the Sub-Fund.

The annual fee payable to the Administrator shall be attributable to all Unit Classes and shall represent a deduction from the Net Asset Value of the Sub-Fund and, accordingly, each Class.

The Administrator shall be entitled to receive reasonable out-of-pocket expenses payable out of the assets of the Sub-Fund.

#### Trustee

The Trustee shall be entitled to an annual fee based on the rates set out below (plus VAT, if any) payable out of the assets of the Sub-Fund, which shall not exceed 0.2% of the Net Asset Value of the Sub-Fund. Any fees payable will be subject to a minimum of \$30,000, which shall accrue daily and be payable monthly in arrears.

The Trustee is entitled to receive an annual fee based on the following rates:

- 2 bps of the Net Asset Value of the Sub-Fund on the portion of the Net Asset Value up to \$250 million; plus
- 1.75 bps of the Net Asset Value of the Sub-Fund on the portion of the Net Asset Value in excess of \$250 million and up to \$500 million;
- 1.5 bps of the Net Asset Value of the Sub-Fund on the portion of the Net Asset Value in excess of \$500 million and up to \$1 billion;
- 1 bp of the Net Asset Value of the Sub-Fund on the portion of the Net Asset Value in excess of \$1 billion.

The annual fee payable to the Trustee shall be attributable to all Unit Classes and shall represent a deduction from the Net Asset Value of the Sub-Fund and, accordingly, each Class.

The Trustee will be entitled to be reimbursed by the Sub-Fund for all reasonable out-of-pocket expenses properly incurred in the performance of its duties.

#### Investment Manager and Placing Agent

The Investment Manager shall receive an annual total maximum fee of 1.75% of the Net Asset Value of the Sub-Fund, accrued daily and payable monthly in arrears.

The Placing Agent shall receive an annual total maximum fee of 1.75% of the Net Asset Value of the Sub-Fund, accrued daily and payable monthly in arrears.

The total maximum fee will be stated as a percentage of Net Asset Value, as follows:

<b>Unit Class</b>	<b>Maximum total annual Investment Manager fee</b>	<b>Maximum total annual Placing Agent fee</b>
USD Class	1.75%	1.75%

The Placing Agent shall pay out of its own fee received, the fees of any sub-placing agent.

#### Sales Charge

A sales charge of up to 3.0% of the Net Asset Value per Unit may be added to the Net Asset Value per Unit with the resultant figure rounded up to the nearest Unit of the Base Currency. The sales charge shall be payable to and divided amongst the Placing Agent and any appointed sub-placing agent.

#### Repurchase Charge

It is not currently intended to impose a Repurchase Charge.

### **16. Distributions**

Distributions if any are expected to be declared within five Business Days of the Accounting Date and paid within ten Business Days of the Accounting Date in each year.

Distributions, if any, will be subject to the conditions set out in the Prospectus and will be declared at the sole discretion of the Manager.

### **17. Form of Units and Register**

The Sub-Fund is required to maintain a register of Unitholders. Written confirmation of entry on the register will be provided. Units will be in registered form. Only persons appearing on the register of Unitholders will be a Unitholder. Fractional Units will not be issued and orders for Units to be paid for in cash will be rounded to the nearest whole Unit amount. Any such rounding may result in a benefit for the relevant Unitholder of Sub-Fund. The Administrator will also send a trade confirmation to investors.

### **18. Additional Investment Restriction**

The Sub-Fund may invest, subject to a maximum limit of 10% of the Sub-Fund's assets in aggregate, in units or shares of other collective investment undertakings whose investment policy is consistent with the investment policy of the Sub-Fund. The Sub-Fund will also follow the investment restrictions set out in the Prospectus under the heading "Investment Restrictions".

### **19. Indian Taxation**

#### *Taxation*

The taxation of income and capital gains of the Sub-Fund is subject to the fiscal law and practice of India, and Ireland. The following summary of certain relevant tax provisions is subject to change, and does not constitute legal or tax advice. The Manager, the Fund and the Sub-Fund and their advisers accept no responsibility for any loss suffered by a Unitholder as a result of current, or changes in, taxation law and practice.

Additionally, in view of the number of different jurisdictions where local laws may apply to Unitholders, this Supplement does not discuss the local tax consequences to potential Authorised Participants arising from the acquisition, holding or disposition of any Class of Units.

