

**If you are in doubt about the contents of this Prospectus, you should consult your stockbroker, accountant, solicitor or other independent financial adviser.**

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**VERITAS FUNDS PLC**

**(an umbrella fund with segregated liability between sub-funds)**

**PROSPECTUS**

**Investment Manager**

**VERITAS ASSET MANAGEMENT LLP**

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The Company is an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds incorporated with limited liability under the laws of Ireland with registered number 342215. The Company is authorised in Ireland as an investment company pursuant to the UCITS Regulations.

**Dated: 1 October 2021**

## PRELIMINARY

The Company is an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds incorporated in Ireland with limited liability and authorised by the Central Bank pursuant to the provisions of the UCITS Regulations. Accordingly, the Company is supervised by the Central Bank.

The Directors accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information.

**It is important that you read the Data Protection Notice available at [www.vamllp.com/privacy](http://www.vamllp.com/privacy) carefully to understand the Company's use of your Personal Data including information on your rights in respect of your Personal Data.**

Prospective investors should note that by completing the Application Form and providing any other personal information in connection with an application for or the holding of Shares in the Company, they are providing information which may constitute Personal Data within the meaning of the Data Protection Laws. Any Personal Data provided by investors will be held by the Company as Data Controller in accordance with Data Protection Laws.

Investors will be required to provide their Personal Data for statutory and contractual purposes and in furtherance of the pursuit of the legitimate interests of the Company. Failure to provide the required Personal Data will result in the Company being unable to permit, process or release the investor's investment in the Company and the Sub-Funds and this may result in the Company terminating its relationship with the investor.

This is not a complete notification of your data protection rights in relation to an investment in the Company or its Sub-Funds nor of the Company's use of Personal Data and you are urged to carefully read the Data Protection Notice available as indicated above.

No person is authorised to issue any advertisement or to give any information or to make any representations in connection with the offering, issue or sale of Shares, other than those contained in this Prospectus, the relevant KIID and the most recent annual and/or semi-annual reports and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company. Neither the delivery of this Prospectus nor the offer, issue or sale of any of the Shares 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 Shares 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 Shares, (b) any foreign exchange restrictions which may affect them, and (c) the income and other tax consequences which may apply in their own jurisdictions relevant to the purchase, holding or disposal of Shares.

The distribution of this Prospectus in certain jurisdictions may require that this Prospectus is translated into the official language of those countries. Should any inconsistency arise between the translated version and the English version, the English version shall prevail and all disputes as to the contents thereof shall be governed by, and construed, in accordance with the laws of Ireland.

In deciding whether to invest in the Company, investors should rely on information in this Prospectus, the relevant KIID and the most recent annual and/or semi-annual reports. Each Class that is available for subscription will have a KIID issued in accordance with the requirements of the Central Bank. While some Classes are described in the Supplement for the relevant Sub-Fund as available, these Classes may not currently be offered for subscription and in that event a KIID may not be available. Prospective investors should contact the distributor directly to determine whether the relevant class is available for subscription.

Because the Prospectus and KIID may be updated from time to time, investors should make sure they have the most recent versions.

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

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

The Company qualifies as a UCITS. The Directors may apply for authorisation for distribution of the Sub-Funds in such countries within the EU, or elsewhere as they deem appropriate.

None of the Shares have been or will be registered under the United States Securities Act of 1933, as amended, (the "**1933 Act**") and (except in a transaction which is exempt from registration under the 1933 Act) none of the Shares may be offered or sold, directly or indirectly, in the United States or to any U.S. person. In addition, the Company has not been and will not be registered under the Investment Company Act of 1940, as amended, (the "**1940 Act**"). Based on interpretations of the 1940 Act by the staff of the United States Securities and Exchange Commission relating to foreign investment companies, if the Company has more than 100 beneficial owners who are U.S. Persons (as defined herein), it may become subject to the 1940 Act. The Directors will not knowingly permit the number of Shareholders who are U.S. Persons to exceed 50.

**Hong Kong - The contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this Prospectus, you should obtain independent professional advice.**

Shares of the Veritas Asian Fund shall not be offered or sold in Hong Kong by means of any document other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) and any rules made under that Ordinance; or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the laws of Hong Kong) or which do not constitute an offer to the public within the meaning of that Ordinance. This document is confidential to the person to whom it is addressed and no person to whom a copy of this document is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this document to any other person in Hong Kong without the consent of the Investment Manager.

All holders of Shares are entitled to the benefit of, are bound by and are deemed to have notice of the Memorandum and Articles of Association of the Company, copies of which are available as mentioned herein.

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

**The difference at any one time between the sale and redemption price of Shares means that investment should be viewed as medium to long term.**

Attention is drawn to the section headed "RISK WARNINGS".

# VERITAS FUNDS PLC

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**DIRECTORY  
VERITAS FUNDS PLC**

<b>Registered Office of the Company</b>	70 Sir John Rogerson's Quay Dublin 2 Ireland
<b>Directors of the Company</b>	Mike Kirby Richard Grant Brian Wilkinson Michael Morris Nicola Lakin (all of the above address)
<b>Manager</b>	KBA Consulting Management Limited 5 George's Dock IFSC Dublin 1 Ireland
<b>Investment Manager, Promoter and United Kingdom Representative of the Company</b>	Veritas Asset Management LLP 1 Smart's Place London WC2B 5LW United Kingdom
<b>Depositary</b>	Brown Brothers Harriman Trustee Services (Ireland) Limited 30 Herbert Street Dublin 2 Ireland
<b>Administrator</b>	Brown Brothers Harriman Fund Administration Services (Ireland) Limited 30 Herbert Street Dublin 2 Ireland
<b>Company Secretary</b>	Matsack Trust Limited 70 Sir John Rogerson's Quay Dublin 2 Ireland
<b>Legal Advisers</b>	Matheson 70 Sir John Rogerson's Quay Dublin 2 Ireland
<b>Registered Auditors</b>	PricewaterhouseCoopers Chartered Accountants 1 George's Quay Dublin 1 Ireland

## DEFINITIONS

In this Prospectus:-

all references to a specific time of day are to Irish time;

**Act** means the Irish Companies Act 2014 (as amended, consolidated, supplemented or substituted from time to time);

**Administrator** means Brown Brothers Harriman Fund Administration Services (Ireland) Limited;

**AIF** means alternative investment fund, being a structure for collective investment, which is not a UCITS;

**Application Form** means the form which investors in the Company must complete upon initial application for Shares in a Sub-Fund in accordance with the provisions of the section of this Prospectus entitled "Applications for Shares";

**Article 8** means Article 8 of the SFDR in respect of funds which promote environmental or social characteristics in pre-contractual disclosures;

**Article 9** means Article 9 of the SFDR in respect of funds which have a sustainable investment objective in pre-contractual disclosures;

**Articles** means the Articles of Association of the Company as amended from time to time;

**Associated Company** means any company within the Veritas Group;

**Benchmark Regulation** means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds;

**Board** means the board of directors of the Company;

**Business Day** in relation to each Sub-Fund, has the meaning assigned to it in the relevant Supplement, or such other Business Day(s) as the Directors may from time to time determine and notify to Shareholders;

**Central Bank** means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Company;

**Central Bank UCITS Regulations** means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (S.I. No. 230 of 2019), as may be amended, supplemented or replaced from time to time and any rules, guidelines or notices made by the Central Bank pursuant to them or issued by the Central Bank from time to time affecting the Company or any Sub-Fund;

**Class** means a class of Share within a Sub-Fund;

**CIS** means an open-ended collective investment scheme within the meaning of Regulation 68(1)(e) of the Regulations and which is prohibited from investing more than 10% of its assets in other such collective investment schemes;

**Company** means Veritas Funds plc;

**Controller, Personal Data** and **Processor** shall have the meanings ascribed under applicable Data Protection Laws;

**Covered Person** has the meaning given to it in the Application Form of the Company;

**Data Protection Laws** means (i) the Data Protection Acts 1988 and 2003 or any other legislation or regulations implementing Directive 95/46/EC, (ii) the European Communities (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011, (iii) the General Data Protection Regulation (Regulation (EU) 2016/679 of the European Parliament and the Council of 27 April 2016) and any

consequential national data protection legislation and (iv) any guidance and/or codes of practice issued by the Irish Data Protection Commissioner or other relevant supervisory authority, including without limitation the European Data Protection Board;

**Dealing Day**, in relation to each Sub-Fund, has the meaning assigned to it in the relevant Supplement, or such other Business Day(s) as the Directors may from time to time determine and notify in advance to Shareholders, which shall at all times be at least once per fortnight;

**Dealing Deadline** in relation to each Sub-Fund has the meaning assigned to it in the relevant Supplement, or such other time as the Directors may from time to time determine and notify to Shareholders in advance;

**Depository** means Brown Brothers Harriman Trustee Services (Ireland) Limited;

**Directive** means the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as amended by Directive 2014/97/EU of the European Parliament and the Council of 23 July 2014 as regards depository functions, remunerations policies and sanctions, as may be further amended, supplemented or replaced from time to time;

**Directors** means the directors of the Company for the time being and any duly constituted committee or delegate thereof, each a Director;

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

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

**ESG** means environmental, social and governance;

**ESMA** means the European Securities and Markets Authority;

**ESMA Remuneration Guidelines** means the ESMA guidelines on sound remuneration policies under the UCITS Directive;

**EU** means the European Union;

**Euro** and **€** means the lawful unit of single currency in certain states of the EU;

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

**FATCA** means the Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010;

**FCA** means the United Kingdom's Financial Conduct Authority;

**FINRA** means the US Financial Industry Regulatory Authority;

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

**ICAV** means an Irish collective asset-management vehicle;

**Investor Money Regulations** means Part 7 of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Investment Firms) Regulations 2017 (SI 604 of 2017) as may be further amended, consolidated or substituted from time to time;

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

- a. a Foreign Person;
- b. an intermediary, including a nominee, for a Foreign Person;
- c. a qualifying management company within the meaning of section 739B TCA;
- d. a specified company within the meaning of section 734 TCA;
- e. an investment undertaking within the meaning of section 739B of the TCA;
- f. an investment limited partnership within the meaning of section 739J of the TCA;
- g. an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 TCA;
- h. a company carrying on life business within the meaning of section 706 TCA;
- i. a special investment scheme within the meaning of section 737 TCA;
- j. a unit trust to which section 731(5)(a) TCA applies;
- k. a charity entitled to an exemption from income tax or corporation tax under section 207(1)(b) TCA;
- l. a person entitled to exemption from income tax and capital gains tax under section 784A(2) TCA, section 787I TCA or section 848E TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal retirement savings account (as defined in section 787A TCA);
- m. the Courts Service;
- n. a Credit Union;
- o. a company within the charge to corporation tax under section 739G(2) TCA, but only where the fund is a money market fund;
- p. a company within the charge to corporation tax under section 110(2) TCA;
- q. the National Asset Management Agency;
- r. the National Treasury Management Agency or a Fund investment vehicle within the meaning of section 739O(6)(kb) TCA;
- s. the National Pensions Reserve Fund Commission or a Commission investment vehicle (within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 as amended);
- t. the State acting through the National Pensions Reserve Fund Commission or a Commission investment vehicle within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 (as amended); and
- u. any other person as may be approved by the directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under section Part 27 Chapter 1A of the TCA,

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

**Investment Manager** means Veritas Asset Management LLP;



**KIID** means the key investor information document issued in relation to a Class;

**Manager** means KBA Consulting Management Limited, acting in its capacity as the UCITS management company of the Company, or such other entity as may from time to time be appointed to provide management company services to the Company, in accordance with the requirements of the Central Bank;

**Management Agreement** means the agreement entered into between the Company and the Manager appointing the Manager as the UCITS management company of the Company, as may be amended from time to time;

**Management Shares** means Management Shares in the capital of the Company issued in accordance with the Articles and with the rights provided for under the Articles;

**MiFID II Delegated Directive** means Commission Delegated Directive (EU) of 7 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council with regard to safeguarding of financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or reception of fees, commissions or any monetary or non-monetary benefits;

**money market instruments** means instruments normally dealt in on the money markets which are liquid and have a value which can be accurately determined at any time;

**Net Asset Value** means the amount determined as at the Valuation Point in accordance with the principles and methodology described in section "CALCULATION OF NET ASSET VALUE / VALUATION OF ASSETS" as being the net asset value of a Sub-Fund;

**New Issues** means as defined pursuant to FINRA Rule 5130 to include any initial public offering of an equity security as defined in Section 3(a)(11) of the US Securities Exchange Act of 1934 made pursuant to a registration statement or offering circular;

**OECD** means the Organisation for Economic Co-operation and Development;

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

**OTC derivative** means a financial derivative instrument dealt in over-the-counter;

**Paris Climate Agreement** means an agreement among the leaders of over 180 countries to reduce greenhouse gas emissions and limit the global temperature increase to below 2 degrees Celsius (3.6 F) above pre-industrial levels by the year 2100;

**Prospectus** means the current prospectus of the Company and any Supplements and addenda thereto;

**Recognised Exchanges** means the stock exchanges listed in Appendix I to the Prospectus;

**Redemption Charge** such fee as may, at the discretion of the Directors, in consultation with the Manager, be subtracted from redemption proceeds. The Redemption Charge shall be for the account of the Investment Manager, and who may waive such charge or differentiate between applicants as to the amount of such charge subject to the maximum charge of 2% of the Net Asset Value per Share. The Redemption Charge for a particular Sub-Fund will be set out in the Supplement for that Sub-Fund;

**Restricted Person** means as defined under FINRA Rule 5130. Restricted Persons are, generally, FINRA members and other broker-dealers, their officers, directors, employees and affiliates, and persons having portfolio management responsibility for collective investment vehicles or financial or other institutions, as well as certain immediate family members of such persons. A more precise definition of Restricted Person is contained in the Application Form;

**Sales Charge** such fee as may, at the discretion of the Directors, in consultation with the Manager, be added to subscription proceeds. The Sales Charge shall be for the account of the Investment Manager, and who may waive such charge or differentiate between applicants as to the amount of such charge subject to the maximum charge of 3% of the Net Asset Value per Share;

**Securitisation Position** means an instrument held by a Sub-Fund that meets the criteria of a "Securitisation" contained in Article 2 of the Securitisation Regulation so as to bring such instruments into the scope of the

Securitisation Regulation and trigger obligations which must be met by the Sub-Fund (as an "institutional investor" under the Securitisation Regulation). Without prejudice to the precise definition in Article 2 of the Securitisation Regulation, this generally covers transactions or schemes, whereby (i) the credit risk associated with an exposure or a pool of exposures is divided into classes or tranches; (ii) payments are dependent upon the performance of the exposure or of the pool of exposures; and (iii) the subordination of classes or tranches determines the distribution of losses during the ongoing life of the transaction or scheme;

**Securitisation Regulation** means the Securitisation Regulation (EU) 2017/2402, as may be amended from time to time;

**SFDR** means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector as amended and as may be further amended;

**Shares** means participating Shares of no par value in the capital of the Company, which may be designated as participating shares in one or more Sub-Funds and which may also be divided into different Classes within each Sub-Fund;

**Shareholder** means any person holding Shares of the Company;

**Sterling, GBP and £** means the British Pound, the lawful currency of the United Kingdom;

**STP** means an automated operations system which may be used by the Administrator to facilitate the processing of trades without manual intervention. An example of such an automated operations system is the Society for Worldwide Interbank Financial Telecommunication messaging system (SWIFT);

**Sub-Fund** means a separate pool of assets which is invested in accordance with the investment objective applicable to such Sub-Fund, established by the Directors from time to time with the prior approval of the Central Bank;

**Subscriptions/Redemptions Account** means a subscriptions and redemptions account at umbrella level in the name of the Company;

**Supplement** means any supplement to this Prospectus for the time being in issue;

**Taxonomy Regulation** means the Regulation on the Establishment of a Framework to Facilitate Sustainable Investment (Regulation EU/2020/852) as may be supplemented, consolidated, substituted in any form or otherwise modified from time to time;

**TCA** means the Irish Taxes Consolidation Act, 1997, as amended;

**transferable securities** means

- (i) shares in companies and other securities equivalent to shares in companies;
- (ii) bonds and other forms of securitised debt; and
- (iii) other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange,

other than the techniques and instruments referred to in regulation 48A of the Regulations;

**UCITS Regulations or Regulations** means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) as amended, supplemented or consolidated from time to time;

**UCITS** means an undertaking for collective investment in transferable securities authorised pursuant to the Regulations;

**United States and US** means United States of America (including the States and the District of Columbia) its territories, possessions and all other areas subject to its jurisdiction;

**U.S. Dollar, Dollars and \$** means the lawful currency of the United States. All references to "dollars" or "US\$" are to the United States dollar, the currency of the United States of America;

**US Person** has, except where otherwise stated, the meaning assigned to it in Regulation S under the 1933 Act and includes:

- (a) any natural person resident in the United States; (b) any partnership or corporation organised or incorporated under the laws of the United States; (c) any estate of which any executor or administrator is a US Person; (d) any trust of which any trustee is a US Person; (e) any agency or branch of a non-US entity located in the United States; (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person; (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or, if an individual, resident in the United States; or (h) any partnership or corporation if: (i) organised or incorporated under the laws of any non-US jurisdiction; and (ii) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.

Notwithstanding the foregoing **US Person** does not include:

- (a) any discretionary account or similar account (other than estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organised, incorporated, or, if an individual, resident in the United States; (b) any estate of which any professional fiduciary acting as executor or administrator is a US Person if (i) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate and (ii) the estate is governed by non-US law; (c) any trust of which any professional fiduciary acting as trustee is a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a US Person; (d) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (e) any agency or branch of a US Person located outside the United States if (i) the agency or branch operates for valid business reasons and (ii) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; or (f) the International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organisations, their agencies, affiliates and pension plans;

**Valuation Point** means 12:00 noon (Dublin time) on the relevant Dealing Day or such other time or times as are disclosed in the Supplement of the relevant Sub-Fund or such other time or times as may be determined by the Directors, in consultation with the Manager, and with the approval of the Depositary and as notified to Shareholders; being the point in time by reference to which the value of the net assets of a Sub-Fund is taken; and

**VAT** means value added tax.

## PRINCIPAL FEATURES

The Company is structured as an umbrella type open-ended investment company with variable capital and segregated liability between Sub-Funds incorporated on 24 April 2001 and authorised in Ireland by the Central Bank pursuant to the Regulations. This authorisation does not, however, constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company.

The base currency, the minimum investment and holding and the minimum subsequent investment for each Sub-Fund is set out in the relevant Supplement.

### Dealing

Shares can normally be purchased, redeemed or switched on application to the Company. Investors should be aware that Shares can only be redeemed once settlement proceeds and registration details as specified under the section "Applications for Shares" below have been received by the Company.

### Sub-Funds

The Company is an umbrella type structure with segregated liability between Sub-Funds in which different Sub-Funds may be issued from time to time with the prior approval of the Central Bank and Shareholders will be entitled to switch Shares of one Sub-Fund for Shares of another Sub-Fund. Prior to the issue of any Shares, the Directors will designate the Sub-Fund in relation to which such Shares shall be designated. A separate pool of assets is maintained for each Sub-Fund and is invested in accordance with the investment objective applicable to such Sub-Fund.

The Sub-Funds in which the different Classes of Shares are available, as of the date of this Prospectus, are set out below:

Sub-Funds
Veritas Global Focus Fund
Veritas Global Equity Income Fund
Veritas Asian Fund
Veritas China Fund
Veritas Global Real Return Fund
Veritas Izoard Fund
Veritas Third Eye Global Emerging Markets Fund

Other Sub-Funds and/or Classes thereof may be introduced by the Company, in consultation with the Manager, from time to time, with the prior approval of the Central Bank. The Directors shall have the power to change the name of any Sub-Fund from time to time upon prior notification to Shareholders and subject to the approval of the Central Bank. A Supplement relating to any new Sub-Fund will be issued by the Directors at the time of creation of such new Sub-Fund.

The Company has segregated liability between its Sub-Funds and accordingly any liability incurred on behalf of, or attributable to, any Sub-Fund shall be discharged solely out of the assets of that Sub-Fund.

## INVESTMENT OBJECTIVE AND POLICIES

The investment objective and policies for each Sub-Fund will be formulated by the Directors, in consultation with the Manager, at the time of the creation of the Sub-Fund.

The assets of each Sub-Fund will be invested separately in accordance with the investment objective, policies and guidelines of that Sub-Fund which are set out in a Supplement to this Prospectus. Supplements may be added to or removed from this Prospectus from time to time as Sub-Funds are approved or as approval is revoked, as the case may be.

Any changes to the investment objective will be subject to approval of the Shareholders by way of an ordinary resolution. Shareholders will be given reasonable notice prior to the implementation of any change to the investment objective and/or policy. The Manager will also be consulted prior to any change in the investment objective or investment policy of any Sub-Fund.

## Disclosures under the Sustainable Financial Disclosures Regulation

SFDR requires the Manager to include certain disclosures in relation to sustainable investment by the Sub-Funds in the Prospectus and/or the relevant Supplement for individual Sub-Funds. The provisions below apply to each Sub-Fund, and subject to any further disclosures which are specific to individual Sub-Funds and which are set out in the relevant Supplement.

It is noted that the regulatory technical standards to specify the details of the content and presentation of the information to be disclosed pursuant to SFDR have been delayed and were not issued when the relevant disclosure obligations in SFDR become effective.

It is also noted in this respect that the European Commission has recommended that, from the effective date of SFDR, financial market participants seek to comply with the specific disclosure obligations in SFDR that are reliant on regulatory technical standards on a "*high-level, principles-based approach*".

The Manager therefore seeks to comply on a best efforts basis with the relevant disclosure obligations and makes this disclosure as a means of achieving this objective.

## ESG Considerations

Each Sub-Fund will invest in companies with generally higher standards of ESG practices as determined by the Investment Manager. Environmental and social characteristics (combined with sustainability risks) are integrated into the investment analysis and assessment criteria for selecting companies. An assessment is undertaken of the likely impacts of the sustainability risks listed in this Prospectus on a Sub-Fund's return. Sustainability risks may impact the value of the assets in which the Sub-Fund invests and as a result, the Net Asset Value of the Sub-Fund. All relevant sustainability risks that could have a significant impact on the investment, including those that could have a significant negative impact on the return of an investment are also taken into account, as well as the most important negative effects of an investment decision on sustainability factors. To the extent that a sustainability risk occurs, there may be a sudden, material negative impact on the value of an investment, and hence the returns of a Sub-Fund. The impacts following the occurrence of a sustainability risk may be numerous and vary depending on the specific risk and asset class.

The Investment Manager's analysis of the management of sustainability risks incorporates governance analysis and covers the boards' independence, experience and effectiveness, ownership and reliability of reported financials. The Investment Manager engages with underlying companies via dialogue and voting rights and its governance guidelines establish a consistent philosophy and approach to corporate governance and the exercise of voting rights.

The Investment Manager's view is that companies with strong environmental and social characteristics are more likely to outperform their peers. As a long-term investor, it is important that the Investment Manager is aligned with management that will adapt to risks and opportunities posed by such characteristics, especially where they are material to the business. As such, environmental and social factors are integral to company analysis.

One of the environmental considerations that the Investment Manager takes into account during its investment process relates to climate change and the Investment Manager proactively promotes investment in companies that are actively taking steps to address climate change and supports companies that are contributing to the transition to a low carbon global economy. The Investment Manager recognises that it is important to ensure that a total impact assessment is made in judging environmental factors and they should not be considered in isolation.

Each Sub-Fund supports and monitors the global transition to net zero emissions in line with the goals of the Paris Climate Agreement. Each Sub-Fund expects investee companies to be prepared for the transition to a low carbon economy and to have transparency in relation to their strategies and processes to achieve this outcome. As such, the Investment Manager will engage with companies where it is of the view that the investee company is not making sufficient progress on climate-related issues.

In light of the details outlined above, each Sub-Fund may be regarded as "promoting, among other characteristics, environmental or social characteristics provided that the companies in which the investments are made follow good governance practices" within the meaning of Article 8 of SFDR. As the Sub-Funds do not have sustainable investment as their objective, they should not be regarded as falling within Article 9 of SFDR.

Further details in relation to the above matters may be included in future updates to this Prospectus to the extent required by any future regulatory technical standards to be published by the European Commission in accordance with procedures set out in Article 8(3) of SFDR.

This section of the Prospectus may also be updated to take account of the provisions of the Taxonomy Regulation once it comes into effect (1 January 2022).

Further information in relation to the Investment Manager's approach to sustainable investment may be found on the Investment Manager's website at [www.vamlp.com](http://www.vamlp.com).

### **Principal Adverse Impacts**

In accordance with the discretion granted pursuant to Article 4(1)(b) of SFDR, the Manager and the Investment Manager do not currently consider the principal adverse impacts of investment decisions on sustainability factors in respect of the Company or issue a statement on its website in relation to the due diligence policies with respect to those impacts, in line with the specific requirements of SFDR. This is pending (a) the adoption of final regulatory technical standards by the European Commission pursuant to Article 4(6) of SFDR, which shall set out detailed requirements in relation to the content, methodologies and presentation of information on sustainability indicators in relation to adverse impacts on the climate and other environment-related adverse impacts and (b) the market developing to the point where appropriate and accurate data becomes more widely available/accessible such that the results of such an assessment would prove meaningful to investors.

Following the adoption and coming into force of such regulatory technical standards, currently expected to be from 1 July 2022, the Manager and the Investment Manager intend to comply with the SFDR requirements in relation to the publication of adverse impacts in respect of each Sub-Fund and this Prospectus and the Investment Manager's website shall be updated accordingly.

## **INVESTMENT IN NEW ISSUES**

A Sub-Fund may invest in New Issues, as may be set out in the relevant Supplement. Investment in New Issues may be limited by rules imposed by FINRA Rule 5130, which seek to provide that investment in New Issues by an entity such as a Sub-Fund of the Company is only permissible where beneficial ownership by Restricted Persons does not exceed ten per cent. of that Sub-Fund.

FINRA Rule 5131 provides that allocations of profits and losses from New Issues to the accounts of Covered Persons are only permissible where either (a) beneficial ownership by Covered Persons does not exceed in the aggregate twenty-five per cent. of the Sub-Fund, or (b) beneficial ownership of Covered Persons does exceed twenty-five per cent. of the Sub-Fund, but no more than twenty-five per cent. of the profits and losses from the Sub-Fund are allocated to Covered Persons.

The rules currently imposed by FINRA on entities such as the Company provide that allocations of profits and losses from New Issues for the account of Restricted Persons are only permissible where the beneficial ownership by Restricted Persons does not exceed in the aggregate ten per cent. of the relevant Sub-Fund of the Company. Where the beneficial ownership of the relevant Sub-Fund by a Restricted Persons exceeds ten per cent., the Company may be unable to invest in New Issues.

Each investor in the Company must provide information regarding whether or not it is a Restricted Person and/or Covered Person at the time of its investment, and will be required to update such information periodically thereafter. Certain investors, such as other investment funds, may be required to provide additional information regarding their ownership by Restricted Persons and Covered Persons in order to enable the Company to make a determination whether such investor should be regarded as a Restricted Person or Covered Person. In any case where the Company has requested but not received information sufficient enough for it to reasonably determine that an investor is not a Restricted Person or Covered Person, the Company may treat such investor as a Restricted Person and/or Covered Person. Any such classification by the Company will be conclusive and binding on the investor.

## **INVESTMENT RESTRICTIONS AND OTHER FEATURES**

The investment restrictions applying to each Sub-Fund of the Company under the Regulations are set out below. These are, however, subject to the qualifications and exemptions contained in the Regulations and in the Central Bank UCITS Regulations. Any additional investment restrictions for a Sub-Fund will be formulated

by the Directors, in consultation with the Manager, at the time of the creation of such Sub-Fund. If the limits referred to below are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, the Company, in consultation with the Manager, shall ensure that the Sub-Fund will adopt as a priority objective for its sales transactions the remedying of that situation taking due account of the interests of Shareholders. The Company reserves the right to update this section in the event that Central Bank requirements change from time to time.

The Directors, in consultation with the Manager, may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where Shareholders are resident.

## **1. Permitted Investments**

Investments of a Sub-Fund are confined to:

1. transferable securities and money market instruments which are either admitted to official listing on a stock exchange in an EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU Member State or non-EU Member State;
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;
3. money market instruments other than those dealt on a regulated market;
4. units of UCITS;
5. units of AIFs;
6. deposits with credit institutions;
7. financial derivative instruments.

## **2. Investment Limits**

1. A Sub-Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1 above.
2. **Recently Issued Transferable Securities**  
Subject to paragraph (2) a Sub-Fund shall not invest any more than 10% of assets in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations apply. Paragraph (1) does not apply to an investment by a Sub-Fund in US Securities known as Rule 144 A securities provided that:
  - the securities are issued with an undertaking to register with the U.S. Securities and Exchanges Commission within one year of issue; and
  - the securities are not illiquid securities i.e. they may be realised by the Sub-Fund within seven days at the price, or approximately at the price, at which they are valued by the Sub-Fund.
3. A Sub-Fund 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%.
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 an EU Member State and is subject by law to special public supervision designed to protect bond-holders. If a Sub-Fund 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 Sub-Fund.

5. The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members.
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.
7. A UCITS shall not invest more than 20% of its assets in deposits made with the same body.
8. The risk exposure of a Sub-Fund to counterparty to an OTC derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorised in the EEA, a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

9. Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
  - investments in transferable securities or money market instruments;
  - deposits, and/or
  - counterparty risk exposures arising from OTC derivatives transactions.
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.
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.
12. A Sub-Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international bodies of which one or more EU Member States are members or any of the following:

OECD Governments (provided the relevant issues are investment grade)  
 Government of Brazil (provided the issues are of investment grade)  
 Government of India (provided the issues are of investment grade)  
 Government of the People's Republic of China  
 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



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

### **3. Investment in CIS**

1. A Sub-Fund may not invest more than 20% of net asset in any one CIS.
2. Investment in AIFs may not, in aggregate, exceed 30% of net assets.
3. The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
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.
5. Where by virtue of investment in the units of another investment fund, the Company and/or a Sub-Fund, an investment manager or an investment adviser receives a commission on behalf of the Company and/or a Sub-Fund (including rebated commission), the Company shall ensure that the relevant commission is paid into the property of the relevant Sub-Fund.
6. Subject to the limits referred to in 3.1, sub-funds that are certified as "distributing funds" or accepted as "reporting funds" for the purposes of United Kingdom taxation intend to restrict their investments in other CIS so as not to compromise their distributing fund or reporting fund status.

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

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

### **5. General Provisions**

1. An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
2. A Sub-Fund may acquire no more than:
  1. 10% of the non-voting shares of any single issuing body;
  2. 10% of the debt securities of any single issuing body;
  3. 25% of the units of any single CIS
  4. 10% of the money market instruments of any single issuing body.

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

3. 5.1 and 5.2 shall not be applicable to:
  1. transferable securities and money market instruments issued or guaranteed by an EU Member State or its local authorities;
  2. transferable securities and money market instruments issued or guaranteed by a non-EU Member State;
  3. transferable securities and money market instruments issued by public international bodies of which one or more EU Member States are members;
  4. shares held by a UCITS in the capital of a company incorporated in a non-EU Member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that non-EU Member State, where under the legislation of that non-EU Member State such a holding represents the only way in which the Sub-Fund can invest in the securities of issuing bodies of that non-EU Member State. This waiver is applicable only if in its investment policies the company from the non-EU Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6 and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;
  5. shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the redemption of units at unit-holders' request exclusively on their behalf.
4. A Sub-Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
5. The Central Bank may allow a recently authorised Sub-Fund 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.
6. If the limits laid down herein are 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 shareholders.
7. A Sub-Fund may not carry out uncovered sales of:
  1. transferable securities;
  2. money market instruments<sup>1</sup>;
  3. units of CIS; or
  4. financial derivative instruments.
8. A Sub-Fund may hold ancillary liquid assets.

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

1. A Sub-Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to FDI must not exceed its total net asset value.
2. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI

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

provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations)

3. A Sub-Fund may invest in FDIs dealt in OTC provided that the counterparties to OTCs are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
4. Investments in FDIs are subject to the conditions and limits laid down by the Central Bank.

### **Use of FDI**

The Company, on behalf of a Sub-Fund, may employ techniques and instruments including but not limited to futures, options, FX forwards, equity swaps, credit default swaps and total return swaps (all as described in detail below) or such other instruments as may be described in detail in the Supplement of the relevant Sub-Fund relating to transferable securities and/or other financial instruments in which it invests for investment, hedging and / or efficient portfolio management (“**EPM**”) purposes. The use of these techniques and instruments for is subject to the conditions and within the limits laid down by the Central Bank UCITS Regulations.

FDIs utilised for the purposes of EPM may only be used in accordance with the investment objective of the relevant Sub-Fund. Any such technique or instrument must be one which (alone or in combination with one or other techniques or instruments) is reasonably believed by the Investment Manager to be economically appropriate to the EPM of the relevant Sub-Fund, i.e. the use of a technique or instrument may only be undertaken for the purpose of one or more of the following: (a) a reduction in risk, (b) a reduction in cost, or (c) an increase in capital or income returns to the relevant Sub-Fund.

Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of assets held by the relevant Sub-Fund.

Assets of a Sub-Fund may be denominated in a currency other than the base currency of the Sub-Fund and changes in the exchange rate between the base currency and the currency of the asset may lead to a depreciation of the value of the Sub-Fund’s assets as expressed in the base currency. The Investment Manager may seek to mitigate this exchange rate risk by using FDI.

Direct and indirect operational costs and/or fees arising from the use of techniques and instruments for EPM purposes on behalf of a Sub-Fund may be deducted from the revenue delivered to the relevant Sub-Fund. Otherwise all other revenues arising from use of techniques and instruments for EPM purposes shall be returned to the relevant Sub-Fund. These costs and/or fees will be charged at normal commercial rates and will not include hidden revenue.

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

A particular Sub-Fund of the Company may engage in transactions for investment purposes or beyond using a limited number of simple derivative instruments for non-complex hedging. In this case, the Supplement for that Sub-Fund will disclose this and will also:

- state the expected effect of the FDI transactions;
- if a Sub-Fund will principally invest in FDI, this will be clearly stated at the beginning of the Supplement;
- provide a description of the types of FDI that may be used including clear details as to their commercial purpose;
- provide an explanation of the expected effect of those transactions on the risk profile of the Sub-Fund describing the extent to which the Sub-Fund will be leveraged through the use of FDIs; and
- where the Net Asset Value of the Sub-Fund is likely to have a high volatility due to its investment policies or portfolio management techniques, this possibility will be disclosed.

### **Futures**

These instruments allow the holder exposure to an underlying security or index at a set price for a set date in the future. Futures have a predetermined expiry date (e.g. one month, three months etc) and can either be

bought or sold. The holder can either purchase the future or sell the future to gain a 'short' position.

It is the intention of each Sub-Fund of the Company that the purchase or sale of futures will be to either gain access to a market with a restricted trading regime, or to reduce the exposure of the fund to a particular market. An example would be where the Sub-Fund has an exposure to a particular stock market and wishes to reduce the exposure to that market by selling an index future where the underlying is the index of that particular market.

The use of these instruments is limited to hedging an existing exposure or using the instrument to gain access to a particular market where there is local tax or regulatory restrictions for foreign investors. Where the intention is to gain access to a particular market, the Sub-Fund will hold in cash or securities with a maturity of three months or less the exercise value of that contract. Where the intention is to hedge an existing exposure, it will be based on the Investment Manager's assessment that the assets being hedged can be reasonably expected to behave, in terms of price movement, in the same manner as the futures contract.

### Options

These instruments give the holder the right, but not the obligation to buy (call option) or sell (put option) an underlying security or index for a set period of time. Options have a predetermined expiry date (eg one month, three months etc). Options can either be purchased, giving the purchaser the rights of the option, or written where the entity writing the option is granting the rights to a third party.

It is the intention of each Sub-Fund of the Company that the purchase or writing of options will be to either gain access to a market with a restricted trading regime, or to reduce the exposure of the fund to a particular market. An example would be where the sub-fund has an exposure to a particular stock market and wishes to reduce the exposure to that market by purchasing a put option or writing a call option where the underlying is the index of that particular market.

The use of these instruments is limited to hedging an existing exposure or using the instrument to gain access to a particular market where there is local tax or regulatory restrictions for foreign investors. Where the intention is to gain access to a particular market, the sub-fund will hold in cash or securities with a maturity of three months or less, the exercise value of that contract. Where the intention is to hedge an existing exposure, it will be based on the Investment Manager's assessment that the assets being hedged can be reasonably expected to behave, in terms of price movement, in the same manner as the options contract.

### Equity Swaps

These instruments give the holder the economic benefits of a notional holding of an underlying security or basket of securities, in exchange for an interest stream representing the financing cost for the notional value of that security or basket of securities. An equity swap can be a 'long' exposure, where the holder is receiving the economic benefits of the underlying security and paying an interest stream, or a 'short' exposure where the holder is receiving an interest stream and paying the economic benefits of the underlying security.

It is the intention of each Sub-Fund of the Company that the use of equity swaps will be to either gain access to a market with a restricted trading regime, or to reduce the exposure of the fund to a particular market. An example would be where the sub-fund wishes to purchase a security where the local regulatory and tax jurisdictions make it difficult for a foreign investor to purchase the security. In this situation, the sub-fund will enter into a swap agreement with a counterparty that has the ability to purchase the security locally, and then pass on the economic benefits of the security through a swap agreement.

The use of these instruments is limited to hedging an existing exposure or using the instrument to gain access to a particular market where there is local tax or regulatory restrictions for foreign investors. Where the intention is to gain access to a particular market, the sub-fund will hold in cash or securities with a maturity of three months or less the notional value of that contract. Where the intention is to hedge an existing exposure, it will be based on the Investment Manager's assessment that the assets being hedged can be reasonably expected to behave, in terms of price movement, in the same manner as the basket of securities in the swap contract.

### FX Forwards

These instruments allow the holder to purchase one currency and sell another currency at a pre-determined rate of exchange at a pre-determined date in the future.

It is the intention of each Sub-Fund of the Company that the use of FX forwards will be to hedge the exposure of the relevant Sub-Fund where there exist Classes in a currency other than the base currency of the Sub-Fund. In addition, the Sub-Fund may use FX forwards to hedge the holdings in the portfolio which are denominated in a currency other than the functional currency of the Sub-Fund and to protect holders of the Sub-fund from a fall in value of the functional currency of the Sub-Fund.

