



PGIM FUNDS PLC

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

PROSPECTUS

INVESTMENT MANAGER

PGIM, INC.

[Dated 18 January 2016]

INTRODUCTION

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

Authorisation by the Central Bank of Ireland

The Company has been authorised by the Central Bank of Ireland (the “Central Bank”) as an “Undertaking for Collective Investment in Transferable Securities” (“UCITS”) under the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (“UCITS Regulations”) and has been established as an umbrella fund with segregated liability between Funds and will comply with the UCITS Regulations. Authorisation by the Central Bank does not constitute a warranty by the Central Bank as to the performance of the Company and the Central Bank will not be liable for the performance or default of the Company.

Authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus.

This Prospectus (which term will include a reference to any Supplement hereto) provides information about the Company and the Funds. Prospective investors are required as part of the Subscription Agreement to confirm they have read and understood it. It contains information which prospective investors ought to know before investing in the Company and should be retained for future reference. Further copies may be obtained from the Company or from a Distributor, at their respective addresses set out in the “Directory”. Copies of the most recent annual and semi-annual report of the Company are available free of charge on request.

Shares in the Company are offered only on the basis of the information contained in this Prospectus and the documents referred to herein. Any further information or representations given or made by any dealer, broker or other person should be disregarded and, accordingly, should not be relied upon. No person has been authorised to give any information or to make any representation other than those contained in the KIID, this Prospectus, each relevant Supplement and, if given or made, such information or representation must not be relied upon as having been authorised. This Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any such Shares other than the Shares to which it relates or an offer to sell or the solicitation of an offer to buy such Shares by any person in any circumstances in which such offer or solicitation is unlawful. Neither the delivery of this Prospectus or the relevant Supplements nor the issue of Shares will, under any circumstances, create any implication that the affairs of the Company have not changed since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Directors of PGIM Funds plc (the “Company”) whose names appear in the “Directory” of the Prospectus accept responsibility for the information contained in this Prospectus. 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 Prospectus is in accordance with the facts and does not omit any material information likely to affect the import of such information. This Prospectus may be translated into other languages provided that such translation will be a direct translation of the English text and in the event of a dispute, the English language version will prevail. All disputes as to the terms thereof will be governed by, and construed in accordance with, the laws of Ireland.

The Company is an “umbrella fund” enabling investors to choose between one or more investment objectives by investing in one or more separate Funds offered by the Company. It is intended that each Fund will have segregated liability from the other Funds and that the Company will not be liable as a whole to third parties for the liability of each Fund. However, investors should note the risk factor “Company’s Liabilities” under “Risk Considerations” below. A separate pool of assets will not be maintained for each Class. As of the date of this Prospectus, the Company is offering Shares in the Fund described in the most recent Supplements in force at the date of this Prospectus. The Directors may from time to time decide to offer, with the prior approval of the Central Bank, additional separate Funds and, with prior notice to and clearance from the Central Bank,

additional classes of Shares in existing Funds. In such an event, this Prospectus will be updated and amended so as to include detailed information on the new Funds and/or classes, and/or a separate Supplement or addendum with respect to such Funds and/or classes will be prepared. Such updated and amended Prospectus or new separate Supplement or addendum will not be circulated to existing Shareholders except in connection with their subscription for Shares of such Funds.

Investors may, subject to applicable law, invest in any Fund offered by the Company. Investors should choose the Fund that best suits their specific risk and return expectations as well as their diversification needs and are encouraged to seek independent advice in that regard. A separate pool of assets will be maintained for each Fund and will be invested in accordance with the investment policy applicable to the relevant Fund in seeking to achieve its investment objective. The Net Asset Value and the performance of the Shares of the different Funds and classes thereof are expected to differ. It should be remembered that the price of Shares and the income (if any) from them may fall as well as rise and there is no guarantee or assurance that the stated investment objective of a Fund will be achieved.

The maximum redemption charge which may be imposed is 3% of the Net Asset Value of the Shares being redeemed in addition to any adjustments to a Fund's Net Asset Value caused by swing pricing.

DISTRIBUTION AND SELLING RESTRICTIONS

The distribution of this Prospectus and the offering of the Shares is restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in a jurisdiction where to do so is unlawful or the person making the offer or solicitation is not qualified to do so or a person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself or herself about and to observe all applicable laws and regulations of relevant jurisdictions. Investors should inform themselves and should take appropriate advice on the legal requirements as to possible tax consequences, foreign exchange restrictions and/or exchange control requirements that they might encounter under the laws of the countries of their citizenship, residence, or domicile and that might be relevant to the subscription, purchase, holding, exchange, redemption or disposal of Shares of a Fund.

Switzerland

The Company has not been approved by the Swiss Financial Market Supervisory Authority (FINMA) as a foreign collective investment scheme pursuant to Article 120 of the Swiss Collective Investment Schemes Act of June 23, 2006 ("**CISA**"). Consequently, the Shares may not be distributed in or from Switzerland to non-qualified investors within the meaning of the CISA or otherwise in any manner that would constitute a public offering within the meaning of the Swiss Code of Obligations ("**CO**"). The Shares will not be listed on the SIX Swiss Exchange ("**SIX**") or on any other stock exchange or regulated trading facility in Switzerland. This Prospectus has been prepared without regard to the disclosure standards for issuance prospectuses under the CISA, Article 652a or 1156 CO or the listing rules of SIX or any other exchange or regulated trading facility in Switzerland and therefore does not constitute a prospectus within the meaning of the CISA, Article 652a or 1156 CO or the listing rules of SIX or any other exchange or regulated trading facility in Switzerland. The Shares may not be publicly offered (as such term is defined in the CO) in Switzerland and may only be distributed in or from Switzerland to qualified investors (as such term is defined by the CISA and its implementing ordinance). Neither this Prospectus nor any other offering or marketing material relating to the Company or the Shares may be distributed to non-qualified investors within the meaning of the CISA in or from Switzerland or made available in Switzerland in any manner which would constitute a public offering within the meaning of the CO and all other applicable laws and regulations in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Company or the Shares have been or will be filed with, or approved by, any Swiss regulatory authority. The investor protection afforded to investors of interests in collective investment schemes under the CISA does not extend to acquirers of the Shares.

United States

The Shares offered hereunder have not been and will not be registered under the 1933 Act for offer or sale as part of their distribution and the Company has not been and will not be registered under the 1940 Act. The Shares offered hereby have not been approved or disapproved by the SEC or by the securities regulatory authority of any US state.