Unitholders should consult their own professional advisers on the relevant taxation considerations applicable to the acquisition, holding and disposal of any Class of Units and the receipt of distributions under the laws of the countries in which they are liable to taxation.

The discussion of Indian tax matters contained herein is based on existing law, including the provisions of the Indian Income Tax Act, 1961 ("ITA") and the provisions of the Double Tax Avoidance Agreement between India and Ireland ("India – Ireland tax treaty"). ITA is amended every year by the Indian Finance Act of the relevant year, and this summary reflects changes through the date hereof. No assurance can be given that future legislation, administrative rulings or court decisions will not significantly modify the conclusions set forth in this summary, possibly with retroactive effect. Additionally, the discussion of Indian tax matters contained herein does not address the tax consequences to investors arising from the acquisition, holding or disposition of interests in their respective local jurisdictions.

Further, India tax considerations contained herein are based on the income-tax laws applicable for FY 2018-19 (period commencing from 01 April 2018 and ending on 31 March 2019).

#### *General*

The Sub-Fund is an open-ended sub-fund of Yuki Asia Umbrella Fund, an open-ended umbrella type investment fund with segregated liability between sub-funds and established as an Undertaking for Collective Investment in Transferable Securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended. The investment objective of the Sub-Fund is to invest primarily in Indian equity markets.

The Sub-Fund shall, in accordance with the requirements of the Central Bank, directly invest in Indian securities described above. Since the Sub-Fund shall be the entity investing in India and the Manager on its behalf shall be obtaining registration as an FPI, it shall be considered as the taxpayer in respect of the income earned through investments in India. Accordingly, the income-tax implications with respect to the income earned by the Sub-Fund are detailed below.

#### *Residency in India*

Residents of India are subject to taxation in India on their worldwide income. As per the ITA a company is said to be a tax resident of India, if its "place of effective management" ('POEM'), in that year, is in India. Further, the term POEM is defined as the place where key management and commercial decisions that are necessary for the conduct of the business of an entity as a whole are, in substance made. However, a non-corporate entity is considered a tax resident in India in all cases except where, during that year, the control and management of such entity is wholly outside India.

The Manager appointed Yuki Management & Research Co., Limited, a company incorporated in Japan as its Investment Manager to provide investment management functions to the Sub-Fund. The Investment Manager on day to day basis subject to overall control of the Manager of the Fund has

discretion, to purchase and sell securities and otherwise manage Fund's portfolios. It is expected that the Fund will be wholly managed and controlled from outside India and hence will not be treated as resident in India.

#### *Accrual / Receipt of Income*

Since the Sub-Fund would be regarded as a non-resident in India, it will be subject to taxation in India if (a) receives, or is deemed to receive, income in India, (b) the income accrues or arises in India or (c) the income is deemed to accrue or arise in India. Income is deemed to accrue or arise in India if it accrues or arises, whether directly or indirectly (i) through or from any "business connection" in India, (ii) through or from any property in India, (iii) through or from any asset or source of income in India or (iv) through the transfer of a capital asset situated in India.

#### *Characterisation of Income:*

As per section 2(14) of the ITA, 'Capital Asset' includes any security held by an FPI which has invested in such security in accordance with the regulations made under the SEBI Act, 1992. Accordingly, all income arising out of the sale of Indian securities held by the FPI shall be treated as capital gains.

The Sub-Fund is expected to earn the following streams of income from its investments in Indian securities:

1. Capital gains on transfer of shares/securities in India
2. Dividend income from investment in shares of Indian companies
3. Interest income on debt securities
4. Income from cancellation of foreign exchange forward contracts
5. Capital gains on sale of ADR/GDR

#### ***Taxability of Income under ITA:***

The income of FII's and their sub accounts is taxable as per the provisions of Section 115AD of ITA.

The Indian Government has issued a notification dated 22 January, 2014 extending benefits of section 115AD of ITA to FPIs. Accordingly, the provisions of section 115AD of the ITA shall apply to the Sub-Fund on obtaining registration as an FPI.