#### Credit Default Swaps

Credit default swaps provide a measure of protection against defaults of debt issuers. A Sub-Fund's use of credit default swaps does not assure their use will be effective or will have the desired result. A Sub-Fund may at the discretion of the Investment Manager be the buyer and/or seller in credit default swap transactions to which a Sub-Fund is a party. Credit default swaps are transactions under which the parties' obligations depend on whether a credit event has occurred in relation to the reference asset. The credit events are specified in the contract and are intended to identify the occurrence of a significant deterioration in the creditworthiness of the reference asset. On settlement, credit default products may be cash settled or involve the physical delivery of an obligation of the reference entity following a default. The buyer in a credit default swap contract is obligated to pay the seller a periodic stream of payments over the term of the contract provided that no event of default on an underlying reference asset has occurred. If a credit event occurs, the seller must pay the buyer the full notional value of the reference asset that may have little or no value. If a Sub-Fund is a buyer and no credit event occurs a Sub-Fund's losses will be limited to the periodic stream of payments over the term of the contract. As a seller, a Sub-Fund will receive a fixed rate of income throughout the term of the contract, provided that there is no credit event. If a credit event occurs, the seller must pay the buyer the full notional value of the reference obligation.

#### Total Return Swaps

A total return swap is an agreement negotiated between two parties to exchange a recognised interest rate cash flows for the total return of a market index or the total return of an individual equity calculated on a notional amount, at specified dates during the life of the swap. The notional amount is used only to determine the payments under the swap and is not exchanged. The payment obligation of each party is calculated and paid either at regular intervals during the life of the swap or at the maturity of a swap. Where a Sub-Fund enters into total return swaps, the swap counterparties will be acceptable counterparties under the terms of the Central Bank UCITS Regulations.

#### **Risk Management Process for FDI**

The Manager employs a risk management process relating to the use of FDIs which enables it to accurately measure the various risk associated with FDIs.

Prior to the entry into any new FDIs for the purposes of EPM or investment purposes by a Sub-Fund, the Manager will ensure that the Manager's risk management process relating to the use of such FDIs has been updated on behalf of the relevant Sub-Fund, details of which will be sent to the Central Bank and will be available on request to the Company or the Administrator.

The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments in respect of the relevant Sub-Fund.

#### **Collateral Arrangements**

In so far as a Sub-Fund receives collateral, the following collateral policy of the Manager applies:

##### Permitted Types of Collateral

###### *Cash collateral*

A Sub-Fund may accept cash collateral in respect of OTC derivatives and/or Securities Financing Transactions (described below).

Reinvestment of cash collateral must at all times meet with the following requirements:

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

(i) deposits with a credit institution authorised in an EEA Member State, a credit institution authorised within a signatory state, other than an EEA Member State, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States, United Kingdom) or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand;

(ii) high-quality government bonds;

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

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

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

3. Diversification (asset concentration): invested cash collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value of the relevant Sub-Fund. 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;

#### Level of Collateral required

The level of collateral required for OTC derivatives is such collateral to ensure, in any event, that counterparty exposure is managed within the limits set out in the section "INVESTMENT RESTRICTIONS" in this Prospectus.

The Company only accepts cash collateral and therefore no haircut policy is required. Prior to accepting non-cash collateral, the Prospectus will be updated.

#### **References to Ratings**

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

#### **References to Benchmarks**

Certain Sub-Funds may refer to indices within the Supplement of the relevant Sub-Funds. These indices may be referenced for various purposes including, but not limited to (i) operating as a reference benchmark which the Sub-Fund seeks to outperform; (ii) relative value at risk ("**Var**") measurement; and (iii) calculating performance fees. The particular purpose of the relevant index shall be clearly disclosed in the relevant Supplement. Where an index is used for the purposes of (i) above this will not constitute use of an index within the meaning of Article 3(1)(7)(e) of the Benchmark Regulation unless the relevant Supplement (in particular as part of its investment policy or strategy) defines constraints on the asset allocation of the portfolio in relation to the index (e.g. an investment restriction that the Sub-Fund must invest only in components of the index or must be partially invested in line with index composition). Other references to indices, including for example for the purposes of relative VaR measurement as outlined at (ii) above, may not constitute use of an index within the meaning of Article 3(1)(7)(e) of the Benchmark Regulation. Shareholders should note that the Company, the Manager and/or the distributors may from time to time refer to other indices in marketing literature or other communications purely for financial or risk comparison purposes. However, unless such indices are referred to as such in the Supplement of the Sub-Fund they are not formal benchmarks against which the Sub-Fund is managed.

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

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

### **Currency Hedged Classes**

A Sub-Fund may offer currency hedged Classes whereby the Sub-Fund shall enter into certain currency-related transactions in order to seek to hedge out currency risk. The presence of any currency hedged Classes, as well as details of any particular features, shall be clearly disclosed in the Supplement for the relevant Sub-Fund.

Unless otherwise disclosed in the relevant Supplement, this will involve a Class designated in a currency other than the base currency being hedged against (i) exchange rate fluctuation risks between the designated currency of the Class and the base currency of the relevant Sub-Fund; or (ii) exchange rate fluctuation risks between the designated currency of the Class and the other denominated currencies of the Sub-Fund's assets.

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

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

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

- (i) Counterparty exposure should be managed in accordance with the limits in the Regulations and the Central Bank UCITS Regulations.
- (ii) Over-hedged positions should not exceed 105 per cent. of the Net Asset Value of the relevant Class of Shares which is to be hedged against the currency risk.
- (iii) Under-hedged positions should not fall short of 95 per cent. of the portion of the Net Asset Value of the relevant Class which is to be hedged against currency risk.
- (iv) Hedged positions will be kept under review on an ongoing basis, at least at the same valuation frequency of the Sub-Fund, to ensure that over hedged or under hedged positions do not exceed/fall short of the permitted levels disclosed above.
- (v) Such review (referred to above) will incorporate a procedure to rebalance the hedging arrangements on a regular basis to ensure that positions materially in excess of 100 per cent or under-hedged positions will not be carried forward from month to month.
- (vi) The currency exposures of different currency Classes may not be combined or offset and currency exposures of assets of the Sub-Fund may not be allocated to separate Classes.
- (vii) Notwithstanding the above, there can be no guarantee that the hedging techniques will be successful and, while not intended, this activity could result in over-hedged or under-hedged positions due to external factors outside the control of the Manager and the Investment Manager. Further, these hedging techniques are designed to reduce a Shareholder's exposure to currency risk. The use of such class hedging techniques may therefore substantially limit holders of Shares in the relevant Classes from benefiting if the currency of that Class falls against that of the base currency of the relevant Sub-Fund and/or the currency in which the assets of the relevant Sub-Fund are denominated.

Please also see the section "RISK WARNINGS" for the risks associated with currency hedging.

## Securities Financing Transactions and Total Return Swaps

Subject to the investment policies and restrictions for a Sub-Fund set out in the Supplement in respect of a Sub-Fund, a Sub-Fund may enter into one or more repurchase or reverse repurchase transactions ("**repo transactions**") securities lending (together "**Securities Financing Transactions**") and total return swaps for investment and/or EPM purposes. The use of such transactions or agreements is subject to the conditions and limits set out in the Central Bank UCITS Regulations and the Regulation 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.

The types of assets of a Sub-Fund that can be subject to a Securities Financing Transactions and total return swaps will be determined by the Investment Manager in accordance with the investment policy of a Sub-Fund and can be debt and debt related securities, structured financial instruments, including asset backed securities, and liquid and near cash assets, such as short-term fixed income securities, instruments and obligations, bills, commercial paper and notes, equity and equity related securities, derivatives and other investments of a Sub-Fund where such assets are permitted investments of a Sub-Fund as specified in the Supplement for a Sub-Fund.

Any Securities Financing Transactions and/or total return swaps will only be entered into with institutions of appropriate financial standing which engage in these types of arrangements and which are acceptable to the Manager and the Investment Manager and will be on arm's length commercial terms. The Company's counterparties for securities lending transactions are regulated financial institutions headquartered in OECD countries which have, either directly or at parent-level, an investment grade rating from at least two of the three main credit rating agencies.

The use of Securities Financing Transactions and/or total return swaps may only be effected in accordance with normal market practice and all assets received under such transactions will be considered collateral and in order to reduce its exposure to any counterparty through Securities Financing Transactions and/or total return swaps, a Sub-Fund will adopt collateral arrangements as described under the "Collateral Arrangements" section above and will comply with the criteria set out in that section and the methodology for valuing assets as described in the "CALCULATION OF NET ASSET VALUE / VALUATION OF ASSETS" section of this Prospectus, which details the methodology for valuing assets received by a Sub-Fund, whether or not such assets are received as collateral. Such transactions may be subject to daily variation margin payments. In accordance with normal market practice, borrowers will be required to provide collateral to a Sub-Fund of a value of at least equal to the market value of any securities loaned in accordance with the Sub-Fund's collateral policy. Without prejudice to the foregoing, collateral pursuant to Securities Financing Transactions and/or total return swaps must be capable of being valued on at least a daily mark-to-market basis.

Please see the section "RISK WARNINGS" for the risks involved in entering into specific Securities Financing Transactions and/or total return swaps.

The assets and collateral subject to Securities Financing Transactions and total return swaps shall be held by the Depositary.

Direct and indirect operational costs and fees incurred in performing these transactions may be deducted from any associated revenue delivered to a Sub-Fund. All such revenue, net of direct and indirect operational costs, will be returned to the relevant Sub-Fund. Such costs and fees shall be charged at normal commercial rates and shall not include hidden revenue. The entities to which such costs and fees are paid will be disclosed in the annual report and audited accounts of the Company.

Unless otherwise specified in the Supplement for a Sub-Fund, the expected proportion of assets under management that will be subject to each type of Securities Financing Transactions and total return swaps are as follows:

repurchase transactions (including reverse repurchase transactions)	expected to vary between 0% and 5% of the Net Asset Value of a Sub-Fund
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total return swaps	expected to vary between 0% and 20% of the Net Asset Value of a Sub-Fund
securities lending	0%

Such variations may be dependent on, but are not limited to, factors such as total fund size, borrower demand to borrow stocks from the underlying market and seasonal trends in the underlying market.

The maximum proportion of assets under management that will be subject to Securities Financing Transactions and/or total return swaps is 100% of the Net Asset Value of a Sub-Fund.

## USE OF A SUBSCRIPTIONS/REDEMPTIONS ACCOUNT

The Company operates a single, omnibus Subscriptions/Redemptions Account for all of the Sub-Funds, in accordance with the Central Bank's guidance relating to umbrella fund cash accounts and all subscriptions/redemptions and other monies payable to and from investors will be channeled and managed through this account. Accordingly, monies in the Subscriptions/Redemptions Account are deemed assets of the respective Sub-Funds and shall not have the protection of the Investor Money Regulations. The Depositary will monitor the Subscriptions/Redemptions Account in performing its cash monitoring obligations and ensuring effective and proper monitoring of the Company's cash flows in accordance with its obligations. Existing and potential investors should refer to the "RISK WARNINGS" section in this Prospectus for an overview of the risks associated with the use of the omnibus Subscriptions/Redemptions Account. In respect of any claim by an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the Company.

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

## IMPACT OF EU SECURITISATION RULES

It is anticipated that, subject to certain exemptions and transitional provisions, the instruments held by a Sub-Fund may constitute Securitisation Positions within the scope of the Securitisation Regulation. In such cases, the Sub-Fund will be characterised as an "institutional investor" for the purposes of the Securitisation Regulation and as such shall be directly subject to obligations outlined in the Securitisation Regulation with respect to the relevant Securitisation Positions it holds/proposes to hold. This includes a range of specific due diligence measures that must be considered by the Sub-Fund in advance of holding a Securitisation Position. In particular, the Sub-Fund will be required to verify that the originator, sponsor or original lender of the Securitisation Position that it proposes to hold is complying with the requirement to retain on an ongoing basis a material net economic interest in the relevant securitisation (the "**Risk Retention Requirement**").

Conversely, in practice it may be more difficult for the Sub-Fund to verify that the Risk Retention Requirement is being met for originators/sponsors/original lenders of Securitisation Positions established outside the EU. There may be instances where instruments the Sub-Fund would seek to invest in, that are structured by parties established outside the EU, are not compliant with the Risk Retention Requirement (or other requirements of the Securitisation Regulation). This presents the risk that the universe of instruments the Sub-Fund may consider investing in may be narrower than would otherwise be the case. Where the Sub-Fund is exposed to a Securitisation Position that no longer meets the requirements provided for in the Securitisation Regulation, the Company or Investment Manager shall, in the best interests of the Shareholders in the Sub-Fund, act and take corrective action, if appropriate.

## BORROWING AND LENDING POWERS

1. A Sub-Fund may only borrow an amount which in the aggregate does not exceed 10 % of its Net Asset Value. Such borrowings may, however, only be made on a temporary basis. A Sub-Fund may charge its assets as security for such borrowings.

2. A Sub-Fund may acquire foreign currency by means of a "back-to-back" loan. Foreign currency obtained in this manner is not regarded as borrowings for the purposes of the borrowing restrictions set out at (1) above provided that the offsetting deposit:-
  - (i) is denominated in the base currency of the relevant Sub-Fund; and
  - (ii) equals or exceeds the value of the foreign currency loan outstanding.

Where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded by the Manager as borrowing for the purpose of this Section.

3. A Sub-Fund may not, save as set out in (1) above, mortgage, pledge, hypothecate or in any manner transfer as security for indebtedness, any securities owned or held by the Sub-Fund provided that the purchase or sale of securities on a when-issued or delayed-delivery basis, and placing of margin monies with brokers with respect to the writing of options or the purchase or sale of forward or futures contracts, are not deemed to be the pledge of the assets.
4. Without prejudice to the powers of a Sub-Fund to invest in transferable securities, the Company may not lend or act as guarantor on behalf of third parties.
5. A Sub-Fund may lend securities for the purpose of EPM, in accordance with the guidelines laid down from time to time by the Central Bank.

## **RISK WARNINGS**

Potential investors should consider the following risks before investing in any of the Sub-Funds. The investment objective and policies for each Sub-Fund are set forth in the relevant Supplement. Certain of the Sub-Funds' investment policies involve certain risks that a prospective investor should keep in mind. Any additional risks specific to a Sub-Fund will be set out in the relevant Supplement. None of the Sub-Funds is intended to be a complete investment programme, and there is no assurance that any Sub-Fund will achieve its objective.

### **General**

**It should be remembered that the price of Shares 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 Shares to go up or down.

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

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 before investing in any of the Sub-Funds.

### **Segregated Liability**

Each Sub-Fund is a segregated portfolio of assets and will accordingly bear its own liabilities, and will be solely liable to third parties for all the liabilities of the relevant Sub-Fund.

While the provisions of the Act provide for segregated liability between Sub-Funds, these provisions have yet to be tested in foreign courts, in particular, in satisfying local creditor claims. Accordingly, it is not free from doubt that the assets of any Sub-Fund of the Company may be exposed to the liabilities of other funds of the Company. As at the date of this Prospectus, the Directors are not aware of any existing or contingent liability of any Sub-Fund of the Company.

Allocation of non Sub-Fund specific liabilities: In addition, where the liability is not Sub-Fund specific liability, such liability will be apportioned between all Sub-Funds of the Company on a pro rata basis to the amount paid up on the Shares of each such Sub-Fund. In each case the apportionment of such liabilities will reduce the return that would otherwise have been payable on Shares in each Sub-Fund accordingly. Each Class within each such Sub-Fund will then be charged the proportion of the unsatisfied liability that is charged to that

Sub-Fund pro rata to the amount paid up on the Shares of each Class of such relevant Sub-Fund.

### **Currency Risk**

The Net Asset Value per Share will be computed in the base currency of the relevant Sub-Fund, whereas a Sub-Fund's investments may be acquired in a wide range of currencies, some of which may be affected by currency movements of a more volatile nature than those of developed countries and some of which may not be freely convertible. It may not be possible or practicable to hedge against the consequent currency risk exposure and in certain instances the Investment Manager may consider it desirable not to hedge against such risk. The Investment Manager may enter into cross currency hedging transactions in relation to any Sub-Fund if such is provided for in the relevant Supplement to this Prospectus.

No assurance can be given that such currency hedging policies, if conducted, will be successful.

To the extent that a Sub-Fund employs a strategy of hedging the return of a particular Class of Shares to an exchange rate other than the relevant Sub-Fund's base currency, this may substantially limit Shareholders of that Class from benefiting if the currency to which it is hedged falls against the base currency of the relevant Sub-Fund.

### **Liquidity Risk**

The Directors, in consultation with the Manager, have the power to suspend the issue/redemption of Shares in a Sub-Fund and may suspend the calculation of Net Asset Value in the circumstances described in the Prospectus under the heading "Temporary Suspension Of Calculation of Net Asset Value and of Issues and Redemptions". The result of these events would be that the Shares in the relevant Sub-Fund would be an illiquid investment until such suspension is lifted.

### **Market Risk**

Some of the Markets on which the Sub-Funds 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 redemption requests or other funding requirements. Potential investors should also note that some Sub-Funds may have exposure to the securities of small capitalisation companies which are less liquid and this may result in fluctuations in the price of the Shares of the relevant Sub-Fund.

### **Settlement and Credit Risks**

The trading and settlement practices of some of the stock exchanges or markets on which the Sub-Funds 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 the Sub-Funds. In addition, Sub-Funds will be exposed to credit risk on parties with whom they trade and will bear the risk of settlement default. The Depositary may be instructed by the Investment Manager to settle transactions on a delivery free of payment basis where the Investment Manager believes that this form of settlement is appropriate. As some of the Sub-Funds may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of a Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk. This would be considered to be the case in emerging or frontier markets and countries such as Russia or China.

### **Concentration Risk**

Concentration risk is the inherent risk of significant loss to capital by virtue of holding a limited number of positions in a portfolio at any given time. The impact of a single stock or stocks experiencing an extreme event will have a more pronounced impact on the overall portfolio given the position weighting and lack of diversifying alternative holdings. Investors should be aware that concentration risk may influence short-term volatility and gives rise for the potential of permanent loss to capital.

### **Regulatory Risks and Accounting Standards**

Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed OECD countries and there may be less publicly available information on the issuers than is published by or about issuers in such OECD countries. Consequently, some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of shareholder protection or information to investors

as would generally apply in many developed OECD countries. In particular, greater reliance may be placed by the auditors on representations from the manager of a company and there may be less independent verification of information than would apply in many developed OECD countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

### **Subscriptions/Redemptions Account**

A Subscriptions/Redemptions Account is operated for all of the Sub-Funds. Monies in the Subscriptions/Redemptions Account are deemed assets of the respective Sub-Funds and shall not have the protection of the Investor Money Regulations.

Investors will be unsecured creditors of the relevant Sub-Fund with respect to the amount subscribed and held in the Subscriptions/Redemptions Account until Shares are issued on the Dealing Day. As such, investors will not benefit from any appreciation in the Net Asset Value of the relevant Sub-Fund or any other Shareholder rights (including dividend entitlement) until such time as Shares are issued on the relevant Dealing Day.

Issues of Shares and the payment of redemption proceeds and dividends in respect of a particular Sub-Fund is subject to receipt by the Manager, or its delegate, the Administrator of subscription documents and compliance with anti-money laundering procedures and any further particulars detailed in the sections entitled "Application for Shares" and "Redemption of Shares" of this Prospectus. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, and will be unsecured creditors of the particular Sub-Fund, from the relevant Dealing Day. Pending redemptions and distributions, including blocked redemptions or distributions, will, pending payment to the relevant Shareholder, be held in the Subscriptions/Redemptions Account in the name of the Company. Redeeming Shareholders and Shareholders entitled to such distributions will be unsecured creditors of the relevant Sub-Fund, and will not benefit from any appreciation in the Net Asset Value or any other Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount held in the Subscriptions/Redemptions Account. Redeeming Shareholders and Shareholders entitled to distributions should ensure that any outstanding documentation and information is provided to the Manager, or its delegate, the Administrator promptly. Failure to do so is at such Shareholder's own risk.

There is a risk for investors to the extent that monies are held by the Company in the Subscriptions/Redemptions Account for the account of a Sub-Fund at a point where such Sub-Fund (or another Sub-Fund of the Company) becomes insolvent. Such monies will be subject to the principles of Irish insolvency law and the terms and conditions for the Subscriptions/redemption Account. There may be delays in affecting and/or disputes as to the recovery of such amounts. There may be insufficient funds, to repay amounts due to the entitled. In respect of any claim by an investor in relation to monies held in the Subscriptions/Redemptions Account, the investor shall rank as an unsecured creditor of the Company. There is no guarantee that, in the event of an insolvency of a Sub-Fund or the Company, the Sub-Fund or Company will have sufficient funds to pay unsecured creditors in full.

### **Legal, Tax and Regulatory Change Risk**

There may be changes in law, regulation or practices including those relating to tax issues and such changes may affect the operation of a Sub-Fund (including increasing the cost of operating the Sub-Fund), and hence have an adverse effect on the relevant Sub-Fund. Securities regulators, self-regulatory organisations and exchanges may be authorised to take extraordinary actions in the event of market emergencies.

### **Political Risks**

The performance of a Sub-Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. A Sub-Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.

### **Valuation Risk**

Sub-Funds may invest some of their assets in unquoted securities or quoted securities for which there is no reliable price source available. Such investment will be valued at the probable realisation value as determined in accordance with the provisions set out in the section "CALCULATION OF NET ASSET VALUE / VALUATION OF ASSETS". Estimates of the fair value of such investments are inherently difficult to establish

and are the subject of substantial uncertainty. A Sub-Fund may invest in derivative instruments and there can be no assurance that the value as determined in accordance with the section "CALCULATION OF NET ASSET VALUE / VALUATION OF ASSETS" reflects the exact amount at which those instruments may be "closed out".

### **Investment Manager Risk**

Whilst 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 the relevant Sub-Fund, potential investors should note that the Investment Manager may value unlisted securities and the fees of the Investment Manager based on Net Asset Value will increase as the Net Asset Value of the Sub-Fund increases.

### **Over-the-Counter Markets Risk**

Where a Sub-Fund acquires securities on over-the-counter markets, there is no guarantee that the Sub-Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility.

### **Collateral Risk**

Cash received as collateral may be invested in other eligible securities, in accordance with the requirements of the Central Bank. Investing this cash subjects that investment, as well as the securities loaned, to market appreciation or depreciation and the risks associated with such investments, such as failure or default of the issuer of the relevant security.

### **Reinvestment of Cash Collateral Risk**

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

### **Depositary Risks**

If a Sub-Fund invests in assets that are financial instruments that can be held in custody ("**Custody Assets**"), the Depositary is required to perform full safekeeping functions and will be liable for any loss of such assets held in custody unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and the absence of proof of the loss being caused by such an external event), the Depositary is required to return identical assets to those lost or a corresponding amount to the Sub-Fund without undue delay.

If a Sub-Fund invests in assets that are not financial instruments that can be held in custody ("**Non-Custody Assets**"), the Depositary is only required to verify the Sub-Fund's ownership of such assets and to maintain a record of those assets which the Depositary is satisfied that the Sub-Fund holds ownership of. In the event of any loss of such assets, the Depositary will only be liable to the extent the loss has occurred due to its negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary Agreement.

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

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

### **Withholding Tax Risk**

The income and gains of a Sub-Fund from its securities and assets may suffer withholding tax which may not be reclaimable in the countries where such income and gains arise. See Section headed "TAXATION".

## **Taxation**

Potential investors' attention is drawn to the taxation risks associated with investing in a Sub-Fund. See section headed "TAXATION".

## **FATCA**

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

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

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

## **CRS**

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

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

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

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

## **Interest Rate Risk**

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

## **Emerging Markets Risk**

Where a Sub-Fund invests in securities in emerging markets, additional risks may be encountered. These include:

*Accounting Standards:* in emerging markets there is an absence of uniform accounting, auditing and financial

reporting standards and practices.

*Country Risk:* the value of the Sub-Fund's assets may be affected by political, legal, economic and fiscal uncertainties. Existing laws and regulations may not be consistently applied.

*Currency Risk:* the currencies in which investments are denominated may be unstable, may be subject to significant depreciation and may not be freely convertible.

*Custody Risk:* custodians may not be able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Sub-Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian. As the Sub-Fund may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of the Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets may be exposed to risk. Rules regulating corporate governance are undeveloped and therefore may offer little protection to Shareholders.

*Disclosure:* less complete and reliable fiscal and other information may be available to investors.

*Legal:* the legal infrastructure and accounting, custodial, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. Risks associated with many emerging market legal systems (for example the Russian legal system) include (i) the untested nature of the independence of the judiciary and its immunity from economic, political or nationalistic influences; (ii) inconsistencies among laws, presidential decrees and governmental and ministerial orders and resolutions; (iii) the lack of judicial and administrative guidance on interpreting applicable laws; (iv) a high degree of discretion on the part of government authorities; (v) conflicting local, regional and federal laws and regulations; (vi) the relative inexperience of judges and courts in interpreting new legal norms; and (vii) the unpredictability of enforcement of foreign judgements and foreign arbitration awards. There is no guarantee that further judicial reform aimed at balancing the rights of private and governmental authorities in courts and reducing grounds for re-litigation of decided cases will be implemented and succeed in building a reliable and independent judicial system.

*Market Characteristics/ Liquidity and Settlement Risks:* in general, emerging markets are still in the early stages of their development, have less volume, are less liquid and experience greater volatility than more established markets and many emerging markets are not highly regulated. When seeking to sell emerging market securities, little or no market may exist for the securities. The combination of price volatility and the less liquid nature of securities markets in emerging markets may, in certain cases, affect a Sub-Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Sub-Fund. Settlement of transactions may be subject to delay and administrative uncertainties.

*Political Risk:* the risk of government intervention is particularly high in the emerging markets because of both the political climate in many of these countries and the less developed character of their markets and economies. Government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the value of securities in a Sub-Fund's portfolio.

*Tax:* The taxation system in some emerging market countries is subject to varying interpretations, frequent changes and inconsistent enforcement at the federal, regional and local levels. Tax laws and practices in some emerging market countries are at an initial stage of development and are not as clearly established as in more developed countries.

### **Risks linked with dealing in securities in India pursuant to a FPI license**

Investment in Indian listed securities is only permitted to Securities Exchange Board of India ("SEBI") registered FPIs. SEBI has implemented FPI regulations with the aim to rationalize foreign investments in Indian capital markets by portfolio investors. A FPI Licence under Category II of the Indian FPI regulations issued by SEBI may be obtained on the basis that the Company is an 'appropriately regulated 'broad based fund'. To fall under Category II the Company should have at least 20 investors with no single investor holding more than 49% of the Shares of the Company. Though, if any institutional investor holds more than 49% of the Shares of the Company, then such institutional investor should, in turn, be a "broad based fund" itself, and must satisfy the above criteria. 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 relevant legislative provisions and regulatory rules and the FPI regulations thereunder renders them liable

for, amongst other matters, imposition of a penalty and suspension or cancellation of the certificate of registration. In terms of the Indian FPI regulations, FPIs are generally permitted to invest in Indian securities without the prior approval of the Reserve Bank of India (RBI) or SEBI. However, the total outstanding investments cannot exceed the FPI investment limits as prescribed by SEBI and RBI which may be revised from time to time (the FPI Investment Limits). Therefore, investments made by the Sub-Fund in such instruments in India will be subject to such restrictions as may be notified by SEBI from time to time. The variability of such FPI Investment Limits may pose a risk to the Company.

SEBI and RBI, from time to time, issue circulars notifying the FPI Investment Limits for investments by FPIs, such as the Sub-Fund, in Indian securities. The Company's investments cannot exceed such FPI Investment Limits. The current available FPI Investment Limits for investments can be reviewed on the website of National Securities and Depository Limited as follows:

<https://www.fpi.nsdl.co.in/web/Default.aspx>

The Investment Manager will monitor the investments of the Company to ensure they do not exceed the FPI Investment Limits. In accordance with the requirements of SEBI and the RBI, the sub-custodian appointed by the Depository in India is also required to monitor that investments of the Sub-Fund do not reach the FPI Investment Limits.

The operation of the Sub-Fund's bank account in India is subject to regulation by RBI under the Indian foreign exchange regulations. The local sub-custodian appointed by the Depository acting also as the remitting banker will be authorised to convert currency and repatriate capital and income on behalf of the Company. There can be no assurance that the Indian Government would not, in the future, impose certain restrictions on foreign exchange. The repatriation of capital may be hampered by changes in Indian regulations concerning exchange controls or political circumstances. In addition, India may in the future re-introduce foreign exchange control regulations which can limit the ability of the Sub-Fund to repatriate the dividends, interest or other income from the investments or the proceeds from sale of securities. Any amendments to the Indian exchange control regulations may impact adversely on the performance of the Sub-Fund.

## **China Market Risks**

### **General**

#### *PRC Governmental, Political, Economic and Related Considerations*

For over a decade, the PRC government has been reforming the economic and political systems of the PRC. Whilst these reforms may continue, many of the reforms are unprecedented or experimental and may be refined or changed. Political, economic and social factors could also lead to further readjustments to the reform measures. A Sub-Fund's operations and financial results could be adversely affected by adjustments in the PRC's state plans, political, economic and social conditions, changes in the policies of the PRC government such as changes in laws and regulations (or the interpretation thereof), measures which may be introduced to control inflation, changes in the rate or method of taxation, imposition of additional restrictions on currency conversion and the imposition of additional import restrictions. Furthermore, a portion of the economic activity in the PRC is export-driven and, therefore, is affected by developments in the economies of the PRC's principal trading partners.

The PRC economy has experienced significant growth in recent years, but such growth has been uneven both geographically and among the various sectors of the economy. The PRC government has implemented various measures from time to time to control inflation and to regulate economic expansion with a view to preventing overheating of the economy.

The transformation from a centrally planned, socialist economy to a more market-oriented economy has also resulted in some economic and social disruptions and distortions. Moreover, there can be no assurance that the economic and political initiatives necessary to achieve and sustain such a transformation will continue or, if such initiatives continue and are sustained, that they will be successful.

In the past the PRC government has applied nationalisation, expropriation, confiscatory levels of taxation and currency blockage. There can be no assurance that this will not re-occur and any re-occurrence could adversely affect the interests of a Sub-Fund.

#### *Developing Legal System and Investment Regulations*



Investment in PRC via Stock Connect is governed by a series of laws, regulations and rules (including any amendments to the foregoing from time to time) (the “**Investment Regulations**”).

The PRC’s legal system is based on written statutes under which prior court decisions may be cited for reference but do not form a set of binding precedents. Since 1979, the PRC government has been developing a comprehensive system of commercial laws and considerable progress has been made in the promulgation of laws and regulations dealing with economic matters such as corporate organisation and governance, foreign investment, commerce, taxation and trade. Because these laws, regulations and legal requirements (including the Investment Regulations, as applicable) are relatively recent, their interpretation and enforcement involve significant uncertainty. In addition, the PRC laws governing business organisations, bankruptcy and insolvency provide substantially less protection to security holders than that provided by the laws of more developed countries.

In particular, the securities market and the regulatory framework for the securities industry in China is at an early stage of development. The Investment Regulations, under which a Sub-Fund invests in the PRC via the Stock Connect and which regulate investment, repatriation and currency conversion, are relatively new. The application and interpretation of the Investment Regulations to Stock Connect is therefore largely untested and there is uncertainty as to how they will be applied. In addition, with respect to Stock Connect, the Investment Regulations give the relevant PRC regulators (including without limitation to China Securities Regulation Commission (“**CSRC**”), People’s Bank of China (“**PBOC**”) and the State Administration of Foreign Exchange (“**SAFE**”)) wide discretions and there is limited precedent or certainty as to how these discretions might be exercised, either now or in the future. The Investment Regulations may be varied in the future. Although it is hoped that any such revisions to the Investment Regulations will not prejudice a Sub-Fund, there can be no assurance that this will be the case.

#### *Corporate Disclosure, Accounting and Regulatory Standards*

The PRC’s disclosure and regulatory standards are in many respects less stringent than standards in many OECD countries. There may be less publicly available information about PRC companies than is regularly published by or about companies based in OECD countries and such information as is available may be less reliable than that published by or about companies in OECD countries. PRC companies are subject to accounting standards and requirements that differ in significant respects from those applicable to companies established or listed in OECD countries. As a result, the lower levels of disclosure and transparency of certain material information may impact the value of investments made by a Sub-Fund and may lead to the Sub-Fund or its service providers having an inaccurate conclusion about the value of its investments. This, if combined with a weak regulatory environment, could result in lower standards of corporate governance and less protection of minority shareholder rights of the companies in which a Sub-Fund will invest.

#### *General Economic and Market Conditions*

The performance of a Sub-Fund’s investments in China may be affected by the general economic and market conditions in China, such as interest rates, availability and terms of credit facilities, inflation rates, economic uncertainty, changes in laws and national and international political circumstances. These factors may result in volatile and unstable prices, and could impair a Sub-Fund’s performance. The occurrence, continuation or deterioration of adverse economic and market conditions may result in decreased market values of a Sub-Fund’s investments in China.

The PRC securities markets are undergoing a period of development and change which may lead to difficulties in the settlement and recording of transactions and uncertainty in interpreting and applying the relevant regulations. In addition, the regulation of, and enforcement activity in, the PRC securities markets may not be equivalent to that in markets in OECD countries. There may not be equivalent regulations and monitoring of the PRC securities market and activities of investors, brokers and other participants to that in certain OECD markets. In addition, the Exchanges typically have the right to suspend or limit trading in any security traded on the relevant Exchanges. The PRC government or relevant PRC regulators may also implement policies that may adversely affect the PRC financial markets. Such suspensions, limitations or policies may have a negative impact on the performance of a Sub-Fund’s investments.

#### *Concentration Risk*

Although the Investment Manager (and its delegates) intend that each Sub-Fund will hold a diversified portfolio, conditions in the PRC and the PRC markets may mean that at times when the Investment Manager (and its delegates) are not able to identify sufficient attractive investment opportunities, any of the Sub-Funds may hold

large absolute and relative risk positions in a relatively limited number of investments which could give rise to significant losses if such investment positions decline in value.

### *Foreign Exchange Risk*

The Sub-Funds may invest primarily in securities denominated in RMB but the Net Asset Value will be quoted in the base currency of the relevant Sub-Fund. Accordingly, a change in the value of RMB against a base currency which is not RMB will result in a corresponding change in the base currency denominated Net Asset Value of the relevant Sub-Funds. In addition, to the extent that a Sub-Fund does not invest, or delays its investment into, such RMB denominated securities it will be exposed to fluctuations in the exchange rate of RMB.

For the purposes of a Sub-Fund's investments in China, RMB are exchangeable into the base currency at prevailing market rates, though the RMB is not freely convertible and is subject to exchange controls and restrictions. Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, a Sub-Fund's Net Asset Value to fluctuate as well. Currency exchange rates generally are determined by the forces of supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or anticipated changes in interest rates and other complex factors, as seen from an international perspective. However, currency exchange rates as in the PRC can also be affected unpredictably by intervention or failure to intervene by relevant governments or central banks or by currency controls or political developments.

A Sub-Fund may (but is not obliged to) seek to hedge foreign currency risks but as the foreign exchange of RMB is regulated, such hedging even if effected may only result in an imperfect hedge. There can be no assurance that any hedging, particularly such imperfect hedging, will be successful. Equally, failure to hedge foreign currency risks may result in the Sub-Fund bearing the burden of exchange rate fluctuations. The Sub-Funds do not currently intend to hedge the currency exposure of their investments into the base currency.

The Sub-Fund's investments via Stock Connect may be settled in offshore RMB (CNH). Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

### *Taxation*

Under current PRC tax laws, regulations and practice, the Company and the Investment Manager may be subject to PRC tax, directly or indirectly, in respect of the assets held through Stock Connect. The Company will be responsible to reimburse the Investment Manager for all PRC taxes and duties of any kind incurred by the Investment Manager and attributable to the assets of the Company held through Stock Connect. The tax law and regulations of the PRC are constantly changing, and they may be changed with retrospective effect. The interpretation and applicability of the tax law and regulations by tax authorities are not as consistent and transparent as those of more developed nations, and may vary from region to region. Moreover, the PRC taxes and duties payable by the Investment Manager and which are to be reimbursed by the Company to the extent attributable to the assets held through Stock Connect may change at any time.

The treatment of tax under the Investment Regulations is not clear. Accordingly, where the Investment Regulations require a custodian / clearing house / any other agent stipulated by such rules to withhold any tax, or where such custodian / clearing house / any other agent has a reasonable basis for believing that such withholding may be required, the custodian / clearing house / any other agent may do so at the rate required by the regulation, or if in the custodian's opinion the Investment Regulations are not very clear on the rate, at such rate as the custodian/ clearing house / any other agent may, reasonably determine to be appropriate. Tax may be withheld on a retroactive basis.

Given the uncertainty surrounding the Company's potential PRC tax liabilities or reimbursement obligations, the Net Asset Value of a Sub-Fund on any Dealing Day may not accurately reflect such liabilities. This may mean that incoming Shareholders pay more for their Shares than they otherwise would/should have done. In the event of a redemption of Shares at such Net Asset Value, the remaining Shareholders will bear the burden of any liabilities which had not been accrued in the Net Asset Value. The Company will use its reasonable endeavours to recover their proportionate share of the liabilities from redeeming Shareholders, but investors should be aware that the Company may not be successful in such endeavours and that unequal allocation of tax liability is a potential risk of investing in the Company. In addition, investors should be aware that under-accrual or over-accrual for PRC tax liabilities may impact the performance of the Sub-Funds during the period of such under-accrual or over-accrual and following any subsequent adjustments to the Net Asset Value.

## *PRC Corporate Income Tax*

Under current PRC Corporate Income Tax Law and regulations, any company considered to be a tax resident of the PRC would be subject to PRC Corporate Income Tax ("**CIT**") at the rate of 25% on its worldwide taxable income. If a company were considered to be a non-resident enterprise with a "permanent establishment" ("**PE**") in the PRC, it would be subject to CIT at the rate of 25% on the profits attributable to the PE. The Company, together with the Investment Manager, does not intend to operate in a way that would cause the Company to be treated as tax resident of the PRC and to have a PE in the PRC, though this cannot be guaranteed. It is possible, however, that the PRC could disagree with such an assessment or that changes in PRC tax law could affect the PRC CIT status of the Company.

If the Company is a non-PRC tax resident enterprise without PE in the PRC, the PRC-sourced income (including cash dividends, distributions, interest and capital gains) derived by it from any investment in PRC securities would be subject to PRC withholding income tax ("**WHT**") at the rate of 10%, unless exempt or reduced under the PRC CIT Law or a relevant tax treaty.

The Company is also subject to a stamp duty at the rate of 0.1% arising from the sale of China A Shares and the transfer of China A Shares by way of succession and gift in accordance with the prevailing PRC taxation regulations.