The offering and sale of the Shares to Non-US Persons will be exempt from registration pursuant to Regulation S promulgated under the 1933 Act. Any purchaser of Shares that is a US Person must be a "qualified purchaser" as defined in the 1940 Act and the rules promulgated thereunder and an "accredited investor" as defined in Regulation D under the 1933 Act.

Pursuant to an exemption from the U.S. Commodity Futures Trading Commission (the "**CFTC**") in connection with pools whose participants are limited to qualified eligible persons, an offering memorandum for the Company or a Fund is not required to be, and has not been, filed with the CFTC. The CFTC does not pass upon the merits of participating in a pool or upon the adequacy or accuracy of an offering memorandum. Consequently, the CFTC has not reviewed or approved this offering or any offering memorandum for the Company or any Fund.

While a Fund may trade commodity interests, with respect to each Fund, the Investment Manager is exempt from the obligations of a U.S. Commodity Futures Trading Commission commodity pool operator ("**CPO**") pursuant to CFTC Rule 4.13(a)(3). Therefore, unlike a non-exempt CPO, the Investment Manager is not required to deliver a CFTC disclosure document to prospective Shareholders, nor is it required to provide Shareholders with certified annual reports that satisfy the requirements of CFTC rules applicable to non-exempt CPOs.

With respect to each Fund (and as a result, the Company), the Investment Manager qualifies for the exemption under CFTC rule 4.13(a)(3) on the basis that, among other things, (i) each Shareholder is a "qualified eligible person", as defined under rule 4.7(a)(2) of the U.S. Commodity Exchange Act, as amended, or an "Accredited Investor", as defined under U.S. Securities and Exchange Commission (the "**SEC**") rules; (ii) the Shares are exempt from registration under the 1933 Act and are offered and sold without marketing to the public in the United States; (iii) participations in the each Fund are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets; and (iv) at all times that each Fund establishes a commodity interest or securities futures position, either (a) the aggregate initial margin and premiums required to establish such positions will not exceed 5% of the liquidation value of each Fund's portfolio, respectively; or (b) the aggregate net notional value of each Fund's commodity interest and security futures positions will not exceed 100% of the liquidation value of that Fund's portfolio, respectively.

Should the Investment Manager determine in the future that it will no longer rely on CFTC rule 4.13(a)(3), the Investment Manager will instead claim an exemption from certain of the CFTC's disclosure, reporting and record-keeping requirements applicable to registered CPOs pursuant to CFTC Rule 4.7.

You should also be aware that a Fund may trade futures or options contracts. Transactions on markets located outside the United States, including markets formally linked to a United States market, may be subject to regulations which offer different or diminished protection to this pool and its participants. Further, United States regulatory authorities may be unable to compel the enforcement of the rules of regulatory authorities or markets in non-U.S. jurisdictions where transactions for this pool may be effected.

Entities subject to the U.S. Employee Retirement Income Security Act of 1974, as amended, generally may not purchase Shares of a Fund.

Notwithstanding anything to the contrary herein, each Shareholder (and each employee, representative, or other agent of such Shareholder) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of (i) the Company and/or a Fund and (ii) any their respective transactions, and all materials of any kind (including opinions or other tax analyses) that are provided to the Shareholder relating to such tax treatment and tax structure, it being understood that "tax treatment" and "tax structure" do not include the name or identifying information of (i) the Company or any Fund, or (ii) the parties to a transaction.

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DIRECTORY

PGIM Funds plc

Registered Office
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Dublin 2
Ireland

Directors:

Denis Chatterton
Peter Cordrey
Frank Connolly
Vincent Dodd
Dina Santoro
Kenneth Moore

Investment Manager:

PGIM, Inc.
655 Broad Street
19th Floor
Newark
New Jersey 07102
United States of America

Auditors:

Deloitte and Touche
Chartered Accountants
Earlsfort Terrace
Dublin 2
Ireland

Secretary:

Matsack Trust Limited
70 Sir John Rogerson's Quay
Dublin 2
Ireland

Distributor:

PGIM Limited
Grand Buildings
1-3 Strand
Trafalgar Square
London WC2N 5HR
United Kingdom

Administrator, Registrar and Transfer Agent:

State Street Fund Services (Ireland) Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Custodian:

State Street Custodial Services (Ireland)
Limited
78 Sir John Rogerson's Quay
Dublin 2
Ireland

Legal Advisors:

Matheson
70 Sir John Rogerson's Quay
Dublin 2
Ireland

Listing Agent:

Matheson
70 Sir John Rogerson's Quay
Dublin 2
Ireland

DEFINITIONS

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

“1933 Act”	means the U.S. Securities Act of 1933, as amended;
“1940 Act”	means the U.S. Investment Company Act of 1940, as amended;
“Additional Subscription Agreement”	means the additional subscription agreement to be completed and signed by an existing Shareholder seeking to subscribe for additional Shares in such form as is approved by the Company or Investment Manager from time to time;
“Administrator”	means State Street Fund Services (Ireland) Limited or such other company in Ireland for the time being appointed as administrator by the Company as successor thereto, in accordance with the requirements of the Central Bank;
“Administrative Services Agreement”	means the agreement dated 27 November 2013, between the Company and the Administrator, pursuant to which the Administrator was appointed administrator of the Company;
“Advisers Act”	means the U.S. Investment Advisers Act of 1940, as amended;
“Articles”	means the Articles of Association of the Company;
“Base Currency”	means the base currency of a Fund, being USD unless otherwise determined by the Directors and disclosed in a Supplement;
“Benefit Plan Investor”	means a “benefit plan investor” as defined in Section 3(42) of ERISA and any regulations promulgated by the US Department of Labor thereunder, being “employee benefit plans” as defined in Section 3(3) of ERISA that are subject to Title I of ERISA, “plans” that are subject to the prohibited transaction provisions of Section 4975 of the Code, and entities the assets of which are treated as “plan assets” under Section 3(42) of ERISA and any regulations promulgated thereunder;
“Business Day”	means, in relation to each Fund, such day as is defined in each Supplement;
“Central Bank”	means the Central Bank of Ireland;
“CFTC”	means the U.S. Commodity Futures Trading Commission;
“Class” or “Classes”	means any class or classes of Shares established by the Company in respect of any Fund;
“Class Currency”	means the currency in which a Share class is designated;
“Class Expenses”	means any expenses attributable to a specific class including legal fees, marketing expenses (including tax reporting expenses) and the expenses of registering a class in any jurisdiction or with any stock exchange, regulated market or settlement system and such other expenses arising from such registration;
“Code”	means the U.S. Internal Revenue Code of 1986, as amended;