Tax implications on each stream of income are discussed as under. Please note that in addition to the tax rates specified below, the Sub-Fund will be liable to pay surcharge @ 2% on its tax liability arising out of income earned in India (in case the taxable income of the Sub-Fund is less than INR 100 million but more than INR 10 million) or @ 5% on its tax liability arising out of income earned in India (in case the taxable income of the Sub-Fund exceeds INR 10 million). Further, in addition to the surcharge, the Sub-Fund will also be liable to pay a health and education cess of 3% on its total tax liability (including surcharge).

#### **Tax treatment of capital gains on transfer of shares/securities in India:**

Depending upon the period of holding of securities, tax rates on capital gains arising on transfer of securities is mentioned below:

<b>Particular</b>	<b>Short Term Capital Gains ("STCG")</b>  <b>Refer Note 1</b>	<b>Long term capital gains ("LTCG")</b>  <b>Refer Note 1</b>	
Listed Equity shares in a company, unit of an equity orientated mutual fund and unit of business trust (transferred on a recognized stock exchange and subject to STT at the time of transfer)	15	10  (Gains up to INR 0.1 million shall be exempt from tax <sup>2</sup> )	
Listed Equity shares in a company, unit of an equity orientated mutual fund and unit of business trust (Not transferred on a recognized stock exchange)	30	10*	
Other listed securities (listed NCDs)	30	10	
Unlisted securities	30	10	
Other Assets (other than securities such as forward exchange contract)	40	20	

#### **Note 1**

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<sup>2</sup> In case of equity shares, there is a requirement of STT being paid both at the time of acquisition of the shares as well as transfer of shares. As per a draft notification issued by the Central Board of Direct Taxes on 24<sup>th</sup> April, 2018, an exemption from the requirement of STT being paid at the time of acquisition of shares, is sought to be provided to certain modes of acquisition (such as acquisition by a non-resident under the FDI policy, by way of preferential issue of listed equity shares of a company whose equity shares are not frequently traded on a recognized stock exchange; and acquisition of equity shares during the period between the delisting of a company from a recognised stock exchange and its re-listing on a recognised stock exchange).

- In case of listed equity shares, listed debentures and units of an equity oriented mutual fund, the gains shall be taxable as LTCG, if such securities are held for a period exceeding 12 months prior to transfer, else gains shall be taxable as STCG
- In case of other assets, gains shall be taxable as LTCG, if such assets are held for a period exceeding 36 months, else gains shall be taxable as STCG

In general, losses arising from a transfer of a capital asset in India can only be set off against capital gains and not against any other income. To the extent that the losses are not absorbed in the year of transfer, they may be carried forward for a period of eight years immediately succeeding the year for which the loss was first computed and may be set off against the capital gains assessable for such subsequent years.

However, a long-term capital loss can be set off only against a long-term capital gain. In order to claim a set-off of capital losses incurred in this manner, the FPI must file appropriate and timely tax returns in India.

#### Tax treatment of dividend income from investment in securities in India

Dividends received in respect of equity shares and units of an equity oriented mutual fund shall be exempt from tax in the hands of the Sub-Fund. However, such dividends shall be subject to distribution tax on the amount of dividend declared by the Indian company / fund @ 20.56% (inclusive of applicable surcharge and cess) on dividend declared by an Indian company and @ 13.57% (inclusive of applicable surcharge and cess) in case of income distributed by an equity oriented mutual fund.

#### Tax treatment of interest income from investment in securities in India:

As per the ITA, interest on rupee denominated corporate bonds and government securities payable to FPIs would be subject to a tax at the rate of 5%\* if the following conditions are satisfied:

- a. Such interest is payable on or after 1 June 2013 but before 1 July 2020;
- b. In respect of rupee denominated corporate bond, rate of interest does not exceed the rate which is notified by the Central Government

*\*The tax rate on such interest income is aligned with the withholding tax rate.*

In case the Sub-Fund is not able to take benefit of the concessional tax rate, then the interest income would be subject to tax at the rate of 20%.

#### Tax treatment of income from cancellation of foreign exchange forward contracts

There is a lack of clarity regarding characterisation of income arising on cancellation of foreign exchange forward contracts. Income arising to the Sub-Fund on cancellation of foreign exchange forward contracts may be characterised as capital gains. Accordingly, provisions of capital gains mentioned above shall be applicable. However, there is a possibility that the income-tax authorities may characterise such income as 'income from other sources'. In case income of the FPI arising from cancellation of foreign exchange

forward contracts is characterised as 'income from other sources' then it shall be subject to tax in India at the rate of 40%.