### *Taxation – Specific considerations for Stock Connect*

Especially, in respect of trading of China A Shares through the Stock Connect and pursuant to the circular dated 31 October 2014 on the Taxation Policy of the Pilot Programme for the Mutual Stock Market Access between Shanghai and Hong Kong Stock Markets under Caishui [2014] No. 81, the circular dated 5 November 2016 on the Taxation Policy of the Pilot Programme for the Mutual Stock Access between Shenzhen and Hong Kong Stock Markets under Caishui [2016] No. 127 and other relevant applicable PRC taxation rules:

- CIT and value-added tax ("**VAT**") shall be exempt on a temporary basis on the gains earned by the Stock Connect Investors (including corporate and individual investors) from the transfer of China A Shares listed on Shanghai Stock Exchange ("**SSE**")/Shenzhen Stock Exchange ("**SZSE**"); and
- Stock Connect Investors are required to pay tax on dividend and bonus of China A Shares at a standard rate of 10%, which will be withheld and paid to the relevant PRC tax authority by the respective listed companies (before the HKSCC is able to provide details such as investor identities and holding periods to ChinaClear, the policy of differentiated rates of taxation based on holding periods will temporarily not be implemented) and are entitled to a tax refund if a lower tax rate is applicable under a relevant tax treaty, subject to the approval by the relevant PRC tax authority.

### **Stock Connect**

A Sub-Fund may invest in the China A Shares market of the PRC through the Stock Connect either by directly investing in securities available on the Stock Connect ("**Stock Connect Securities**") or by investing in financial instruments and other market access products linked to such Stock Connect Securities such as futures. China A Shares are shares of companies incorporated in the PRC and listed on the SSE or the SZSE.

Stock Connect is a mutual market access programme through which Hong Kong and overseas investors ("**Stock Connect Investors**") can deal in selected securities listed on SSE and/or SZSE, and qualified PRC domestic investors can deal in selected securities listed on The Stock Exchange of Hong Kong Limited ("**SEHK**") through a platform put in place between SSE/SZSE and SEHK. As at the date of the prospectus, the Stock Connect programme has been developed between Hong Kong and mainland China by, among others, SSE/SZSE, SEHK, the Hong Kong Securities Clearing Company Limited ("**HKSCC**") and the China Securities Depository and Clearing Corporation ("**CSDCC**"). Under Stock Connect, the Shanghai-HK Connect and the Shenzhen-HK Connect operate independently from each other with substantially similar regulatory framework and operating mechanism.

Stock Connect provides a "northbound link", through which Stock Connect Investors may purchase and indirectly hold eligible A Shares listed on SSE and/or SZSE ("**Northbound Trading**") as well as a "southbound link", through which PRC investors may purchase and indirectly hold eligible shares listed on the SEHK.

Shareholders should note that Stock Connect is a new trading programme. The relevant regulations are untested and subject to change and there is no assurance that Stock Connect will be permitted to continue in

existence or the relevant Stock Connect rules will not be changed in a way prejudicing the interests of the Stock Connect Investors. Northbound Trading under Stock Connect is subject to daily quota limitations which may restrict a Sub-Fund's ability to deal via Stock Connect on a timely basis. This may impact that Sub-Fund's ability to implement its investment strategy effectively. The scope of securities in Stock Connect is subject to adjustment by the relevant applicable regulator, agency or authority with jurisdiction, authority or responsibility in respect of Stock Connect ("**Stock Connect Authorities**") from time to time (see the paragraph headed "The recalling of eligible stocks and trading restrictions" below). This may adversely affect a Sub-Fund's ability to achieve its investment objective, for example, where a security that the Investment Manager (or its delegate) wishes to purchase on behalf of a Sub-Fund is recalled from the scope of Stock Connect Securities. In addition, Stock Connect and its technology and risk management capability has only a short operating history. There is no assurance that the systems and controls of the Stock Connect programme will function as intended or whether they will be adequate.

#### *Pre-trade Check and Enhanced Pre-trade Check*

The Investment Regulations provide that SSE/SZSE may reject a sell order if an investor does not have sufficient available China A Shares in its account.

SEHK will apply a similar check on all sell orders of Stock Connect Securities on the Northbound Trading link at the level of SEHK's registered exchange participants ("**Exchange Participants**") to ensure there is no overselling by any individual exchange participant ("**Pre-Trade Checking**").

The Pre-Trade Checking requirement may require a pre-trade delivery of the Stock Connect Securities from a Stock Connect Investor's domestic custodian or sub-custodian to the Exchange Participant which will hold and safekeep such securities so as to ensure that they can be traded on a particular trading day. There is a risk that creditors of the Exchange Participant may seek to assert that such securities are owned by the Exchange Participant and not the Stock Connect Investor, if it is not made clear that the Exchange Participant acts as a custodian in respect of such securities for the benefit of the Stock Connect Investor.

Alternatively, if the relevant Stock Connect Investor maintains its China A Shares with a custodian which is a custodian participant or general clearing participant participating in the Hong Kong Central Clearing and Settlement System ("**CCASS**"), the Stock Connect Investor may request such custodian to open a special segregated account ("**SPSA**") in CCASS to maintain its holdings in China A Shares under the enhanced pre-trade checking model ("Enhanced Pre-Trade Checking"). Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating the Stock Connect system to verify the holdings of a Stock Connect Investor. Provided that there is sufficient holding in the SPSA when a broker inputs the Sub-Fund's sell order, the Sub-Fund will only need to transfer the China A Shares from its SPSA to its broker's account after execution and not before placing the sell order and the Sub-Fund will not be subject to the risk of being unable to dispose of its holdings of China A Shares in a timely manner due to failure to transfer China A Shares to its brokers in a timely manner. Whilst the Enhanced Pre-Trade Checking model is a positive step towards addressing the pre-trade delivery issue, it is expected that more work and industry and/or regulatory discussions are required in order to make it widely acceptable.

As a practical matter, it may limit the number of brokers that the Sub-Funds may use to execute trades. In relation to transactions executing through an SPSA order, the Stock Connect Investor, may at most designate 20 brokers currently.

The Sub-Fund may also trade Stock Connect Securities through a broker affiliated to the Sub-Fund's sub-custodian, who is an Exchange Participant and a clearing agent of its affiliated broker. In that case, no pre-trade delivery of securities is required and the above risk arising from Pre-Trade Checking or Enhanced Pre-Trade Checking may be mitigated. However, under such situation, whilst the Investment Manager will be cognisant of its best execution obligations it may not have the ability to trade through multiple brokers and any switch to a new broker may not be possible without a commensurate change to the Sub-Fund's sub-custody arrangements.

#### *Nominee Holding Structure, Voting Right and Corporate Actions*

Stock Connect Securities will be held following settlement by brokers or custodians as clearing participants in accounts in the CCASS maintained by HKSCC as central securities depository in Hong Kong and as nominee holder. HKSCC is the "nominee holder" of the Stock Connect Securities acquired by a Stock Connect Investor. While the distinct concepts of "nominee holder" and "beneficial owner" are generally recognised under the PRC Stock Connect rules as well as other laws and regulations in mainland China, the application of such rules is untested, and there is no assurance that PRC courts will recognise such rules, e.g. in liquidation

proceedings of PRC companies or other legal proceedings. To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, the Sub-Fund will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Sub-Fund suffers losses resulting from the performance or insolvency of HKSCC. Also, in the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, investors should note that the Stock Connect Securities will not be regarded as part of the general assets of HKSCC available for distribution to creditors even under PRC law. Stock Connect Investors who hold the Stock Connect Securities (as beneficial owners) shall generally exercise their rights in relation to the Stock Connect Securities through HKSCC as the nominee holder. Under the CCASS rules, HKSCC is prepared to provide assistance to the Stock Connect Investors in bringing the legal action in the PRC where necessary, subject to certain conditions, though it has no obligation to do so. Accordingly, the Company may only exercise voting rights with respect to Stock Connect Securities by giving voting instructions to HKSCC (through CCASS participants), who will then consolidate such instructions and submit them in the form of a combined single voting instruction to the relevant SSE/SZSE-listed company. Therefore, the Sub-Fund may not be able to exercise voting rights in respect of the underlying company in the same manner as in other markets.

In addition, any corporate action in respect of Stock Connect Securities will be announced by the relevant issuer through the SSE/SZSE website and certain officially appointed newspapers. Stock Connect Investors may refer to the SSE/SZSE website and the relevant newspapers for the latest listed company announcements or, alternatively, the website of the Hong Kong Exchanges and Clearing Limited for corporate actions in respect of Stock Connect Securities issued on the previous trading day. However, SSE/SZSE-listed issuers publish corporate documents in Chinese only and English translations will not be available.

Given the short timescale within which proxy voting or other corporate actions are required to be taken in relation to the Stock Connect Securities, there is no assurance that CCASS participants who participate in Stock Connect will or will continue to provide or arrange for the provision of any voting or other related services. Accordingly, there is no assurance that the Sub-Fund will be able to exercise any voting rights or participate in any corporate actions in relation to Stock Connect Securities in time or at all.

#### *Northbound Investor ID Model*

An investor identification model for Northbound Trading under Stock Connect ("**Northbound Investor ID Model**") was launched on 26 September 2018. Under the Northbound Investor ID Model, Exchange Participants will be required to assign a unique number known as the Broker-to-Client Assigned Number ("**BCAN**") to each Stock Connect Investor in Northbound Trading. Each BCAN should be mapped to the client identification data ("**CID**") of that particular client which includes the client's name, identity document issuing country, ID type and ID number. Each of the Exchange Participants is required to submit the BCAN-CID mappings of all its Northbound Trading clients to SEHK. If the BCAN-CID mapping of a client has not been received by SEHK at or before the prescribed T-1 day cut-off time, or such mapping information has failed the relevant validation check, the corresponding client shall not be allowed to place trading orders on T day.

Given the Northbound Investor ID Model is different from the current trading practice in Hong Kong market and is newly adopted, there is no assurance that the system will operate normally or the Sub-Fund as a Stock Connect Investor will satisfy the relevant requirements. Any malfunction of the Northbound Investor ID Model or failure of the Company to participate in Northbound Trading may adversely affect the Company's performance.

#### *Restriction on Day Trading*

Save with a few exceptions, day (turnaround) trading is generally not permitted on the A Share market. If a Sub-Fund buys Stock Connect Securities on a dealing day (T), the Sub-Fund may not be able to sell the Stock Connect Securities until on or after T+1 day.

#### *Not protected by Investor Compensation Fund*

Investors should note that if a Sub-Fund engages in any Northbound Trading, the Sub-Fund will not be covered by Hong Kong's Investor Compensation Fund or the China Securities Investor Protection Fund and thus investors will not benefit from compensation under such schemes.

#### *Daily Quotas Used up*

There is a daily quota for Northbound Trading on the Shanghai-HK Connect and Shenzhen-HK Connect respectively. Once the daily quota on SSE or SZSE is used up, acceptance of the corresponding buy orders on SSE or SZSE (as applicable) will be immediately suspended and no further buy orders will be accepted for

the remainder of the trading day. Buy orders which have been accepted will not be affected by the using up of the daily quota, while sell orders will be continued to be accepted.

#### *Difference in Trading Day and Trading Hours and other Operational Restrictions*

Due to differences in public holidays between Hong Kong and mainland China or other reasons such as bad weather conditions, there may be a difference in trading days and trading hours between SSE/SZSE and SEHK. Stock Connect will only operate on days when both markets are open for trading and when banks in both markets are open on the corresponding settlement days. There may be occasions when it is a normal trading day for the mainland China market but it is not possible to carry out any China A Shares trading in Hong Kong. Additionally, SEHK (or any relevant subsidiary) may, under certain circumstances as specified in the SEHK rules, temporarily suspend or restrict all or part of the order-routing and related supporting services with regard to all or any Northbound Trading and for such duration and frequency as SEHK may consider appropriate at any time and without advance notice.

As such, there is a risk of price fluctuations in China A Shares during the time when Northbound Trading is suspended or restricted as described above.

#### *The Recalling of Eligible Stocks and Trading Restrictions*

A stock may be recalled from the scope of eligible stocks for trading via Stock Connect for various reasons, and in such event the stock can only be sold but is restricted from being bought. This may adversely affect the ability of a Sub-Fund to achieve its investment objective.

Under Stock Connect, the Investment Manager will only be allowed to sell China A Shares but restricted from further buying under certain circumstances including without limitation to: (i) the China A Share subsequently ceases to be a constituent stock of the relevant indices; (ii) the China A Share is subsequently under "risk alert"; and/or (iii) the corresponding H share of the China A Share subsequently ceases to be traded on SEHK. Price fluctuation limits are also applicable to China A Shares.

#### *Local market rules, foreign shareholding restrictions and disclosure obligations*

Under Stock Connect, China A Shares listed companies and trading of China A Shares are subject to market rules and disclosure requirements of the China A Shares market. Any changes in laws, regulations and policies of the China A Shares market or rules in relation to Stock Connect may affect share prices. Foreign shareholding restrictions and disclosure obligations are also applicable to China A Shares.

The Company and the Investment Manager will be subject to restrictions on trading (including restriction on retention of proceeds) in China A Shares as a result of their interest in the China A Shares and are responsible for compliance with all notifications, reports and relevant requirements in connection with such interests.

Under current PRC law, once an investor holds up to 5% of the shares of a PRC-listed company, the investor is required to disclose his interest within three days in accordance with the applicable regulations and during the reporting period he cannot trade the shares of that company. The investor is also required to disclose any change in his shareholding and comply with related trading restrictions in accordance with PRC law. Also, should it exceed 5%, the Sub-Fund may not reduce its holdings in such company within 6 months of the last purchase of shares of such company (the "**Short Swing Profit Rule**"). If the Sub-Fund violates this Short Swing Profit Rule, it may be required by the listed company to return any profits realised from such trading to the listed company. Moreover, under PRC civil procedures, the Sub-Fund's assets may be frozen to the extent of the claims made by such PRC company. These risks may greatly impair the performance of the Sub-Funds.

For the purposes of the calculation of the 5%, the Sub-Fund may be deemed as a concerted party with its investors, of other funds managed within the Veritas group or a substantial shareholder of the Veritas group (unless there exists evidence to the contrary) and therefore may be subject to the risk that the Sub-Fund's holdings may have to be reported in aggregate with the holdings of such other investors or funds should the aggregated holdings trigger the reporting threshold under the Investment Regulations. In addition, the onshore listed shares and offshore listed shares held by each of the concerted parties in an individual listed company need to be aggregated for such calculation purpose above. This may expose the Sub-Fund's holdings to the public with an adverse impact on the performance of the Sub-Funds. There has also been a recent regulatory trend to tighten the disclosure of interests requirements by the relevant PRC regulators and stock exchanges, therefore further requirements may be applied in this regard.

Also, investment in China A Shares through derivative instruments or structured products may be taken into account for this calculation. For example, if the Sub-Fund has de facto control over the exercise of the voting rights of the underlying China A Shares in relation to the derivative instruments or structured products, even though the Sub-Fund is not the legal owner of these shares, the Sub-Fund is subject to disclosure of interest requirements. Any investor may not utilise inside information to trade the shares of a PRC listed company or conduct market manipulation trades, and the trade orders of the Sub-Fund may not breach this requirement. If the Sub-Fund has de facto control over the exercise of the voting rights of the underlying shares of a PRC listed company that exceed 5% of the company's shares, it might be deemed as a 5% shareholder and may be restricted in its trading because of the Short Swing Profit Rule.

According to existing mainland China practices, the Company as beneficial owner of China A Shares traded via Stock Connect cannot appoint proxies to attend shareholders' meetings on its behalf (see the paragraph headed "Nominee holding structure, voting right and corporate actions" above).

#### *Restriction on day trading*

Save with a few exceptions, day (turnaround) trading is generally not permitted on the China A Share market. If a Sub-Fund buys China A Shares on a dealing day (T), the Sub-Fund may not be able to sell them until on or after T+1 day.

#### *Investment Restrictions*

Investments in China A Shares are also subject to compliance with certain investment restrictions imposed by the Investment Regulations including the following and may affect the relevant Sub-Fund's ability to invest in China A Shares and carry out their investment objectives:

- (i) shares held by each underlying foreign investor (such as a Sub-Fund) which invests (through Stock Connect or other permissible channels) in one PRC listed company should not exceed 10% of the total outstanding shares of such company; and
- (ii) aggregate China A Shares held by all underlying foreign investors (such as a Sub-Fund and all other foreign investors) which invest (through Stock Connect or other permissible channels) in one PRC listed company should not exceed 30% of the total outstanding shares of such company.

Similarly, since the 30% aggregate foreign shareholding restriction is monitored at the level of all foreign investors, the capability of the relevant Sub-Fund to invest in China A Shares of a certain listed company may also be limited due to the investments made by other foreign investors.

#### *Trading Volumes and Volatility*

The Exchanges have lower trading volumes than some OECD exchanges and the market capitalisations of listed companies are small compared to those on more developed exchanges in developed markets. The listed equity securities of many companies in the PRC are accordingly materially less liquid, subject to greater dealing spreads and experience materially greater volatility than those of OECD countries. Government supervision and regulation of the PRC securities market and of listed companies is also less developed than in many OECD countries. In addition, there is a high measure of legal uncertainty concerning the rights and duties of market participants with respect to investments made through securities systems or established markets.

The PRC stock market has experienced substantial price volatility and wide suspension of trading in recent years and no assurance can be given that such volatility and suspension will not occur in the future. The above factors could negatively affect the Net Asset Value of the Sub-Funds, the ability to redeem Shares and the price at which Shares may be redeemed.

#### *Payment of Fees and Expenses*

The Sub-Fund may retain such amounts as the Board considers appropriate to maintain a liquid portfolio of cash, deposits, money market instruments and government securities denominated in RMB, U.S. Dollars or other major international currencies for the purposes of paying its anticipated fees and expenses and to meet redemption requests and any other liquidity needs. Investors should be aware that owing to repatriation restrictions, the Sub-Fund may need to maintain high cash balances, including potentially balances held outside China, resulting in less of the proceeds of the Sub-Fund being invested in China than would otherwise be the case if such local restrictions did not apply.

#### *Clearing, Settlement and Custody Risks*

HKSCC and CSDCC have established the clearing links between SEHK and SSE/SZSE and each will become a participant of the other to facilitate clearing and settlement of cross-border trades. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing

participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Hong Kong and overseas investors which have acquired Stock Connect Securities through Northbound Trading should maintain such securities with their brokers' or custodians' stock accounts with CCASS (operated by HKSCC).

#### *Currency Risks*

Stock Connect Securities under Northbound Trading will be traded and settled in RMB. If a Sub-Fund issues Classes denominated in a currency other than RMB, the Sub-Fund will be exposed to currency risk if the Portfolio invests in a RMB product due to the need for the conversion of the currency into RMB. The Sub-Fund will also incur currency conversion costs. Even if the price of the RMB asset remains the same when the Portfolio purchases it and when the Sub-Fund redeems / sells it, the Sub-Fund will still incur a loss when it converts the redemption / sale proceeds into local currency if RMB has depreciated. Also, the Sub-Fund's investments via the Stock Connect may be settled in offshore RMB (CNH). Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

#### *Risk of CSDCC Default*

CSDCC has established a risk management framework and measures that are approved and supervised by the CSRC. Pursuant to the General Rules of CCASS, if CSDCC (as the host central counterparty) defaults, HKSCC will, in good faith, seek recovery of the outstanding Stock Connect Securities and monies from CSDCC through available legal channels and through CSDCC's liquidation process, if applicable.

HKSCC will in turn distribute the Stock Connect Securities and/or monies recovered to clearing participants on a pro-rata basis as prescribed by the relevant Stock Connect Authorities. Stock Connect Investors in turn will only be distributed the Stock Connect Securities and/or monies to the extent recovered directly or indirectly from HKSCC. Although the likelihood of a default by CSDCC is considered to be remote, Shareholders should be aware of this arrangement and of this potential exposure.

#### *Risk of HKSCC Default*

A failure or delay by HKSCC in the performance of its obligations may result in a failure of settlement, or the loss, of Stock Connect Securities and/or monies in connection with them and the Company may suffer losses as a result.

#### *Ownership of Stock Connect Securities*

Stock Connect Securities are uncertificated and are held by HKSCC for its account holders. Physical deposit and withdrawal of Stock Connect Securities are not available under the Northbound Trading for the Company.

The Company's title or interests in, and entitlements to, Stock Connect Securities (whether legal, equitable or otherwise) will be subject to applicable requirements, including laws relating to any disclosure of interest requirement or foreign shareholding restriction (see the paragraph headed "Local market rules, foreign shareholding restrictions and disclosure obligations" above). It remains untested whether the Chinese courts would recognise the ownership interest of Stock Connect Investors to allow them standing to take legal action against Chinese companies.

#### *No Manual Trade or Block Trade*

Currently there is no manual trade facility or block trade facility for Stock Connect Securities transactions under Northbound Trading. A Portfolio's investment options may become limited as a result.

#### *Order Priority*

Trade orders are entered into China Stock Connect System ("**CSC**") based on time order. Trade orders cannot be amended, but may be cancelled and re-entered into the CSC as new orders at the back of the queue. Due to quota restrictions or other market intervention events, there can be no assurance that trades executed through a broker will be completed.



### *No off-exchange Trading and Transfers*

Market participants must match, execute or arrange the execution of any sale and buy orders or any transfer instructions from investors in respect of any Stock Connect Securities in accordance with the Stock Connect rules. This rule against off-exchange trading and transfers for trading of Stock Connect Securities under Northbound Trading may delay or disrupt reconciliation of orders by market participants. However, to facilitate market players in conducting Northbound Trading and the normal course of business operation, off-exchange or "non-trade" transfer of Stock Connect Securities for the purposes of post-trade allocation to different funds/sub-funds by fund managers have been specifically allowed.

The above may not cover all risks related to Stock Connect and any above-mentioned laws, rules and regulations are subject to change and there is no assurance as to whether or how such changes or developments may restrict or affect the Company's investments via Stock Connect.

### *Risks associated with the Small and Medium Enterprise Board and/or ChiNext Market*

The Sub-Funds may through the Shenzhen-Hong Kong Stock Connect access securities listed on the Small and Medium Enterprise ("**SME**") board and the ChiNext market of the SZSE. Listed companies on the SME board and/or the ChiNext market are usually of an emerging nature with smaller operating scale. They are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board of the SZSE. Securities listed on the SME board and/or ChiNext may be overvalued and such exceptionally high valuation may not be sustainable. Stock prices may be more susceptible to manipulation due to fewer circulating shares. It may be more common and faster for companies listed on the SME board and/or ChiNext to delist. This may have an adverse impact on the relevant Sub-Funds if the companies that they invest in are delisted. Also, the rules and regulations regarding companies listed on ChiNext market are less stringent in terms of profitability and share capital than those on the main board and SME board. Investments in the SME board and/or ChiNext market may result in significant losses for the Company and their investors.

### **Risks associated with FDI**

General: The use of FDI may result in greater returns but may entail greater risk for your investment. FDI may be used as a means of gaining indirect exposure to a specific asset, rate or index and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate or currency risk. Use of FDI involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other investments. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index.

Investing in FDI could cause the Sub-Fund to lose more than the principal amount invested. Also, suitable FDI may not be available in all circumstances and there can be no assurance that the Sub-Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

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

*Absence of Regulation; Counterparty Risk:* In general, there is less government regulation and supervision of transactions in the OTC markets than of transactions entered into on recognised exchanges. OTC FDI lack transparency as they are privately negotiated contracts and any information concerning them is usually only available to the contracting parties. While measures are being introduced under Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories ("**EMIR**") that aim to mitigate risks involved in investing in OTC FDI and improve transparency, these types of investments continue to present challenges in clearly understanding the nature and level of risks involved. 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.

The counterparty for an OTC FDI will be the specific firm involved in the transaction rather than a Recognised Exchange and accordingly the bankruptcy or default of a counterparty with which the Sub-Fund trades OTC FDI could result in substantial losses to the Sub-Fund. In addition, a counterparty may refrain from settling a transaction in accordance with its terms and conditions because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing the Sub-Fund to suffer a loss. 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. Regardless of the measures the 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. Counterparty exposure will be in accordance with the Sub-Fund's investment restrictions.

*Credit Risk and Counterparty Risk:* Sub-Funds will be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in derivative instruments. 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. Regardless of the measures the 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.

*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.

*Collateral Risk:* Collateral or margin may be passed by the Sub-Fund to a counterparty or broker in respect of OTC FDI transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

*Legal Risk:* The use of OTC FDI, such as forward contracts and swap agreements, will expose the Sub-Funds to the risk that the legal documentation of the relevant OTC contract may not accurately reflect the intention of the parties.

*Margin Risk:* 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 relevant 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 relevant 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 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.

*Necessity for Counterparty Trading Relationships:* Participants in the OTC currency market typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. An inability to establish relationships with appropriate counterparties would limit a Sub-Fund's activities and could require a Sub-Fund to conduct a more substantial portion of such activities in the cash or exchange traded markets. Moreover, the counterparties with which a Sub-Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to a Sub-Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

*Futures and Options Risk:* The Investment Manager may engage in various portfolio strategies on behalf of the Sub-Funds through the use of futures and options. Due to the nature of futures trading, cash to meet margin monies will be held by a broker with whom a Sub-Fund has an open position. In the event of the insolvency or bankruptcy of a broker, there can be no guarantee that such monies will be returned to a Sub-Fund. On execution of an option, a Sub-Fund may pay a premium to a counterparty. In the event of the

insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is "in the money". The Investment Manager is fully aware of these counterparty risks and has in place procedures designed to monitor and limit counterparty risks.

### **Counterparty Default Risk**

A Sub-Fund will, by investing in FDI, be exposed to the creditworthiness of the counterparty and any clearing broker and their ability to satisfy the terms of derivative contracts entered into. Accordingly, a Sub-Fund may be exposed to the risk that the counterparty or clearing broker may default on their respective obligations to perform under the relevant contract. In the event of the bankruptcy or insolvency of either the counterparty or clearing broker, a Sub-Fund could experience delays in liquidating its positions as well as suffer significant losses, including declines in value during the period in which the Sub-Fund seeks to enforce its rights, the inability to realise any gains during such period and fees and expenses incurred in enforcing its rights.

### **Operational Risks (including Cyber Security and Identity Theft)**

An investment in a Sub-Fund, like any fund, can involve operational risks arising from factors such as processing errors, human errors, inadequate or failed internal or external processes, failure in systems and technology, changes in personnel, infiltration by unauthorised persons and errors caused by service providers such as the Manager, the Investment Manager, the Administrator or the Depositary. While the Company seeks to minimise such events through controls and oversight, there may still be failures that could cause losses to a Sub-Fund.

As part of its management services, the Investment Manager processes, stores and transmits large amounts of electronic information, including information relating to the transactions of the Sub-Funds and personally identifiable information of the Shareholders. Similarly, service providers of the Investment Manager and of the Company, especially the Administrator, may process, store and transmit such information. The Manager, Investment Manager, Administrator and Depositary (and their respective groups) each maintain information technology systems which each service provider believes are reasonably designed to protect such information and prevent data loss and security breaches. However, like any other system, these systems cannot provide absolute security.

The techniques used to obtain unauthorised access to data, disable or degrade service, or sabotage systems change frequently and may be difficult to detect for long periods of time. Hardware or software acquired from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security. Network connected services provided by third parties to the Investment Manager may be susceptible to compromise, leading to a breach of the Investment Manager's network. The Investment Manager's systems or facilities may be susceptible to employee error or malfeasance, government surveillance, or other security threats. On-line services provided by the Investment Manager to the Shareholders may also be susceptible to compromise.

The service providers of the Company are subject to the same electronic information security threats as the Investment Manager. If the Investment Manager or the service provider fails to adopt or adhere to adequate data security policies, or in the event of a breach of its networks, information relating to the transactions of the Company and personally identifiable information of the Shareholders may be lost or improperly accessed, used or disclosed.

Notwithstanding the existence of policies and procedures designed to detect and prevent such breaches and ensure the security, integrity and confidentiality of such information as well as the existence of business continuity and disaster recovery measures designed to mitigate any such breach or disruption at the level of the Company and its delegates, the loss or improper access, use or disclosure of proprietary information may cause the Investment Manager or a Sub-Fund to suffer, among other things, financial loss, the disruption of its business, liability to third parties, regulatory intervention or reputational damage. Any of the foregoing events could have a material adverse effect on the relevant Sub-Fund and the Shareholders' investments therein.

It should be noted that Shareholders in the Company will be afforded all appropriate safeguards and rights in accordance with the Data Protection Legislation.

### **Potential Implications of Brexit**

The United Kingdom held a referendum on 23 June 2016 on whether to leave or remain in the EU. The outcome of the referendum was in favour of leaving the EU. The United Kingdom officially withdrew from the EU on 31 January 2020 but continued to follow all of the EU rules and its trading relationship remained the same until

the end of the transitional period on 31 December 2020. The EU and the United Kingdom agreed a Trade and Co-operation Agreement in December 2020 (the “**Brexit Deal**”). The departure of the United Kingdom from the EU has led to political and economic instability, volatility in the financial markets of the United Kingdom and more broadly across Europe. It has also led to a weakening in consumer, corporate and financial confidence in such markets as the United Kingdom and the EU negotiated the Brexit Deal. While the Brexit Deal has now been agreed, there remains a number of uncertainties in connection with the future of the United Kingdom and its relationship with the EU, including the negotiation of any future trading agreements to enhance or replace elements of the Brexit Deal. The United Kingdom and the EU are likely to continue to negotiate trading or other agreements for a number of years.

Until the terms of the United Kingdom's exit from, and continuing relationship with, the EU are clearer, it is not possible to determine the impact that the United Kingdom's departure from the EU and/or any related matters may have on a Sub-Fund or its investments, including, in each case, the market value or the liquidity thereof in the secondary market, or on the other parties to the transaction documents. However, given the size and importance of the United Kingdom's economy, current uncertainty or unpredictability about its legal, political and economic relationship with Europe may continue to be a source of instability, create significant currency fluctuations, and/or otherwise adversely affect international markets, arrangements for trading or other existing cross-border co-operation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise) for the foreseeable future including beyond the date of any withdrawal from the EU. In particular, the uncertainty surrounding the United Kingdom's relationship with the EU and its withdrawal as an EU Member State may adversely impact companies or assets based in, doing business in, or having services or other significant relationships in or with, the United Kingdom and/or the EU, including with respect to opportunity, pricing, regulation, value or exit. In addition, the United Kingdom's withdrawal as an EU Member State may have an adverse effect on the tax treatment of any investments in the United Kingdom. The EU directives preventing withholding taxes being imposed on intra-group dividends, interest and royalties may no longer apply to payments made into and out of the United Kingdom, meaning that instead the United Kingdom's double tax treaty network will need to be relied upon. Not all double tax treaties fully eliminate withholding tax. Further, there may be changes to the operation of value added tax (VAT) and the economic implications could potentially affect wider tax policy in the United Kingdom, such as the rate of corporation tax and other taxes. The outcome of the United Kingdom referendum could also have a destabilising effect if other EU Member States were to consider the option of leaving the EU. For these reasons, the decision of the United Kingdom to leave the EU could have adverse consequences on a Sub-Fund, the performance of its investments and its ability to fulfil its investment objective and implement its investment strategy.

## **Sustainability Risk**

Sustainability risks within the meaning of SFDR, are environmental, social and governance events or conditions whose occurrence could have an actual or potential material negative impact on the value of each Sub-Fund's investment. Sustainability risks can affect all known types of risk (for example, market risk, liquidity risk, counterparty risk and operational risk) and as a factor, contribute to the materiality of these risk types.

### *SFDR - Legal risk*

The series of legal measures (including SFDR) requiring firms that manage investment funds to provide transparency on how they integrate sustainability considerations into the investment process with respect to the investment funds they manage (the EU sustainable finance action plan) is being introduced in the EU on a phased basis and some elements (for example supporting regulatory technical standards) are subject to implementation delays.

The Company seeks to comply with all legal obligations applicable to it but notes there may be challenges in meeting all the requirements of these legal measures as they are introduced. The Company may be required to incur costs in order to comply with these new requirements as part of the initial implementation phase and to incur further costs as the requirements change and further elements are introduced. This could be the case in particular if there are adverse political developments or changes in government policies as the implementation phase progresses. These elements could impact on the viability of the Sub-Funds and their returns.

### *ESG Data reliance*

The scope of SFDR is extremely broad, covering a very wide range of financial products and financial market participants. It seeks to achieve more transparency regarding how financial market participants integrate sustainability risks into their investment decisions and consideration of adverse sustainability impacts in the

investment process. Data constraint is one of the biggest challenges when it comes to sustainability related information to end-investors, especially in the case of principal adverse impacts of investment decisions, and there are limitations on sustainability and ESG-related data provided by market participants in relation to comparability. Disclosures in this Prospectus may develop and be subject to change due to ongoing improvements in the data provided to, and obtained from, financial market participants and financial advisers to achieve the objectives of SFDR in order to make sustainability-related information available.

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

## MANAGEMENT AND ADMINISTRATION

### Directors

The Directors of the Company are:

Mike Kirby  
Richard Grant  
Brian Wilkinson  
Michael Morris  
Nicola Lakin

#### **Mike Kirby**

Mike Kirby, Irish resident, is Managing Principal of KB Associates, a firm which provides a range of advisory and project management services to the promoters of off-shore mutual funds. He has held senior positions at Bank of New York (previously RBS Trust Bank) (1995-2000) where he was responsible for the establishment and management of its investor servicing business in Ireland. Prior to this he was Vice President product management & marketing global securities services with J P Morgan (previously Chase Manhattan Bank) (1993-1995) in London and prior to this he was responsible for the establishment of Daiwa Securities fund administration business in Dublin (1989-1993). From 2000-2002 he was a Senior Vice President of MiFund Inc, a privately owned mutual funds supermarket incorporated in the USA, and Managing Director of MiFund Services Limited its wholly owned Irish subsidiary. Mr. Kirby holds a Bachelor of Commerce (Hons) from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland. He was a founder member of the Irish Funds Industry Association.

#### **Richard Grant**

Richard Grant is Chief Operating Officer of the Investment Manager. Prior to joining Veritas in March 2004, Richard was the European Finance Director of Perry Capital, an Event-Driven hedge fund manager. Before joining Perry Capital in July 2000, he was manager of the Corporate Reporting Department for Merrill Lynch Europe. Richard qualified as a Chartered Accountant with KPMG in 1991 and holds an MA in Accounting and Economics from Edinburgh University.

#### **Brian Wilkinson**

Brian Wilkinson currently acts as an independent non-executive director to a number of investment funds domiciled in Ireland and abroad. Previously, Mr. Wilkinson held the position of Managing Director of HSBC Securities Services (Ireland) Limited (2001-2006), Managing Director of Fortis Fund Services (Ireland) Limited (1995-2001), Executive Director of Fortis Fund Services (Isle of Man) Limited (1992-1995) and executive Director of GAM Administration Limited (1986-1992). Mr. Wilkinson has over 20 years' experience in senior management positions in the fund administration industry and has been a director of over 50 investment funds during this period.

#### **Michael Morris**

Michael Morris (Irish Resident) is a Certified Investment Fund Director and has expertise in portfolio management and governance. He is a professional Independent Director and sits on or chairs the fund/ AIFM boards of a variety of entities across asset classes including private equity, debt (public & private), CLO, infrastructure, long only equity, long/short equity and global real estate. Mr Morris was a Senior VP/MD of Pioneer Investments in Ireland (€250bn AUM) from 2013 to 2017 and was responsible for the Portfolio Management of the Materials sector in both long-only equity funds and a market neutral hedge fund. Prior to that, he spent 19 years in London and was Head of Construction & Building Materials Equity Research at JPMorgan from 2005 to 2013, with a global client base of both long-only funds and hedge funds. From 1994 to 2005, he held similar positions at Old Mutual/ Arbuthnot Securities (UK), HSBC Investment Bank (UK) and Accenture as well as spending some time in the construction sector post qualification. Mr. Morris holds Bachelor and Masters degrees in Engineering from University College Dublin. He has completed the Chartered Director programme with the Institute of Directors in London and is a Certified Investment Fund Director with the Institute of Bankers.

#### **Nicola Lakin (née Smith)**

Nicola Lakin is the Chief Financial Officer of the Investment Manager. Ms. Lakin joined Veritas in June 2017 as the Business Manager and led a number of large change initiatives before being appointed CFO in September 2020. Prior to joining Veritas, Ms. Lakin was the UK COO of UBS Asset Management where she steered complex remediation programmes for the business. Ms. Lakin spent 19 years at UBS in both Asset Management and Investment Banking divisions, mainly in senior Finance roles partnering with the investment teams on all aspects of Finance. Ms. Lakin holds a BSc (Hons) in Maths & Philosophy and is a certified

chartered accountant (FCCA).

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

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

The address of all the Directors, for the purposes of the Company, is the registered office of the Company.

## **Manager**

The Company has appointed the Manager pursuant to the Management Agreement.

The Manager is a limited company incorporated under Irish law on 4 December 2006, having its registered office at 5 George's Dock, IFSC, Dublin 1, Ireland. The company secretary of the Manager is KB Associates of 5 George's Dock, IFSC, Dublin 1, Ireland. The Manager is authorised by the Central Bank to act as a UCITS management company. The Manager has an issued and paid up share capital of €6,750,000. The ultimate parent of the Manager is King TopCo Ltd.

Under the terms of the Management Agreement, the Manager is appointed to carry out the management, distribution and administration services in respect of the Company.

The Manager must perform its duties under the Management Agreement in good faith and in a commercially reasonable manner using a degree of skill, care and attention reasonably expected of a professional manager and in the best interests of the Shareholders. The Manager has the discretion to delegate all the powers, duties and discretions exercisable in respect of its obligations under the Management Agreement as the Manager and any delegate may from time to time agree. Any such appointment will be in accordance with the requirements of the Central Bank.

The Manager has delegated the administration of the Company's affairs, including responsibility for the preparation and maintenance of the Company's records and accounts and related fund accounting matters, the calculation of the Net Asset Value per Share and the provision of registration services in respect of the Sub-Funds to the Administrator.

The Manager has further delegated the investment management responsibilities in respect of the Sub-Funds to the Investment Manager.

The Management Agreement provides that the appointment of the Manager will continue in force unless and until terminated by either party on ninety days' prior written notice or otherwise in accordance with the terms of the Management Agreement. The Management Agreement contains provisions regarding the Manager's legal responsibilities. The Manager is not liable for losses, actions, proceedings, claims, damages, costs, demands and expenses caused to the Company unless resulting from its negligence, wilful default or fraud.

The Manager has established, implemented and maintains a remuneration policy which meets the requirements of, and complies with the principles set out in UCITS V and the ESMA Remuneration Guidelines relating to same (together, the "**Remuneration Guidelines**") and ensures that the Investment Manager has an appropriate remuneration policy in place which is in compliance with the Remuneration Guidelines.

The Manager's remuneration policy applies to staff whose professional activities might have a material impact on the Company's risk profile and so covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile of the Company. The Manager's remuneration policy is accordingly consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Company.