“Company”	means PGIM Funds plc, an investment company with variable capital, incorporated in Ireland pursuant to the Companies Acts;
“Commodity Exchange Act”	means the U.S. Commodity Exchange Act, as amended;
“Custodian”	means State Street Custodial Services (Ireland) Limited or such other company in Ireland as may for the time being be appointed as custodian of the assets of the Company as successor thereto in accordance with the requirements of the Central Bank;
“Custody Services Agreement”	means the agreement dated 27 November 2013 between the Company and the Custodian, pursuant to which the Custodian was appointed custodian of the Company;
“Dealing Day”	means, in relation to each Fund, such day as is defined in each Supplement;
“Declaration”	means a valid declaration in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D of the Taxes Act;
“Directors”	means the directors of the Company for the time being and any duly constituted committee thereof;
“Distribution Agreement”	means the agreement between the Company and PGIM Limited dated 19 November 2013 pursuant to which the Distributor is appointed to act as the Company’s distributor on a non-exclusive basis, as may be amended from time to time, on the terms and subject to the conditions contained therein and such other distribution agreements as may be entered into by the Company from time to time;
“Distributor”	means PGIM Limited and/or such other companies as may from time to time be appointed as distributor or sub-distributor to the Company, in accordance with the requirements of the Central Bank;
“Duties and Charges”	means in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange spreads, interest, custodian or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Fund or the creation, issue, sale, conversion or redemption of Shares or the sale or purchase of investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, which, for the avoidance of doubt, includes, when calculating subscription and redemption prices, any provision for spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the NAV and the price at which such assets were bought as a result of a subscription and sold as a result of a redemption), but will not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the NAV of Shares in the relevant Fund;
“ERISA”	means the Employee Retirement Income Security Act of 1974, as amended;

“ESMA”	means the European Securities and Markets Authority;
“EU”	means the European Union;
“EU Member State”	means a member state of the EU;
“euro” or “€”	means the unit of the European single currency;
“Exempt Investor”	means certain Irish Residents as described under <i>“Taxation of exempt Irish shareholders”</i> in the “Taxation” section below;
“Fund” or “Funds”	means a distinct portfolio of assets established by the Directors (with the prior approval of the Central Bank) constituting in each case a separate fund represented by one or more Classes of Shares with segregated liability from the other Funds and invested in accordance with the investment objective and policies applicable to such fund as specified in the relevant Supplement;
“Hedged Class” or “Hedged Classes”	means any Class or Classes of a Fund in respect of which currency hedging will be implemented as set out in a Supplement;
“Intermediary”	means a person who: <ul style="list-style-type: none"> (a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons, or (b) holds shares in an investment undertaking on behalf of other persons;
“Investment Manager”	means PGIM, Inc. or such other company for the time being appointed as investment manager by the Company as successor thereto in accordance with the requirements of the Central Bank. In addition, where the investment manager has appointed a sub-investment manager of a Fund, “Investment Manager” also means such Sub-Investment Manager in relation to such Fund;
“Investment Management Agreement”	means the agreement dated 14 November 2013 between the Company and the Investment Manager, pursuant to which the latter acts as investment manager in relation to the assets of the Company;
“Irish Resident”	means, unless otherwise determined by the Directors, any company resident, or other person resident or ordinarily resident, in Ireland for the purposes of Irish tax. Please see the “Taxation” section below;
“IRS”	means the US Internal Revenue Service, the U.S. government agency responsible for tax collection and tax law enforcement;
“Irish Revenue Commissioners”	means the Irish authority responsible for taxation and customs duties;
“Irish Stock Exchange”	means The Irish Stock Exchange plc;
“Jennison”	means Jennison Associates LLC, a wholly-owned subsidiary of Pramerica Financial;
“KIID”	means key investor information document;

“Net Asset Value” or “NAV”	means the Net Asset Value of the Company, or of a Fund, as appropriate, calculated as described herein;
“Net Asset Value per Share” or “NAV per Share”	means the Net Asset Value per Share of each Class of Shares of a Fund calculated as described herein;
“OECD”	means the Organisation for Economic Co-Operation and Development, whose members as at the date of this Prospectus are Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and the U.S.;
“Ordinary Resolution”	means a resolution passed by a simple majority of the votes cast by Shareholders entitled to attend and vote at general meetings of the Company or on matters affecting the relevant class of Shares, as the case may be;
“PGIM”	means PGIM, Inc. (formerly operating under the trading name of Pramerica Investment Management), a wholly-owned subsidiary of Pramerica Financial;
“PGIM Fixed Income”	means a global asset manager primarily focused on public fixed income investments, whose United States business operates as a unit within the Investment Manager and whose UK business operates as a unit within PGIM Limited. ;
“PGIM Limited”	means PGIM Limited (formerly known as Pramerica Investment Management Limited), is an indirect, wholly-owned subsidiary of the Investment Manager;
“Pramerica Financial”	means the trading name of Prudential Financial, Inc. of the United States. Pramerica Financial is not affiliated in any manner with Prudential plc, a company incorporated in the United Kingdom;
“Pramerica Real Estate Investors”	means the real estate investment advisory unit of the Investment Manager, which is an internal organizational division within the Investment Manager;
“Prospectus”	means this document, any Supplement or addendum designed to be read and construed together with and to form part of this document and the Company's most recent annual and semi-annual report and accounts (if issued);
“QMA”	means Quantitative Management Associates LLC, a wholly-owned subsidiary of Pramerica Financial;
“Recognised Market”	means such markets as are set out in Appendix B hereto;
“Redemption Application”	means an application by a Shareholder to the Company and/or the Administrator requesting that Shares of a Fund be redeemed in such form as is approved by the Company or Investment Manager from time to time;
“Redemption Cut-Off Time”	means, in relation to a Fund, such time as will be specified in a Supplement;
“Section 739B”	means Section 739B of TCA;

“SEC”	means the U.S. Securities and Exchange Commission;
“Share” or “Shares”	means a share or shares of any class in the Company or a Fund, as the context so requires;
“Shareholder”	means a holder of Shares;
“Sub-Investment Manager”	means any entity appointed as sub-investment manager in relation to a Fund including, without limitation, QMA, Jennison and PGIM Limited, each of which will have full power and discretionary authority on behalf and for the account of the Company to manage and invest the cash and other assets of a Fund;
“Subscription Agreement”	means the subscription agreement to be completed and signed by an existing Shareholder seeking to subscribe for Shares in such form as is approved by the Company or Investment Manager from time to time;
“Subscription Cut-Off Time”	means, in relation to a Fund, such time as will be specified in a Supplement;
“Supplement”	means a document which contains specific information in relation to a particular Fund and any addenda thereto;
“tranche”	means the Shares issued in one or more Classes which represent a separate Fund;
“TCA” or “Taxes Act”	means the Irish Taxes Consolidation Act 1997, as amended from time to time;
“UCITS”	means an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;
“UCITS Regulations”	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015, as may be amended from time to time and all applicable Central Bank regulations made or conditions imposed or derogations granted thereunder as may be amended from time to time;
“U.S.” or “United States”	means the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
“USD” or “US\$”	means U.S. Dollars, the lawful currency of the U.S.;
“U.S. Person”	has such meaning as is set out in Appendix A hereto;
“Valuation Day”	means, in relation to a Fund, such day as will be specified in a Supplement; and
“Valuation Point”	means, in relation to a Fund, such time as will be specified in the relevant Supplement.