#### Tax treatment of capital gains on transfer of ADR/GDR

Section 47(via) of the ITA provides that transfer of GDRs between two non-residents outside India shall not be taxable in India. However, such exemption is only provided in respect of such GDRs issued to investors against the issue of ordinary shares of issuing companies listed on a recognized stock exchange in India or foreign currency convertible bonds of issuing companies.

As per the new Depository Scheme, 2014 notified on 21 October 2014, depository receipt ("DR") can be issued against the securities of listed, unlisted or private or public companies against underlying securities which can be debt instruments, shares or units etc. Further, both the sponsored issues and unsponsored deposits and acquisitions are permitted. DRs can be freely held and transferred by both the residents and non-residents in India. However, there is no specific taxation regime prescribed under the ITA in relation to transfer of GDR's which are issued to investors other than against issue of listed equity shares. In absence of any specific regime, gains arising on the same may be governed by the general provisions of the ITA.

#### Redemption of GDRs

The ITA does not provide any specific exemption in relation to the redemption of GDRs into equity shares, and there is lack of clarity on whether the same would be considered as a taxable transfer, subject to capital gains tax in India.

Gains realized on sale of shares / securities received on redemption of GDRs would be taxable at the general rates applicable on transfer of such shares / securities, as mentioned above. In case of listed shares, for the purpose of computing such gains, the cost basis of the shares shall be considered as the price of such shares prevailing on any recognized stock exchange on the date on which a request for redemption was made and the period of holding shall be considered as the date on which a request for redemption was made. There is no specific provision prescribed in relation to the cost basis and period of holding to be considered for securities other than listed equity shares, received on redemption of GDRs. Business Income:

Generally, business income attributable to Indian operations is taxed at the rate of 40%, if such business income is attributable to a taxable presence in India. However, in view of the amended definition of 'Capital Asset' in the ITA under section 2(14) of ITA for FPI investing in securities in accordance with regulations made under the SEBI Act, 1992, all income arising from in the transfer of such securities held by FPI shall be treated as capital gains. Hence, under the ITA the Sub-Fund's income from transfer of securities will not be characterised as business income. As regards the other income of the Sub-Fund i.e. interest on debt, the same should be taxable at special rates mentioned above and not as business income provided the Sub-Fund does not have a taxable presence in India.

#### Deemed income on investment in shares / securities:



As per the ITA, if shares / securities are acquired (either by way of fresh subscription or secondary acquisition) for less than the fair market value of the shares / securities (computed as per prescribed rules), the difference between the price paid and fair value thereof shall be deemed as ordinary income of the acquirer.

Separately, if shares other than “quoted shares” are transferred for less than the fair value of the shares (computed as per prescribed rules), the fair value of such unquoted shares shall be deemed to be the sale consideration for the seller, for computing its capital gains for Indian tax purposes. “Quoted share” is defined as “the share quoted on any recognised stock exchange with regularity from time to time, where the quotation of such share is based on current transaction made in the ordinary course of business.”

Thus, if the Sub-Fund acquires shares or securities of the Investee Companies at a price below fair value thereof, the difference would be deemed as ordinary income of the Sub-Fund and taxed accordingly. Further, if the Sub-Fund sells unquoted shares of the Investee Companies at a price below fair value thereof, the fair value will be deemed as the minimum sale consideration for the purpose of computing capital gains tax and the Sub-Fund will be taxed accordingly

Minimum Alternate Tax (MAT):

As per the ITA, if the tax payable by a corporate entity is less than 18.5% of its book profits, it shall be liable to pay MAT at the rate of 18.5% of such book profit.

The MAT provisions are not applicable to a foreign company, if (a) it is a resident of a country with which India has a tax treaty and it does not have a PE in India; or (b) it is a resident of a country with which India does not have a tax treaty and is not required to seek registration under Indian corporate law. Further, income of a foreign company which is in the nature of *inter alia* capital gains arising on in the transfer of securities and interest, is expressly excluded from the purview of MAT.

Deduction of tax at source:

The income of FPI from securities is subject to a tax withholding in India. However, no withholding is applicable on any capital gains income of FPI arising from the transfer of securities.