Consistent with the principle of proportionality referred to in the Remuneration Guidelines, the payout process requirements in the Remuneration Guidelines have been disapplied in the Manager's remuneration policies. This disapplication has been made following assessment by the Manager of each of the payout process

requirements and takes account of specific facts applicable to each and is appropriate to its size, internal organisation and the nature, scope and complexity of its activities.

The remuneration policy of the Manager can be found at [www.kbassociates.ie](http://www.kbassociates.ie). A copy can be requested free of charge from the Manager.

The Manager's main business is the provision of fund management services to collective investment schemes such as the Company. The Manager is legally and operationally independent of the Administrator, the Depositary and the Investment Manager.

***Mike Kirby (Irish resident)***

Please note that details regarding Mr. Kirby are included above in the "Directors" section.

***Peadar De Barra (Irish resident)***

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

Mr. De Barra holds a Bachelor of Commerce (Honours) Degree from National University of Ireland Galway and is a Fellow of the Institute of Chartered Accountants in Ireland.

***Frank Connolly (Irish resident)***

Mr. Connolly has been active in the mutual and hedge funds industry since 1997. He has particular expertise in the preparation and audit of financial statements for investment funds and in the regulatory and GAAP requirements applicable to the investment management industry. He also has expertise in the development of compliance programs for both AIFMD and UCITS funds as well as advising asset managers on the establishment and ongoing operation of both UCITS and non-UCITS funds. He is an executive director of the Manager.

Prior to joining KB Associates, Mr. Connolly was Senior Manager in the Investment Management Group at PricewaterhouseCoopers Dublin where he specialised in the audit of UCITS funds. Previously he had been with PricewaterhouseCoopers in the Cayman Islands where his responsibilities included the provision of audit services to a wide range of alternative asset managers.

Mr. Connolly holds a Bachelor of Commerce Degree (Hons) from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland.

***Samantha McConnell (Irish resident)***

Ms. McConnell has over 20 years' experience in the financial and pensions industry covering administration, investment services, change and integration management as well as expert in devising solutions to complex issues. Ms. McConnell is an independent, non-executive director (INED) of the Manager and is the Chair of its Independent Investment Committee. The function of the Investment Committee is the formulation, approval and oversight of the implementation of each fund's investment objectives and policies by the relevant investment manager. The Investment Committee also evaluates the market overview, each Fund's performance and any changes of investment objective of a Fund. Ms. McConnell is also an INED and interim Chair for another significant fund management company as well as INED on a number of fund boards. Ms. McConnell is a director for Willis HC&B as well as non-executive director for CFA Ireland.

Ms. McConnell holds a first class honours degree in commerce from University College Dublin and graduated first in Ireland in the ACCA exams. She is a CFA Charterholder, a holder of the Institute of Directors Diploma in Company Direction and was awarded the Graduate of Merit award from the Institute of Directors.



### **John Oppermann (Irish resident)**

Mr. Oppermann is resident in Ireland and has been involved in the Investment Funds, Asset Management and Fund Services industry for over 30 years in London and Dublin. He has extensive experience with investment funds domiciled in various locations and across a variety of asset classes and investment strategies. Mr. Oppermann is an independent, non-executive director (INED) of the Manager and is the Chair of its Independent Risk Committee. Mr. Oppermann co-founded The Fund Governance Boardroom Panel, a firm which specialises in Collective Investment Governance. He established JPO Corporate Services in 2009 to provide corporate services to entities establishing operations in Ireland and has acted as a consultant within the hedge fund industry since 2008. From 2004 to 2008 Mr. Oppermann held the position of General Manager of Olympia Capital Ireland, and senior positions at RMB International (part of the First Rand Group) and International Fund Services (IFS) from 2001 to 2004. Mr. Oppermann established Capita's Registrar operation in Ireland after they purchased the share registration business of PwC and was Country Manager from 1998 to 2001. From 1995 to 1998 Mr. Oppermann was a member of the senior management team at Mellon Fund Administration (Ireland). Prior to that Mr. Oppermann held a number of senior financial and operational positions in the investment management, pensions and financial services divisions with The Prudential Corporation in London from 1987 to 1995. Mr. Oppermann is a non-executive director for a number of Companies and Funds. He is one of the founding members of the Irish Fund Directors Association and has served on council from 2015 – 2018.

Mr. Oppermann is a Fellow of the Chartered Association of Certified Accountants, holds an MBA from the Michael Smurfit Graduate School of Business and has received the accreditation of Certified Investment Fund Director from the Institute of Banking School of Professional Finance.

### **Depository**

The Depository was incorporated in Ireland on 29 March 1995 and is regulated by the Central Bank of Ireland. The Depository is an indirect wholly owned subsidiary of Brown Brothers Harriman & Co.

The Depository acts as Depository of all the Company's monies and assets in accordance with the terms of an amended and restated depository agreement between the Company, the Manager and the Depository dated 30 September 2021 (the "**Depository Agreement**"). The Depository shall comply with the UCITS Regulations in the provision of its services under the Depository Agreement.

The Depository's duties include the following:-

- (i) safekeeping the assets of the Company's, which includes (i) holding in custody all financial instruments that may be held in custody; and (ii) verifying the ownership of other assets and maintaining records accordingly;
- (ii) ensuring that the Company's cash flows are properly monitored and that all payments made by or on behalf of applicants upon the subscription to shares of the Company have been received;
- (iii) carrying out its oversight functions and ensuring that issues, redemptions and cancellations and the valuation of the shares of the Company are calculated in accordance with the UCITS Regulations;
- (iv) carrying out the instructions of the Company, unless they conflict with the UCITS Regulations;
- (v) ensuring that the transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits; and
- (vi) ensuring that the Company's income is applied in accordance with the UCITS Regulations.

The Depository may delegate its safekeeping functions to one or more delegates in accordance with, and subject to the UCITS Regulations and on the terms set out in the Depository Agreement. The performance of the safekeeping function of the Depository in respect of certain of the Company's assets has been delegated to the delegates and sub-delegates listed in Appendix II. An up to date list of any such delegate(s) or sub-delegates is available from the Company on request. The Depository will have certain tax information-gathering, reporting and withholding obligations relating to payments arising in respect of assets held by the Depository or a delegate on its behalf. The Depository is entitled to appoint sub-custodians for the safe custody of the Company's assets.

Subject to the paragraph below, and pursuant to the Depository Agreement, the Depository will be liable to the Company for the loss of financial instruments of the Company which are entrusted to the Depository for safekeeping. The Depository shall also be liable for all other losses suffered by the Company as a result of its negligence or intentional failure to properly fulfil its obligations under the UCITS Regulations.

The liability of the Depository will not be affected by the fact that it has delegated safekeeping to a third party.

The Depositary will not be liable where the loss of financial instrument held in custody by the Depositary arises as a result of an external event beyond the reasonable control of the Depositary, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Depositary shall not be liable for any indirect, special or consequential loss.

The Company shall indemnify the Depositary, every delegate and their respective officers, agents and employees ("**Indemnified Persons**") on an after-tax basis in respect of any and all Liabilities (as defined in the Depositary Agreement) brought against, suffered or incurred by that Indemnified Person as a result of or in connection with:

- (i) the appointment of the Depositary under the Depositary Agreement or the performance by the Depositary of the services set out in the Depositary Agreement;
- (ii) any breach by the Company of Applicable Law (as defined in the Depositary Agreement), the Constitutional Documents, the Depositary Agreement, this Prospectus or fraud, negligence or wilful default of the Company to disclose to investors any information required by the Depositary Agreement or the UCITS Regulations, or to provide to the Depositary with any information required by the Depositary in order to provide the services listed in the Depositary Agreement;
- (iii) any Identified Custody Risk or any Identified Segregation Risk (as defined in the Depositary Agreement);
- (iv) the registration of Financial Instruments and Other Assets in the name of the Depositary or any delegate or Settlement System (as defined in the Depositary Agreement);
- (v) any breach of or default under any of the representations, warranties, covenants, undertakings or agreements made by the Depositary, a delegate or sub-delegate of a delegate (or a nominee of the Depositary, a delegate or sub-delegate of a delegate) on behalf of the Company in connection with any subscription agreements, application forms, investor questionnaires, purchase agreements, related documentation or similar materials relating to the Company's Fund's investment in any collective investment scheme, managed account, investment company, Underlying Structure (as defined in the Depositary Agreement) or similar pooled investment vehicle on behalf of the Company,

provided that such indemnity shall not apply to any Liabilities (as defined in the Depositary Agreement) arising out of the negligence, fraud or wilful default of the Indemnified Person or to the extent that such indemnity would require the Company to indemnify the Depositary for any loss for which the Depositary is liable to the Company under the UCITS Regulations.

The Depositary's liability to the investors of the Company may be invoked directly or indirectly though the Company provided this does not lead to duplication of redress or to unequal treatment of Shareholders.

The appointment of the Depositary under the Depositary Agreement may be terminated without cause by not less than (90) days written notice provided that the Depositary Agreement does not terminate until a replacement Depositary has been appointed.

From time to time actual or potential conflicts of interest may arise between the Depositary and its delegates, for example, and without prejudice to the generality of the foregoing, where an appointed delegate is an affiliated group company and is providing a product or service to the Company and has a financial or business interest in such product or service, or receives remuneration for other related products or services it provides to the Company. The Depositary maintains a conflict of interest policy to address this.

Potential conflicts of interest may arise from time to time from the provision by the Depositary and/or its affiliates of other services to the Company and/or other parties. For example, the Depositary and/or its affiliates may act as the depositary, trustee and/or administrator of other funds. It is therefore possible that the Depositary (or any of its affiliates) may in the course of its business have conflicts or potential conflicts of interest with those of the Company and/or other funds for which the Depositary (or any of its affiliates) act. Potential conflicts of interest may also arise between the Depositary and its delegates, for example where an appointed delegate is an affiliated group company which receives remuneration for another custodial service it provides to the Company. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will have regard to the applicable laws.

The Depositary Agreement provides that the appointment of the Depositary will continue in force until terminated by either the Company or the Depositary giving to the other not less than ninety days' notice in writing (or such shorter notice as such other party may agree to accept) expiring at any time, provided that either the Company or the Depositary may forthwith terminate the Depositary Agreement by notice taking immediate or subsequent effect if any such other party (the "**Defaulting Party**") shall at any time during the

continuance of the Depositary Agreement:

- (i) commit any material breach of the Depositary Agreement or commit persistent breaches of the Depositary Agreement which is or are either incapable of remedy or have not been remedied within thirty (30) days of the other party serving notice upon the Defaulting Party requiring it to remedy same;
- (ii) be unable to pay its debts as they fall due or otherwise become insolvent or enter into any composition or arrangement with or for the benefit of its creditors or any class thereof;
- (iii) be the subject of any petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets;
- (iv) have a receiver appointed over all or any substantial part of its undertaking, assets or revenues;
- (v) be the subject of an effective resolution for its winding up except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other parties; or
- (vi) be subject to a court order for its winding up or liquidation.

Save as provided for above the Company may not terminate the appointment of the Depositary and the Depositary may not retire from such appointment unless and until a successor depositary shall have been appointed in accordance with the Articles and with the prior approval of the Central Bank.

If the Depositary shall have given to the Company notice of its desire to retire from its appointment and no successor shall have been appointed in accordance with the Articles within ninety days from the giving of such notice, the Depositary may by written notice to the Company immediately require the Company to redeem or redemption all Shares and the Depositary's appointment thereunder shall terminate on the occurrence of such redemption and on revocation of the Central Bank's authorisation of the Company.

Upon the termination of the Depositary Agreement the Depositary shall deliver the securities, cash and any other property of the Company in its custody thereunder to such person as the Company may nominate as successor Depositary provided that such successor is approved by the Central Bank; provided, however, that the Depositary shall not be required to make any such delivery or payment until full payment shall have been made by the Company of all liabilities constituting a charge on or against the properties held by the Depositary or on or against the Depositary, and until full payment shall have been made to the Depositary of all its fees, compensation, costs and expenses due to it under the provisions of the Depositary Agreement.

The Depositary Agreement shall terminate automatically upon revocation by the Central Bank of its authorisation of the Company.

The Depositary Agreement provides that the Depositary shall be indemnified out of the assets of the Company from and against all costs, liabilities and expenses arising to the Depositary pursuant to the Depositary Agreement otherwise than by reason of the negligent or intentional failure of the Depositary to perform its obligations pursuant to the UCITS Regulations.

The Depositary in no way acts as guarantor or offeror of the Company's shares or any underlying investment. The Depositary is a service provider to the Company and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the Company. Save as required by the UCITS Regulations, the Depositary is not responsible for, and accepts no responsibility or liability for, any losses suffered by the Company or any Shareholders in the Company, as a result of any failure by the Company or the Investment Manager to adhere to the Company's investment objectives, policy, investment restrictions, borrowing restrictions or operating guidelines.

The Depositary is a service provider to the Company and is not responsible for the preparation of this document or for the activities of the Company and therefore accepts no responsibility for any information contained, or incorporated by reference, in this document.

#### **Investment Manager/Promoter**

The Manager has delegated its discretionary investment management function to Veritas Asset Management LLP, a limited liability partnership incorporated under the laws of England and Wales on 30 April 2014. The Investment Manager is authorised and regulated by the FCA and currently has assets under management of

approximately GBP24.5 billion as at 30 April 2021. Veritas Asset Management LLP is also a registered investment adviser with the United States Securities and Exchange Commission under the Investment Advisers Act of 1940.

The Investment Manager may also provide investment management services to other funds and unit trusts, institutional and private investors. The Directors and the Manager are satisfied that this situation does not give rise to any actual or potential conflict of interest. However, if any conflict of interest should arise the Investment Manager will ensure that it is resolved fairly in accordance with its conflicts of interest policy.

The Manager has appointed the Investment Manager as discretionary investment manager in respect of the Sub-Funds.

The Investment Manager may delegate discretionary investment management to one or more sub-investment managers in respect of any Sub-Funds. Information on these entities will be provided to Shareholders on request. Details of all sub-investment managers will be disclosed in the Company's periodic reports. Such sub-investment managers will not be paid directly by the Sub-Funds but instead will be paid by the Investment Manager.

The amended and restated investment management agreement dated 30 September 2021 between the Manager, the Company and the Investment Manager (the "**Investment Management Agreement**"), provides that the appointment of the Investment Manager will continue in force unless and until terminated by any party giving the other parties not less than six months' written notice. The Investment Management Agreement may be terminated by any party immediately should another party go into liquidation (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other parties), if a receiver is appointed over a substantial portion of the assets of any party or if an examiner is appointed to the Company pursuant to the Act, or if any party commits a breach of the Investment Management Agreement and such a breach is not remedied within thirty days of notice of the breach being received.

The Investment Manager shall not be liable for any error of judgement or mistake of law, but indemnifies the Company for any loss resulting from the Investment Manager's fraud, bad faith, negligence, wilful default, its reckless disregard of the Company's investment objective, its failure to comply with the investment policies or restrictions or its failure to execute reasonable care in the choice or selection of any delegate.

### **United Kingdom Representative to the Company**

The Investment Manager will also act as the United Kingdom representative to the Company. In performing this role, Veritas Asset Management LLP will be responsible for promoting and marketing the Company in the United Kingdom. The address at which facilities will be maintained to process any complaints that may be received from persons in the United Kingdom concerning the Company or the management thereof is 1 Smart's Place, London, WC2B 5LW. This address is the Investment Manager's principal place of business in the United Kingdom. The Investment Manager will not be paid any monies or other consideration in carrying out this role.

### **Administrator**

The Manager has appointed Brown Brothers Harriman Fund Administration Services (Ireland) Limited as administrator and registrar of the Company pursuant to the amended and restated administration agreement dated 30 September 2021 (the "**Administration Agreement**"). The Administrator will have responsibility for the administration of the Company's affairs including the calculation of the Net Asset Value and preparation of the accounts of the Company, subject to the overall supervision of the Manager.

The Administrator was incorporated in Ireland as a limited liability company on 29 March 1995 and is a wholly owned subsidiary of Brown Brothers Harriman & Co.

The Administration Agreement and the appointment of the Administrator shall continue in force until terminated by any party giving to the other parties not less than ninety days' notice in writing expiring at any time provided that this Agreement may be determined forthwith by any party by notice taking immediate or subsequent effect if any party hereto (the "**Defaulting Party**") shall at any time during the continuance of the Administration Agreement:-

- (a) any party shall go into liquidation (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by a non-defaulting

party) or a receiver or examiner is appointed to such party or upon the happening of a like event whether at the direction of an appropriate regulatory agency or court of competent jurisdiction or otherwise;

- (b) any party shall commit any breach of the Administration Agreement which is or are either incapable of remedy or have not been remedied within thirty (30) days of the other party serving notice upon the Defaulting Party requiring it to remedy same;
- (c) any party ceases to be permitted to act as in its current capacity under any applicable laws; or
- (d) the Depositary shall cease to be engaged as the Depositary of the Fund.

The termination of the Administration Agreement shall be without prejudice to any rights that may have accrued thereunder to any party to the Administration Agreement before such termination.

The Administration Agreement contains indemnities in favour of the Administrator other than matters arising by reason of its willful malfeasance, fraud, bad faith or negligence in the performance of its duties and obligations, and also contains provisions regarding the Administrator's legal responsibilities.

### **Paying Agents**

Local laws/regulations in certain EEA member states may require (i) the appointment of facilities agents/paying agents/representatives/sub-distributors/correspondent banks (any such appointee is hereafter referred to as a "Paying Agent" and provided further that any such appointment may be made notwithstanding that it is not a legal or regulatory requirement) and (ii) the maintenance of accounts by such Paying Agents through which subscription and redemption monies may be paid. Shareholders who choose or who are obliged under local regulations to pay subscription monies, or receive redemption monies through a Paying Agent are subject to the credit risk of the Paying Agent with respect to (a) the subscription monies for investment in a Sub-Fund held by the Paying Agent prior to the transmission of such monies to the Administrator for the account of the relevant Sub-Fund and (b) the redemption monies held by the Paying Agent (after transmission by the Company) prior to payment to the relevant Shareholder. Fees and expenses of the Paying Agents, which will be at normal commercial rates, will be borne by the Sub-Fund in respect of which a Paying Agent has been appointed. All Shareholders of the relevant Sub-Fund on whose behalf a Paying Agent is appointed may use the services provided by Paying Agents.

### **TRANSACTIONS INVOLVING CONNECTED PARTIES**

The Manager, the Investment Manager, the Depositary, the Administrator and any associate or group company of the Manager, the Investment Manager, the Depositary or the Administrator (each a "**Connected Party**") may:-

- (a) become the owner of Shares in the Company and hold, dispose of or otherwise deal with Shares as if that entity were not such an entity; or
- (b) deal in property of any description on that entity's individual account notwithstanding the fact that property of that description is included in the property of the Company; or
- (c) act as principal or agent in the sale or purchase of property to or from the Depositary for the account of the Company without that entity having to account to any other such entity, to the Shareholders or to any of them for any profits or benefits made by or derived from or in connection with any such transaction:-

Provided that such transactions are conducted at arm's length and such transactions must be in the best interests of Shareholders and are subject to:-

- (i) a certified valuation of such transaction by an entity approved by the Depositary (or in the case of a transaction with the Depositary, an entity approved by the Manager) as independent and competent has been obtained, or
- (ii) such transaction has been executed on best terms on organised investment exchanges under their rules, or

- (iii) where the conditions set out in (i) or (ii) above are not practical, the transaction is executed on terms which the Depositary is (or in the case of a transaction with the Depositary, the Manager is) satisfied conform with the principle outlined above.

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

Each Connected Party will provide the Company with relevant details of each transaction (including the name of the party involved and where relevant, fees paid to that party in connection with the transaction) in order to facilitate the Company discharging its obligation to provide the Central Bank with a statement within the Company's annual and semi-annual reports in respect of all Connected Party transactions. The appointment of the Manager, the Investment Manager, the Administrator and the Depositary in their primary capacity as service providers to the Company are excluded from the scope of these Connected Party requirements.

The Manager, the Investment Manager or an Associated Company of the Investment Manager may invest in Shares of certain Sub-Funds (seeding money) for the purposes of ensuring that these Sub-Funds have a viable minimum size sufficient to enable an appropriate degree of diversification at a reasonable cost to be achieved. In such circumstances, the Manager, the Investment Manager or an Associated Company of the Investment Manager may hold a high proportion of the Shares in issue. As the Sub-Funds grow in size, it is intended that such Shares will be redeemed.

## CONFLICTS OF INTEREST

The Manager, the Investment Manager, the Depositary, the Administrator and their respective affiliates, officers, partners, directors, employees, agents and shareholders (collectively the "**Parties**") are or may be involved in other financial, investment and professional activities which may on occasion cause a 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, 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 objective to or with a Sub-Fund and that investment opportunities shall be fairly allocated to their respective clients.

Each of the Parties will use reasonable endeavours to ensure that any conflicts which may arise will be resolved fairly. 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 Directors shall endeavour to ensure that it is resolved fairly and in the interests of Shareholders and each Party will respectively have regard to its obligations to the Company and will treat the Company fairly and such that so far as is practicable, any transactions are effected on terms which are not materially less favorable to the Company and/or its Shareholders than if the conflict or potential conflict had not existed.

Specifically, from time to time conflicts of interest may arise as a result of the discharge of the Depositary's obligation under the Depositary Agreement or in relation to any delegation. Conflicts of interest may arise for the Depositary or its delegates where the Depositary or its delegate:

- is likely to make a financial gain, or avoid a financial loss at the expense of the Company or its Shareholders;
- has an interest in the outcome of a service or an activity provided to the Company or of a transaction carried out on behalf of the Company which is distinct from the Company's interest;
- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the Company;
- carries on the same activities for the Company and for other clients that adversely affect the Company; or
- is in receipt of inducement in the form of monies, good or services other than the standard commission or fee for that service.

The Depositary will notify the Board of any such conflict should it so arise. Such potential conflicts of interest are identified, managed and monitored in various other ways including, without limitation, the hierarchical and functional separation of the Depositary's functions from its other potentially conflicting tasks and by the

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

The preceding list of potential conflicts of interest does not purport to be a complete enumeration or explanation of all the conflicts of interest that may be involved in an investment in the Company.

## **CHARGES AND EXPENSES**

The Administrator will reflect appropriate accruals for all charges and expenses including management fees in the daily Net Asset Value of each Sub-Fund. While the accruals will not be the exact fee that is ultimately paid, it will represent an accurate estimate.

### **Manager**

The Manager shall be entitled to an annual management fee of up to 0.01% of the Net Asset Value of the relevant Sub-Fund. The management fee is based on a sliding scale applied to the aggregate assets across all Sub-Funds, subject to an annual minimum fee of €65,000 based on a single Sub-Fund and an annual minimum fee of €17,500 for each additional Sub-Fund.

The management fee shall be subject to the imposition of VAT, if required. The management fee will be calculated and accrued daily and is payable quarterly in arrears.

The Manager shall be entitled to be reimbursed out of the assets of the relevant Sub-Fund for reasonable out of pocket expenses properly incurred and any VAT on all fees and expenses payable to or by it.

### **Investment Manager**

Details of the fee payable to the Investment Manager under the Investment Management Agreement in respect of the Sub-Funds of the Company are set out in the Supplement for each Sub-Fund.

The Investment Manager will be entitled to receive and retain for its own account the Sales Charge on the issue of Shares. All or part of this Sales Charge may be remitted to any distributors or agents (see "Applications for Shares" below). The Investment Manager will also be entitled to reimbursement of all reasonable vouched out-of-pocket costs (including, but not limited to, expenses for legal, auditing and consulting services) and investment related expenses, to include software expenses (and any value added tax payable on any disbursement including trading advisory fees) incurred for the benefit of the Company, to be paid out of the assets of the relevant Sub-Fund (plus VAT, if any).

If shares of funds are being acquired which are managed by the Investment Manager either directly or indirectly or which are managed by a company related to the Investment Manager by virtue of common management, control or a direct or indirect interest of more than 10% of the capital or the votes, the Investment Manager may only charge an investment management fee of 0.25% of the net assets of the relevant Sub-Fund. In addition, the Investment Manager may not attribute any sales or redemption charge of such funds to the relevant Sub-Fund.

### **Administrator**

The Administrator's fees will be charged at a rate which shall not exceed 0.12% per annum of the Net Asset Value of each Sub-Fund calculated and accruing as of each Valuation Point, subject to a minimum annual charge of US\$40,000 for one Class and US\$4,000 per additional Class, together with shareholder services transaction fees (which are charged at normal commercial rates) with all other reasonable out of pocket expenses. Additional services and management information will be subject to a fee based on time and charges. The Administrator is also entitled to be paid out of the assets of the relevant Sub-Fund reasonable out-of-pocket expenses (plus VAT, if any).

### **Depository**

The Depository's fees will be charged at a rate which shall not exceed 0.05% per annum of the Net Asset Value of each Sub-Fund calculated and accruing as of each Valuation Point subject to a minimum annual fee of US\$32,000 together with US\$30 per external wire transaction. The fees shall be paid monthly in arrears.

Where it is necessary to open segregated custody accounts, an additional fee based on time and charges will be made in respect of each account opened subject to a maximum charge of US\$1,000 per account. The Depositary is also entitled to be paid out of the assets of the relevant Sub-Fund reasonable out-of-pocket expenses (plus VAT, if any). Sub-custodian fees and agent charges recoverable out of the assets of a Sub-Fund are at normal commercial rates.

## **General**

The costs, charges and expenses which may be charged to the Company include, but are not limited to: all taxes which may be due on the assets and the income of the Company, usual banking and brokerage fees due on transactions involving portfolio securities of the Company (the latter to be included in the acquisition price and to be deducted from the selling price); insurance, postage, telephone, facsimile and telex; the cost of obtaining valuation prices of investments (to include the cost of any software used in that regard); Directors' fees and remuneration of officers and employees of the Company; remuneration and out-of-pocket expenses of the Manager, the Investment Manager, the Depositary and the Administrator and of representatives in other jurisdictions where the shares are qualified for sale, and of all other agents employed on behalf of the Company (including sub-distributor and paying agency fees where applicable, which shall be at normal commercial rates); such remuneration may be based on the net assets of the Company or on a transaction basis or may be a fixed sum; formation expenses; marketing and promotional expenses; the cost of printing certificates and proxies; the cost of incorporating the Company and the preparation of all other documents concerning the Company including registration statements and offering circulars with all authorities (including local securities dealers' associations) having jurisdiction over the Company or the offering of Shares; the cost of qualifying the Company for the sale of Shares in any jurisdiction or a listing on any stock exchange; the cost of the annual levy with the Central Bank; the cost of preparing, printing and publishing in such languages as are necessary, and distributing annual and semi-annual reports and such other reports or documents as may be desirable or required under the applicable laws or regulations of the above-cited authorities; the cost of accounting and book keeping, the cost of calculating the Net Asset Value of Shares of each Sub-Fund, the cost of processing shareholder transactions, including the cost of availing of or operating any straight through processing or other automated systems (which may be allocated to Sub-Funds based on the proportion of such transactions attributable to each Sub-Fund) the cost of preparing, printing, publishing and distributing public notices and other communications, including but not limited to newspaper notices, to the Shareholders, legal and auditing fees; registrar's fees; and all other similar charges and expenses in each case, plus any applicable VAT.

Expenses will be charged to the Sub-Fund in respect of which they were incurred or, where an expense is not considered by the Administrator to be attributable to any one Sub-Fund, the expense will normally be allocated to all Sub-Funds pro rata to the value of the net assets of the relevant Sub-Funds.

## **Infringement Policy**

The Company has in place appropriate procedures for the reporting of infringements internally through a specific, independent and autonomous channel, in compliance with the Regulations.

## **DIVIDENDS**

The Articles provide that the Company may distribute, in respect of each accounting period, surplus net income represented by the dividends and interest received for each Sub-Fund to the holders of Shares of the relevant Sub-Fund, after charging expenses and various other items, as set out under "CHARGES AND EXPENSES", as are attributable to the income of that Sub-Fund. In addition, the Company may distribute to the holders of Shares of the relevant Sub-Fund such part of any net realised capital gains attributable to the relevant Sub-Fund as is, in its opinion, appropriate to maintain a satisfactory level of distribution. It is intended that dividends for all Sub-Funds will normally be paid annually not later than 30 January in each year, although the Directors have the power under the Articles to make an interim distribution in each year. Shareholders of Shares described as accumulating Shares will not receive payment in respect of any such distribution or dividend. The price of accumulating Shares shall rise by the net income earned per accumulating Share.

Subject as mentioned under "REINVESTMENT OF DIVIDENDS" below payment of distributions will normally be made by credit transfer in the relevant base currency sent to the account of record at a recognised financial institution in the name and at the risk of persons entitled thereto, as shown in the register of Shareholders or as they may otherwise direct.

Each Sub-Fund will maintain an equalisation account with a view to ensuring that the level of dividends payable on Shares (or the reportable income arising in respect of any Class approved as a reporting fund) is not



affected by the issue and redemption of such Shares during an accounting period. The subscription price of such Shares will therefore be deemed to include an equalisation payment calculated by reference to the accrued income of the Sub-Fund and the equalisation payment will be refunded to the Shareholders as part of their first distribution, but for tax purposes will be treated as a return of capital. The redemption price of each Share will also include an equalisation payment in respect of the accrued income of the Sub-Fund up to the date of redemption.

The Directors, in consultation with the Manager, may compulsorily redeem from such Shareholder holding Shares of such value as is necessary to offset any liability to taxation or withholding tax arising as a result of the relevant Shareholder's holding of Shares or its beneficial ownership of them, or its disposal of them.

The Directors intend that, for any Class that is intended to be a "reporting fund" for the purposes of United Kingdom taxation, the Company will pay such dividends and report such income as may be required in order for that Class to qualify as a "reporting fund".

Any distributions remaining unclaimed after a period of six years will lapse and such distributions shall be transferred to the relevant Sub-Fund.

No dividend is payable to holders of Management Shares.

## **REINVESTMENT OF DIVIDENDS**

Shareholders may, either when applying for Shares or subsequently, request the Company in writing to reinvest distributions to which they are entitled in the subscription of further Shares of the Sub-Fund to which the dividend relates. Such further Shares will be issued on the date of distribution or, if that is not a Dealing Day, on the next following Dealing Day at a price calculated in the same way as for other issues of Shares but without incurring any Sales Charge. There is, however, no minimum number of such further Shares which may be so subscribed and fractions of Shares will be issued if necessary. Every such request by a Shareholder will remain effective until countermanded in writing or, if earlier, the person making the request ceases to be a Shareholder.

Non-corporate investors who are resident in the United Kingdom should note that all distributions made from the Company are assessable to United Kingdom income tax (as is reportable income arising in respect of any Class approved as a reporting fund) notwithstanding their reinvestment in further Shares in the Company. See the "United Kingdom Taxation" section below for further details.

## **TAXATION**

### **General**

**The following statements are by way of a general guide to potential investors and Shareholders only and do not constitute tax advice. Shareholders and potential investors are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

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 currently in effect, all of which are subject to change.

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

### **Ireland**

#### **Tax on Income and Capital Gains**

#### **The Company**

The Company will only be subject to tax on chargeable events in respect of Shareholders who are Irish Taxable Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes - see the section headed "Certain Irish Tax Definitions" for more details).

A chargeable event occurs on for example:

- (i) a payment of any kind to a Shareholder by the Company;
- (ii) a transfer of Shares; and
- (iii) on the eighth anniversary of a Shareholder acquiring Shares and every subsequent eighth anniversary

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

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

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

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

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

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

## **Shareholders**

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

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

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

### **Stamp duty**

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

### **Capital acquisitions tax**

No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Shares provided that:-

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

### **Other tax matters**

The income and/or gains of the Company or a Sub-Fund from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. The Company or a Sub-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 repayment to the Company or a Sub-Fund, the Net Asset Value of the relevant Sub-Fund will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

### **Certain Irish Tax Definitions**

#### **I. Residence - Company**

Prior to the Finance Act 2014, company residence was determined with regard to the long-established common law rules based on central management and control. These rules were significantly revised in the Finance Act 2014 to provide that a company incorporated in the Republic of Ireland (the “**State**”) will be regarded as resident for tax purposes in the State, unless it is treated as resident in a treaty partner country by virtue of a double taxation treaty. While the common law rule based on central management and control remains in place, it is subject to the statutory rule for determining company residence based on incorporation in the State set out in the revised section 23A TCA 1997.

The new incorporation rule for determining the tax residence of a company incorporated in the State will apply to companies incorporated on or after 1 January 2015. For companies incorporated in the State before this date, a transition period will apply until 31 December 2020.

We would recommend that any Irish incorporated company that considers it is not Irish tax resident seeks professional advice before asserting this in any tax declaration given to the Company.

#### **II. Residence - Individual**

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

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

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

Presence in a tax year by an individual of not more than 30 days in the State will not be reckoned for the purpose of applying the two year test. From 1 January 2009, presence in the State for a day means the personal presence of an individual at any time during the day.

### **III. Ordinary Residence - Individual**

The term “ordinary residence” as distinct from “residence”, relates to a person’s normal pattern of life and denotes residence in a place with some degree of continuity.

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

An individual who has been ordinarily resident in the State ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in the State in 2019 and departs from the State in that tax year will remain ordinarily resident up to the end of the tax year in 2022.

### **IV. Intermediary**

This means a person who:

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

### **United Kingdom Taxation**

The following information, which relates only to United Kingdom taxation, is applicable to the Company and to persons who are resident (and, in the case of individuals only, ordinarily resident and domiciled) solely in the United Kingdom and who beneficially own Shares as investments and not as securities to be realised in the course of a trade. The following statements are intended to apply only as a general and non-exhaustive guide to the position under current United Kingdom tax law and HM Revenue & Customs practice at the date of this prospectus. Investors should note that tax law and interpretation can change (possibly with retrospective effect) and that, in particular, the levels, basis of and reliefs from taxation may change. Such changes may alter the benefits of investment in the Company.

The information is not exhaustive and potential investors:

- who intend to acquire, or may acquire (either on their own or together with persons with whom they are connected or associated for tax purposes), more than 10% of the Shares in any Sub-Fund or of any one class of Shares in any Sub-Fund;
- who are members of a special class of taxpayer, such as charities and UK Insurance Companies;
- who intend to acquire Shares as part of tax avoidance arrangements; or
- who are in any doubt as to their taxation position,

should consult their professional advisers without delay.

Shareholders who are neither resident nor ordinarily resident nor temporarily non-resident in the United Kingdom and who do not carry on a trade, profession or vocation through a branch, agency or permanent establishment in the United Kingdom with which the Shares are connected will not normally be liable to United Kingdom taxation on dividends paid by the Company or on capital gains arising on the sale or other disposal of Shares. Such Shareholders should consult their own tax advisers concerning their tax liabilities.

### **The Company**

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

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

## Shareholders

Subject to their personal circumstances, individual Shareholders resident in the United Kingdom for taxation purposes will be liable to United Kingdom income tax in respect of any dividends or other distributions of income by the Company, whether or not such distributions are reinvested. In addition, Shareholders in Classes approved as reporting funds for United Kingdom tax purposes may be treated as receiving reportable income in respect of income arising to such Shares (see further below). A dividend tax credit of 1/9<sup>th</sup> of the dividend may be available to such investors on dividends (including reportable income) received from the Company. However, as a result of anti-avoidance rules such credit will not be available to individual investors in any Class where the market value of the Class's investments in debt instruments, securities and certain other offshore funds which invest in similar assets exceeds 60% of the market value of all of the assets of the Class at any relevant time. Investors in these Classes (if any) will be treated as receiving an interest payment which will not carry the tax credit.

Companies within the charge to United Kingdom corporation tax should generally be exempt from United Kingdom corporation tax on distributions (including reportable income) made by the Company although this exemption is subject to certain exclusions and specific anti-avoidance rules.

Except in the case of a company owning directly or indirectly not less than 10% of the voting share capital of the Company, no credit will be available against a Shareholder's United Kingdom taxation liability in respect of income distributions of the Company for any taxes suffered or paid by the Company on its own income.

Each Class of Shares will be deemed to constitute an "offshore fund" for the purposes of the Taxation (International and Other Provisions) Act 2010. This legislation provides that any gain arising on the sale, redemption or other disposal of shares of an offshore fund will be taxed at the time of such sale, redemption or disposal as income and not as a capital gain. These provisions do not apply if the relevant Class successfully applies for reporting fund status and retains such status (or distributing fund status under the previous regime in respect of accounting periods ending on or before 30 September 2010) throughout the period during which the Shares are held. It is the current intention of the Directors that reporting fund status will be obtained and maintained in respect of all Classes but no guarantee can be given that this will be achieved.

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

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

Subject to the regulations mentioned below, under the reporting fund regime reportable income is attributed only to those investors who remain as Shareholders at the end of the relevant accounting period. This means that, particularly where actual dividends are not declared in relation to all the income of a Class with reporting fund status, Shareholders could receive a greater or lesser share of dividend income than anticipated in certain circumstances such as when, respectively, class size is shrinking or expanding. Regulations enable (but do not oblige) a reporting fund to operate dividend equalisation or to make income adjustments, which should minimise this effect. The current intention of the Directors is to operate full equalisation in respect of each Class in order to ensure that Shareholders do not receive a disproportionate share of dividend income as contemplated above. The Directors reserve the right to change such policy in respect of any Class.

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

Chapter 3 of Part 6 of the Corporation Taxes Act 2009 ("**CTA 2009**") provides that, if at any time in an accounting period a corporate investor within the charge to United Kingdom corporation tax holds an interest in an offshore fund, and there is a time in that period when that fund fails to satisfy the "non-qualifying investments test", the interest held by such a corporate investor will be treated for the accounting period as if it were rights under a creditor relationship for the purposes of the rules relating to the taxation of most corporate debt contained in CTA 2009 (the "**Corporate Debt Regime**"). The Shares will constitute interests in an offshore fund. In circumstances where the test is not so satisfied (for example where the relevant Class invests in cash, securities or debt instruments or open-ended companies that themselves do not satisfy the "non-qualifying investments test" and the market value of such investments exceeds 60% of the market value of all its investments at any time) the relevant Shares will be treated for corporation tax purposes as within the Corporate Debt Regime. As a consequence, all returns on such Shares in respect of each corporate investor's accounting period during which the test is not met (including gains, profits and deficits and, exchange gains and losses) will be taxed or relieved as an income receipt or expense on a fair value accounting basis. Accordingly, a corporate investor in the Company may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares). The provisions relating to non-reporting funds (outlined below) would not then apply to such corporate Shareholders and the effect of the provisions relating to holdings in controlled foreign companies (outlined above) would then be substantially mitigated.

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

- (i) it would not be reasonable to draw the conclusion from all the circumstances of the case, that the purpose of avoiding liability to taxation was the purpose, or one of the purposes, for which the relevant transactions or any of them were effected; or
- (ii) all the relevant transactions are genuine commercial transactions and it would not be reasonable to draw the conclusion, from all the circumstances of the case, that any one or more of the transactions was more than incidentally designed for the purpose of avoiding liability to taxation.