THE COMPANY

The Company is an open-ended investment company with variable capital incorporated in Ireland on 18 July 2013 under the laws of Ireland as a public limited company pursuant to the Companies Acts under registration number 530399 and is authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations. The object of the Company, as set out in Clause 2 of its Memorandum and Articles of Association, is the collective investment of capital raised from the public in transferable securities and/or in other liquid financial assets in accordance with the UCITS Regulations operating on the principle of risk spreading.

The Company is organised in the form of an umbrella fund with segregated liability between Funds. The Articles provide that the Company may offer separate Funds. Each Fund will have a distinct portfolio of investments. The Company has obtained the approval of the Central Bank for the establishment of the Funds set out below. Information specific to a Fund will be set out in a separate Supplement.

Funds of the Company
PGIM US Corporate Bond Fund
PGIM Global Corporate Bond Fund
PGIM European High Yield Bond Fund
PGIM Emerging Market Local Currency Debt Fund
PGIM Emerging Market Corporate Bond Fund
PGIM Global Total Return Fund
PGIM Jennison Global Equity Opportunities Fund
PGIM QMA Global Select Core Equity Fund
PGIM Global Real Estate Securities Fund

With the prior approval of the Central Bank, the Company from time to time may create an additional Fund or Funds, the investment policies and objectives for which will be outlined in a Supplement, together with details of the initial offer period, the initial subscription price for each Share and such other relevant information in relation to the additional Fund or Funds as the Directors may deem appropriate, or the Central Bank requires, to be included. Each Supplement will form part of, and should be read in conjunction with, this Prospectus. In addition, the Company may create additional Classes of Shares within a Fund to accommodate different terms, including different charges and/or fees and/or brokerage arrangements provided that the Central Bank is notified in advance, and gives prior clearance, of the creation of any such additional Class of Shares.

Under the Articles, the Directors are required to establish a separate Fund, with separate records, for each tranche of Shares in the following manner:

- (a) For each tranche of Shares the Company will keep separate books in which all transactions relating to the relevant Fund will be recorded and, in particular, the proceeds from the allotment and issue of Shares of each such tranche, the investments and liabilities and income and expenditure attributable thereto will be applied or charged to such Fund subject to the below;
- (b) Any assets derived from any other asset (whether cash or otherwise) comprised in any Fund will be applied in the books of the Company to the same Fund as the asset from which it was derived and any increase or diminution in the value of such an asset will be applied to the relevant Fund;
- (c) In the event that there are any assets of the Company which the Directors do not consider are readily attributable to a particular Fund or Funds, the Directors will allocate such assets to and among any one or more of the Funds in such manner and on such basis as they, in their discretion, deem fair and equitable; and the Directors will have the power to and may at any time and from time to time vary such basis in respect of assets not previously allocated;
- (d) Each Fund will be charged with the liabilities, expenses, costs, charges or reserves of the Company in respect of or attributable to that Fund and any such liabilities, expenses, costs, charges or reserves of the Company not readily attributable to any particular Fund or Funds will be allocated and charged by the

Directors in such manner and on such basis as the Directors in their discretion deem fair and equitable, and the Directors will have the power to and may at any time and from time to time vary such basis;

- (e) If, as a result of a creditor proceeding against certain of the assets of the Company or otherwise, a liability, expense, cost, charge or reserve would be borne in a different manner from that in which it has been borne under paragraph (d) above, or in any similar circumstances, the Directors may, with the consent of the Custodian, transfer in the books and records of the Company any assets to and from any of the Funds;
- (f) Subject as otherwise in the Articles provided, the assets held in each Fund will be applied solely in respect of the Shares of the tranche to which such Fund appertains and will belong exclusively to the relevant Fund and will not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and will not be available for any such purpose.

Pursuant to Irish law, the Company should not be liable as a whole to third parties and there should not be the potential for cross contamination of liabilities between Funds. However, there can be no categorical assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of a Fund will be upheld.

INVESTMENT OBJECTIVES AND POLICIES

A Fund will invest in transferable securities and/or other liquid assets listed or traded on Recognised Markets and, to the limited extent specified in the relevant Supplement, in units/shares of other investment funds, all in accordance with the investment restrictions described in Appendix D “Investment Restrictions” below and as articulated in the relevant Supplement.

In addition, and to the extent only that the Investment Manager or relevant Sub-Investment Manager deems consistent with the investment policies of a Fund, a Fund may utilise for the purposes of efficient portfolio management, the investment techniques and instruments described in Appendix C. Such investment techniques and instruments may include financial derivative instruments. To the extent only that the Investment Manager or relevant Sub-Investment Manager deems consistent with the investment policies of a Fund, and in accordance with the requirements of the Central Bank, a Fund may also utilise financial derivative instruments for investment purposes. The Investment Manager or relevant Sub-Investment Manager will employ a risk management process which will enable it to accurately measure, monitor and manage the risks attached to financial derivative instruments, and details of this process have been provided to the Central Bank. The Investment Manager or relevant Sub-Investment Manager will not utilise financial derivative instruments which have not been included in the risk management process until such time as a revised risk management process has been submitted and approved by the Central Bank.

Each Fund may invest in other collective investment schemes. The Investment Manager or Sub-Investment Manager will only invest in closed ended collective investment schemes where it believes that such investment will not prohibit the Fund from providing the level of liquidity to Shareholders referred to in this Prospectus and each relevant Supplement. The closed ended collective investment schemes in which a Fund may invest will include, without limitation, closed ended collective investment schemes listed or traded on the New York Stock Exchange, the Irish Stock Exchange and the London Stock Exchange. Where it is appropriate to its investment objective and policies a Fund may also invest in other Funds of this Company. A Fund may only invest in another Fund of this Company if the Fund in which it is investing does not itself hold Shares in any other Fund of this Company. Any Fund that is invested in another Fund of this Company will be invested in a class of Shares for which no management or investment management fee is charged. No subscription, conversion or redemption fees will be charged on any such cross investments by a Fund.