Securities Transaction Tax (“STT”):

All transactions in equity shares, equity oriented mutual fund, unit of business trust and sale of futures and options entered on a recognised stock exchange in India will be subject to STT, which is levied on value of transaction. No STT is levied on transactions in debt securities in India.

### ***Tax Treaty Regime***

ITA contains a specific enabling provision which provides that where a non-resident is a tax resident of a country with which India has a tax treaty, the provisions of the treaty or the provisions of the domestic law, whichever are more beneficial to the taxpayer would apply. Therefore, the provisions of the India – Ireland tax treaty may apply to the Sub-Fund provided it is a tax resident of Ireland as defined under the tax treaty and it fulfils the eligibility criteria to claim benefits of the India – Ireland tax treaty. No assurance

can however be provided that the Indian income -tax authorities will not challenge the eligibility of the Sub-Fund to claim the benefits of the India – Ireland tax treaty.

The Central Board of Direct Taxes (“CBDT”) has issued a Circular No 789 dated 13 April , 2000, in context of the India-Mauritius tax treaty which provides that a Tax Residency Certificate (“TRC”) issued by the tax authorities of Ireland would be regarded as conclusive evidence regarding residential status and beneficial ownership the entity. The Circular can also be applied in the context of the tax treaty between India and Ireland. The validity of this circular has been upheld by the Indian Supreme Court in the case of Union of India v Azadi Andolan (263 ITR 706).

Section 90 of the ITA provides that a non-resident is not entitled to claim any treaty benefits unless a TRC is obtained by it from the Government of the country of which it is a resident.

The CBDT has also issued a notification (Notification No. 57/2013) prescribing the additional information required to be provided by a non-resident along with the TRC to avail treaty benefits. The information which is sought from a non-resident is to be provided in Form No. 10F. The notification also provides that in case the above required information or part thereof is already mentioned in the TRC, the non-resident will not be required to separately provide the information or part thereof in the prescribed form.

Apart from the TRC and Form No.10F, the non-resident is also required to maintain such documents as necessary to substantiate the above required information and provide the documents to the income tax authorities as and when called for to avail treaty benefits.

If the Sub-Fund is able to obtain TRC from the Ireland Government in its own name, furnish a Form No.10F along with supporting documents to substantiate the information provided in Form No. 10F and if its place of effective management and control is in Ireland, then the benefit of the India – Ireland tax treaty may be available to the Sub-Fund in respect of its Indian investments. However, no assurances can be provided that the Indian income- tax authorities would not challenge the treaty claim of the Sub-Fund.

#### *Taxability of Income under the India – Ireland tax treaty:*

##### **Tax treatment of capital gains on transfer of shares/securities in India**

As discussed earlier in the document, the Indian Government has amended the definition of ‘Capital Asset’ under section 2(14) of ITA to include that any security held by a FPI which has invested in such security in accordance with the regulations made under the SEBI Act, 1992. Accordingly income derived by Sub-Fund from sale of Indian securities shall be treated as capital gains under the ITA.

In case income of the Sub-Fund is characterised as ‘capital gains’, the Sub-Fund would be subject to tax in India on income arising from transfer of shares of an Indian company, as the India-Ireland tax treaty does not provide any exemption from capital gains tax in India, on the transfer of shares of an Indian Company. The tax rates applicable under the ITA as detailed earlier in the document shall be applicable.

However, in case of income arising from transfer of securities other than shares, the Sub-Fund will not be subject to tax in India by virtue of Article 13 of the India – Ireland tax treaty.

## Tax treatment of interest income from investment in securities in India

As per Article 11 of the India-Ireland tax treaty, withholding tax on rate on the interest income earned by the Sub-Fund from investment in debt securities in India shall be capped at 10% in terms of Article 11 the India – Ireland tax treaty provided the Sub-Fund is ‘beneficial owner’ of such interest income. However, please note that the provisions of the ITA provide a beneficial rate of 5%, in the case of investment in certain specified debt instruments.

## Tax treatment of income from cancellation of foreign exchange forward contracts

Income arising to the Sub-Fund on cancellation of foreign exchange forward contracts may be characterised as capital gains and in such a case, would not be taxable in India by virtue of Article 13 of the India- Ireland tax treaty. Even in case such income is characterised as ‘Income from other sources’, it would not be subject to tax in India by virtue of Article 22 of the India-Ireland tax treaty.