Chapter IV of Part XVII of the United Kingdom Income and Corporation Taxes Act 1988 subjects United Kingdom resident companies to tax on the profits of companies not so resident in which they have an interest. The provisions, broadly, affect United Kingdom resident companies which hold, alone or together with certain other associated persons, shares which confer a right to at least 25% of the profits of a non-resident company where that non-resident company is controlled by persons who are resident in the United Kingdom and is subject to a lower level of taxation in its territory of residence.

The attention of persons resident or ordinarily resident in the United Kingdom for taxation purposes is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 ("**Section 13**"). Section 13 applies to a "participator" for United Kingdom taxation purposes (which term includes a shareholder) if at any time when any gain accrues to the Company which constitutes a chargeable gain for those purposes, at the same

time, the Company is itself controlled by a sufficiently small number of persons so as to render the Company a body corporate that would, were it to have been resident in the United Kingdom for taxation purposes, be a “close” company for those purposes. The provisions of Section 13 could, if applied, result in any such person who is a “participator” in the Company being treated for the purposes of United Kingdom taxation of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that person directly, that part being equal to the proportion of the gain that corresponds on a just and reasonable basis to that person’s proportionate interest in the Company as a “participator”. No liability under Section 13 could be incurred by such a person however, where such proportion does not exceed one-tenth of the gain. In the case of United Kingdom resident or ordinarily resident individuals domiciled outside the United Kingdom, Section 13 applies only to gains relating to United Kingdom situate assets of the Company and gains relating to non- United Kingdom situate assets if such gains are remitted to the United Kingdom.

### **Stamp Duty and Stamp Duty Reserve Tax (SDRT)**

**The following comments are intended as a guide to the general United Kingdom stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply.**

No United Kingdom stamp duty or SDRT will be payable on the issue of the Shares. United Kingdom ad valorem stamp duty (at the rate of 0.5 per cent., rounded up where necessary to the next £5 of the amount of the value of the consideration for the transfer, provided that no United Kingdom Stamp Duty is payable if the value of the consideration is £1,000 or less) is payable on any instrument of transfer of the Shares executed within, or in certain cases brought into, the United Kingdom. Provided that the Shares are not registered in any register of the Company kept in the United Kingdom, nor paired with shares issued by a company incorporated in the United Kingdom, the agreement to transfer the Shares should not be subject to United Kingdom SDRT.

### **Automatic exchange of information**

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

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

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

The FATCA, impose a 30% US withholding tax on certain 'withholdable payments' made on or after 1 July 2014 unless the payee enters into and complies with an agreement with the U.S. Internal Revenue Service (**IRS**) to collect and provide to the IRS substantial information regarding direct and indirect owners and account holders.

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

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

If a Shareholder causes the Company to suffer a withholding for or on account of FATCA (a FATCA Deduction) or other financial penalty, cost, expense or liability, the Directors may compulsorily redeem any Shares of such Shareholder and/or take any actions required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically borne by such Shareholder.

While the IGA and Irish FATCA Regulations should serve to reduce the burden of compliance with FATCA, and accordingly the risk of a FATCA withholding on payments to the Company in respect of its assets, no assurance can be given in this regard. As such Shareholders should obtain independent tax advice in relation to the potential impact of FATCA before investing.

Please also see the section “RISK WARNINGS”.

### **Common Reporting Standard**

The Common Reporting Standard (“**CRS**”) framework was first released by the OECD in February 2014. To date, more than 90 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the “**Standard**”) was published by the OECD, involving the use of 2 main elements, the Model Competent Authority Agreement (“**CAA**”) and the CRS.

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

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS while, Sections 891F and 891G of the TCA contain measures necessary to implement the CRS internationally and across the European Union. These legislative provisions and the Returns of Certain Information by Reporting Financial Institutions Regulations 2015, gave effect to the CRS from 1 January 2016 (the “**CRS Regulations**”).

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation (“**DAC II**”) implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis. Section 891G of the TCA contained measures necessary to implement the DAC II. The Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015, gave effect to DAC II from 1 January 2016 (the “**DAC II Regulations**”).

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

By signing the Application Form to subscribe for Shares in the Company each Shareholder is agreeing to provide such information upon request from the Company or its delegate. The non-provision of such information may result in the mandatory redemption of Shares or other appropriate action taken by the Company. Shareholders refusing to provide the requisite information to the Company may also be reported to the Irish Revenue Commissioners.

Please also see the section “RISK WARNINGS”.

### **Other Jurisdictions**

As Shareholders are no doubt aware, the tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. Therefore the Directors strongly recommend that Shareholders obtain tax advice from an



appropriate source in relation to the tax liability arising from the holding of Shares in the Company and any investment returns from those Shares. It is the Director's intention to manage the affairs of the Company so that it does not become resident outside of Ireland for tax purposes.

## **SHARES**

### **Description of Shares**

The Shares issued by the Company are freely transferable and entitled to participate equally in the profits and income of the relevant Sub-Fund and in its assets upon liquidation. The Shares, which are of no par value and which must be fully paid up on issue, carry no preferential or pre-emptive rights. All Shares of each Sub-Fund will rank *pari passu*.

Where the amount subscribed is not equivalent to an exact number of Shares, fractions of Shares may be issued up to the number of decimal places specified in the supplement of the relevant Sub-Fund. Shares in the Company are issued in registered form. Shares will be evidenced by entries in the register.

### **Pricing**

There is a single price for buying, selling and switching Shares in the Company. This is represented by the Net Asset Value of the relevant Sub-Fund. A Sales Charge of up to 3% may be added to the price, in the case of subscriptions as set out in the relevant Supplement. A conversion charge of up to 1% may be added to the price in the case of switching as further described in the relevant Supplement. In the case of redemption of Shares a Redemption Charge may be levied against redeemed Shares as further described in the relevant Supplement.

### **Applications for Shares**

The minimum investment and holding and the minimum subsequent investment for each Sub-Fund is set out in the relevant Supplement.

#### *Application Procedure and General Provisions Concerning Issues of Shares*

Account opening forms and all documentation required for anti-money laundering procedures may be provided to the Administrator by approved electronic transmission. Applications for Shares should be addressed to the Company care of the Administrator and sent via STP, post, fax or, where applicable, in such form as may be prescribed by the Administrator from time to time, including the subscription agreement and all documentation required for anti-money laundering procedures. Subsequent applications may be made by post, fax or, where applicable, in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the Central Bank.

#### *Initial Issue*

Application for Shares during an initial offering period, as disclosed in the relevant Supplement, must be received, together with cleared funds, by the Administrator at its registered office prior to 11:00 a.m. (Irish time) on the Business Day prior to the last day of the initial offering period.

#### *Subsequent Issues*

Following initial subscription, subsequent subscriptions for Shares may also be accepted via STP, fax or post. All applications must be received by the Company care of the Administrator at its registered office no later than the Dealing Deadline set out in the Supplement for the relevant Sub-Fund. Settlement for subscriptions should be received within 3 Business Days of the Dealing Deadline and normally be made by telegraphic transfer to such accounts as are set out in the application form. If payment in full of the subscription price in respect of the issue of Shares has not been received by the relevant time on the relevant settlement date, or in the event of non-clearance of funds, the allotment of Shares made in respect of such application may, at the discretion of the Company, in consultation with the Manager, be cancelled. An application form received after the Dealing Deadline shall be deemed to be made in respect of the Dealing Day next following such relevant Dealing Day unless and provided where the application is received before the Valuation Point, the Manager (in consultation with the Directors and the Administrator and on receipt by the Administrator of the necessary authorisations) at their absolute discretion determine otherwise. The Directors retain an absolute discretion to accept or reject an application for Shares in the relevant Sub-Fund.

Provided that the terms of any such exchange shall not be such as are likely to result in any material prejudice to existing Shareholders, Shares may be issued in exchange for investments and in connection therewith the following provisions shall apply:

- (i) the investments must comprise assets which the Sub-Fund is permitted to hold pursuant to the Regulations and its investment restrictions;
- (ii) the number of Shares to be issued on a relevant Dealing Day shall not be more than the number which would have fallen to be issued for cash;
- (iii) the Manager, in consultation with the Directors, may provide that the whole or any part of the duties and charges arising in connection with the vesting of the investments in the Company shall be paid by the applicant;
- (iv) the value of the investments to be vested in the Company shall be valued by the Manager or its delegate on such basis as it shall decide provided such value does not exceed the highest value which could be determined were the investments to be valued in accordance with the provision set out under "CALCULATION OF NET ASSET VALUE / VALUATION OF ASSETS"; and
- (v) in the case of the initial issue of participating Shares of any Class, the Manager, in consultation with the Directors, shall determine the number of participating Shares of the relevant Class to be allotted against the vesting in the Company of any Investments.

Shares may not be issued during any period when the calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described under "CALCULATION OF NET ASSET VALUE / VALUATION OF ASSETS", below. Applicants for Shares will be notified of such suspension and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

The number of Shares will be rounded to a number of decimal places as specified in the supplement of the relevant Sub-Fund.

Investors wishing to place orders in currencies other than the base currency of the relevant Sub-Fund should note that monies received in other currencies will be converted into the base currency at the Shareholder's risk and expense at the prevailing exchange rate.

All other methods of payment are subject to the prior approval of the Administrator.

Share confirmations of ownership will be issued within 5 days after receipt of all relevant documentation. The creation of further Classes will be notified to, and cleared, in advance with the Central Bank.

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

Measures aimed at the prevention of money laundering and terrorist financing will require a detailed verification of the investor's identity, address and source of funds as applicable and where applicable other persons including but not limited to any beneficial owner on a risk sensitive basis and the ongoing monitoring of the business relationship with the person applying for Shares.

The Manager and the Administrator reserve the right to request such information as is necessary to verify the identity, address and source of funds of an applicant and the ultimate ownership of any funds used in connection with the investment(s) including details as to the tax residency of applicants as required by applicable law. In the event of delay or failure by the applicant to produce any information required for verification purposes or pursuant to applicable law, the Directors, the Manager or the Administrator may refuse to accept the application and subscription and return subscription monies to the account from which it was received provided to do so is allowed by applicable law. Redemption proceeds will only be paid to the account of record in the name of the applicant at a recognised financial institution provided the Application Form used on initial subscription, the redemption request and all documentation required for anti-money laundering purposes and applicable law have been received by the Administrator, and anti-money laundering and terrorist financing requirements have been satisfied. Amendments to an applicant's payment instructions will only be made following receipt of a duly authorised, written instruction from the relevant applicant. According to the Administrator's policies and procedures, an original wet ink instruction may be requested. Similarly, proceeds will only be paid to the account of record in the name of the applicant. Unless otherwise agreed, the account of record will be the bank account from which the subscription monies have been paid when subscribing for Shares.

Investors / Shareholders should note that pursuant to the European Union (Anti-Money Laundering: Beneficial Ownership of Corporate Entities) Regulations 2019 (as may be amended from time to time), an investor may

be required to disclose its ownership rights in the Shares of each Sub-Fund and where such investor holds greater than 25% of the Shares of the Company, such investor's name shall be entered on a beneficial ownership register maintained by the Company or its delegates. These requirements may also apply to investors in the chain of ownership of the investor/Shareholder who indirectly meet the 25% threshold and, in such circumstances, such indirect investor's details will be recorded in the beneficial ownership register.

Neither the Manager, the Investment Manager nor the Administrator shall be liable to the applicant or Shareholder where (i) an application for Shares is not processed; (ii) Shares are compulsorily redeemed; (iii) payment of distribution or redemption proceeds is delayed; or (iv) transfer(s) of Shares are restricted, as a result of any measures employed aimed at the prevention of money laundering and terrorist financing.

### **Issue Price of Shares**

During the initial offer period of a Sub-Fund, the Directors shall, in consultation with the Manager, before the issue of any Shares in the Sub-Fund, determine the initial issue price thereof. The time at which, the terms upon which and the initial issue price per Share (including any Sales Charge) of the initial issue of Shares of a Sub-Fund shall be specified in the relevant Supplement to this Prospectus. In the case where a Class currency of a Sub-Fund is other than the base currency of a Sub-Fund, the value of the Share expressed in the Class currency will be subject to exchange rate risk in relation to the base currency.

Thereafter, Shares shall be issued at a price equal to the Net Asset Value per Share (plus any relevant Sales Charge) as at the Valuation Point on the relevant Dealing Day on which the Shares are to be issued.

### **Redemptions of Shares**

Redemption orders may not be placed until subscriptions have been settled and Shares have been allocated to the client's account.

Shares will be redeemed at a price per Share equal to the Net Asset Value per Share of the relevant Sub-Fund as at the Valuation Point prior to the relevant Dealing Day. A Redemption Charge may be levied against redeemed Shares as further described in the relevant Supplement.

Redemption orders of Shares should be addressed to the Company care of the Administrator and may be made in writing by STP, fax or by post.

Redemption orders received by the Administrator up to the Dealing Deadline set out in the Supplement for the relevant Sub-Fund will be dealt with on that Dealing Day. Redemption orders received after the Dealing Deadline will be dealt with on the next following Dealing Day unless and provided where the application is received before the Valuation Point, the Manager, in consultation with the Directors and the Administrator and on receipt by the Administrator of the necessary authorisation, in its absolute discretion determine otherwise.

Redemption contract notes will normally be issued within 3 days of the relevant Dealing Day. Settlement of redemption proceeds will be made by telegraphic transfer (to an account at a recognised financial institution in the name of the Shareholder) and within 3 Business Days of the date of the applicable Share Price being determined. Redemption proceeds will not be remitted until the Administrator has received the fax of the redemption request form including payment details. No redemption payment may be made from that holding until the faxed Application Form has been received from the Shareholder and all documentation required by the Manager and the Administrator including any documents in connection with anti-money laundering procedures have been received and the anti-money laundering procedures have been completed. Subject to the agreement of the Administrator, the original of the redemption request may not be required prior to payment of redemption proceeds, provided that an indemnity in relation to faxed or electronic instructions in the form prescribed by the Administrator has been received by the Administrator and the redemption proceeds are paid to the account of record.

Redemption documentation should be in written form and signed by the relevant signatories.

The Manager, in consultation with the Directors, is entitled to limit the number of Shares of any Sub-Fund redemption on any Dealing Day to 10% of the total number of Shares of that Sub-Fund in issue. In this event, the limitation will apply pro rata so that all Shareholders wishing to have Shares of that Sub-Fund redeemed on that Dealing Day realise the same proportion of such Shares, and Shares not redeemed but which would have otherwise been redeemed, will be carried forward for redemption on the next Dealing Day or such other Business Day as the Manager, in consultation with the Directors, may determine the balance of each request and so on to each succeeding Dealing Day or such other Business Day as the Manager, in consultation with

the Directors, may determine until each request has been complied with in full. If requests for redemption are so carried forward, the Manager or its delegate will inform the Shareholders affected.

Where redemption requests received from any Shareholder would result in any more than 5% of the Net Asset Value of the Shares of the relevant Sub-Fund being redeemed on any Dealing Day, the Manager, in consultation with the Directors, may instruct the Administrator to satisfy the redemption request by a distribution of investments in specie and may elect, by notice in writing to the Shareholder, to appropriate and transfer to the Shareholder such assets in satisfaction or part satisfaction of the redemption price or any part of the said redemption price. Where such notice is served on a Shareholder, the Shareholder may, by a further notice served on the Administrator, require the Administrator instead of transferring the assets in question, to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of sale. Any distribution of the assets of the Company in specie will not prejudice the rights of any remaining Shareholders.

All of the aforementioned payments and transfers will be made gross subject to any withholding tax or other deductions which may apply in the jurisdiction of the Shareholder. In the case of a partial redemption of Shares where a shareholding tax or other deduction would apply the Manager, in consultation with the Directors, may redeem some or all of the remaining holdings of the Shareholder to pay such withholding tax or deduction.

### **Compulsory Redemption or Transfer**

The Directors, in consultation with the Manager, shall have the power to adopt such measures as they may think necessary for the purpose of ensuring that no Shares in the Company are acquired or held by any person in breach of the law or requirements of any country or governmental authority and/or where a person in the opinion of the Directors falls within the categories set out in Article 16 of the Articles. In this connection, the Directors, the Manager or the Administrator may: (i) reject in their or its discretion any subscription for Shares in the Company; and (ii) pursuant to Article 16 of the Articles redeem or request the transfer of at any time Shares held by Shareholders who are so excluded from purchasing or holding Shares.

The Manager, in consultation with the Directors, may at any time redeem Shares held by a Shareholder of such value as is necessary to offset any liability to taxation or withholding tax arising as a result of the relevant fund or its Shareholders as a whole holding Shares or its beneficial ownership of them or its disposal of them.

Shareholders who are Irish Resident or Irish Ordinary Resident and who are not an Exempted Irish Investor must seek approval of the Manager in advance of any transfer of Shares to or from them.

### **Switching**

Subject to the following, Shareholders may switch some or all of their Shares in one Sub-Fund or Class (the “**Original Class**”) to Shares in another specified Class of that Sub-Fund or for Shares in any Sub-Fund which are being offered at that time (the “**New Class**”). Shareholders may apply to switch Shares on any day which is a Dealing Day in both the Original Class and the New Class by fax or post (in such format or method as shall be agreed in writing in advance with the Administrator and subject to and in accordance with the requirements of the Central Bank) and such other means as may from time to time be specified by the Directors.

Where a switching request would result in a Shareholder's holding being less than the minimum holding for such Sub-Fund, the Investment Manager may, if it thinks fit, switch the whole of the holding in the Original Class to Shares in the New Class or refuse to effect any switching from the Original Class.

Switching requests will be effected on any day which is a Dealing Day in both the Original Class and the New Class on receipt of switching requests in proper form by the Administrator prior to the time specified in the relevant Supplement as the latest time for receipt of an application for Shares in the New Class.

Fractions of Shares may be issued by the Company upon a switch.

The number of Shares of the New Class to be issued will be calculated in accordance with the formula available from the Administrator.

### *Withdrawal of Switching Requests*

Switching requests may not be withdrawn save with the written consent of the Company or in the event of a suspension of calculation of the Net Asset Value of the Sub-Funds in respect of which the switching request was made.

## Currency conversion

For unhedged Classes available in a Sub-Fund, a currency conversion will take place on subscription, redemption, switching and distributions at the Shareholder's risk and expense at prevailing exchange rates.

## CALCULATION OF NET ASSET VALUE / VALUATION OF ASSETS

The Manager has delegated the determination of the Net Asset Value and the Net Asset Value per Share to the Administrator.

The Net Asset Value of a Sub-Fund shall be expressed in the base currency of the relevant Sub-Fund and shall be calculated as at the Valuation Point by ascertaining the value of the assets of the Sub-Fund on such Business Day and deducting from such value the liabilities of the Sub-Fund on such Business Day. The Net Asset Value per Share of a Sub-Fund will be calculated by dividing the Net Asset Value of the Sub-Fund by the number of Shares in the Sub-Fund then in issue or deemed to be in issue on such Business Day and rounding the result mathematically to the number of decimal places specified in the supplement for the relevant Sub-Fund as determined by the Manager.

To calculate the Net Asset Value of each class of Shares in the Sub-Fund, the Administrator will calculate that portion of the Net Asset Value of the Sub-Fund attributable to the relevant class of Shares by reference to the number of Shares in issue or deemed to be in issue in each class of Shares on the relevant Valuation Day subject to adjustment to take account of assets and/or liabilities attributable to each class of Shares including the gains/losses on and costs of financial instruments employed in the currency hedging of a particular class of Shares.

The Net Asset Value per Share shall be calculated by dividing the Net Asset Value of the relevant class of Shares by the total number of Shares in issue in that class.

The assets of a Sub-Fund will be valued as follows:-

- (a) Assets listed or traded on a regulated market (other than those referred to at (e) and (g) below) for which market quotations are readily available shall be valued at the Valuation Point (12.00 mid-market price) provided that the value of any investment listed on a regulated market but acquired or traded at a premium or at a discount outside the relevant market may with the approval of the Depositary be valued taking into account the level of premium or discount as at the date of valuation of the investment. Such premiums or discounts thereon above shall be provided by an independent broker or market maker or if such prices are unavailable, by the Investment Manager. However, the Manager in consultation with the Investment Manager and with the approval of the Depositary may adjust, or may instruct the Administrator to adjust, the value of investments traded on an over-the-counter market if they consider such adjustment is required to reflect the fair value thereof in the context of currency, marketability, dealing costs and/or such other considerations as are deemed relevant.

If for specific assets the Valuation Point (12.00 mid-market price) does not, in the opinion of the Investment Manager, reflect their fair value or are not available, the value shall be estimated with care and in good faith by the Manager in consultation with the Investment Manager and with the approval of the Depositary with a view to establishing the probable realisation value for such assets as at the Valuation Point;

- (b) If the assets are listed or traded on several regulated markets, the last quoted traded price on the market which, in the opinion of the Investment Manager in consultation with the Administrator, constitutes the main market for such assets, will be used.
- (c) In the event that any of the investments at the relevant Valuation Point are not listed or traded on any regulated market, such securities shall be valued at their probable realisation value determined by the Investment Manager being the competent person appointed by the Manager (and being approved by the Depositary as a competent person for such purpose) with care and in good faith in consultation with the Administrator. 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 Investment Manager in consultation with the Administrator considers such trades to be at arm's length;
- (iii) where the Investment Manager in consultation with the Administrator 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 Investment Manager in consultation with the Administrator believes a mid-quotation from a broker is reliable, by using such a mid-quotation or, if unavailable, a bid quotation.

Alternatively, the Investment Manager in consultation with the Administrator, 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 and approved for such purpose by the Depositary. 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.
- (e) Units or shares in open-ended collective investment schemes will be valued at the latest available Net Asset Value. Units or shares in other collective investment schemes will, if listed or traded on a regulated market, be valued at the latest quoted trade price or, if unavailable, a mid quotation from a broker (or if unavailable, a bid quotation) or, if unavailable or unrepresentative, the latest available net asset value as deemed relevant to the collective investment scheme.
- (f) 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.
- (g) Exchange traded derivative instruments will be valued at the settlement price as determined by the market in question. If such price is not available such value shall be the probable realisation value estimated with care and in good faith by the Administrator, approved for such purpose by the Depositary. Over-the-counter derivative instruments will be valued daily at the settlement price as provided by the counterparty and verified by the Investment Manager or another party at least weekly, approved for such purpose by the Depositary as being independent to the counterparty. Forward foreign exchange contracts shall be valued with reference to the prevailing market maker quotations namely, the price at which a new forward contract of the same size and maturity could be undertaken or, if unavailable, at the settlement price provided by the counterparty.

In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out in paragraphs (a) to (g) above, or if such valuation is not representative of the security's fair market value, the Manager is entitled to use other generally recognised valuation methods approved by the Depositary in order to reach a proper valuation of that specific investment.

In calculating the Net Asset Value, the Administrator shall not be liable for any loss suffered by the Company by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by any pricing service. The Administrator shall use reasonable endeavours to verify any pricing information supplied by the Investment Manager or any connected person thereof (including a connected person which is a broker, market maker or other intermediary). However, in certain circumstances it may not be possible or practicable for the Administrator to verify such information and, in such circumstances, the Administrator shall not be liable for any loss suffered by the Company by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the Investment Manager or any connected person thereof (including a connected person which is a broker, market maker or other intermediary). In circumstances where the Administrator is directed by the Investment Manager or any connected person thereof (including a connected person which is a broker, market maker or other intermediary) to use particular pricing services, brokers, market makers or other intermediaries, the Administrator shall not be liable for any loss suffered by the Company by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by such pricing services, brokers, market makers or other intermediaries not appointed or selected by the Administrator.

## **Dilution Adjustment**

Where the Company receives net subscriptions or net redemption requests for Shares of a Sub-Fund on any Dealing Day constituting as at that Dealing Day more than 2% of the Shares of that Sub-Fund then in issue or during a period of net recurring subscriptions or redemptions the Manager, in consultation with the Directors, may on the advice of the Investment Manager require the Administrator to adjust the Net Asset Value per Share to reflect an appropriate adjustment to compensate for potential bid/offer spreads in the Sub-Fund's investments and potential brokerage and dealing charges. The Manager only intends to use this discretion to preserve the value of the shareholdings of continuing Shareholders in the event of substantial or recurring net subscriptions or redemptions of Shares.

## **Publication of Net Asset Value Per Share**

Except where the determination of the Net Asset Value of a Sub-Fund, the Net Asset Value per Share and the issue and redemption of Shares has been suspended in the circumstances described below, the Net Asset Value per Share on each Dealing Day will be made public at the registered office of the Administrator and will also be published daily on [www.vamllp.com](http://www.vamllp.com).

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

The Directors may, in consultation with the Manager and the Administrator, temporarily suspend the calculation of the Net Asset Value of each or any Sub-Fund, the Net Asset Value per Share of each such Sub-Fund and the issue, redemption and switching (when such facility becomes available) of Shares of such Sub-Funds to and from Shareholders when:-

- (a) a market which is the basis for the valuation of a major part of the assets of the relevant Sub-Fund is closed (except for the purposes of a public/bank holiday), or when trading on such a market is unusually limited or suspended;
- (b) a political, economic, military, monetary or other emergency beyond the control, liability and influence of the Directors or the Company's delegate makes the disposal of the assets of the relevant Sub-Fund impossible or impracticable under normal conditions or such disposal would be detrimental to the interests of the Shareholders;
- (c) the disruption of any relevant communications network or any other reason makes it impossible or impracticable to determine the value of a major portion of the assets of the relevant Sub-Fund;
- (d) the relevant Sub-Fund is unable to repatriate funds for the purpose of making payments on the redemption of Shares from Shareholders or any transfer of funds involved in the realisation or acquisition of investments or when payments due on redemption of Shares from Shareholders cannot in the reasonable opinion of the Administrator be effected at normal rates of exchange;
- (e) such suspension is required by the Central Bank in accordance with the Regulations;
- (f) any other reason makes it impossible or impracticable to determine the value of a substantial portion of the assets of the Sub-Fund.

Any such suspension will be notified without delay to the Central Bank and shall be notified to Shareholders if in the opinion of the Manager and the Administrator it is likely to exceed fourteen (14) days and will be notified to investors or Shareholders requesting issue, redemption or switching (when such facility becomes available) of Shares by the Administrator at the time of application for such issue or filing of the written request for such redemption. Where possible all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

## **MEETINGS AND REPORTS TO SHAREHOLDERS**

All general meetings of the Company shall be held in Ireland. In each year, the Company shall hold a general meeting as its annual general meeting. Twenty-one (21) clear days' notice (excluding the day of posting and the day of commission) shall be given in respect of each general meeting of the Company, being an annual general meeting and extraordinary general meeting called for the passing of a special resolution and all other

extraordinary general meetings shall be called by at least seven (7) clear days' notice. The notice shall specify the venue and time of the meeting and business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder.

Each Shareholder shall have one vote in relation to any matter relating to the Company which is submitted to Shareholders for a vote by show of hands. Each Share gives the holder one vote in relation to any matter relating to the Company which is submitted to Shareholders for a vote by poll.

The financial year end of the Company is 30 September each year. The Company's annual report incorporating audited financial statements will be provided to the Central Bank within four months after the end of the financial year and at least three weeks before the annual general meeting of Shareholders. The financial statements of the Company are maintained in euro and comprise the accounts of each of the Sub-Funds. The audited accounts of the Company will be made available to Shareholders upon request and on [www.veritas-asset.com](http://www.veritas-asset.com).

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

The Investment Manager shall provide the Central Bank with any monthly or other reports it may require.

## **Notices**

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

MEANS OF DISPATCH	DEEMED RECEIVED
Delivery by Hand	: At the time notice was handed to the Shareholder (or his authorised agent).
Post	: Twenty-four hours after posting (if posted on a Business Day); seventy-two hours after posting (if posted on a Friday) or forty-eight hours after posting (if posted on a Saturday or Sunday).
Fax/otherwise electronically	: Twelve hours after despatch.
Publication	: Noon the day of publication in the Financial Times or such other newspaper as the Investment Manager and the Administrator may agree.

## **TERMINATION OF SUB-FUNDS**

A Sub-Fund may be terminated by resolution of the Directors, in consultation with the Manager, if one year from the date of the first issue of Shares of that Sub-Fund or at any date thereafter the Net Asset Value of that Sub-Fund is below US\$5,000,000. In such event, notice of the termination of the Sub-Fund will be given in writing to Shareholders of that Sub-Fund and such Shareholders will be deemed to have given a request in writing for the redemption of their Shares pursuant to the Articles.

## **GENERAL INFORMATION**

### **Incorporation and Share Capital**

The Company was incorporated under the laws of Ireland on 24 April 2001 as an investment company with variable capital with registered number 342215.

At the date hereof:

- (i) the authorised share capital of the Company is €38,100 divided into 38,100 Management Shares of €1 each and 500,000,000,000 Shares of no par value initially designated as unclassified shares;
- (ii) the issued share capital of the Company is €38,100 divided into Management Shares of €1 each of which one quarter has been paid up and which are beneficially owned as to 38,093 Management



Shares by Veritas Asset Management LLP and as to one Management Share each by seven nominees of Veritas Asset Management LLP.

The unclassified shares are available for issue as Shares.

Management Shares do not entitle the holders to any dividend and on a winding-up entitle the holder to receive the amount paid up thereon but not otherwise to participate in the assets of the Company.

### **Memorandum and Articles of Association (together the Constitution)**

The Memorandum of Association of the Company provides at Clause 3 that the Company's sole object is the collective investment in transferable securities and/or other liquid financial instruments of capital raised from the public operating on the principle of risk-spreading in accordance with the Regulations.

The following section is a summary of the principal provisions of the Articles of Association of the Company. Defined terms in this section bear the same meanings as defined in the Company's Articles.

#### *Variation of Sub-Fund rights*

The rights attached to any Sub-Fund may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that Sub-Fund, or with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the Sub-Fund. The provisions of the Articles relating to general meetings shall apply to every such separate general meeting except that the necessary quorum at any such meeting shall be two persons holding or representing by proxy at least one-third in nominal value of the issued Shares of the Class in question or, at an adjourned meeting, one person holding Shares of the Class in question or his proxy. Any holder of Shares of the Class in question present in person or by proxy may demand a poll.

#### *Voting Rights*

The Articles provide that on a show of hands at a general meeting of the Company or of a Sub-Fund, each Shareholder holding Shares who is present in person or by proxy shall have one vote and the Shareholder or Shareholders, as the case may be, holding Management Shares present in person or by proxy shall, in the aggregate, have only one vote in respect of all the Management Shares. On a poll, every Shareholder present in person or by proxy shall be entitled to one vote in respect of his entire holding of Management Shares and to one vote in respect of each whole Share held by him.

#### *Change in Share Capital*

The Company may from time to time by ordinary resolution increase its authorised share capital by such amount as the resolution shall prescribe.

The Company may, by ordinary resolution, alter (without reducing) its authorised share capital by consolidating and dividing its share capital into Shares of a larger amount than its existing Shares, by sub-dividing its Shares into Shares of a smaller amount than that fixed by the Memorandum of Association of the Company, or by cancelling any Shares which, at the date of the ordinary resolution in that behalf have not been taken, or agreed to be taken, by any person, and diminish the amount of its share capital by the amount of the Shares so cancelled.

The Company may by special resolution from time to time reduce its share capital.

#### *Directors' Interests*

Provided that the nature of his interest is or has been declared by him at a meeting of the Directors in accordance with the Articles, no Director or intending Director shall be disqualified by his office from contracting with the Company nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established. A Director may hold any other office or place of profit with the Company in conjunction with his office as Director on such terms as to tenure of office and otherwise as the Director may determine.

A Director shall not vote or be counted in the quorum present on any resolution in respect of his appointment (or the arrangement of the terms of appointment) to hold any office or place of profit with the Company or in respect of any contract or arrangement in which he is materially interested. This prohibition does not apply (in the absence of some other material interest than is indicated below), inter alia, to:

- (a) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him for the benefit of the Company;
- (b) any contract or arrangement by a Director to guarantee or underwrite shares or debentures of the Company;
- (c) any proposals concerning any other company in which he is directly interested whether as an officer, shareholder, creditor or otherwise howsoever provided that he is not the holder of or beneficially interested in 1 % or more of the issued equity share capital of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company, any such interest being deemed for the purpose of the Articles to be a material interest in all circumstances.

The Company may by ordinary resolution suspend or relax the provisions described above to any extent or ratify any transaction not duly authorised by reason of a contravention thereof.

Under the Articles, the Directors are entitled to a fee in remuneration for their services at a rate to be determined from time to time by the Directors. The aggregate amount of Directors' remuneration in any one year shall not exceed €100,000 unless otherwise notified to Shareholders. The Directors and any alternate Directors shall also be paid all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or Shareholders or any other meetings with regulatory authorities or professional advisers or otherwise in connection with the business of the Company.

#### *Borrowing Powers*

The Directors may exercise all the powers of the Company to borrow money (including the power to borrow for the purpose of repurchasing Shares) and charge its undertaking, property, and assets or any part thereof, and to issue debentures, debenture stock or other securities, whether outright or as collateral security for any debt liability or obligation of the Company or of any third party.

#### *Retirement of Directors*

There is no provision for the retirement of Directors on their attaining a certain age.

#### *Transfer of Shares*

The Shares of each Sub-Fund in the Company are freely transferable and entitled to participate equally in the profits and dividends of the Sub-Fund to which they relate and in its assets upon liquidation.

The Directors have the power to impose such restrictions other than restrictions on transfers as they may think necessary for the purpose of ensuring that no Shares in the Company are acquired or held by any person in breach of the law or requirements of any country or governmental authority. The Directors may decline to recognise any transfer of Shares unless (i) the instrument of transfer is deposited at the registered office of the Company together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and (ii) the instrument of transfer relates to Shares of one Sub-Fund only. Furthermore, the Directors may in their absolute discretion and without assigning any reason therefor decline to register any transfer of Shares in certain instances examples of which are provided for in the Articles.

#### *Sub-Funds*

The Directors are required to establish a separate portfolio for Sub-Funds in the following manner:

- (a) for each Sub-Fund, the Company shall keep separate books and records in which all transactions relating to the relevant Sub-Fund shall be recorded and, in particular, the proceeds from the issue of Shares in each Sub-Fund shall be applied to such Sub-Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Sub-Fund;

- (b) any asset derived from another asset comprised in a Sub-Fund, shall be applied to the same Sub-Fund as the asset from which it was derived and any increase or diminution in value of such an asset shall be applied to the relevant Sub-Fund;
- (c) in the case of any asset which the Directors do not consider as attributable to a particular Sub-Fund or Sub-Funds, the Directors shall have discretion, subject to the approval of the Depositary, to determine the basis upon which any such asset shall be allocated between Sub-Funds and the Directors shall, subject to the approval of the Depositary, have power at any time and from time to time to vary such basis;
- (d) any liability shall be allocated to the Sub-Fund or Sub-Funds to which in the opinion of the Directors it relates or if such liability is not attributable to any particular Sub-Fund, the Directors shall have discretion, subject to the approval of the Depositary, to determine the basis upon which any liability shall be allocated between Sub-Funds and shall, subject to the approval of the Depositary, have power at any time and from time to time to vary such basis;
- (e) Where the assets of the Company (if any) attributable to the Shares give rise to any Net profits, the Directors may allocate assets representing such net profits to such Sub-Fund or Sub-Funds as they may deem appropriate;
- (f) Any Sub-Fund or Sub-funds may be terminated by the Directors in their absolute discretion if at any date after the date of first issue of Shares in such Sub-Fund the net Asset Value of the Sub-Fund shall be less than US\$5 million or its equivalent. For the purpose of effecting such termination the Directors shall give notice in writing to the holders of the Shares and such holder of Shares shall be deemed to have given a request in writing for the redemption of their shares pursuant to Article 19(a) of the Articles;
- (g) The expenses of any offer of Shares, the preparation and printing of any Prospectus issued in connection with such offer and the fees of all professionals relating to it will be borne by the Company (unless borne by some other person) and will be amortised over such accounting periods of the Company as the Directors may determine and charged to the assets of each Sub-Fund in existence at the relevant time in such proportions as the Directors may determine; and
- (h) In the event that any asset attributable to a Sub-Fund is taken in execution of a liability not attributable to that Sub-Fund, the provisions of Section 1407 of the Act shall apply.

#### *Winding Up*

The Articles contain provisions to the following effect:

- (a) If the Company shall be wound up the liquidator shall apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims. The liquidator shall in relation to the assets available for distribution among the members make in the books of the Company such transfers thereof to and from Sub-Funds as may be necessary in order that the effective burden of such creditors' claims may be shared between the holder of Shares of different Sub-Funds in such proportions as the liquidator in his absolute discretion may think equitable having regard to the provision of the Articles.
- (b) The assets available for distribution among the members shall then be applied in the following priority:
  - (i) Firstly, in the payment to the holders of the Shares of each Sub-Fund of a sum in the currency in which that Sub-Fund is designated (or in any other currency selected by the liquidator) as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Shares of such Sub-Fund held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Sub-Fund. To enable such payment to be made recourse shall be had:
    - (A) firstly, to the assets of the Company not comprised within any of the Sub-Funds, and
    - (B) secondly, to the assets remaining in the Sub-Funds (after payment to the holders of the Shares of the Sub-Funds to which they relate of the amounts to which they are respectively entitled under this paragraph (1)) pro rata to the total value of such assets remaining within each such Sub-Fund.

- (ii) Secondly, in the payment to the holders of the Management Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Sub-Funds remaining after any recourse thereto under sub-paragraph (i) (A) above. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Sub-Funds.
- (iii) Thirdly, in the payment to the holders of each Sub-Fund of any balance then remaining in the relevant Sub-Fund, such payment being made in proportion to the number of Shares held.
- (iv) Fourthly, in the payment to the holders of Shares of any balance then remaining and not comprised within any of the Sub-Funds, such payment being made in proportion to the number of Shares held.

Provided that the Company shall be entitled to retain from any payment to any Shareholder any sums necessary to offset any liability to taxation or withholding tax arising as a result of such Shareholder's holding of Shares or its beneficial ownership or disposal of them.

- (d) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members or different classes of members provided that a member may by notice in writing require that instead of the transferring of the assets in question that the liquidator dispose of those assets and remit to the member the net proceeds of sale. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and dissolved, but so that no Shareholder shall be compelled to accept any assets in respect of which there is liability.
- (e) A Sub-Fund may be wound up pursuant to Section 1407 of the Act and in such event the provisions in paragraph (d) shall apply mutatis mutandis in respect of the Sub-Fund.

### **Material Contracts**

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into since the incorporation of the Company and are, or may be, material:

- (a) The Management Agreement;
- (b) the Investment Management Agreement;
- (c) the Depositary Agreement; and
- (d) the Administration Agreement.