There can be no assurance or guarantee that a Fund's investments will be successful or its investment objective will be achieved. Please refer to the “Risk Considerations” in this Prospectus and in the Supplements for a discussion of those factors that should be considered when investing in that Fund.

The investment objective and policies of a Fund are set out in the Supplement for that Fund. The investment objective of each Fund will not at any time be altered without the approval of an Ordinary Resolution. Changes to investment policies which are material in nature may only be made with the approval of an Ordinary Resolution to which the changes relate. In the event of a change of investment objective and/or a material change in investment policy a reasonable notification period will be provided by the Company and the Company will provide facilities to enable Shareholders to redeem their Shares prior to implementation of these changes.

RISK CONSIDERATIONS

An investment in a Fund involves a high degree of risk, including the risk that the entire amount invested may be lost. Each Fund is primarily designed to purchase certain investments, which will introduce significant risk to the Fund, including asset performance, price volatility, administrative risk and counterparty risk. No guarantee or representation is made that any Fund's investment program will be successful. Prospective investors should consider the following additional factors in determining whether an investment in a Fund is a suitable investment.

Each Fund may be deemed to be a speculative investment and is not intended as a complete investment program. Investment in a Fund is suitable only for persons who can bear the economic risk of the loss of their investment and who meet the conditions set forth in this Prospectus and the Subscription Agreement. There can be no assurances that a Fund will achieve its investment objective. Prospective Shareholders should carefully consider the risks involved in an investment in a Fund, including, but not limited to, those discussed below. Various risks discussed below may apply to a Fund. The following does not intend to describe all possible risks of an investment in a Fund. In addition, different or new risks not addressed below may arise in the future. Prospective Shareholders should consult their own legal, tax and financial advisors about the risks of an investment in a Fund. Any such risk could have a material adverse effect on a Fund and its Shareholders.

The difference at any one time between the subscription and redemption price of Shares in a Fund (including as a result of any applicable sales charge, redemption charge or swing pricing) means that the investment should be viewed as medium to long term.

Whilst some risks will be more relevant to certain Funds, investors should ensure that they understand all the risks discussed in this Prospectus, insofar as they may relate to that Fund. In addition the relevant Supplement provides more information on the specific risks associated with individual Funds.

Investors should read all the "Risk Considerations" in this Prospectus and the relevant Supplement to determine applicability to a specific Fund in which the investor intends to invest.

The following "Risk Considerations" detail particular risks associated with an investment in a Fund, which investors are encouraged to discuss with their professional advisers. It does not purport to be a comprehensive summary of all of the risks associated with an investment in a Fund.

GENERAL RISKS

Forward-Looking Statements

This Prospectus contains forward-looking statements, including observations about markets and industry and regulatory trends as of the original date of this Prospectus. Forward-looking statements may be identified by, among other things, the use of words such as "intends," "expects," "anticipates" or "believes," or the negatives of these terms, and similar expressions. Forward-looking statements reflect views as of such date with respect to possible future events. Actual results could differ materially from those in the forward-looking statements as a result of factors beyond the control of the Directors or Investment Manager. Prospective investors are cautioned not to place undue reliance on such statements. Neither the Directors nor Investment Manager has any obligation to update any of the forward-looking statements in this Prospectus.

General Economic and Market Conditions

The success of a Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances. These factors may affect the level and volatility of securities' prices and the liquidity of a Fund's investments. Volatility or illiquidity could impair a Fund's profitability or

result in losses.

Where a Fund's assets are invested in narrowly-defined markets or sectors of a given economy, risk is increased by the inability to broadly diversify investments and thereby subjecting the Fund to greater exposure to potentially adverse developments within those markets or sectors.

Since 2008 world financial markets have experienced extraordinary market conditions, including, among other things, extreme volatility in securities markets and the failure of credit markets to function. When such conditions arise, decreased risk tolerance by investors and significantly tightened availability of credit may result in certain securities becoming less liquid and more difficult to value, and thus harder to dispose of. Such conditions may be exacerbated by, among other things, uncertainty regarding financial institutions and other market participants, increased aversion to risk, concerns over inflation, instability in energy costs, complex geopolitical issues, the lack of availability and higher cost of credit and declining real estate and mortgage markets. These factors, combined with variable commodity pricing, declining business and consumer confidence, increased unemployment and diminished expectations for predictable global financial markets, may lead to a global economic slowdown and fears of a global recession. Neither the duration and ultimate effect of any such market conditions, nor the degree to which such conditions may worsen can be predicted. The continuation or further deterioration of any such market conditions and continued uncertainty regarding markets generally could result in further declines in the market values of potential investments or declines in market values. Such declines could lead to losses and diminished investment opportunities for a Fund, could prevent a Fund from successfully meeting its investment objectives or could require a Fund to dispose of investments at a loss while such unfavourable market conditions prevail. While such market conditions persist, a Fund would also be subject to heightened risks associated with the potential failure of brokers, counterparties and exchanges, as well as increased systemic risks associated with the potential failure of one or more systemically important institutions. See "*Failure of Brokers, Counterparties and Exchanges*".

In reaction to these events since 2008, regulators and lawmakers in the United States and several other countries have taken unprecedented regulatory actions and enacted programs to stabilize the financial markets. Some of the programs enacted during this period have terminated; however, the U.S. government and regulators in many other jurisdictions continue to consider and implement measures to stabilize U.S. and global financial markets. Despite these efforts and the efforts of regulators of other jurisdictions, global financial markets remain extremely volatile. It is uncertain whether regulatory actions will be able to prevent losses and volatility in securities markets, or to stimulate the credit markets.

Unpredictable or unstable market conditions may result in reduced opportunities to find suitable investments to deploy capital or make it more difficult to exit and realize value from a Fund's existing investments.

The economies of non-U.S. countries may differ favorably or unfavorably from the U.S. economy in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain non-U.S. economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. The economies of certain non-U.S. countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

Euro and Euro Zone Risk

The ongoing deterioration of the sovereign debt of several countries, in particular Greece, together with the risk of contagion to other, more stable, countries, particularly France and Germany, has exacerbated the global economic crisis. This situation has also raised a number of uncertainties regarding the stability and overall standing of the European Economic and Monetary Union and may result in changes to the composition of the Euro zone.