## *General Anti-Avoidance Rules (“GAAR”)*

The GAAR provisions empower the Indian revenue authorities to declare an arrangement as an impermissible avoidance arrangement if, inter alia, it was entered into with a main purpose of obtaining tax benefit and it lacks/or is deemed to lack commercial substance, or does not have a bonafide purpose. Unless proved contrary by the taxpayer, an arrangement will be presumed to have been carried out for the main purpose of obtaining tax benefit even if the main purpose of a step of the arrangement or part of the arrangement is to obtain a tax benefit irrespective of the fact that the main purpose of the whole arrangement is not to obtain a tax benefit.

The Central Government has also notified GAAR rules. A summary of the key points from the notified GAAR rules are set out below:

- The GAAR provisions would apply only where the tax benefit (to all the parties in aggregate) from an arrangement in a relevant year exceeds INR 30 million.
- Investments in FPIs made by Non-Resident Investors by way of offshore derivative instruments (such as Participatory Notes), directly or indirectly, are excluded from the ambit of the GAAR provisions. The GAAR provisions would not apply to an FPI who is not availing the benefit of any tax treaty, and which has made investments in India, with the prior permission of the competent authorities, in accordance with the SEBI regulations.

## *Taxation of the Investors:*

As per the provisions of the ITA, income arising from the transfer of shares or interest in a Fund or entity registered or incorporated outside India, shall be taxable in India, if the share or interest derives, directly or indirectly, its value substantially from the assets located in India.

In this regard, the Finance Act, 2015 has made the following amendments to the provisions in the ITA relating to indirect transfer of capital asset:

A foreign company or entity shall be deemed to derive its value substantially from Indian assets if the value of Indian assets represents at least 50 per cent of value of all the assets owned by such foreign company or entity, subject to minimum value of Indian assets of INR 100 million.

In this regard, the Finance Act, 2017 has clarified that the scope of the aforementioned indirect transfer tax provisions shall not cover within its ambit, direct or indirect investments held by non-resident investors in FPIs that are registered as Category-I or Category-II with SEBI under the FPI Regulations. Thus, transfer or redemption of shares held directly or indirectly in the Sub-Fund will not be subject to any tax / withholding tax in India once it is registered as a Category-II FPI.

As regards the applicability of tax on income distributed by the Sub-Fund to the investors, the CBDT has, vide its circular no. 4/ 2015 dated 26 March 2015, clarified that as the declaration of dividend by a foreign company outside India does not have the effect of transfer of any underlying assets located in India and therefore the said dividends would not be deemed to be income accruing or arising in India. Applying the same principle, income distributed by the Sub-Fund should not be taxable in India.

## **20. Profile of a Typical Investor**

Typical investors will be (i) those who are particularly knowledgeable in investment matters, in particular financially sophisticated high net worth individuals and institutional investors and (ii) retail investors although retail investors are primarily expected to invest in Units through the secondary market. An investment in the Sub-Fund is only suitable for investors who are capable of evaluating the risks and merits of such investment and who have sufficient resources to bear any loss which might result from such investment. Prospective investors should consult with their professional and financial advisors before making an application for Units.

The Sub-Fund is suitable to investors with a medium to long term time horizon (typically 3 to 5 years). The investment is not suitable for short term investors.

## **21. General**

### ***DELIVERY OF INVESTMENT REPORTS IN AN ELECTRONIC FORM UNDER THE JAPANESE LAW***

The Manager shall prepare and deliver, in respect of the Units of the Sub-Fund offered in Japan, by way of a public offering, investment reports (*unyo hokokusho*) as set forth in Articles 59 and 14 of the Act on Investment Trusts and Investment Corporations of Japan (Act No. 198 of 1951, as amended) (the "ITIC Act") and, may provide such investment reports in an electronic form in lieu of delivery in a printed form in accordance with Article 59 and Article 14, Paragraphs 1 and 2 of the ITIC Act and the regulations thereunder; provided that, however, in the case where any requests for such investment reports to be delivered in a printed form are received, the Manager shall deliver them in a printed form accordingly. The Manager will not prepare and deliver investment reports (*unyo hokokusho*) in respect of the Units of the Sub-Fund offered in Japan by way of a private placement to qualified institutional investors only, in accordance with Article 59 and Article 14, Paragraph 1, Item 1 of the ITIC.

**Dated: 22 December, 2021**