### **Litigation and Arbitration**

The Company is not engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.

### **Miscellaneous**

Mr. Richard Grant is a partner of the Investment Manager and will be considered as interested in any agreement involving the Investment Manager.

Ms. Nicola Lakin is the Chief Financial Officer of the Investment Manager and will be considered as interested in any agreement involving the Investment Manager.

Mr. Mike Kirby is Managing Principal of KB Associates. KB Associates is the trading name of KBA Consulting Management Limited, the Manager of the Company. KB Associates has also been appointed to provide services to the Company including the money laundering reporting officer function for the Company, and is in receipt of remuneration and out of pocket expenses for such services.

No share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.

Save as disclosed herein under "Incorporation and Share Capital" no share or loan capital of the Company has been issued and no such share or loan capital is proposed to be issued.

No commission, discounts, brokerage or other special terms have been granted by the Company in relation to Shares issued or to be issued by the Company; on any issue or sale of Shares, the Investment Manager may, out of its own funds or out of the sales charges, pay commissions on applications received through brokers and other professional agents or grant discounts.

The Company does not have, nor has it had since its incorporation, any employees. The Company does not have a place of business in the United Kingdom.

### **Documents for inspection**

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays and public holidays excepted) at the registered office of the Company, 70 Sir John Rogerson's Quay, Dublin 2, Ireland:

- (a) Certificate of incorporation of the Company and Memorandum and Articles of the Company;
- (b) the material contracts referred to above;
- (c) the latest available annual and semi-annual reports;
- (d) UCITS Regulations and Central Bank UCITS Regulations;
- (e) a memorandum detailing the other directorships and partnerships of each of the Directors in the past five years, indicating which are current.

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

## INFORMATION FOR DISTRIBUTION IN OR FROM SWITZERLAND

For distribution in or from Switzerland, a German translation of the English original has been prepared, which shall for distribution in or from Switzerland prevail.

### 1. Representative and paying agent

Société Générale Paris, Zurich branch, with registered offices at Talacker 50 in 8021 Zurich, Switzerland, has been appointed representative and paying agent for the Company in Switzerland (the **Representative**).

### 2. Location where the relevant documents may be obtained

The Prospectus, the documents of the Company listed in the foregoing sections of the Prospectus, the yearly and half-yearly reports as well as the Articles and key investor information document can be obtained, or be ordered free of charge, from the Representative during normal business hours.

### 3. Publications

Publications concerning the Company shall be published in Switzerland on <http://www.fundinfo.com> (and at the discretion of the Representative as the case may be, in daily or weekly newspapers).

The Net Asset Value of Shares is published daily on [www.fundinfo.com](http://www.fundinfo.com) with the remark “exclusive commissions” together with the purchase and sale price.

### 4. Payment of retrocessions and rebates

The Company and its agents may pay retrocessions as remuneration for distribution activities in respect of shares in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

- the organisation of road shows,
- the attendance of events and fairs,
- the production of marketing material and the training of distribution collaborators.

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

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 the case of distribution activity in or from Switzerland, the Company and its agents may, upon request, pay rebates directly to the investors. The purpose of rebates is to reduce the fees and cost incurred by the investor in question. Rebates are permitted provided that they:

- are paid from fees received by the Company and therefore do not represent an additional charge on the fund assets;
- are paid on the basis of objective criteria such as for instance
  - The minimum investment in a collective investment scheme or in a range of collective investment schemes;
  - The amount of fees resulting from the investment;
  - The investment behaviour shown by the investor;
  - The expected duration of the investment;
  - The readiness of the investor to support the launch of the sub-fund.
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

At the request of the investor, the Company must disclose the amounts of such rebates free of charge.

### 5. Place of performance and jurisdiction

In respect of units distributed in and from Switzerland, the place of performance and jurisdiction is at the registered office of the representative.

## INFORMATION FOR DISTRIBUTION IN THE UNITED KINGDOM

### Name and address of the collective investment scheme

Veritas Funds plc (hereafter the “**Company**”) is an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds incorporated with limited liability under the laws of Ireland. The Company is self-managed.

Address: Veritas Funds plc, 70 Sir John Rogerson’s Quay, Dublin 2, Ireland.

### United Kingdom Representative to the Company

Veritas Asset Management LLP will act as the United Kingdom representative to the Company (the “**UK Representative**”). In performing this role the UK Representative will be responsible for promoting and marketing the Company in the United Kingdom. The address at which facilities will be maintained to process any complaints that may be received from persons in the United Kingdom concerning the Company or the management thereof is 1 Smart’s Place, London WC2B 5LW, United Kingdom. This address is the UK Representative’s principal place of business in the United Kingdom. The Investment Manager will not be paid any monies or other consideration in carrying out this role.

Investors can obtain information about the most recent prices and redemption facilities from the office of the UK Representative detailed above.

Concerning the nature of the share classes, please refer to the Section “Shares” of the latest available Prospectus.

UK resident investors should seek their own professional advice as to tax matters and other relevant considerations. Please note that investors making investments in the Company may not receive back their entire investment.

Although the Company is authorised by the Financial Conduct Authority for the purposes of distribution, potential and current investors in the UK are advised that the rules made under Financial Services and Market Act (“**FSMA**”) do not in general apply to the Company in relation to its investment business.

### Documents and/or information available for inspection

The following documents and/or information are available for inspection at the office of the UK Representative:

- a) The latest available prospectus and key investor information documents,
- b) The latest articles of incorporation of the Company,
- c) The latest available annual and semi-annual financial reports of the Company,
- d) The issue and redemption prices.

### Cancellation Rights

Please note that the investors have no rights of cancellation in respect of their holding.

### Compensation Rights

Potential investors should be aware that the Company is not subject to the rules and regulations made under FSMA for the protection of investors. Investors will not have any protection under the United Kingdom Financial Services Compensation Scheme.

**The foregoing is based on the Company’s understanding of the law and practice currently in force in the United Kingdom and is subject to changes therein. It should not be taken as constituting legal or tax advice and, Investors should obtain information and, if necessary, should consult their professional advisers on the possible tax or other consequences of buying, holding, transferring or selling the units under the laws of their countries of origin citizenship, residence or domicile. Furthermore the content of this document is for information purposes only, it does not constitute any offer or promotion of sale nor does it make any reference to the suitability of investments referred to herein.**



## APPENDIX I

### Markets

The exchanges/markets are listed below in accordance with the Central Bank UCITS Regulations. The Central Bank does not issue a list of approved markets.

With the exception of permitted investments in transferable securities or money market instruments pursuant to Regulation 68(2)(a) of the Regulations (such as unlisted securities and over the counter derivative instruments), the Company will only invest in securities traded on a stock exchange or market which meets with the regulatory criteria (regulated, operates regularly, is recognised and open to the public) and which is drawn from the following list:-

- 1 (a) any stock exchange which is:
  - located in an EEA Member State;
  - located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United Kingdom, United States of America; or
- (b) any stock exchange included in the following list:-

Argentina	Bolsa de Comercio de Buenos Aires, Cordoba, Mendoza, Rosario and La Plata Stock Exchange
Bahrain	Bahrain Stock Exchange
Bangladesh	Chittangong Stock Exchange and Dhaka Stock Exchange
Brazil	Botswana Stock Exchange
Chile	Bolsa de Valores de Sao Paulo, Bolsa de Valores de Brasilia, Bolsa de Valores de Bahia-Sergipe, o Alagoas, Bolsa de Valores de Extremo Sul, Bolsa de Valores de Parana, Bolsa de Valores de Regional, Bolsa de Valores de Santos, Bolsa de Valores de Pernambuco e Paraiba and Bolsa de Valores de Rio de Janeiro;
Chile	Santiago Stock Exchange and Valparaiso Stock Exchange;
China	Shanghai Stock Exchange, Fujian Stock Exchange, Hainan Stock Exchange and Shenzhen Stock Exchange;
Colombia	Bolsa de Bogota and Bolsa de Medellin;
Egypt	Cairo Stock Exchange and Alexandria Stock Exchange;
Ghana	Ghana Stock Exchange;
India	Mumbai Stock Exchange, Madras Stock Exchange, Delhi Stock Exchange, Ahmedabab Stock Exchange, Bangalore Stock Exchange, Cochin Stock Exchange, Guwahati Stock Exchange, Magadh Stock Exchange, Pune Stock Exchange, Hyderabad Stock Exchange, Ludhiana Stock Exchange, Uttar Pradesh Stock Exchange, Calcutta Stock Exchange and the National Stock Exchange of India;
Indonesia	Jakarta Stock Exchange and Surabaya Stock Exchange;
Israel	Tel Aviv Stock Exchange;
Jordan	Amman Stock Exchange;
Kazakhstan	Kazakhstan Stock Exchange;
Kenya	Nairobi Stock Exchange;
Lebanon	Beirut Stock Exchange;
Malaysia	Kuala Lumpur Stock Exchange;
Mauritius	Stock Exchange of Mauritius;
Mexico	Bolsa Mexicana de Valores;
Morocco	Casablanca Stock Exchange;
Oman	Muscat Securities Market

Pakistan	Lahore Stock Exchange and Karachi Stock Exchange;
Peru	Bolsa de Valores de Lima ;
Philippines	Philippines Stock Exchange;
Qatar	Doha Stock Exchange;
Russia	RTS Stock Exchange, MICEX (solely in relation to equity securities that are traded on level 1 or level 2 of the relevant exchange);
Saudi Arabia	Riyadh Stock Exchange;
Singapore	The Stock Exchange of Singapore;
South Africa	Johannesburg Stock Exchange;
South Korea	South Korean Stock Exchange;
Sri Lanka	Colombo Stock Exchange;
Taiwan	Taipei Stock Exchange Corporation;
Thailand	The Stock Exchange of Thailand;
Turkey	Istanbul Stock Exchange.

(c) any of the following OTC markets:

The market organised by the International Capital Market Association;

The (i) market conducted by banks and other institutions regulated by the Prudential Regulation Authority of the UK (“**PRA**”) and (ii) market in non-investment products which is subject to the guidance contained in the Non Investment Products Code drawn up by the participants in the London market, including the PRA and the Bank of England;

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

The over-the-counter market in the United States regulated by the Financial Industry Regulatory Authority Inc (“**FINRA**”), also described as the over-the-counter market in the United States conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by FINRA (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;

The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Dealers Association of Canada;

The French market for **Titres de Creance Negotiable** (over-the-counter market in negotiable debt instruments)

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

(d) any of the following electronic exchanges:

NASDAQ;

KOSDAQ;

SESDAQ;

TAISDAQ/Gretai Market;

RASDAQ;

2. In relation to any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is (i) located in an EEA Member State, (ii) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United Kingdom, United States (iii) the Channel Islands Stock Exchange (iv) listed at (d) above or (v) any of the following:

The Chicago Board of Trade;  
The Mercantile Exchange;  
The Chicago Board Options Exchange;  
OMLX, The London Securities and Derivatives Exchange;  
New York Mercantile Exchange;  
New York Board of Trade;  
New Zealand Futures and Options Exchange;  
Hong Kong Futures Exchange;  
Singapore Commodity Exchange;  
Tokyo International Financial Futures Exchange.

## APPENDIX II

### Depository Delegates List

BROWN BROTHERS HARRIMAN

#### GLOBAL CUSTODY NETWORK LISTING

Brown Brothers Harriman Trustee Services (Ireland) Limited has delegated safekeeping duties to Brown Brothers Harriman & Co. ("**BBH&Co.**") with its principal place of business at 140 Broadway, New York, NY 10005, whom it has appointed as its global subcustodian. BBH&Co. has further appointed the entities listed below as its local subcustodians in the specified markets.

The below list includes multiple subcustodians/correspondents in certain markets. Confirmation of which subcustodian/correspondent is holding assets in each of those markets with respect to a client is available upon request. The list does not include prime brokers, third party collateral agents or other third parties who may be appointed from time to time as a delegate pursuant to the request of one or more clients (subject to BBH's approval). Confirmations of such appointments are also available upon request.

ARGENTINA	CITIBANK, N.A. BUENOS AIRES BRANCH
AUSTRALIA	HSBC BANK AUSTRALIA LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
AUSTRALIA	CITIGROUP PTY LIMITED FOR CITIBANK, N.A
AUSTRIA	DEUTSCHE BANK AG
	UNICREDIT BANK AUSTRIA AG
BAHRAIN*	HSBC BANK MIDDLE EAST LIMITED, BAHRAIN BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
BANGLADESH*	STANDARD CHARTERED BANK, BANGLADESH BRANCH
BELGIUM	BNP PARIBAS SECURITIES SERVICES
BELGIUM	DEUTSCHE BANK AG, AMSTERDAM BRANCH
BERMUDA*	HSBC BANK BERMUDA LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
BOSNIA*	UNICREDIT BANK D.D. FOR UNICREDIT BANK AUSTRIA AG
BOTSWANA*	STANDARD CHARTERED BANK BOTSWANA LIMITED FOR STANDARD CHARTERED BANK
BRAZIL *	CITIBANK, N.A. SÃO PAULO
BRAZIL *	ITAÚ UNIBANCO S.A.
BULGARIA*	CITIBANK EUROPE PLC, BULGARIA BRANCH FOR CITIBANK N.A.
CANADA	CIBC MELLON TRUST COMPANY FOR CIBC MELLON TRUST COMPANY, CANADIAN IMPERIAL BANK OF COMMERCE AND BANK OF NEW YORK MELLON
	RBC INVESTOR SERVICES TRUST FOR ROYAL BANK OF CANADA (RBC)
CHILE*	BANCO DE CHILE FOR CITIBANK, N.A.
CHINA*	CHINA CONSTRUCTION BANK CORPORATION
	CITIBANK (CHINA) CO., LTD. FOR CITIBANK N.A.
	BANK OF CHINA LIMITED
	HSBC BANK (CHINA) COMPANY LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)

	INDUSTRIAL AND COMMERCIAL BANK OF CHINA LIMITED
	STANDARD CHARTERED BANK (CHINA) LIMITED FOR STANDARD CHARTERED BANK
COLOMBIA*	CITITRUST COLOMBIA S.A., SOCIEDAD FIDUCIARIA FOR CITIBANK, N.A
CROATIA*	ZAGREBACKA BANKA D.D. FOR UNICREDIT BANK AUSTRIA AG
CYPRUS	BNP PARIBAS SECURITIES SERVICES
CZECH REPUBLIC	CITIBANK EUROPE PLC, ORGANIZAČNÍ SLOZKA FOR CITIBANK, N.A.
DENMARK	NORDEA DANMARK, FILIAL AF NORDEA BANK ABP, FINLAND
	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), DANMARK BRANCH
EGYPT*	CITIBANK, N.A. - CAIRO BRANCH
	HSBC BANK EGYPT S.A.E. FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
ESTONIA	SWEDBANK AS FOR NORDEA BANK ABP
ESWATINI*	STANDARD BANK ESWATINI LTD. FOR STANDARD BANK OF SOUTH AFRICA LIMITED
FINLAND	NORDEA BANK ABP
	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), HELSINKI BRANCH
FRANCE	BNP PARIBAS SECURITIES SERVICES
	CACEIS BANK
	DEUTSCHE BANK AG, AMSTERDAM BRANCH
GERMANY	BNP PARIBAS SECURITIES SERVICES - FRANKFURT BRANCH
	DEUTSCHE BANK AG
GHANA*	STANDARD CHARTERED BANK GHANA LIMITED FOR STANDARD CHARTERED BANK
GREECE	HSBC CONTINENTAL EUROPE, GREECE FOR THE HONG KONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HONG KONG	STANDARD CHARTERED BANK (HONG KONG) LIMITED FOR STANDARD CHARTERED BANK
	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HONG KONG – BOND CONNECT	STANDARD CHARTERED BANK (HONG KONG) LIMITED FOR STANDARD CHARTERED BANK
	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HONG KONG – STOCK CONNECT	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
HUNGARY	CITIBANK EUROPE PLC, HUNGARIAN BRANCH OFFICE FOR CITIBANK, N.A.
	UNICREDIT BANK HUNGARY ZRT FOR UNICREDIT BANK HUNGARY ZRT AND UNICREDIT S.P.A.
ICELAND*	LANDSBANKINN HF.
INDIA*	CITIBANK, N.A. - MUMBAI BRANCH
	DEUTSCHE BANK AG - MUMBAI BRANCH
	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - INDIA BRANCH
INDONESIA	CITIBANK, N.A. - JAKARTA BRANCH
	STANDARD CHARTERED BANK, INDONESIA BRANCH
IRELAND	CITIBANK, N.A. - LONDON BRANCH
	HSBC BANK PLC
ISRAEL	BANK HAPOALIM BM
	CITIBANK, N.A., ISRAEL BRANCH
ITALY	BNP PARIBAS SECURITIES SERVICES - MILAN BRANCH
	SOCIÉTÉ GÉNÉRALE SECURITIES SERVICES S.P.A. (SGSS S.P.A.)

IVORY COAST*	STANDARD CHARTERED BANK COTE D'IVOIRE FOR STANDARD CHARTERED BANK
JAPAN	MIZUHO BANK LTD
	MUFG BANK, LTD.
	SUMITOMO MITSUI BANKING CORPORATION
JORDAN*	STANDARD CHARTERED BANK, JORDAN BRANCH
KAZAKHSTAN*	JSC CITIBANK KAZAKHSTAN FOR CITIBANK, N.A.
KENYA*	STANDARD CHARTERED BANK KENYA LIMITED FOR STANDARD CHARTERED BANK
KUWAIT*	HSBC BANK MIDDLE EAST LIMITED - KUWAIT BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD. (HSBC)
LATVIA	"SWEDBANK" AS FOR NORDEA BANK ABP
LITHUANIA	"SWEDBANK" AB FOR NORDEA BANK ABP
LUXEMBOURG	BNP PARIBAS SECURITIES SERVICES, LUXEMBOURG BRANCH *** <b>Utilized for mutual funds holdings only.</b> ***
	KBL EUROPEAN PRIVATE BANKERS S.A.
MALAYSIA*	HSBC BANK MALAYSIA BERHAD (HBMB) FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LTD. (HSBC)
	STANDARD CHARTERED BANK MALAYSIA BERHAD FOR STANDARD CHARTERED BANK
MAURITIUS*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - MAURITIUS BRANCH
MEXICO	BANCO NACIONAL DE MEXICO, SA (BANAMEX) FOR CITIBANK, N.A.
	BANCO S3 CACEIS MEXICO, S.A. INSTITUCION DE BANCA MULTIPLE FOR BANCO SANTANDER, S.A. AND BANCO S3 CACEIS MEXICO, S.A. INSTITUCION DE BANCA MULTIPLE
MOROCCO	CITIBANK MAGHREB S.A. FOR CITIBANK, N.A.
NAMIBIA*	STANDARD BANK NAMIBIA LTD. FOR STANDARD BANK OF SOUTH AFRICA LIMITED
NETHERLANDS	BNP PARIBAS SECURITIES SERVICES
	DEUTSCHE BANK AG, AMSTERDAM BRANCH
NEW ZEALAND	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - NEW ZEALAND BRANCH
NIGERIA*	STANBIC IBTC BANK PLC FOR STANDARD BANK OF SOUTH AFRICA LIMITED
NORWAY	NORDEA BANK ABP, FILIAL I NORGE
	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL), OSLO
OMAN*	HSBC BANK OMAN SAOG FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
PAKISTAN*	STANDARD CHARTERED BANK (PAKISTAN) LIMITED FOR STANDARD CHARTERED BANK
PERU*	CITIBANK DEL PERÚ S.A. FOR CITIBANK, N.A.
PHILIPPINES*	STANDARD CHARTERED BANK - PHILIPPINES BRANCH
	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - PHILIPPINE BRANCH
POLAND	BANK HANDLOWY W WARSZAWIE SA (BHW) FOR CITIBANK NA
	BANK POLSKA KASA OPIEKI SA
PORTUGAL	BNP PARIBAS SECURITIES SERVICES
QATAR*	HSBC BANK MIDDLE EAST LTD - QATAR BRANCH FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
ROMANIA	CITIBANK EUROPE PLC, DUBLIN - SUCURSALA ROMANIA FOR CITIBANK, N.A.
RUSSIA*	AO CITIBANK FOR CITIBANK, N.A.
SAUDI ARABIA*	HSBC SAUDI ARABIA AND THE SAUDI BRITISH BANK (SABB) FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)

SERBIA*	UNICREDIT BANK SERBIA JSC FOR UNICREDIT BANK AUSTRIA AG
SINGAPORE	DBS BANK LTD (DBS)
	STANDARD CHARTERED BANK (SINGAPORE) LIMITED FOR STANDARD CHARTERED BANK
	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - SINGAPORE BRANCH
SLOVAKIA	CITIBANK EUROPE PLC, POBOČKA ZAHRANIČNEJ BANKY FOR CITIBANK, N.A.
SLOVENIA	UNICREDIT BANKA SLOVENIJA DD FOR UNICREDIT BANKA SLOVENIJA DD AND UNICREDIT S.P.A.
SOUTH AFRICA	STANDARD BANK OF SOUTH AFRICA LIMITED (SBSA)
	STANDARD CHARTERED BANK, JOHANNESBURG BRANCH
SOUTH KOREA*	CITIBANK KOREA INC. FOR CITIBANK, N.A.
	KEB HANA BANK
	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED - KOREA BRANCH
SPAIN	BANCO BILBAO VIZCAYA ARGENTARIA SA
	BNP PARIBAS SECURITIES SERVICES, SUCURSAL EN ESPAÑA
	SOCIÉTÉ GÉNÉRALE SUCURSAL EN ESPAÑA
SRI LANKA*	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - SRI LANKA BRANCH
SWEDEN	NORDEA BANK ABP, FILIAL I SVERIGE
	SKANDINAVISKA ENSKILDA BANKEN AB (PUBL)
SWITZERLAND	CREDIT SUISSE (SWITZERLAND) LTD.
	UBS SWITZERLAND AG
TAIWAN*	BANK OF TAIWAN
	HSBC BANK (TAIWAN) LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
	STANDARD CHARTERED BANK (TAIWAN) LTD FOR STANDARD CHARTERED BANK
TANZANIA*	STANDARD CHARTERED BANK TANZANIA LIMITED AND STANDARD CHARTERED BANK (MAURITIUS) LIMITED FOR STANDARD CHARTERED BANK
THAILAND	THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC) - THAILAND BRANCH
	STANDARD CHARTERED BANK (THAI) PUBLIC COMPANY LIMITED FOR STANDARD CHARTERED BANK
TRANSNATIONAL (CLEARSTREAM)	BROWN BROTHERS HARRIMAN & CO. (BBH&CO.)
TRANSNATIONAL (EUROCLEAR)	BROWN BROTHERS HARRIMAN & CO. (BBH&CO.)
TUNISIA*	UNION INTERNATIONALE DE BANQUES (UIB)
TURKEY	CITIBANK ANONIM SİRKETİ FOR CITIBANK, N.A.
	DEUTSCHE BANK A.S. FOR DEUTSCHE BANK A.S. AND DEUTSCHE BANK AG
UGANDA*	STANDARD CHARTERED BANK UGANDA LIMITED FOR STANDARD CHARTERED BANK
UKRAINE*	JOINT STOCK COMPANY "CITIBANK" (JSC "CITIBANK") FOR CITIBANK, N.A.
UNITED ARAB EMIRATES*	HSBC BANK MIDDLE EAST LIMITED FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)
UNITED KINGDOM	CITIBANK, N.A., LONDON BRANCH
	HSBC BANK PLC
UNITED STATES	BBH&CO.
URUGUAY	BANCO ITAÚ URUGUAY S.A. FOR BANCO ITAÚ URUGUAY S.A. AND ITAÚ UNIBANCO S.A.
VIETNAM*	HSBC BANK (VIETNAM) LTD. FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HSBC)

ZAMBIA*	STANDARD CHARTERED BANK ZAMBIA PLC FOR STANDARD CHARTERED BANK
ZIMBABWE*	STANDARD CHARTERED BANK ZIMBABWE LIMITED FOR STANDARD CHARTERED BANK

\* In these markets, cash held by clients is a deposit obligation of the subcustodian. For all other markets, cash held by clients is a deposit obligation of BBH & Co. or one of its affiliates.



## **Veritas Global Focus Fund**

### **Supplement I to the Prospectus dated 1 October 2021 for Veritas Funds plc**

This Supplement contains specific information in relation to the Veritas Global Focus Fund (the “**Sub-Fund**”), a sub-fund of the Company which is an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds incorporated with limited liability in Ireland pursuant to the UCITS Regulations.

**This Supplement forms part of the Prospectus and should be read in the context of and together with the Prospectus including the general description of:**

- **the Company and its management and administration**
- **its general management and fund charges**
- **the taxation of the Sub-Fund and of its Shareholders and**
- **its risk warnings**

**which is contained in the Prospectus dated 1 October 2021 for the Company and which is available from the Administrator at 30 Herbert Street, Dublin 2, Ireland.**

The Directors of the Company, whose names appear in the Prospectus under the heading “MANAGEMENT AND ADMINISTRATION”, accept responsibility for the information contained in this Supplement. 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.

#### **1. Business Day**

Every day (except Saturday and Sunday) on which banks and stock exchanges are open for business in Dublin, London and New York.

#### **2. Dealing Day**

Every Business Day shall be a Dealing Day or such other day or days as the Directors may determine.

#### **3. Base Currency**

US Dollars.

#### **4. Investment Objective and Policy**

##### *Investment objective*

The Sub-Fund is designed for long-term investors who wish to build capital over a number of years through investment in a focused portfolio of global companies.

##### *Investment policy*

The Sub-Fund principally invests in equities, irrespective of specific geographical location listed or traded on Recognised Exchanges throughout the world. Investments may also be made in securities (including convertible bonds with equity linked notes which bonds shall be fixed and/or floating rate and shall generally be investment grade) which are listed or traded on a Recognised Exchange, subject to the Investment Restrictions listed below, although it is not the current intention of the Directors that such investments will be made. The Sub-Fund will not invest in leveraged notes.

It is the policy of the Sub-Fund that the portfolio will be invested in a relatively select group of superior global companies, identified through a bottom up stock picking approach within certain strategic themes

identified by the Investment Managers, with the aim of achieving consistent absolute returns. The investment approach is orientated to identifying and investing in superior businesses at reasonable valuations. Industry leaders in relatively stable industries are sought where there is greater visibility of sustainable earnings and recurring revenues, but equity investments must satisfy a number of demanding valuation criteria, with particular attention paid to the level of free cash flow generation from the business. The importance of company management, and their alignment with public shareholders, cannot be overstated. No consideration will be given to country or global index weightings, nor will the Sub-Fund be always fully invested in equities, and as a result performance may be significantly different from that of the markets in which it is invested, or the performance of commonly followed global indices.

The assets of the Sub-Fund may, subject to the restrictions set out in the Regulations and in addition to any investments referred to above, include CIS, cash, deposits and short-term paper including treasury bills, certificates of deposit and bankers' acceptances. Cash and deposits will be held as ancillary liquid assets only. The Sub-Fund will invest no more than 10% of its Net Asset Value in other CIS.

The Sub-Fund may employ FDIs for investment, EPM and for hedging purposes within the limits laid down by the Central Bank, as described below.

The Sub-Fund will not invest more than 20% of its net assets in securities listed or traded on Recognised Exchanges in emerging markets.

The Sub-Fund may, but is not required to, invest in New Issues, consistent with the investment policy set out above. The rules relating to investing in New Issues are set out under the heading "Investment in New Issues" in the Prospectus and apply to the Sub-Fund.

The Sub-Fund is actively managed and not constrained to any benchmark.

#### *Financial Derivative Instruments*

In certain instances, it may be more appropriate operationally or more efficient to gain exposure to targeted investments referred to above synthetically rather than investing in such securities directly. In such instances, the Sub-Fund may employ FDI (specifically futures, options, equity swaps or FX forwards), subject to the conditions and within the limits laid down by the Central Bank. Please refer to the section of the Prospectus entitled "Use of FDI" for further details.

The Sub-Fund may invest in or use FDI as disclosed in the section "Investment policy" above. The Sub-Fund may engage in transactions in FDI for the purposes of EPM and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. The Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way. Such transactions may include foreign exchange transactions which alter the currency characteristics of securities held by the Sub-Fund.

Please see the "Use of FDI" section in the Prospectus for a description of each of the FDI.

#### *Currency Hedging*

The Sub-Fund may also engage in forward foreign exchange contracts for EPM purposes in accordance with the requirements of the Central Bank in respect of hedged Classes as further detailed in the section of the Prospectus entitled "Currency Hedged Classes".

Such forward foreign exchange contracts may be used to hedge some or all of the exchange risk/currency risk arising as a result of the fluctuation between the denominated currencies of the Classes within the Sub-Fund (namely US Dollar, Sterling, Norwegian Krone and Euro) and (i) the base currency of the Sub-Fund (where different) or (ii) the other currencies in which the Sub-Fund's investments are denominated.

The annual and half-yearly reports of the Company will indicate how such hedging strategies have been

utilized.

### *Risk Management Process*

The Manager employs a risk management process in respect of the Sub-Fund which enables it to accurately measure, monitor and manage the risks associated with the Sub-Fund's FDI transactions.

The Manager will use the commitment approach to calculate the Sub-Fund's global exposure to ensure that the Sub-Fund's use of FDI is within the limits specified by the Central Bank. Where the commitment approach is used to calculate the global exposure no leverage arises.

## **5. Dividend**

The Directors intend that, for any Class that is intended to be a "reporting fund" for the purposes of United Kingdom taxation, the Sub-Fund will pay such dividends as may be required in order for that Class to be certified as a reporting fund.

## **6. Issue of Shares**

<b>Class</b>	<b>Currency</b>	<b>Currency Hedged Shares</b>	<b>Minimum Initial Subscription*</b>	<b>Minimum Subsequent Subscription*</b>	<b>Minimum Holding*</b>	<b>Dividend Policy</b>
<b>Dollar A Class</b>	USD	No	USD 50,000	USD 25,000	USD 50,000	Distributing
<b>Sterling A Class</b>	GBP	No	GBP 30,000	GBP 15,000	GBP 30,000	Distributing
<b>Euro A Class</b>	EUR	No	EUR 50,000	EUR 25,000	EUR 50,000	Distributing
<b>Dollar B Class</b>	USD	No	USD 15,000	USD 15,000	USD 15,000	Distributing
<b>Sterling B Class</b>	GBP	No	GBP 7,000	GBP 7,000	GBP 7,000	Distributing
<b>Euro B Class</b>	EUR	No	EUR 15,000	EUR 15,000	EUR 15,000	Distributing
<b>Dollar C Class</b>	USD	No	USD 30,000,000	USD 150,000	USD 30,000,000	Accumulating
<b>Sterling C Class</b>	GBP	No	GBP 20,000,000	GBP 100,000	GBP 20,000,000	Accumulating
<b>Euro C Class</b>	EUR	No	EUR 30,000,000	EUR 150,000	EUR 30,000,000	Accumulating
<b>Dollar D Class</b>	USD	No	USD 30,000,000	USD 150,000	USD 30,000,000	Distributing
<b>Sterling D Class</b>	GBP	No	GBP 20,000,000	GBP 100,000	GBP 20,000,000	Distributing
<b>Euro D Class</b>	EUR	No	EUR 30,000,000	EUR 150,000	EUR 30,000,000	Distributing
<b>E Class</b>	NOK	Yes	NOK 30,000,000	NOK 150,000	NOK 30,000,000	Accumulating

The aggregate of an investor's investments in the Sub-Fund can be taken into account for the purposes of determining the minimum investment and holding amounts described above subject to the discretion of the Directors, in consultation with the Manager. Values stated are as outlined above, or their foreign currency equivalents. Where the amount subscribed is not equivalent to an exact number of Shares, fractions of Shares may be issued up to two decimal places.

\* subject to discretion of the Directors, in consultation with the Manager.

## **7. Application for Shares**

All launched Classes of Shares are available at the Net Asset Value per Share of the relevant Class on a given Dealing Day. The Net Asset Value per Share is calculated to two decimal places.

The dealing deadline for applications for all Classes of Shares shall be 11:00 am (Irish time) on the relevant Dealing Day (the “**Dealing Deadline**”). Applications for all Classes of Shares must be received by the Administrator by the Dealing Deadline. The procedure for applying for the Shares is set out in the Prospectus. A Sales Charge shall not be added to the initial issue price or Net Asset Value of the relevant Class.

## **8. Redemption of Shares**

Applications for redemption of any Class of Shares on any Dealing Day must be received by the Administrator by the Dealing Deadline and will be dealt with on that Dealing Day. Applications for redemption received after the aforementioned time will be processed on the next following Dealing Day. The redemption price shall be the Net Asset Value per Share for the Sub-Fund calculated with respect to each Dealing Day as at the relevant Valuation Point. The redemption proceeds will normally be dispatched in the currency of the relevant Class of Shares within 3 Business Days of receipt of correct and faxed or electronically communicated redemption documentation by telegraphic transfer to the bank account designated by the Shareholder and in the name of the Shareholder at the time of initial application. A Redemption Charge shall not be imposed against each redemption Share. The procedure for redeeming Shares is set out in the Prospectus.

## **9. Switching of Shares**

Shareholders can switch between Sub-Funds and Classes, subject to the minimum subscription, minimum holding and minimum subsequent subscription requirements of the relevant Sub-Fund or Class. Shareholders may switch some or all of their Shares in one Sub-Fund or Class to Shares in another Sub-Fund or Class in accordance with the Prospectus under the heading “Switching”.

If a Shareholder requests a switch which would, if effected, leave the Shareholder holding Shares having a Net Asset Value less than the minimum holding in the Sub-Fund from which Shares are to be switched the Company may, if it thinks fit, redeem the whole of the Shareholder’s holding in that Sub-Fund from which Shares are to be switched.

A switching charge shall not be imposed.

## **10. Fees**

The following fees and expenses are payable out of the Sub-Fund. Details of how the fees and expenses are accrued and paid as well as details of other general management and fund charges are set out in the Prospectus under the heading “CHARGES AND EXPENSES”.

### **The Manager**

Details of the fee payable to the Manager under the Management Agreement in respect of the Sub-Fund are set out in the Prospectus.

### **The Depositary**

Details of the fee payable to the Depositary under the Depositary Agreement in respect of the Sub-Fund are set out in the Prospectus.

### **The Investment Manager**

The following fees are payable to the Investment Manager monthly in arrears:

Share Class	Annual Fee (% of NAV, accruing as of each Valuation Point, plus VAT, if any)
<b>A Classes</b>	1%
<b>B Classes</b>	1.5%
<b>C Classes</b>	0.75%
<b>D Classes</b>	0.75%
<b>E Classes</b>	0.75%

## **The Administrator**

Details of the fee payable to the Administrator under the Administration Agreement in respect of the Sub-Fund are set out in the Prospectus.

## **11. Investor Profile**

The Sub-Fund is suitable for investors seeking capital growth over a 5 to 10 year period and who are prepared to accept a moderate level of volatility.

## **12. German Taxation**

Pursuant to Section 2(6) of the German Investment Tax Act 2018, the Sub-Fund is classified as an 'equity fund'. The Sub-Fund will be managed in such a way to ensure that the Sub-Fund continuously invests at least 50% of its Net Asset Value in equity and qualifies as an 'equity fund'. This classification is based on the rules defined under the German Investment Tax Act and reflects the amount of physical equity exposure held at the date of this Supplement.

## **13. Risk Warnings**

Persons interested in purchasing Shares in the Sub-Fund should read the section headed "RISK WARNINGS" in the main body of the Prospectus and, in particular, the risk warning listed below. Investment in the Sub-Fund is suitable only for persons who are in a position to take such a risk.

## **Risks associated with FDI**

Dated: 1 October 2021

## **Veritas Asian Fund**

### **Supplement II to the Prospectus dated 1 October 2021 for Veritas Funds plc**

This Supplement contains specific information in relation to Veritas Asian Fund (the “**Sub-Fund**”), a sub-fund of the Company which is an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds incorporated with limited liability in Ireland pursuant to the UCITS Regulations.

**This Supplement forms part of the Prospectus and should be read in the context of and together with the Prospectus including the general description of:**

- **the Company and its management and administration**
- **its general management and fund charges**
- **the taxation of the Sub-Fund and of its Shareholders and**
- **its risk warnings**

**which is contained in the Prospectus dated 1 October 2021 for the Company and which is available from the Administrator at 30 Herbert Street, Dublin 2, Ireland.**

The Directors of the Company, whose names appear in the Prospectus under the heading "MANAGEMENT AND ADMINISTRATION", accept responsibility for the information contained in this Supplement. 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.

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

#### **1. Business Day**

Every day (except Saturday and Sunday) on which banks and stock exchanges are open for business in Dublin, London and New York.

#### **2. Dealing Day**

Every Business Day shall be a Dealing Day or such other day or days as the Directors may determine.

#### **3. Base Currency**

US Dollars.

#### **4. Investment Objective and Policy**

##### *Investment objective*

The Sub-Fund is designed for long-term investors who wish to build capital over a number of years through investment in a portfolio of equity and equity related securities in companies located in Asia (excluding Japan).

### *Investment policy*

The Sub-Fund principally invests in equities listed or traded on Recognised Exchanges in Asia (excluding Japan). Thereby, at least two thirds of the total assets of the Sub-Fund are allocated to issuers of investments which have their registered office in Asia or have the predominant part of their commercial activity in Asia or, as holding companies, must predominantly hold participations in companies with registered offices in Asia. The Sub-Fund may also seek exposure to Asia (excluding Japan) through investment in securities (including, but not exclusively, equity linked notes, corporate bonds and convertible bonds, which bonds may be fixed and/or floating rate and shall generally be investment grade) which are listed or traded on Recognised Exchanges located in other jurisdictions, subject to the Investment Restrictions listed in the main body of this Prospectus. Substantially all bonds in the Sub-Fund's portfolio will be rated at or above investment grade by Moody's, Standard & Poor's or another of the internationally recognised credit rating agencies (or as deemed equivalent by the Investment Manager). The Sub-Fund will not invest in leveraged notes.

The Sub-Fund may gain exposure to the equities issued by companies whose business or the business of their parent company is located or conducted primarily in the People's Republic of China ("**PRC**"). Such exposure is gained by entering into arrangements with and acquiring notes or similar equity linked securities or instruments issued by institutions that have obtained Qualified Foreign Institutional Investor ("**QFII**") status through which the Sub-Fund can gain exposure indirectly to the China A Share market. Examples of the notes or similar equity linked securities or instruments are listed P-Notes and warrants. These will be fully financed positions and so have no leverage or finance elements. Exposure may also be gained through OTC derivatives such as swaps.