As a result of the credit crisis in Europe, in particular in Greece, Italy, Ireland, Portugal and Spain, the European Commission created the European Financial Stability Facility (the "EFSF") and the European Financial Stability Mechanism (the "EFSM") to provide funding to Euro zone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Euro zone countries to establish a permanent stability

mechanism, the European Stability Mechanism (the “ESM”), which will be activated by mutual agreement, to assume the role of the EFSF and the EFSM in providing external financial assistance to Euro zone countries after June 2013. Despite these measures, concerns persist regarding the growing risk that other Euro zone countries could be subject to an increase in borrowing costs and could face an economic crisis similar to that of Greece, Italy, Spain and Portugal, together with the risk that some countries could leave the Euro zone (either voluntarily or involuntarily), and that the impact of these events on Europe and the global financial system could be severe which could have a negative impact on the market.

Furthermore, concerns that the Euro zone sovereign debt crisis could worsen may lead to the reintroduction of national currencies in one or more Euro zone countries or, in more extreme circumstances, the possible dissolution of the Euro entirely. The departure or risk of departure from the Euro by one or more Euro zone countries and/or the abandonment of the Euro as a currency could have major negative effects on the Company and the Funds. Should the Euro dissolve entirely, the legal and contractual consequences for holders of Euro-denominated Shares would be determined by laws in effect at such time. These potential developments, or market perceptions concerning these and related issues, could adversely affect the value of the Shares. It is difficult to predict the final outcome of the Euro zone crisis. Investors should carefully consider how changes to the Euro zone may affect their investment in the Funds.

Competition

A Fund may invest in equities, credit and fixed income securities, instruments, leveraged acquisitions and reorganizations. These markets are highly competitive. Competition for investment opportunities includes non-traditional participants, such as hedge funds, public funds including business development companies, and other private investors, as well as more traditional lending institutions. Some of these competitors may have access to greater amounts of capital and to capital that may be committed for longer periods of time or may have different return thresholds than a Fund, and thus these competitors may have advantages not shared by a Fund. In addition, the identification of attractive investment opportunities is difficult and involves a high degree of uncertainty. A Fund may incur significant expenses in connection with identifying investment opportunities and investigating other potential investments which are ultimately not consummated, including expenses relating to due diligence, transportation, legal expenses and the fees of other third party advisors.

Public Securities

In the event that a Fund acquires fixed income securities and/or equity securities that are publicly traded, the Fund will be subject to the risks inherent in investing in public securities. In addition, in such circumstances the Fund may be unable to obtain financial covenants or other contractual rights that it might otherwise be able to obtain in making privately-negotiated debt investments. Moreover, a Fund may not have the same access to information in connection with investments in public securities, either when investigating a potential investment or after making an investment, as compared to a privately-negotiated investment. Furthermore, a Fund may be limited in its ability to make investments, and to sell existing investments, in public securities if the Investment Manager or an affiliate has material, non-public information regarding the issuers of those securities. The inability to sell securities in these circumstances could materially adversely affect the investment results of a Fund.

Insolvency Considerations With Respect to Issuers of Securities

Various laws enacted for the protection of creditors may apply to the securities held by a Fund. Insolvency considerations will differ with respect to issuers located in different jurisdictions. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of a loan and/or bond, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such loan or bond and, after giving effect to such indebtedness, the issuer (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the issuer or to recover amounts previously paid by the issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts

were then greater than all of its property at a fair valuation or if the present fair salable value of its assets were then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was "insolvent" after giving effect to the incurrence of the indebtedness constituting the securities or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of a loan or bond, payments made on such loan or bond could be subject to avoidance as a "preference" if made within a certain period of time before insolvency.

In general, if payments on securities may be avoidable, whether as fraudulent conveyances or preferences, such payments can be recaptured either from the initial recipient (such as a Fund) or from subsequent transferees of such payments (such as the Shareholders). To the extent that any such payments are recaptured from a Fund, the resulting loss will be borne by the Shareholders of a Fund at that time pro rata. However, a court in a bankruptcy or insolvency proceeding would be able to direct the recapture of any such payment from a Shareholder only to the extent that such court has jurisdiction over such holder or its assets. Moreover, it is likely that avoidable payments could not be recaptured directly from a Shareholder that has given value in exchange for its Shares, in good faith and without knowledge that the payments were avoidable.

Many of the events within a bankruptcy case are adversarial and often beyond the control of the creditors. While creditors generally are afforded an opportunity to object to significant actions, there can be no assurance that a bankruptcy court would not approve actions which may be contrary to the interests of a Fund.

Generally, the duration of a bankruptcy case can only be roughly estimated. The reorganization of a company usually involves the development and negotiation of a plan of reorganization, plan approval by creditors and confirmation by the bankruptcy court. This process can involve substantial legal, professional and administrative costs to the Company and the Fund; it is subject to unpredictable and lengthy delays; and during the process, the company's competitive position may erode, key management may depart and the company may not be able to invest adequately. In some cases, the company may not be able to reorganize and may be required to liquidate assets. The debt of companies in financial reorganization will, in most cases, not pay current interest, may not accrue interest during reorganization and may be affected adversely by an erosion of the issuer's fundamental values. Such investments can result in a total loss of principal.

U.S. bankruptcy law permits the classification of "substantially similar" claims in determining the classification of claims in a reorganization for purpose of voting on a plan of reorganization. Because the standard for classification is vague, there exists a significant risk that a Fund's influence with respect to a class of securities can be lost by the inflation of the number and the amount of claims in, or other gerrymandering of, the class. In addition, certain administrative costs and claims that have priority by law over the claims of certain creditors (for example, claims for taxes) may be quite high.

Furthermore, there are instances where creditors and equity holders lose their ranking and priority such as when they take over management and functional operating control of a debtor. In those cases where a Fund, by virtue of such action, is found to exercise "domination and control" over a debtor, a Fund may lose its priority if the debtor can demonstrate that its business was adversely impacted or other creditors and equity holders were harmed by a Fund.

A Fund may invest in companies based in the OECD countries and other non-U.S. countries. Investment in the debt of financially distressed companies domiciled outside the United States involves additional risks. Bankruptcy law and process may differ substantially from that in the United States, resulting in greater uncertainty as to the rights of creditors, the enforceability of such rights, reorganization timing and the classification, seniority and treatment of claims. In certain developing countries, although bankruptcy laws have been enacted, the process for reorganization remains highly uncertain.

The Investment Manager, on behalf of a Fund, may elect to serve on creditors' committees, equity holders' committees or other groups to ensure preservation or enhancement of a Fund's positions as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If the Investment Manager concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to a Fund, it may resign from that committee or

group, and in such case a Fund may not realize the benefits, if any, of participation on the committee or group. In addition and also as discussed above, if a Fund is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of or increasing its investments in such company while it continues to be represented on such committee or group.

A Fund may purchase creditor claims subsequent to the commencement of a bankruptcy case. Under judicial decisions, it is possible that such purchase may be disallowed by the bankruptcy court if the court determines that the purchaser has taken unfair advantage of an unsophisticated seller, which may result in the rescission of the transaction (presumably at the original purchase price) or forfeiture by the purchaser.