The Sub-Fund may also gain exposure to certain equities listed on mainland China stock exchanges via Hong Kong through the market access programme through which foreign investors can deal in select China A Shares ("**Stock Connect**"). The transaction may be executed by entering into an agreement to acquire a participatory note or warrant issued by a counterparty or directly via the Special Segregated Account Model ("**SPSA**").

The Sub-Fund may invest in listed Indian P-Notes. Such exposure is gained by entering into arrangements with and acquiring notes or similar equity linked securities or instruments issued by institutions that have obtained Foreign Institutional Investor ("**FII**") status through which the Sub-Fund can gain exposure indirectly to the Indian securities market. These will be fully financed positions and so have no leverage or finance elements. The Sub-Fund may also pursuant to a Foreign Portfolio Investor ("**FPI**") license under Category II of the Indian FPI regulations, invest directly in Indian securities issued by Indian issuers.

It is the policy of the Sub-Fund that the portfolio will be invested in focused equity positions, identified through a bottom-up, stock picking approach, with a macro overlay. The macro analysis of the Investment Manager will focus on identifying long term themes and trends and then proceed to identifying companies with sound business models, strong management and good financial controls that will benefit from the macro themes and trends identified. Investments will generally be in large cap blue chip companies, although mid and small cap companies will be considered by the Investment Manager where appropriate. It is currently envisaged that the Sub-Fund will hold between 15 and 60 equity positions at any time, although these parameters may not be reached, and can be exceeded should the opportunities present themselves.

The assets of the Sub-Fund may, subject to the restrictions set out in the Regulations and in addition to any investments referred to above, include CIS, cash, deposits and short-term paper including treasury bills, certificates of deposit and bankers' acceptances. Cash and deposits will be held as

ancillary liquid assets only. The Sub-Fund will invest no more than 10% of its Net Asset Value in other CIS.

The Sub-Fund may employ FDIs for investment, EPM and hedging purposes within the limits laid down by the Central Bank, as described below.

The Sub-Fund is actively managed and not constrained to any benchmark.

#### *Financial Derivative Instruments*

In certain instances, it may be more appropriate operationally or more efficient to gain exposure to targeted investments referred to above synthetically rather than investing in such securities directly. In such instances, the Sub-Fund may employ FDI (specifically futures, options, equity swaps or FX forwards), subject to the conditions and within the limits laid down by the Central Bank. Please refer to the section of the Prospectus entitled "Use of FDI" for further details.

The Sub-Fund may invest in or use FDI as disclosed in the section "Investment policy" above. The Sub-Fund may engage in transactions in FDI for the purposes of EPM and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. The Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way. Such transactions may include foreign exchange transactions which alter the currency characteristics of securities held by the Sub-Fund.

Please see the "Use of FDI" section in the Prospectus for a description of each of the FDI.

#### *Risk Management Process*

The Manager employs a risk management process in respect of the Sub-Fund which enables it to accurately measure, monitor and manage the risks associated with the Sub-Fund's FDI transactions.

The Manager will use the commitment approach to calculate the Sub-Fund's global exposure to ensure that the Sub-Fund's use of FDI is within the limits specified by the Central Bank. Where the commitment approach is used to calculate the global exposure no leverage arises.

### **5. Dividend**

The Directors intend that, for any Class that is intended to be a "reporting fund" for the purposes of United Kingdom taxation, the Sub-Fund will pay such dividends as may be required in order for that Class to be certified as a reporting fund. Shareholders of Shares described as accumulating Class Shares will not receive payment in respect of any such distribution or dividend.

### **6. Issue of Shares**

<b>Class</b>	<b>Currency</b>	<b>Currency Hedged Shares</b>	<b>Minimum Initial Subscription*</b>	<b>Minimum Subsequent Subscription*</b>	<b>Minimum Holding*</b>	<b>Dividend Policy</b>
<b>Dollar A Class</b>	<b>USD</b>	No	USD 50,000	USD 25,000	USD 50,000	Distributing
<b>Sterling A Class</b>	<b>GBP</b>	No	GBP 30,000	GBP 15,000	GBP 30,000	Distributing
<b>Euro A Class</b>	<b>EUR</b>	No	EUR 50,000	EUR 25,000	EUR 50,000	Distributing
<b>Dollar A – Accumulation Class</b>	<b>USD</b>	No	USD 50,000	USD 25,000	USD 50,000	Accumulating



<b>Sterling A – Accumulation Class</b>	<b>GBP</b>	No	GBP 30,000	GBP 15,000	GBP 30,000	Accumulating
<b>Euro A – Accumulation Class</b>	<b>EUR</b>	No	EUR 50,000	EUR 25,000	EUR 50,000	Accumulating
<b>Dollar B Class</b>	<b>USD</b>	No	USD 15,000	USD 15,000	USD 15,000	Distributing
<b>Euro B Class</b>	<b>GBP</b>	No	GBP 7,000	GBP 7,000	GBP 7,000	Distributing
<b>Sterling B Class</b>	<b>EUR</b>	No	EUR 15,000	EUR 15,000	EUR 15,000	Distributing
<b>Dollar B – Accumulation Class</b>	<b>USD</b>	No	USD 15,000	USD 15,000	USD 15,000	Accumulating
<b>Euro B – Accumulation Class</b>	<b>GBP</b>	No	GBP 7,000	GBP 7,000	GBP 7,000	Accumulating
<b>Sterling B – Accumulation Class</b>	<b>EUR</b>	No	EUR 15,000	EUR 15,000	EUR 15,000	Accumulating
<b>Dollar C – Accumulation Class</b>	<b>USD</b>	No	USD 30,000,000	USD 150,000	USD 30,000,000	Accumulating
<b>Sterling C – Accumulation Class</b>	<b>GBP</b>	No	GBP 20,000,000	GBP 100,000	GBP 20,000,000	Accumulating
<b>Euro C – Accumulation Class</b>	<b>EUR</b>	No	EUR 30,000,000	EUR 150,000	EUR 30,000,000	Accumulating
<b>Dollar D Class</b>	<b>USD</b>	No	USD 30,000,000	USD 150,000	USD 30,000,000	Distributing
<b>Sterling D Class</b>	<b>GBP</b>	No	GBP 20,000,000	GBP 100,000	GBP 20,000,000	Distributing
<b>Euro D Class</b>	<b>EUR</b>	No	EUR 30,000,000	EUR 150,000	EUR 30,000,000	Distributing

The aggregate of an investor's investments in the Sub-Fund can be taken into account for the purposes of determining the minimum investment and holding amounts described above subject to the discretion of the Directors, in consultation with the Manager. Values stated are as outlined above, or their foreign currency equivalents. Where the amount subscribed is not equivalent to an exact number of Shares, fractions of Shares may be issued up to four decimal places.

\* subject to discretion of the Directors, in consultation with the Manager.

## 7. Application for Shares

The initial offer period for unlaunched Shares will be from 9 a.m. on 4 October 2021 to 5 p.m. on 1 April 2022. During the initial offer period, the initial offer price will be GBP 100, USD 100 and EUR 100 for each respective unlaunched Class. The initial offer period may be extended or shortened by the Directors and the Central Bank shall be notified of any such change. Please consult the Investment Manager for details of the unlaunched Classes.

All launched Classes of Shares are available at the Net Asset Value per Share of the relevant Class on a given Dealing Day. The Net Asset Value per Share is calculated to four decimal places.

The dealing deadline for applications for Shares shall be 11:00 am (Irish time) on the relevant Dealing Day (the “**Dealing Deadline**”). Applications for all Classes of Shares must be received by the

Administrator by the Dealing Deadline. The procedures for applying for the Shares are set out in the Prospectus. A Sales Charge shall not be added to the initial issue price or Net Asset Value of the relevant Class.

## **8. Redemption of Shares**

Applications for redemption of any Class of Shares on any Dealing Day must be received by the Administrator by the Dealing Deadline and will be dealt with on that Dealing Day. Applications for redemption received after the aforementioned time will be processed on the next following Dealing Day. The redemption price shall be the Net Asset Value per Share for the Sub-Fund calculated with respect to each Dealing Day as at the relevant Valuation Point. The redemption proceeds will normally be dispatched in the currency of the relevant Class of Shares within 3 Business Days of receipt of correct and faxed or electronically communicated redemption documentation by telegraphic transfer to the bank account designated by the Shareholder and in the name of the Shareholder at the time of initial application. A Redemption Charge shall not be imposed against each redemption Share. The procedure for redeeming Shares is set out in the Prospectus.

## **9. Switching of Shares**

Shareholders can switch between Sub-Funds and Classes, subject to the minimum subscription, minimum holding and minimum subsequent subscription requirements of the relevant Sub-Fund or Class. Shareholders may switch some or all of their Shares in one Sub-Fund or Class to Shares in another Sub-Fund or Class in accordance with the Prospectus under the heading "Switching".

If a Shareholder requests a switch which would, if effected, leave the Shareholder holding Shares having a Net Asset Value less than the minimum holding in the Sub-Fund from which Shares are to be switched the Company may, if it thinks fit, redeem the whole of the Shareholder's holding in that Sub-Fund from which Shares are to be switched.

A switching charge shall not be imposed.

## **10. Fees**

The following fees and expenses are payable out of the Sub-Fund. Details of how the fees and expenses are accrued and paid as well as details of other general management and fund charges are set out in the Prospectus under the heading "CHARGES AND EXPENSES".

### **The Manager**

Details of the fee payable to the Manager under the Management Agreement in respect of the Sub-Fund are set out in the Prospectus.

### **The Depositary**

Details of the fee payable to the Depositary under the Depositary Agreement in respect of the Sub-Fund are set out in the Prospectus.

### **The Investment Manager**

The following fees are payable to the Investment Manager monthly in arrears:

<b>Share Class</b>	<b>Annual Fee (% of NAV, accruing as of each Valuation Point, plus VAT, if any)</b>

<b>A Classes</b>	1%
<b>A Accumulation Classes</b>	1%
<b>B Classes</b>	1.5%
<b>B Accumulation Classes</b>	1.5%
<b>C Classes</b>	0.75%
<b>D Classes</b>	0.75%

## **The Administrator**

Details of the fee payable to the Administrator under the Administration Agreement in respect of the Sub-Fund are set out in the Prospectus.

### **11. Investor Profile**

The Sub-Fund is suitable for investors seeking capital growth over a 5 to 10 year period and who are prepared to accept a moderate level of volatility.

### **12. Risk Warnings**

Persons interested in purchasing Shares in the Sub-Fund should read the section headed "RISK WARNINGS" in the main body of the Prospectus and, in particular, the risk warnings listed below. Investment in the Sub-Fund is suitable only for persons who are in a position to take such a risk.

#### **Risks associated with FDI**

#### **China Market Risks**

#### **Risks linked with dealing in securities in India pursuant to a FPI license**

### **13. German Taxation**

Pursuant to Section 2(6) of the German Investment Tax Act 2018, the Sub-Fund is classified as an 'equity fund'. The Sub-Fund will be managed in such a way to ensure that the Sub-Fund continuously invests at least 50% of its Net Asset Value in equity and qualifies as an 'equity fund'. This classification is based on the rules defined under the German Investment Tax Act and reflects the amount of physical equity exposure held at the date of this Supplement. Please refer to WM Daten for the equity participation rate of the Sub-Fund, which is updated daily.

**Dated: 1 October 2021**

## **Veritas Global Equity Income Fund**

### **Supplement III to the Prospectus dated 1 October 2021 for Veritas Funds plc**

This Supplement contains specific information in relation to Veritas Global Equity Income Fund (the “**Sub-Fund**”), a sub-fund of the Company which is an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds incorporated with limited liability in Ireland pursuant to the UCITS Regulations.

**This Supplement forms part of the Prospectus and should be read in the context of and together with the Prospectus including the general description of**

- **the Company and its management and administration**
- **its general management and fund charges**
- **the taxation of the Sub-Fund and of its Shareholders and**
- **its risk warnings**

**which is contained in the Prospectus dated 1 October 2021 for the Company and which is available from the Administrator at 30 Herbert Street, Dublin 2, Ireland.**

The Directors of the Company, whose names appear in the Prospectus under the heading “MANAGEMENT AND ADMINISTRATION”, accept responsibility for the information contained in this Supplement. 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.

#### **1. Business Day**

Every day (except Saturday and Sunday) on which banks and stock exchanges are open for business in Dublin, London and New York.

#### **2. Dealing Day**

Every Business Day shall be a Dealing Day or such other day or days as the Directors may determine.

#### **3. Base Currency**

Sterling.

#### **4. Investment Objective and Policy**

##### *Investment objective*

The Sub-Fund is designed to provide a high and growing level of income and thereafter to preserve capital in real terms over the long term.

##### *Investment policy*

The Sub-Fund principally invests in global equities listed or traded on Recognised Exchanges. Investments may also be made in global securities (including, but not exclusively, sovereign and corporate index-linked bonds, sovereign, corporate and convertible bonds, which may be fixed and/or floating rate and shall generally be investment grade) which are listed or traded on a Recognised Exchange, subject to the Investment Restrictions listed in the main body of the Prospectus. The Sub-Fund will not invest in leveraged notes.

It is the policy of the Sub-Fund that the portfolio will generally be invested in focused equity positions, identified through a bottom-up, stock picking approach, within a global macro economic framework. The aim is for the Sub-Fund to have a prospective yield that is 10% greater than the prevailing MSCI World

Index dividend yield over a rolling five year period. The MSCI World Index is a market capitalisation weighted benchmark index made up of equities from 23 developed countries. The macro analysis of the Investment Manager will focus on identifying long term themes and trends and then proceed to identifying companies with sound cash generative business models and strong management and financial controls that will benefit from the macro themes and trends identified. Investment will generally be in large cap blue chip companies, although mid and small cap companies will be considered by the Investment Manager where they have a sound business model, strong cash flows and a high and sustainable dividend. It is currently envisaged that the Sub-Fund will hold between 15 and 60 equity positions at any time, although these parameters may not be reached, and can be exceeded should the opportunities present themselves.

The assets of the Sub-Fund may, subject to the restrictions set out in the Regulations and in addition to any investments referred to above, include CIS, cash, deposits and short-term paper including treasury bills, certificates of deposit and bankers' acceptances as a short term defensive mechanism. The Sub-Fund will invest no more than 10% of its Net Asset Value in other CIS.

The Sub-Fund may employ FDIs for investment, EPM and for hedging purposes within the limits laid down by the Central Bank, as described below.

The Sub-Fund may, but is not required to invest in New Issues, consistent with the investment policy set out above. The rules relating to investing in New Issues are set out under the heading "Investment in New Issues" in the Prospectus and apply to the Sub-Fund.

The Sub-Fund is actively managed and not constrained to any benchmark.

#### *Financial Derivative Instruments*

In certain instances, it may be more appropriate operationally or more efficient to gain exposure to targeted investments referred to above synthetically rather than investing in such securities directly. In such instances, the Sub-Fund may employ FDI (specifically futures, options, equity swaps or FX forwards), subject to the conditions and within the limits laid down by the Central Bank. Please refer to the section of the Prospectus entitled "Use of FDI" for further details.

The Sub-Fund may invest in or use FDI as disclosed in the section "Investment policy" above. The Sub-Fund may engage in transactions in FDI for the purposes of EPM and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. The Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way. Such transactions may include foreign exchange transactions which alter the currency characteristics of securities held by the Sub-Fund.

Please see the "Use of FDI" section in the Prospectus for a description of each of the FDI.

#### *Currency Hedging*

The Sub-Fund may also engage in forward foreign exchange contracts for EPM purposes in accordance with the requirements of the Central Bank in respect of hedged Classes as further detailed in the section of the Prospectus entitled "Currency Hedged Classes".

Such forward foreign exchange contracts may be used to hedge some or all of the exchange risk/currency risk arising as a result of the fluctuation between the denominated currencies of the Classes within the Sub-Fund and (i) the base currency of the Sub-Fund (where different) or (ii) the other currencies in which the Sub-Fund's investments are denominated.

The annual and half-yearly reports of the Company will indicate how such hedging strategies have been utilized.

### *Risk Management Process*

The Manager employs a risk management process in respect of the Sub-Fund which enables it to accurately measure, monitor and manage the risks associated with the Sub-Fund's FDI transactions.

The Manager will use the commitment approach to calculate the Sub-Fund's global exposure to ensure that the Sub-Fund's use of FDI is within the limits specified by the Central Bank. Where the commitment approach is used to calculate the global exposure no leverage arises.

## **5. Dividend**

The Directors intend that, for any Class that is intended to be a "reporting fund" for the purposes of United Kingdom taxation, the Sub-Fund will pay such dividends as may be required in order for that Class to be certified as a reporting fund.

## **6. Issue of Shares**

<b>Class</b>	<b>Currency</b>	<b>Currency Hedged Shares</b>	<b>Minimum Initial Subscription*</b>	<b>Minimum Subsequent Subscription*</b>	<b>Minimum Holding*</b>	<b>Dividend Policy</b>
<b>Dollar A Class</b>	<b>USD</b>	No	USD 50,000	USD 25,000	USD 50,000	Distributing
<b>Sterling A Class</b>	<b>GBP</b>	No	GBP 30,000	GBP 15,000	GBP 30,000	Distributing
<b>Euro A Class</b>	<b>EUR</b>	No	EUR 50,000	EUR 25,000	EUR 50,000	Distributing
<b>Dollar B Class</b>	<b>USD</b>	No	USD 15,000	USD 15,000	USD 15,000	Distributing
<b>Sterling B Class</b>	<b>GBP</b>	No	GBP 7,000	GBP 7,000	GBP 7,000	Distributing
<b>Euro B Class</b>	<b>EUR</b>	No	EUR 15,000	EUR 15,000	EUR 15,000	Distributing
<b>Dollar C Class</b>	<b>USD</b>	No	USD 30,000,000	USD 150,000	USD 30,000,000	Accumulating
<b>Sterling C Class</b>	<b>GBP</b>	No	GBP 20,000,000	GBP 100,000	GBP 20,000,000	Accumulating
<b>Euro C Class</b>	<b>EUR</b>	No	EUR 30,000,000	EUR 150,000	EUR 30,000,000	Accumulating
<b>Dollar D Class</b>	<b>USD</b>	No	USD 30,000,000	USD 150,000	USD 30,000,000	Distributing
<b>Sterling D Class</b>	<b>GBP</b>	No	GBP 20,000,000	GBP 100,000	GBP 20,000,000	Distributing
<b>Euro D Class</b>	<b>EUR</b>	No	EUR 30,000,000	EUR 150,000	EUR 30,000,000	Distributing
<b>Dollar E Class</b>	<b>USD</b>	Yes	USD 30,000,000	USD 150,000	USD 30,000,000	Distributing

The aggregate of an investor's investments in the Sub-Fund can be taken into account for the purposes of determining the minimum investment and holding amounts described above subject to the discretion of the Directors, in consultation with the Manager. Values stated are as outlined above, or their foreign currency equivalents. Where the amount subscribed is not equivalent to an exact number of Shares, fractions of Shares may be issued up to two decimal places.

\* subject to discretion of the Directors, in consultation with the Manager.

## **7. Application for Shares**

All launched Classes of Shares are available at the Net Asset Value per Share of the relevant Class on a given Dealing Day. The Net Asset Value per Share is calculated to two decimal places.

The dealing deadline for applications for Shares shall be 11:00 am (Irish time) on the relevant Dealing Day (the “**Dealing Deadline**”). Applications for all Classes of Shares must be received by the Administrator by the Dealing Deadline. The procedures for applying for the Shares are set out in the Prospectus. A Sales Charge shall not be added to the initial issue price or Net Asset Value of the relevant Class.

## **8. Redemption of Shares**

Applications for redemption of any Class of Shares on any Dealing Day must be received by the Administrator by the Dealing Deadline and will be dealt with on that Dealing Day. Applications for redemption received after the aforementioned time will be processed on the next following Dealing Day. The redemption price shall be the Net Asset Value per Share for the Sub-Fund calculated with respect to each Dealing Day as at the relevant Valuation Point. The redemption proceeds will normally be dispatched in the currency of the relevant Class of Shares within 3 Business Days of receipt of correct and faxed or electronically communicated redemption documentation by telegraphic transfer to the bank account designated by the Shareholder and in the name of the Shareholder at the time of initial application. A Redemption Charge shall not be imposed against each redemption Share. The procedure for redeeming Shares is set out in the Prospectus.

## **8. Switching of Shares**

Shareholders can switch between Sub-Funds and Classes, subject to the minimum subscription, minimum holding and minimum subsequent subscription requirements of the relevant Sub-Fund or Class. Shareholders may switch some or all of their Shares in one Sub-Fund or Class to Shares in another Sub-Fund or Class in accordance with the Prospectus under the heading “Switching”.

If a Shareholder requests a switch which would, if effected, leave the Shareholder holding Shares having a Net Asset Value less than the minimum holding in the Sub-Fund from which Shares are to be switched the Company may, if it thinks fit, redeem the whole of the Shareholder’s holding in that Sub-Fund from which Shares are to be switched.

A switching charge shall not be imposed.

## **11. Fees**

The following fees and expenses are payable out of the Sub-Fund. Details of how the fees and expenses are accrued and paid as well as details of other general management and fund charges are set out in the Prospectus under the heading “CHARGES AND EXPENSES”.

### **The Manager**

Details of the fee payable to the Manager under the Management Agreement in respect of the Sub-Fund are set out in the Prospectus.

### **The Depositary**

Details of the fee payable to the Depositary under the Depositary Agreement in respect of the Sub-Fund are set out in the Prospectus.

## Investment Manager

The following fees are payable to the Investment Manager monthly in arrears:

Share Class	Annual Fee (% of NAV, accruing as of each Valuation Point, plus VAT, if any)
A Classes	1%
B Classes	1.5%
C Classes	0.75%
D Classes	0.75%
E Class	1.5%

## The Administrator

Details of the fee payable to the Administrator under the Administration Agreement in respect of the Sub-Fund are set out in the Prospectus.

### 12. Investor Profile

The Sub-Fund is suitable for investors seeking capital growth over a 5 to 10 year period and who are prepared to accept a moderate level of volatility.

### 13. Risk Warnings

Persons interested in purchasing Shares in the Sub-Fund should read the section headed "RISK WARNINGS" in the main body of the Prospectus and, in particular, the risk warning listed below. Investment in the Sub-Fund is suitable only for persons who are in a position to take such a risk.

### Risks associated with FDI

In addition, as the investments of the Sub-Fund may include substantial holdings of cash, deposits and short-term paper, investors should be aware of the difference between the nature of a deposit and the nature of an investment in the Sub-Fund and the fact that the principal invested in the Sub-Fund is capable of fluctuation.

### 14. German Taxation

Pursuant to Section 2(6) of the German Investment Tax Act 2018, the Sub-Fund is classified as an 'equity fund'. The Sub-Fund will be managed in such a way to ensure that the Sub-Fund continuously invests at least 50% of its Net Asset Value in equity and qualifies as an 'equity fund'. This classification is based on the rules defined under the German Investment Tax Act and reflects the amount of physical equity exposure held at the date of this Supplement.

**Dated: 1 October 2021**



## **Veritas China Fund**

### **Supplement IV to the Prospectus dated 1 October 2021 for Veritas Funds plc**

This Supplement contains specific information in relation to Veritas China Fund (the “**Sub-Fund**”), a sub-fund of the Company which is an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds incorporated with limited liability in Ireland pursuant to the UCITS Regulations.

**This Supplement forms part of the Prospectus and should be read in the context of and together with the Prospectus including the general description of**

- **the Company and its management and administration**
- **its general management and fund charges**
- **the taxation of the Sub-Fund and of its Shareholders and**
- **its risk warnings**

**which is contained in the Prospectus dated 1 October 2021 for the Company and which is available from the Administrator at 30 Herbert Street, Dublin 2, Ireland.**

The Directors of the Company, whose names appear in the Prospectus under the heading “MANAGEMENT AND ADMINISTRATION”, accept responsibility for the information contained in this Supplement. 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.

#### **1. Business Day**

Every day (except Saturday and Sunday) on which banks and stock exchanges are open for business in Dublin, London and New York.

#### **2. Dealing Day**

Every Business Day shall be a Dealing Day or such other day or days as the Directors may determine, except for any day on which an underlying market or markets on which at least 50% of the Sub-Fund’s assets are exposed or traded are closed, for example for public holidays, or such other day or days as may be determined by the Company and notified in advance to the Shareholders, provided that there shall be at least two Dealing Days in each calendar month. In circumstances where the threshold for closed underlying markets has been met or exceeded, dealing in the Sub-Fund’s Shares will take place on the next Business Day on which such underlying market or markets are open. A list of the closed market days in respect of the Sub-Fund is available on the Investment Manager’s website at [www.vamllp.com](http://www.vamllp.com).

#### **3. Base Currency**

US Dollars.

#### **4. Investment Objective and Policy**

##### *Investment objective*

The Sub-Fund aims to achieve long term capital growth, regardless of market conditions, by taking positions primarily in equities or equity related derivative contracts of

1. companies located in China (People's Republic Of China, and its Special Administrative Regions, Hong Kong and Macau) or
2. Companies that are not located in China but derive a majority (over 50%) of their income from China.

#### *Investment policy*

The Sub-Fund primarily invests in equities listed or traded on Recognised Exchanges. Investments may also be made in securities (including convertible bonds with equity linked notes which bonds shall be fixed and/or floating rate and shall generally be investment grade) which are listed or traded on a Recognised Exchange, subject to the Investment Restrictions within the Prospectus or listed below. It is anticipated that the Recognised Exchanges that the Sub-Fund will invest in will be mainly, but not limited to the London Stock Exchange, Exchanges in the United States of America, Exchanges in Hong Kong, the Shanghai Stock Exchange, the Shenzhen Stock Exchange and the Singapore Stock Exchange

It is the policy of the Sub-Fund that the portfolio will invest, as allowable under the Regulations, to achieve long term capital growth, regardless of the prevailing market conditions. The Sub-Fund will take focused equity positions identified through a bottom-up, stock picking approach, with a macro overlay. The macro analysis of the Investment Manager will focus on identifying long term themes and trends and then proceed to identifying companies with sound business models, strong management and disciplined financial controls that will benefit from the macro themes and trends identified. The macro themes are identified via a combination of in-house and external research. Asian domestic demand is an example of a theme internal to the Investment Manager. The outcome of the analysis of that theme can result in identifying opportunities to invest in Chinese companies whose business is benefitting from rising Chinese consumer spending in consumer goods or services. An example of how a company can benefit from increased consumer spending is that it can increase a company's sales and can therefore increase that company's revenue and profits.

Investments will generally be in large cap blue chip companies, although mid and small cap companies will be considered by the Investment Manager where appropriate. It is currently envisaged that the Sub-Fund will hold between 10 and 40 positions at any time, although these parameters may not be reached, and can be exceeded should the opportunities present themselves.

Positions will be held through a combination of direct investment across the assets described in the investment policy and/or derivative instruments described below.

The Sub-Fund may gain exposure to the equities issued by companies whose business or the business of their parent company is located or conducted primarily in the People's Republic of China ("**PRC**"). Such exposure is gained by entering into arrangements with and acquiring notes or similar equity linked securities or instruments issued by institutions that have obtained Qualified Foreign Institutional Investor ("**QFII**") status through which the Sub-Fund can gain exposure indirectly to the China A Share market as the underlying equity is a China A Share. Examples of the notes or similar equity linked securities or instruments are listed P-Notes and warrants. These will be fully financed positions and so have no leverage or finance elements. Exposure may also be gained through OTC derivatives such as swaps. The Sub-Fund may also gain exposure to certain equities listed on mainland China stock exchanges, such as the Shanghai and Shenzhen stock exchanges, via Hong Kong through the market access programme through which foreign investors can deal in select China A Shares ("**Stock Connect**"). The transaction may be executed by entering into an agreement to acquire a participatory note or warrant issued by a counterparty or directly via the Special Segregated Account Model ("**SPSA**"). The SPSA model is a method whereby brokers set up an account under Stock Connect to settle and safekeep China A Shares. The securities do not need to be pre-delivered under the SPSA model and cash is received upon settlement.

The assets of the Sub-Fund may, subject to the restrictions set out in the Regulations and in addition to any investments referred to above, include CIS, cash, deposits and short-term paper including treasury bills, certificates of deposit and bankers' acceptances. Cash and deposits will be held as

ancillary liquid assets only. The Sub-Fund will invest no more than 10% of its Net Asset Value in other CIS.

The Sub-Fund may, but is not required to invest in New Issues, consistent with the investment policy set out above. The rules relating to investing in New Issues are set out under the heading “Investment in New Issues” in the Prospectus and apply to the Sub-Fund.

The Sub-Fund is actively managed and not constrained to any benchmark.

#### *Financial Derivative Instruments*

In certain instances, it may be more appropriate operationally or more efficient to gain exposure to targeted investments referred to above synthetically rather than investing in such securities directly. In such instances, the Sub-Fund may employ FDI (specifically futures, options, equity swaps or FX forwards), subject to the conditions and within the limits laid down by the Central Bank. Please refer to the section of the Prospectus entitled “Use of FDI” for further details.

The Sub-Fund may invest in or use FDI as disclosed in the section “Investment policy” above. The Sub-Fund may engage in transactions in FDI for the purposes of EPM and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. The Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way. Such transactions may include foreign exchange transactions which alter the currency characteristics of securities held by the Sub-Fund.

Please see the “Use of FDI” section in the Prospectus for a description of each of the FDI.

#### *Risk Management Process*

The Manager employs a risk management process in respect of the Sub-Fund which enables it to accurately measure, monitor and manage the risks associated with the Sub-Fund’s FDI transactions.

The Manager will use the commitment approach to calculate the Sub-Fund’s global exposure to ensure that the Sub-Fund’s use of FDI is within the limits specified by the Central Bank. Where the commitment approach is used to calculate the global exposure no leverage arises.

### **5. Dividend**

The Directors intend that, for any Class that is intended to be a “reporting fund” for the purposes of United Kingdom taxation, the Sub-Fund will pay such dividends as may be required in order for that Class to be certified as a reporting fund.

### **6. Issue of Shares**

<b>Class</b>	<b>Currency</b>	<b>Currency Hedged Shares</b>	<b>Minimum Initial Subscription*</b>	<b>Minimum Subsequent Subscription*</b>	<b>Minimum Holding*</b>	<b>Dividend Policy</b>
<b>Dollar A Class</b>	<b>USD</b>	No	USD 50,000	USD 25,000	USD 50,000	Distributing
<b>Sterling A Class</b>	<b>GBP</b>	No	GBP 30,000	GBP 15,000	GBP 30,000	Distributing
<b>Euro A Class</b>	<b>EUR</b>	No	EUR 50,000	EUR 25,000	EUR 50,000	Distributing
<b>Dollar A – Accumulation Class</b>	<b>USD</b>	No	USD 50,000	USD 25,000	USD 50,000	Accumulating

<b>Sterling A – Accumulation Class</b>	<b>GBP</b>	No	GBP 30,000	GBP 15,000	GBP 30,000	Accumulating
<b>Euro A – Accumulation Class</b>	<b>EUR</b>	No	EUR 50,000	EUR 25,000	EUR 50,000	Accumulating
<b>Dollar B Class</b>	<b>USD</b>	No	USD 15,000	USD 15,000	USD 15,000	Distributing
<b>Sterling B Class</b>	<b>GBP</b>	No	GBP 7,000	GBP 7,000	GBP 7,000	Distributing
<b>Euro B Class</b>	<b>EUR</b>	No	EUR 15,000	EUR 15,000	EUR 15,000	Distributing
<b>Dollar C – Accumulation Class</b>	<b>USD</b>	No	USD 30,000,000	USD 150,000	USD 30,000,000	Accumulating
<b>Sterling C – Accumulation Class</b>	<b>GBP</b>	No	GBP 20,000,000	GBP 100,000	GBP 20,000,000	Accumulating
<b>Euro C – Accumulation Class</b>	<b>EUR</b>	No	EUR 30,000,000	EUR 150,000	EUR 30,000,000	Accumulating
<b>Dollar D Class</b>	<b>USD</b>	No	USD 30,000,000	USD 150,000	USD 30,000,000	Distributing
<b>Sterling D Class</b>	<b>GBP</b>	No	GBP 20,000,000	GBP 100,000	GBP 20,000,000	Distributing
<b>Euro D Class</b>	<b>EUR</b>	No	EUR 30,000,000	EUR 150,000	EUR 30,000,000	Distributing

The aggregate of an investor's investments in the Sub-Fund can be taken into account for the purposes of determining the minimum investment and holding amounts described above subject to the discretion of the Directors, in consultation with the Manager. Values stated are as outlined above, or their foreign currency equivalents. Where the amount subscribed is not equivalent to an exact number of Shares, fractions of Shares may be issued up to four decimal places.

\* subject to discretion of the Directors, in consultation with the Manager.

## 7. Application for Shares

The initial offer period for unlaunched Shares will be from 9 a.m. on 4 October 2021 to 5 p.m. on 1 April 2022. During the initial offer period, the initial offer price will be GBP 100, USD 100 and EUR 100 for each respective unlaunched Class. The initial offer period may be extended or shortened by the Directors and the Central Bank shall be notified of any such change. Please consult the Investment Manager for details of the unlaunched Classes.

All launched Classes of Shares are available at the Net Asset Value per Share of the relevant Class on a given Dealing Day. The Net Asset Value per Share is calculated to four decimal places.

The dealing deadline for applications for Shares shall be 11:00 am (Irish time) on the relevant Dealing Day (the "**Dealing Deadline**"). Applications for all Classes of Shares must be received by the Administrator by the Dealing Deadline. The procedures for applying for the Shares are set out in the Prospectus. A Sales Charge shall not be added to the initial issue price or Net Asset Value of the relevant Class.

## 8. Redemption of Shares

Applications for redemption of any Class of Shares on any Dealing Day must be received by the Administrator by the Dealing Deadline and will be dealt with on that Dealing Day. Applications for redemption received after the aforementioned time will be processed on the next following Dealing Day.

The redemption price shall be the Net Asset Value per Share for the Sub-Fund calculated with respect to each Dealing Day as at the relevant Valuation Point. The redemption proceeds will normally be dispatched in the currency of the relevant Class of Shares within 3 Business Days of receipt of correct and faxed or electronically communicated redemption documentation by telegraphic transfer to the bank account designated by the Shareholder and in the name of the Shareholder at the time of initial application. A Redemption Charge shall not be imposed against each redemption Share. The procedure for redeeming Shares is set out in the Prospectus.

## **9. Switching of Shares**

Shareholders can switch between Sub-Funds and Classes, subject to the minimum subscription, minimum holding and minimum subsequent subscription requirements of the relevant Sub-Fund or Class. Shareholders may switch some or all of their Shares in one Sub-Fund or Class to Shares in another Sub-Fund or Class and if another Class then it should be the same Class in accordance with the Prospectus under the heading "Switching". No redemption fees will apply on the switch subject to meeting the minimum subscription, minimum holding and minimum subsequent subscription requirements.

If a Shareholder requests a switch which would, if effected, leave the Shareholder holding Shares having a Net Asset Value less than the minimum holding in the Sub-Fund from which Shares are to be switched the Company may, if it thinks fit, redeem the whole of the Shareholder's holding in that Sub-Fund from which Shares are to be switched.

A switching charge shall not be imposed.

## **10. Fees**

The following fees and expenses are payable out of the Sub-Fund. Details of how the fees and expenses are accrued and paid as well as details of other general management and fund charges are set out in the Prospectus under the heading "CHARGES AND EXPENSES".

### **The Manager**

Details of the fee payable to the Manager under the Management Agreement in respect of the Sub-Fund are set out in the Prospectus.

### **The Depositary**

Details of the fee payable to the Depositary under the Depositary Agreement in respect of the Sub-Fund are set out in the Prospectus.

### **The Investment Manager**

The following fees are payable to the Investment Manager monthly in arrears:

<b>Share Class</b>	<b>Annual Fee (% of NAV, accruing as of each Valuation Point, plus VAT, if any)</b>
<b>A Classes</b>	1%
<b>A Accumulation Classes</b>	1%
<b>B Classes</b>	1.5%
<b>C Classes</b>	0.75%
<b>D Classes</b>	0.75%

## **The Administrator**

Details of the fee payable to the Administrator under the Administration Agreement in respect of the Sub-Fund are set out in the Prospectus.

### **12. Investor Profile**

The Sub-Fund is suitable for investors seeking capital growth over a 5 to 10 year period and who are prepared to accept a moderate level of volatility.

### **13. Risk Warnings**

Persons interested in purchasing Shares in the Sub-Fund should read the section headed "RISK WARNINGS" in the main body of the Prospectus and, in particular, the risk warnings listed below. Investment in the Sub-Fund is suitable only for persons who are in a position to take such a risk.

#### **Risks associated with FDI**

##### **China Market Risks**

##### **Liquidity Risk**

##### **Legal, Tax and Regulatory Change Risk**

### **14. German Taxation**

Pursuant to Section 2(6) of the German Investment Tax Act 2018, the Sub-Fund is classified as an 'equity fund'. The Sub-Fund will be managed in such a way to ensure that the Sub-Fund continuously invests at least 50% of its Net Asset Value in equity and qualifies as an 'equity fund'. This classification is based on the rules defined under the German Investment Tax Act and reflects the amount of physical equity exposure held at the date of this Supplement.

**Dated: 1 October 2021**

## **Veritas Global Real Return Fund**

### **Supplement V to the Prospectus dated 1 October 2021 for Veritas Funds plc**

This Supplement contains specific information in relation to Veritas Global Real Return Fund (the “**Sub-Fund**”), a sub-fund of the Company which is an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds incorporated with limited liability in Ireland pursuant to the UCITS Regulations.

**This Supplement forms part of the Prospectus and should be read in the context of and together with the Prospectus including the general description of**

- **the Company and its management and administration**
- **its general management and fund charges**
- **the taxation of the Sub-Fund and of its Shareholders and**
- **its risk warnings**

**which is contained in the Prospectus dated 1 October 2021 for the Company and which is available from the Administrator at 30 Herbert Street, Dublin 2, Ireland.**

The Directors of the Company, whose names appear in the Prospectus under the heading "MANAGEMENT AND ADMINISTRATION", accept responsibility for the information contained in this Supplement. 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.

**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 Sub-Fund may engage in transactions in FDI for investment purposes and hedging purposes. As a result, as well as holding assets that may rise or fall with market values, the Sub-Fund may also hold positions that may rise as the market value falls and fall as the market value rises. In addition, the transactions in FDI may result in the Sub-Fund being leveraged which may result in the gains or losses of the Sub-Fund being magnified.**

**It is possible that the Sub-Fund may, at any given point in time, invest principally in FDI.**

#### **1. Business Day**

Every day (except Saturday and Sunday) on which banks and stock exchanges are open for business in Dublin, London and New York.

#### **2. Dealing Day**

Every Business Day shall be a Dealing Day or such other day or days as the Directors may determine.

#### **3. Valuation Point**

12:00 noon (Dublin time) in the relevant markets on the relevant Dealing Day.