Reorganizations can be contentious and adversarial. It is by no means unusual for participants to use the threat of, as well as actual, litigation as a negotiating technique. It is possible that a Company, a Fund, or Investment Manager could be named as defendants in civil proceedings. The expense of defending against claims by third parties and paying any amounts pursuant to settlements or judgments would generally be borne by the Fund and would reduce net assets.

Investments which are not Liquid

Certain investments and types of investments are subject to restrictions on resale, may trade in the over-the-counter market or in limited volume, or may not have an active trading market. Illiquid securities may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. It may be difficult for a Fund to value illiquid securities accurately. Also, a Fund may not be able to dispose of illiquid securities or execute or close out a derivatives transaction readily at a favorable time or price or at prices approximating those at which the Fund currently values them. Illiquid securities also may entail registration expenses and other transaction costs that are higher than those for liquid securities. Any use of the efficient portfolio management techniques described in Appendix C, may also adversely affect the liquidity of a Fund's portfolio and will be considered by the Investment Manager in managing the Fund's liquidity risk.

From time to time, the counterparties with which a Fund effects transactions might cease making markets or quoting prices in certain of the instruments in which a Fund has invested. In such instances, a Fund might be unable to enter into a desired transaction or to enter into any offsetting transaction with respect to an open position, which might adversely affect its performance.

Country Risks

Investments in securities of issuers of different nations and denominated in currencies other than the Base Currency present particular risks. Such risks include changes in relative currency exchange rates; political, economic, legal and regulatory developments; taxation; the imposition of exchange controls; confiscation and other governmental restrictions (including those related to currency repatriation) or changes in policy. Investment in securities of issuers from different countries offers potential benefits not available from investments solely in securities of issuers from a single country, but also involves certain significant risks that are not typically associated with investing in the securities of issuers located in a single country.

Issuers are generally subject to different accounting, auditing and financial reporting standards, practices and requirements in different countries throughout the world. The volume of trading, the volatility of prices and the liquidity of securities may vary in the markets of different countries. In addition, the level of government supervision and regulation of securities exchanges, securities dealers and listed and unlisted companies is different throughout the world. The laws of some countries may limit a Fund's ability to invest in securities of certain issuers located in those countries.

Different markets also have different clearance and settlement procedures. Delays in settlement could result in temporary periods when a portion of the assets of a Fund is uninvested and no or limited return is earned thereon. The inability of a Fund to make intended investment purchases due to settlement problems could cause a Fund to miss attractive investment opportunities. The inability of a Fund to dispose of its investments due to a failed trade settlement could result in losses to a Fund due to subsequent declines in the value of its investments or, if the Fund has entered into a contract to sell the investments, in a possible liability to the purchaser. There may also be a

danger that, because of uncertainties in the operation of settlement systems in individual markets, competing claims may arise in respect of securities held by, or to be transferred to, the Fund.

With respect to certain countries, there is a possibility of expropriation, confiscatory taxation, limitations on the removal of funds or other assets of a Fund, political or social instability or diplomatic developments that could affect investments in those countries. An issuer of securities may be domiciled in a country other than the country in whose currency such securities are denominated. Furthermore, the ability to collect or enforce obligations may vary depending on the laws and regulations of the issuer/borrower's jurisdiction.

Investments may be adversely affected by the possibility of expropriation or confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds, limitations on the removal of funds or other assets of a Fund, political or social instability or diplomatic developments. An issuer of securities or obligations may be domiciled in a country other than the country in whose currency the instrument is denominated. The values and relative yields of investments in the securities markets of different countries, and their associated risks, are expected to change independently of each other.

As a Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of sub-custodians is necessary, may be exposed to risk in circumstances where the Custodian will have no liability. Please see also "Custodians and Sub-Custodians" below.

Investing in Emerging Market Securities

All securities investing and trading activities risk the loss of capital. While the Investment Manager attempts to moderate these risks, there can be no assurance that a Fund's investment and trading activities will be successful or that investors will not suffer significant losses. Investing in emerging markets involves heightened risks (some of which could be significant) and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include, but are not limited to: (a) greater social, economic and political uncertainty including war; (b) higher dependence on exports and the corresponding importance of international trade; (c) greater risk of inflation; (d) increased likelihood of governmental involvement in and control over the economies; (e) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (f) certain considerations regarding the maintenance of a Fund's securities and cash with non-U.S. brokers and securities depositories; (g) greater volatility, less liquidity and smaller capitalization of markets; (h) greater volatility in currency exchange rates; (i) greater controls on foreign investment and limitations on realisation of investments, repatriation of invested capital and on the ability to exchange local currencies for US Dollars; (j) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (k) less extensive regulation of the markets; (l) longer settlement periods for transactions and less reliable clearance and custody arrangements; (m) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (n) risk of nationalisation or expropriation of assets or confiscatory taxation, or the imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds; (o) risk of sanctions being introduced by other countries that may adversely impact the economy and the pricing and liquidity of securities; (p) higher transaction costs generally; and (r) difficulty in enforcing contractual obligations and judgments. The following discussion sets forth additional risks associated with investing in the securities of emerging markets:

General Economic and Market Conditions

The economies of individual emerging markets may differ favourably or unfavourably from developed economies in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, the economies of emerging markets generally are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These economies also have been and may continue to be adversely affected by economic conditions in the countries with which they trade. The economies of certain of these countries may be based, predominantly, on only a few industries and may have higher levels of debt or inflation.

With respect to certain countries, there is the possibility of nationalisation, expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income or gross sale or disposition proceeds, limitations on the removal of funds or other assets of a Fund, political changes, government regulation, social instability or diplomatic developments (including war), any of which could affect adversely the economies of such countries or the value of the Fund's investments in those countries.

Where a Fund's assets are invested in narrowly-defined markets or sectors of a given economy, risk is increased by the inability to broadly diversify investments thereby subjecting the Fund to greater exposure to potentially adverse developments within those markets or sectors.

Volatility

Emerging markets are more likely than developed markets to experience periods of extreme volatility. Such volatility could result in substantial losses for a Fund.

Securities Markets

Securities markets in emerging market countries may have substantially less volume of trading and are generally more volatile than securities markets of developed countries. In certain periods, there may be little liquidity in such markets. There is often less government regulation of stock exchanges, brokers and listed companies in emerging market countries than in developed market countries. Commissions for trading on emerging markets stock exchanges are generally higher than commissions for trading on developed market exchanges. In addition, settlement of trades in some non-U.S. markets is much slower and more subject to failure than in U.S. markets. Furthermore, some of a Fund's investments may not be listed on any stock market.