#### **4. Base Currency**

Sterling

## **5. Investment Objective and Policy**

### *Investment objective*

The Sub-Fund's objective is to deliver real returns over the medium and longer term.

### *Investment policy*

The Sub-Fund aims to achieve its investment objectives by investing in global equities, bonds, cash and derivatives.

The Sub-Fund primarily invests in equities listed or traded on Recognised Exchanges. Investments may also be made in securities (including convertible bonds with equity linked notes which bonds shall be fixed and/or floating rate and shall generally be investment grade) which are listed or traded on a Recognised Exchange, subject to the Investment Restrictions within the Prospectus or listed below. The markets and exchanges invested in will be global and generally cover developed markets and economies, although investment may also be made in emerging markets. Investment in emerging markets is not likely to exceed 25% of the Sub-Fund's net assets.

It is the policy of the Sub-Fund that the portfolio will invest both long and short, as allowable under the Regulations, to achieve long term capital growth, regardless of the prevailing market conditions.

The target is to achieve a positive return on a rolling three year basis. The Sub-Fund aims to achieve this by generating a return on a compound annualised basis exceeding OECD G7 CPI plus 4% per annum.

By investing long and short, the Sub-Fund will employ leverage, principally through the use of derivative positions which will result in leverage up to a maximum of 100% of Net Asset Value. The Sub-Fund will take focused equity positions (long or short), identified via the analysis of the Investment Manager which will focus on identifying long term themes and trends and then proceed to identifying companies with sound business models, strong management and disciplined financial controls that will benefit from those themes and trends identified. The themes and trends are identified with an emphasis on in-house research, although external research is also used. An example of a theme and trend is "Strong Survivors" which focuses on those companies that have benefitted in the recent economic and market uncertainty through a dominant market position, pricing power or a strong balance sheet.

Investments will generally be in large cap blue chip companies, although mid and small cap companies will be considered by the Investment Manager where appropriate. It is currently envisaged that the Sub-Fund will hold between 30 and 40 positions at any time, although these parameters may not be reached, and can be exceeded should the opportunities present themselves. The Sub-Fund may also hold bond positions, including convertible bonds in the companies it identifies through the research it undertakes although it is unlikely that overall bond exposure will exceed 20% of the NAV. The bond positions held may be government or corporate and the interest profile may be fixed or floating. The bond positions will be investment grade.

Long positions will be held through a combination of direct investment across the assets described in the investment policy and/or derivative instruments described below. Short positions will be held through derivative positions, primarily options, equity swaps, credit default swaps and futures. It is anticipated that the Sub-Fund may hold up to 100% of its Net Asset Value in long positions and up to 75% of its Net Asset Value in short positions.



The assets of the Sub-Fund may, subject to the restrictions set out in the Regulations and in addition to any investments referred to above, include CIS, cash, deposits and short-term paper including treasury bills, certificates of deposit and bankers' acceptances. Cash and deposits will be held as ancillary liquid assets only. The Sub-Fund will invest no more than 10% of its Net Asset Value in other CIS.

The gross exposure of the Sub-Fund as a result of leverage from its use of all FDI will be limited to 200% of the Net Asset Value.

The Sub-Fund may, but is not required to invest in New Issues, consistent with the investment policy set out above. The rules relating to investing in New Issues are set out under the heading "Investment in New Issues" in the Prospectus and apply to the Sub-Fund.

The Sub-Fund is actively managed and not constrained to any benchmark.

#### *Financial Derivative Instruments*

In certain instances, it may be more appropriate operationally or more efficient to gain exposure to targeted investments referred to above synthetically rather than investing in such securities directly. In such instances, the Sub-Fund may employ FDI (specifically futures, options, equity swaps, credit default swaps or FX forwards), subject to the conditions and within the limits laid down by the Central Bank.

The Sub-Fund may invest in or use FDI as disclosed in the section "Investment policy" above.

Please see the "Use of FDI" section in the Prospectus for a description of each of the FDI.

#### *Currency Hedging*

The Sub-Fund may also engage in forward foreign exchange contracts for EPM purposes in accordance with the requirements of the Central Bank in respect of hedged Classes as further detailed in the section of the Prospectus entitled "Currency Hedged Classes".

Such forward foreign exchange contracts may be used to hedge some or all of the exchange risk/currency risk arising as a result of the fluctuation between the denominated currencies of the Classes within the Sub-Fund and (i) the base currency of the Sub-Fund (where different) or (ii) the other currencies in which the Sub-Fund's investments are denominated.

The annual and half-yearly reports of the Company will indicate how such hedging strategies have been utilized.

#### *Risk Management Process*

The Manager employs a risk management process in respect of the Sub-Fund which enables it to accurately measure, monitor and manage the risks associated with the Sub-Fund's FDI transactions.

The Manager will use value-at-risk ("VaR") to calculate the Sub-Fund's global exposure to ensure that the Sub-Fund's use of FDI is within the limits specified by the Central Bank.

The calculation of VaR will be on an absolute basis and will be monitored daily to ensure that it does not exceed 20% of the NAV over a 20 day holding period for the Sub-Fund. The basis of the VaR calculation is detailed below:

1. The one-tailed confidence level is defined as 99%.
2. The holding period is defined as 20 days.
3. The historical observation period is defined as 5 years.
4. VaR is calculated using a Monte Carlo simulation based on 50,000 observations.

The use of FDI for investment purposes will result in the creation of leverage. Leverage levels are calculated using the sum of the notionals of the derivative positions. While the Sub-Fund may be leveraged, the expected level of leverage will not be greater than 100% of its Net Asset Value.

## 6. Dividend

The Directors intend that, for any Class that is intended to be a "reporting fund" for the purposes of United Kingdom taxation, the Sub-Fund will pay such dividends as may be required in order for that Class to be certified as a reporting fund.

## 7. Issue of Shares

Class	Currency	Currency Hedged Shares	Minimum Initial Subscription*	Minimum Subsequent Subscription*	Minimum Holding*	Dividend Policy
Dollar A Class	USD	Yes	USD 50,000	USD 25,000	USD 50,000	Distributing
Sterling A Class	GBP	No	GBP 30,000	GBP 15,000	GBP 30,000	Distributing
Euro A Class	EUR	Yes	EUR 50,000	EUR 25,000	EUR 50,000	Distributing
Dollar B Class	USD	Yes	USD 15,000	USD 15,000	USD 15,000	Distributing
Sterling B Class	GBP	No	GBP 7,000	GBP 7,000	GBP 7,000	Distributing
Euro B Class	EUR	Yes	EUR 15,000	EUR 15,000	EUR 15,000	Distributing
Dollar D Class	USD	Yes	USD 30,000,000	USD 150,000	USD 30,000,000	Distributing
Sterling D Class	GBP	No	GBP 20,000,000	GBP 100,000	GBP 20,000,000	Distributing
Euro D Class	EUR	Yes	EUR 30,000,000	EUR 150,000	EUR 30,000,000	Distributing
Dollar E Class	USD	No	USD 30,000,000	EUR 150,000	USD 30,000,000	Distributing
Euro E Class	EUR	No	EUR 30,000,000	EUR 150,000	EUR 30,000,000	Distributing

The aggregate of an investor's investments in the Sub-Fund can be taken into account for the purposes of determining the minimum investment and holding amounts described above subject to the discretion of the Directors, in consultation with the Manager. Values stated are as outlined above, or their foreign currency equivalents. Where the amount subscribed is not equivalent to an exact number of Shares, fractions of Shares may be issued up to four decimal places.

\* subject to discretion of the Directors, in consultation with the Manager.

## 8. Application for Shares

All launched Classes of Shares are available at the Net Asset Value per Share of the relevant Class on a given Dealing Day. The Net Asset Value per Share is calculated to four decimal places.

The dealing deadline for applications for Shares shall be 11:00 am (Irish time) on the relevant Dealing Day (the "**Dealing Deadline**"). Applications for all Classes of Shares must be received by the Administrator by the Dealing Deadline. The procedures for applying for the Shares are set out in the Prospectus. A Sales Charge shall not be added to the initial issue price or Net Asset Value of the relevant Class.

## **9. Redemption of Shares**

Applications for redemption of any Class of Shares on any Dealing Day must be received by the Administrator by the Dealing Deadline and will be dealt with on that Dealing Day. Applications for redemption received after the aforementioned time will be processed on the next following Dealing Day. The redemption price shall be the Net Asset Value per Share for the Sub-Fund calculated with respect to each Dealing Day as at the relevant Valuation Point. The redemption proceeds will normally be dispatched in the currency of the relevant Class of Shares within 3 Business Days of receipt of correct and faxed or electronically communicated redemption documentation by telegraphic transfer to the bank account designated by the Shareholder and in the name of the Shareholder at the time of initial application. A Redemption Charge shall not be imposed against each redemption Share. The procedure for redeeming Shares is set out in the Prospectus.

## **10. Switching of Shares**

Shareholders can switch between Sub-Funds and Classes, subject to the minimum subscription, minimum holding and minimum subsequent subscription requirements of the relevant Sub-Fund or Class. Shareholders may switch some or all of their Shares in one Sub-Fund or Class to Shares in another Sub-Fund or Class in accordance with the Prospectus under the heading "Switching". No redemption fees will apply on the switch subject to meeting the minimum subscription, minimum holding and minimum subsequent subscription requirements.

If a Shareholder requests a switch which would, if effected, leave the Shareholder holding Shares having a Net Asset Value less than the minimum holding in the Sub-Fund from which Shares are to be switched the Company may, if it thinks fit, redeem the whole of the Shareholder's holding in that Sub-Fund from which Shares are to be switched.

A switching charge shall not be imposed.

## **11. Fees**

The following fees and expenses are payable out of the Sub-Fund. Details of how the fees and expenses are accrued and paid as well as details of other general management and fund charges are set out in the Prospectus under the heading "CHARGES AND EXPENSES".

### **The Manager**

Details of the fee payable to the Manager under the Management Agreement in respect of the Sub-Fund are set out in the Prospectus.

### **The Depositary**

Details of the fee payable to the Depositary under the Depositary Agreement in respect of the Sub-Fund are set out in the Prospectus.

### **The Investment Manager**

The following fees are payable to the Investment Manager monthly in arrears:

<b>Share Class</b>	<b>Annual Fee (% of NAV, accruing as of each Valuation Point, plus VAT, if any)</b>
<b>A Classes</b>	1%
<b>B Classes</b>	1.5%
<b>D Classes</b>	0.85%

<b>E Classes</b>	0.85%
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## **The Administrator**

Details of the fee payable to the Administrator under the Administration Agreement in respect of the Sub-Fund are set out in the Prospectus.

## **12. Investor Profile**

The Sub-Fund is suitable for investors seeking capital growth over a 5 to 10 year period and who are prepared to accept a moderate level of volatility.

## **13. Risk Warnings**

Persons interested in purchasing Shares in the Sub-Fund should read the section headed "RISK WARNINGS" in the main body of the Prospectus and, in particular, the risk warnings listed below. Investment in the Sub-Fund is suitable only for persons who are in a position to take such a risk.

### **Risks associated with FDI**

#### **China Market Risks**

#### **Liquidity Risk**

#### **Legal, Tax and Regulatory Change Risk**

## **14. German Taxation**

Pursuant to Section 2(6) of the German Investment Tax Act 2018, the Sub-Fund is classified as an 'equity fund'. The Sub-Fund will be managed in such a way to ensure that the Sub-Fund continuously invests at least 50% of its Net Asset Value in equity and qualifies as an 'equity fund'. This classification is based on the rules defined under the German Investment Tax Act and reflects the amount of physical equity exposure held at the date of this Supplement.

**Dated: 1 October 2021**

## **Veritas Izoard Fund**

### **Supplement VI to the Prospectus dated 1 October 2021 for Veritas Funds plc**

This Supplement contains specific information in relation to the Veritas Izoard Fund (the “**Sub-Fund**”), a sub-fund of the Company which is an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds incorporated with limited liability in Ireland pursuant to the UCITS Regulations.

**This Supplement forms part of the Prospectus and should be read in the context of and together with the Prospectus including the general description of**

- **the Company and its management and administration**
- **its general management and fund charges**
- **the taxation of the Sub-Fund and of its Shareholders and**
- **its risk warnings**

**which is contained in the Prospectus dated 1 October 2021 for the Company and which is available from the Administrator at 30 Herbert Street, Dublin 2, Ireland.**

The Directors of the Company, whose names appear in the Prospectus under the heading "MANAGEMENT AND ADMINISTRATION", accept responsibility for the information contained in this Supplement. 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.

#### **1. Business Day**

Every day (except Saturday and Sunday) on which banks and stock exchanges are open for business in Dublin, London and New York.

#### **2. Dealing Day**

Every Business Day shall be a Dealing Day or such other day or days as the Directors may determine.

#### **3. Base Currency**

Dollar (US\$)

#### **4. Investment Objective and Policy**

##### *Investment objective*

The Sub-Fund is designed for long-term investors who wish to build capital over a minimum five year rolling period through investment in a portfolio of global companies.

##### *Investment policy*

The Sub-Fund aims to achieve its investment objectives by principally investing in equities issued by large capitalisation companies, irrespective of specific geographical location or sectoral focus listed or traded on Recognised Exchanges throughout the world. It is possible that investments may also be made in bonds where the Investment Manager's process and analysis, which focuses on equities,

identifies an opportunity for investment in bonds, should a bond present the possibility to give a better return than the equity identified. The extent of such investment by the Sub-Fund in bonds is therefore linked to the identification of an investment opportunity. The types of bonds in which the Sub-Fund may invest are described below.

The Sub-Fund will look to achieve long term growth of capital using an investment horizon of 5 years. It is suitable for institutional and sophisticated investors, who require a fund managed to the UCITS standard and to provide for long-term capital growth from a portfolio of securities consisting of global equities. The Sub-Fund's target will be to achieve a return on a compound annualised basis exceeding the OECD G7 Consumer Price Index plus 8%, over a five year rolling period. The Net Asset Value of the Sub-Fund is expected to have a high volatility from time to time due to the Sub-Fund's aim of investing in a highly concentrated and select group of global companies, identified through a bottom up stock picking approach and analysis by the Investment Manager.

The investment approach will be positioned towards identifying and investing in businesses, with visible persistence of growth, at reasonable valuations. High quality global companies are sought with particular focus to be paid to companies with sound business models, strong management and alignment with shareholders, and disciplined financial controls. It is envisaged that the Sub-Fund will hold between 8-25 equity positions, although these parameters may not be reached and may be exceeded should opportunities present themselves. Investments will generally be in what the Investment Manager considers to be large cap companies. The Investment Manager may consider investment in companies which are undergoing a corporate transition and which, in the opinion of the Investment Manager presents an opportunity for investment by the Sub-Fund. A corporate transition can occur when a company goes through strategic change for some reason, such as technological change or stress on some part of the business. This can result in the company, for example, diversifying, restructuring or a merger or acquisition.

Where the Sub-Fund invests in bonds, they may include convertible bonds with equity linked notes (which may contain embedded leverage), government or corporate bonds with a fixed and/or floating rate, which are listed or traded on a Recognised Exchange, subject to the investment restrictions listed below and in the Prospectus. The investment rating of those bonds will be investment grade.

Cash will be held as ancillary liquid assets. Cash may include deposits and short-term paper including treasury bills, certificates of deposit and bankers' acceptances.

Subject to the restrictions set out in the Regulations and in addition to any investments referred to above, the Sub-Fund's may invest in CIS for investment purposes where such CIS provide an exposure which is not inconsistent with the investment policy of the Sub-Fund. The Sub-Fund will invest no more than 10% of its Net Asset Value in other CIS.

The Sub-Fund may employ FDIs for investment, EPM and hedging purposes within the limits laid down by the Central Bank, as described below.

The Sub-Fund will not invest more than 20% of its net assets in securities listed or traded on Recognised Exchanges in emerging markets.

The Sub-Fund may, but is not required to invest in New Issues, consistent with the investment policy set out above. The rules relating to investing in New Issues are set out under the heading "Investment in New Issues" in the Prospectus and apply to the Sub-Fund.

The Sub-Fund is actively managed and not constrained to any benchmark.

*Financial Derivative Instruments*

In certain instances, it may be more appropriate operationally or more efficient to gain exposure to targeted investments referred to above synthetically rather than investing in such securities directly. In such instances, the Sub-Fund may employ FDI (specifically futures, options, equity swaps, total return swaps or FX forwards), subject to the conditions and within the limits laid down by the Central Bank.

The Sub-Fund may invest in or use FDI as disclosed in the section "Investment policy" above.

Please see the "Use of FDI" section in the Prospectus for a description of each of the FDI.

#### *Risk Management Process*

The Manager employs a risk management process in respect of the Sub-Fund which enables it to accurately measure, monitor and manage the risks associated with the Sub-Fund's FDI transactions.

The Manager will use the commitment approach to calculate the Sub-Fund's global exposure to ensure that the Sub-Fund's use of FDI is within the limits specified by the Central Bank. Where the commitment approach is used to calculate the global exposure no leverage arises.

### **5. Dividend**

The Directors intend that, for any Class that is intended to be a "reporting fund" for the purposes of United Kingdom taxation, the Sub-Fund will pay such dividends as may be required in order for that Class to be certified as a reporting fund.

### **6. Issue of Shares**

<b>Class</b>	<b>Currency</b>	<b>Currency Hedged Shares</b>	<b>Minimum Initial Subscription*</b>	<b>Minimum Subsequent Subscription*</b>	<b>Minimum Holding*</b>	<b>Dividend Policy</b>
<b>Dollar A Class</b>	<b>USD</b>	No	USD 1,500,000	USD 150,000	USD 1,500,000	Distributing
<b>Sterling A Class</b>	<b>GBP</b>	No	GBP 1,000,000	GBP 100,000	GBP 1,000,000	Distributing
<b>Euro A Class</b>	<b>EUR</b>	No	EUR 1,250,000	EUR 125,000	EUR 1,250,000	Distributing
<b>Dollar B Class</b>	<b>USD</b>	No	USD 1,500,000	USD 150,000	USD 1,500,000	Distributing
<b>Sterling B Class</b>	<b>GBP</b>	No	GBP 1,000,000	GBP 100,000	GBP 1,000,000	Distributing
<b>Euro B Class</b>	<b>EUR</b>	No	EUR 1,250,000	EUR 125,000	EUR 1,250,000	Distributing
<b>Dollar C Class</b>	<b>USD</b>	No	USD 1,500,000	USD 150,000	USD 1,500,000	Distributing
<b>Sterling C Class</b>	<b>GBP</b>	No	GBP 1,000,000	GBP 100,000	GBP 1,000,000	Distributing
<b>Euro C Class</b>	<b>EUR</b>	No	EUR 1,250,000	EUR 125,000	EUR 1,250,000	Distributing

The aggregate of an investor's investments in the Sub-Fund can be taken into account for the purposes of determining the minimum investment and holding amounts described above subject to the discretion of the Directors, in consultation with the Manager. Values stated are as outlined above, or their foreign currency equivalents. Where the amount subscribed is not equivalent to an exact number of Shares, fractions of Shares may be issued up to four decimal places.

\* subject to discretion of the Directors, in consultation with the Manager.

## 7. Application for Shares

The initial offer period for unlaunched Shares will be from 9 a.m. on 4 October 2021 to 5 p.m. on 1 April 2022. During the initial offer period, the initial offer price will be GBP 100, USD 100 and EUR 100 for each respective unlaunched Class. The initial offer period may be extended or shortened by the Directors and the Central Bank shall be notified of any such change. Please consult the Investment Manager for details of the unlaunched Classes.

All launched Classes of Shares are available at the Net Asset Value per Share of the relevant Class on a given Dealing Day. The Net Asset Value per Share is calculated to four decimal places.

The dealing deadline for applications for Shares shall be 11:00 am (Irish time) on the relevant Dealing Day (the “**Dealing Deadline**”). Applications for all Classes of Shares must be received by the Administrator by the Dealing Deadline. The procedures for applying for the Shares are set out in the Prospectus. A Sales Charge shall not be added to the initial issue price or Net Asset Value of the relevant Class.

## 8. Redemption of Shares

Applications for redemption of any Class of Shares on any Dealing Day must be received by the Administrator by the Dealing Deadline and will be dealt with on that Dealing Day. Applications for redemption received after the aforementioned time will be processed on the next following Dealing Day. The redemption price shall be the Net Asset Value per Share for the Sub-Fund calculated with respect to each Dealing Day as at the relevant Valuation Point. The redemption proceeds will normally be dispatched in the currency of the relevant Class of Shares within 3 Business Days of receipt of correct and faxed or electronically communicated redemption documentation by telegraphic transfer to the bank account designated by the Shareholder and in the name of the Shareholder at the time of initial application. The procedure for redeeming Shares is set out in the Prospectus.

A Redemption Charge shall not be imposed against A Class Shares. A Redemption Charge may be imposed against B and C Class Shares as set out below.

Due to the long investment horizon of the strategy for the Sub-Fund, a Redemption Charge will be applied to encourage Shareholders to maintain their holding in the Sub-Fund for a longer period of time, as follows:

B Class Shares – 0.35%; and

C Class Shares – 0.50%.

## 10. Switching of Shares

Shareholders can switch between Sub-Funds and Classes, if the Shareholder agrees to be subject to the minimum subscription, minimum holding and minimum subsequent subscription requirements and redemption terms of the relevant Sub-Fund or Class. Shareholders may switch some or all of their Shares in one Sub-Fund or Class to Shares in another Sub-Fund or Class in accordance with the Prospectus under the heading “Switching”.

If a Shareholder requests a switch which would, if effected, leave the Shareholder holding Shares having a Net Asset Value less than the minimum holding in the Sub-Fund from which Shares are to be switched the Company may, if it thinks fit, redeem the whole of the Shareholder’s holding in that Sub-Fund from which Shares are to be switched.

A switching charge shall not be imposed.



## **11. Fees**

The following fees and expenses are payable out of the Sub-Fund. Details of how the fees and expenses are accrued and paid as well as details of other general management and fund charges are set out in the Prospectus under the heading "CHARGES AND EXPENSES".

### **The Manager**

Details of the fee payable to the Manager under the Management Agreement in respect of the Sub-Fund are set out in the Prospectus.

### **The Depositary**

Details of the fee payable to the Depositary under the Depositary Agreement in respect of the Sub-Fund are set out in the Prospectus.

### **The Investment Manager**

The following fees are payable to the Investment Manager monthly in arrears:

<b>Share Class</b>	<b>Annual Fee (% of NAV, accruing as of each Valuation Point, plus VAT, if any)</b>
<b>A Classes</b>	1%
<b>B Classes</b>	0.65%
<b>C Classes</b>	0.50%

### **The Administrator**

Details of the fee payable to the Administrator under the Administration Agreement in respect of the Sub-Fund are set out in the Prospectus.

## **12. Investor Profile**

The Sub-Fund is suitable for institutional and sophisticated investors seeking long term capital growth for at least a 5 year period, who are prepared to accept a high level of volatility and who are aware of the risks associated with investing in a concentrated portfolio.

## **13. Risk Warnings**

Persons interested in purchasing Shares in the Sub-Fund should read the section headed "RISK WARNINGS" in the main body of the Prospectus and, in particular, the risk warnings listed below. Investment in the Sub-Fund is suitable only for persons who are in a position to take such a risk.

### **Concentration Risk**

### **Risks associated with FDI**

## **14. German Taxation**

Pursuant to Section 2(6) of the German Investment Tax Act 2018, the Sub-Fund is classified as an 'equity fund'. The Sub-Fund will be managed in such a way to ensure that the Sub-Fund continuously invests at least 50% of its Net Asset Value in equity and qualifies as an 'equity fund'. This classification

is based on the rules defined under the German Investment Tax Act and reflects the amount of physical equity exposure held at the date of this Supplement.

**Dated: 1 October 2021**

## **Veritas Third Eye Global Emerging Markets Fund**

### **Supplement VII to the Prospectus dated 1 October 2021 for Veritas Funds plc**

This Supplement contains specific information in relation to the Veritas Third Eye Global Emerging Markets Fund (the “**Sub-Fund**”), a sub-fund of the Company which is an umbrella type open-ended investment company with variable capital and segregated liability between sub-funds incorporated with limited liability in Ireland pursuant to the UCITS Regulations.

**This Supplement forms part of the Prospectus and should be read in the context of and together with the Prospectus including the general description of**

- **the Company and its management and administration**
- **its general management and fund charges**
- **the taxation of the Sub-Fund and of its Shareholders and**
- **its risk warnings**

**which is contained in the Prospectus dated 1 October 2021 for the Company and which is available from the Administrator at 30 Herbert Street, Dublin 2, Ireland.**

The Directors of the Company, whose names appear in the Prospectus under the heading “MANAGEMENT AND ADMINISTRATION”, accept responsibility for the information contained in this Supplement. 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.

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

#### **1. Business Day**

Every day (except Saturday and Sunday) on which banks and stock exchanges are open for business in Dublin, London and New York.

#### **2. Dealing Day**

Every Business Day shall be a Dealing Day or such other day or days as the Directors may determine.

#### **3. Base Currency**

US Dollars.

#### **4. Investment Objective and Policy**

##### *Investment objective*

The Sub-Fund is orientated towards and managed as an emerging markets proposition for long-term investors who wish to build capital over a period of 5-10 years through investment in a focused portfolio of companies incorporated in or exposed to emerging market economies worldwide.

##### *Investment Policy*

It is the policy of the Sub-Fund that the portfolio will be invested in equities of a relatively select group of superior companies (as determined by the Investment Manager through its stock selection process) which are either listed and/or domiciled in emerging economies, or, have a meaningful economic exposure to emerging markets. The Investment Manager may consider whether a company has a meaningful exposure to an emerging market based on several factors which may include its business strategy, particular assets in such markets, the degree to which the company relies on emerging

markets for its future growth and/or the contribution of revenues/earnings from such markets.

The investment approach is long term and is orientated towards investing in high quality businesses identified by the Investment Manager by means of a bottom up stock picking approach. The location of a company's stock exchange listing will have no bearing on this evaluation. The Investment Manager assesses businesses within the Sub-Fund's investment universe by applying demanding standards across various criteria in order to determine the most attractive investment opportunities as judged by the Investment Manager based on a total rate of return assessment over a horizon of at least 5 years. Criteria used for evaluation include, but are not limited to, the following (as judged by the Investment Manager):

- predictability and sustainability of the business model;
- possession of a distinctive competitive advantage which would be difficult to replicate;
- ability of the business to generate substantial free cash flow relative to capital employed;
- strength of corporate governance and alignment of company management with minority shareholders (e.g. judging management incentives which do not undermine shareholder rights and are aligned with long term value creation);
- capital allocation policies followed by company management (including strength of the balance sheet); and,
- attractiveness of valuations (e.g. free cash flow yields, prospective rates of return and net present value ("**NPV**") of earnings).

The application of the Investment Manager's investment approach is expected to result in a relatively concentrated portfolio of securities, which are either listed and/or domiciled in emerging markets or have a meaningful economic exposure to emerging markets. As a result, the performance of the Sub-Fund is likely to vary significantly from the markets in which it is invested or from the performance of commonly followed global equity indices. It is currently envisaged that the Sub-Fund will hold between 20 and 40 equity positions at any time, although these parameters may not be reached, and can be exceeded should the opportunities present themselves.

The Sub-Fund may, from time to time, have the entirety of its portfolio invested in securities which are listed and/or domiciled in emerging markets, subject to the availability of investment opportunities.

Investments may also be made in preferred equity securities, bonds and convertible bonds with equity linked notes, such bonds shall be government or corporate bonds with a fixed and/or floating rate and shall generally be investment grade. Such securities may embed FDI. It is not the current intention of the Sub-Fund that such investments will be made. The Sub-Fund will not invest in leveraged notes.

The assets of the Sub-Fund may, subject to the restrictions set out in the Regulations and in addition to any investments referred to above, include CIS, cash, deposits and short-term paper including treasury bills, certificates of deposit and bankers' acceptances. Cash and deposits will be held as ancillary liquid assets only. The Sub-Fund will invest no more than 10% of its Net Asset Value in other CIS.

The Sub-Fund may employ FDIs for investment, EPM and hedging purposes within the limits laid down by the Central Bank, as described below.

The Sub-Fund may, but is not required to invest in New Issues, consistent with the investment policy set out above. The rules relating to investing in New Issues are set out under the heading "Investment in New Issues" in the Prospectus and apply to the Sub-Fund.

Permitted investments of the Sub-Fund will be listed and/or traded on a Recognised Exchange (except for such other permitted investments of the Sub-Fund pursuant to and as permitted by the Regulations).

The Sub-Fund is actively managed and not constrained to any benchmark.

### *Investments in China*

The Sub-Fund may gain exposure to the equities issued by companies whose business or the business of their parent company is located or conducted primarily in the People's Republic of China ("**PRC**"). Such exposure is gained by entering into OTC derivative arrangements (such as swaps) with and acquiring warrants, notes or similar equity linked securities or instruments issued by institutions that have obtained Qualified Foreign Institutional Investor ("**QFII**") status through which the Sub-Fund can gain exposure indirectly to the China A Share market. Examples of the notes or similar equity linked securities or instruments are listed P-Notes and warrants. These will be fully financed positions and so have no leverage or finance elements.

The Sub-Fund may also gain exposure to certain equities listed on mainland China stock exchanges via Hong Kong through the market access programme through which foreign investors can deal in select China A Shares ("**Stock Connect**"). The transaction may be executed by entering into an agreement to acquire a participatory note or warrant issued by a counterparty or directly via the Special Segregated Account Model ("**SPSA**"). The SPSA model is a method whereby brokers set up an account under Stock Connect to settle and safekeep China A Shares. The securities do not need to be pre-delivered under the SPSA model and cash is received upon settlement.

### *Investments in India*

The Sub-Fund may invest in listed Indian P Notes. Such exposure is gained by entering into arrangements with and acquiring notes or similar equity linked securities or instruments issued by institutions that have obtained Foreign Institutional Investor (FII) status through which the Sub-Fund can gain exposure indirectly to the Indian securities market. Examples of the notes or similar equity linked securities or instruments are listed P Notes and warrants. These will be fully financed positions and so have no leverage or finance elements. The Sub-Fund may, pursuant to a Foreign Portfolio Investor ("**FPI**") license under Category II of the Indian FPI regulations, invest directly in Indian securities issued by Indian issuers.

### *Financial Derivative Instruments*

In certain instances, it may be more appropriate operationally or more efficient to gain exposure to targeted investments referred to above synthetically rather than investing in such securities directly. In such instances, the Sub-Fund may employ FDI (specifically futures, options, equity swaps or FX forwards), subject to the conditions and within the limits laid down by the Central Bank.

The Sub-Fund may invest in or use FDI as disclosed in the section "Investment policy" above.

Please see the "Use of FDI" section in the Prospectus for a description of each of the FDI.

It is the intention of the Sub-Fund that the currency exposures arising from individual securities are generally unhedged but in exceptional circumstances, the Sub-Fund may undertake currency hedging.

### *Risk Management Process*

The Manager employs a risk management process in respect of the Sub-Fund which enables it to accurately measure, monitor and manage the risks associated with the Sub-Fund's FDI transactions.

The Manager will use the commitment approach to calculate the Sub-Fund's global exposure to ensure that the Sub-Fund's use of FDI is within the limits specified by the Central Bank. Where the commitment approach is used to calculate global exposure, its global exposure cannot be greater than its NAV and as such no leverage above 100% of the Net Asset Value of the Sub-Fund arises.

## 5. Dividend

The Directors intend that, for any Class that is intended to be a “reporting fund” for the purposes of United Kingdom taxation, the Sub-Fund will pay such dividends as may be required in order for that Class to be certified as a reporting fund. Shareholders of Shares described as accumulating Class Shares will not receive payment in respect of any such distribution or dividend.

## 6. Issue of Shares

Class	Currency	Currency Hedged Shares	Minimum Initial Subscription*	Minimum Subsequent Subscription*	Minimum Holding*	Dividend Policy
Dollar A Class	USD	No	USD 50,000	USD 20,000	USD 50,000	Distributing
Sterling A Class	GBP	No	GBP 30,000	GBP 15,000	GBP 30,000	Distributing
Euro A Class	EUR	No	EUR 50,000	EUR 20,000	EUR 50,000	Distributing
Dollar A – Accumulation Class	USD	No	USD 50,000	USD 20,000	USD 50,000	Accumulating
Sterling A – Accumulation Class	GBP	No	GBP 30,000	GBP 15,000	GBP 30,000	Accumulating
Euro A – Accumulation Class	EUR	No	EUR 50,000	EUR 20,000	EUR 50,000	Accumulating
Dollar B Class	USD	No	USD 10,000	USD 10,000	USD 10,000	Distributing
Sterling B Class	GBP	No	GBP 7,000	GBP 7,000	GBP 7,000	Distributing
Euro B Class	EUR	No	EUR 10,000	EUR 10,000	EUR 10,000	Distributing
Dollar B – Accumulation Class	USD	No	USD 10,000	USD 10,000	USD 10,000	Accumulating
Sterling B – Accumulation Class	GBP	No	GBP 7,000	GBP 7,000	GBP 7,000	Accumulating
Euro B – Accumulation Class	EUR	No	EUR 10,000	EUR 10,000	EUR 10,000	Accumulating
Dollar C Class	USD	No	USD 30,000,000	USD 150,000	USD 30,000,000	Accumulating
Sterling C Class	GBP	No	GBP 20,000,000	GBP 100,000	GBP 20,000,000	Accumulating
Euro C Class	EUR	No	EUR 30,000,000	USD 150,000	EUR 30,000,000	Accumulating

The aggregate of an investor’s investments in the Sub-Fund can be taken into account for the purposes of determining the minimum investment and holding amounts described above subject to the discretion of the Directors, in consultation with the Manager. Values stated are as outlined above, or their foreign currency equivalents. Where the amount subscribed is not equivalent to an exact number of Shares, fractions of Shares may be issued up to two decimal places.

\* subject to discretion of the Directors, in consultation with the Manager.

## **7. Application for Shares**

The initial offer period for unlaunched Shares will be from 9 a.m. on 4 October 2021 to 5 p.m. on 1 April 2022. During the initial offer period, the initial offer price will be GBP 100, USD 100 and EUR 100 for each respective unlaunched Class. The initial offer period may be extended or shortened by the Directors and the Central Bank shall be notified of any such change. Please consult the Investment Manager for details of the unlaunched Classes.

All launched Classes of Shares are available at the Net Asset Value per Share of the relevant Class on a given Dealing Day. The Net Asset Value per Share is calculated to two decimal places.

The dealing deadline for applications for Shares shall be 11:00 am (Irish time) on the relevant Dealing Day (the **"Dealing Deadline"**). Applications for all Classes of Shares must be received by the Administrator by the Dealing Deadline. The procedures for applying for the Shares are set out in the Prospectus. A Sales Charge shall not be added to the initial issue price or Net Asset Value of the relevant Class.

## **8. Redemption of Shares**

Applications for redemption of any Class of Shares on any Dealing Day must be received by the Administrator by the Dealing Deadline and will be dealt with on that Dealing Day. Applications for redemption received after the aforementioned time will be processed on the next following Dealing Day. The redemption price shall be the Net Asset Value per Share for the Sub-Fund calculated with respect to each Dealing Day as at the relevant Valuation Point. The redemption proceeds will normally be dispatched in the currency of the relevant Class of Shares within 3 Business Days of receipt of correct and faxed or electronically communicated redemption documentation by telegraphic transfer to the bank account designated by the Shareholder and in the name of the Shareholder at the time of initial application. A Redemption Charge shall not be imposed against each redemption Share. The procedure for redeeming Shares is set out in the Prospectus.

## **9. Switching of Shares**

Shareholders can switch between Sub-Funds and Classes, subject to the minimum subscription, minimum holding and minimum subsequent subscription requirements of the relevant Sub-Fund or Class. Shareholders may switch some or all of their Shares in one Sub-Fund or Class to Shares in another Sub-Fund or Class and if another Class in accordance with the Prospectus under the heading "Switching".

If a Shareholder requests a switch which would, if effected, leave the Shareholder holding Shares having a Net Asset Value less than the minimum holding in the Sub-Fund from which Shares are to be switched the Company may, if it thinks fit, redeem the whole of the Shareholder's holding in that Sub-Fund from which Shares are to be switched.

A switching charge shall not be imposed.

## **10. Fees**

The following fees and expenses are payable out of the Sub-Fund. Details of how the fees and expenses are accrued and paid as well as details of other general management and fund charges are set out in the Prospectus under the heading "CHARGES AND EXPENSES".

### **The Manager**

Details of the fee payable to the Manager under the Management Agreement in respect of the Sub-Fund are set out in the Prospectus.

## **The Depositary**

Details of the fee payable to the Depositary under the Depositary Agreement in respect of the Sub-Fund are set out in the Prospectus.

## **The Investment Manager**

The following fees are payable to the Investment Manager monthly in arrears:

<b>Share Class</b>	<b>Annual Fee (% of NAV, accruing as of each Valuation Point, plus VAT, if any)</b>
<b>A Classes</b>	1%
<b>A Accumulation Classes</b>	1%
<b>B Classes</b>	1.5%
<b>B Accumulation Classes</b>	1.5%
<b>C Classes</b>	0.85%

## **The Administrator**

Details of the fee payable to the Administrator under the Administration Agreement in respect of the Sub-Fund are set out in the Prospectus.

### **11. Investor Profile**

The Sub-Fund is suitable for institutional and sophisticated investors seeking capital growth over a 5 to 10 year period who are prepared to accept a moderate to high level of volatility and who fully understand the risks associated with investing in emerging economies through a relatively concentrated portfolio, including but not limited to geopolitical risk, governance standards as well as quoted asset price volatility.

### **12. Risk Warnings**

Persons interested in purchasing Shares in the Sub-Fund should read the section headed "RISK WARNINGS" in the main body of the Prospectus and, in particular, the risk warnings listed below. Investment in the Sub-Fund is suitable only for persons who are in a position to take such a risk.

#### **Emerging Markets Risk**

#### **Risks associated with FDI**

#### **China Market Risks**

#### **Risks linked with dealing in securities in India pursuant to a FPI license**

### **13. Establishment Costs**

The cost of establishing the Sub-Fund, such as legal and listing fees, did not exceed £10,000, and are being borne by the Sub-Fund and will be amortised over the first five accounting periods of the Sub-Fund.

### **16. German Taxation**

Pursuant to Section 2(6) of the German Investment Tax Act 2018, the Sub-Fund is classified as an



'equity fund'. The Sub-Fund will be managed in such a way to ensure that the Sub-Fund continuously invests at least 50% of its Net Asset Value in equity and qualifies as an 'equity fund'. This classification is based on the rules defined under the German Investment Tax Act and reflects the amount of physical equity exposure held at the date of this Supplement.

**Dated: 1 October 2021**