Exchange Rate Fluctuations; Currency Considerations

The assets of a Fund that are invested in emerging markets may be invested in non-U.S. Dollar denominated securities, and any income or capital received by such Fund from these investments may be denominated in the local currency of investment. Accordingly, changes in currency exchange rates (to the extent only partially or fully unhedged) between the currency of the relevant emerging market and the currency in which a Class is denominated may affect the value of the Shares. As the currency exchange rates of emerging market countries tend to be more volatile than those of more developed economies, the effect of changes in exchange rates on the value of Shares in a Fund that are invested in emerging markets may be more pronounced than it would be for a fund that invests in more developed markets.

Foreign currency exchange rates are determined by forces of supply and demand in foreign exchange markets. These forces are, in turn, affected by international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. Foreign currency exchange rates may also be affected by affirmative government policies of intervention in the foreign exchange markets, and certain currencies may be affirmatively supported relative to the dollar by their or other governments. Changes in government policy, including a cessation of currency support intervention, may result in abrupt devaluations of such currencies.

Currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to a Fund at one rate, while offering a lesser rate of exchange should the Fund desire immediately to resell that currency to the dealer. Due to the relatively small size of the markets for currencies of emerging market countries, the spread between a dealer's sell and offer prices for such currencies may be greater than that for the currencies of more developed economies, which may result in relatively higher currency exchange costs for a Fund. A Fund will conduct its currency exchange transactions either on a spot (i.e., cash) basis at the spot rate prevailing in the currency exchange market, or through entering into forward or options contracts to purchase or sell non-U.S. currencies.

Emerging Markets Legal and Regulatory Risk

Many of the laws that govern private and non-US investment, securities transactions and other contractual

relationships in emerging markets are new and largely untested. As a result, a Fund may be subject to a number of unusual risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgment in certain of the emerging markets in which assets of a Fund are invested. There can be no assurance that this difficulty in protecting and enforcing rights will not have a material adverse effect on the Fund and its operations. In addition, the income and gains of a Fund may be subject to withholding taxes imposed by non-US governments for which shareholders may not receive a full non-US tax credit.

Regulatory controls and corporate governance of companies in emerging markets usually confer little protection on minority shareholders. Anti-fraud and anti-insider trading legislation is often rudimentary. Disclosure and regulatory standards in emerging markets are in many respects less stringent than those in other international securities markets, with a low level of monitoring and regulation of the market and market participants, and limited and uneven enforcement of existing regulations. Consequently, the prices at which a Fund may acquire investments may be affected by other market participants' anticipation of the Fund's investing and by trading by persons with material non-public information. There may be less publicly available information about an issuer in an emerging market than would be available in a non-emerging market, and the issuer may not be subject to accounting, auditing and financial reporting standards comparable to those of companies in non-emerging markets. Balance sheet and income statement data appearing in the financial statements of emerging markets issuers may not reflect the financial position or results of operations of such issuers in the same way as financial statements prepared in accordance with generally accepted accounting principles in the United States, Western Europe or Japan. Emerging markets issuers that operate in certain inflationary economies may be required to keep records according to inflation accounting rules that require that certain balance sheet assets and liabilities be restated annually in order to express such items in terms of currency of constant purchasing power. This process may indirectly generate losses or profits. As a result, traditional investment measurements, such as price/earnings ratios, may not be useful in certain emerging markets.

Some emerging markets prohibit or impose substantial restrictions on investments in their capital markets by foreign entities such as a Fund. Certain emerging markets require governmental approval prior to investment by foreign persons, limit the amount of such investment in a particular company or limit such investment to only a specific class of securities, which may have less advantageous terms than securities available for purchase by nationals.

Substantial limitations may exist in certain emerging markets with respect to the ability to repatriate income, capital or the proceeds of sales of securities by foreign investors. In addition, if there is a deterioration in a country's balance of payments or for other reasons, an emerging market may impose restrictions on foreign capital remittances abroad. A Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the application to the Fund of any restrictions on investments. Finally, the concept of fiduciary duty to shareholders by officers and directors is also limited when compared to such concepts in developed markets. In certain instances management may take significant actions without the consent of shareholders and anti-dilution protection also may be limited.

Investment in Russia

Investments in companies organized in or who principally do business in the independent states that were once part of the Soviet Union, including the Russian Federation, pose special risks, including economic and political unrest and may lack a reliable legal system for enforcing the rights of creditors and shareholders. With reference to equity securities, ownership of Russian securities is evidenced by entries in the books of a company's registrar (which is neither an agent of, nor responsible to, the custodian). No certificates representing ownership of Russian companies will be held by the custodian or any of its local correspondents or in an effective central depository system. As a result of this system, a Fund could lose its registration and ownership of Russian securities through fraud, negligence or otherwise.

A number of countries, including the United States, the European Union, the United Kingdom and Canada, have instituted sanctions against certain Russian, Crimean and former Ukrainian officials, businessmen and entities. These sanctions (which include, but are not limited to, restrictions or prohibitions on investment in certain issuers), the threat of additional sanctions, and other actions that may be taken by any of these nations, other nations or

international organizations against Russia and Russian issuers of securities in the future, as well as potential retaliatory actions that could be taken by Russia, may adversely impact the Russian economy and the pricing and liquidity of Russian securities.

Use of Leverage

A Fund may borrow to avoid settlement failure and may be leveraged through the use of derivatives, including entering into swap agreements, derivative contracts and futures contracts positions, and may also enter into repurchase agreements or securities lending agreements and purchase delayed-settlement debt instruments or securities. These transactions may expose a Fund to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had a Fund not borrowed to make the investments, (ii) margin calls or interim margin requirements which may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds the relevant Fund's cost of borrowing such funds (including interest, transaction costs and other costs of borrowing). Futures, forward contracts, swaps, options, repurchase agreements, securities lending agreements and other derivative instruments contain inherent leverage in that they provide more market exposure than the money paid or deposited when the transaction is entered into; consequently, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose a Fund to the possibility of a loss exceeding the original amount invested or deposited. In addition, many of these products are subject to variation or other interim margin requirements, which may force premature liquidation of investment positions. A Fund may attempt to mitigate this risk by maintaining cash and cash equivalents at least equal to the value of the obligations created by its net mark-to-market futures and swap positions, and the obligations created by its repurchase agreements, securities lending agreements and delayed-settlement debt instruments and securities.

Concentration Risk

A Fund will generally seek to diversify portfolio investments on behalf of the Fund; however, a significant percentage of the Fund's assets may be invested from time to time in groups of issuers deriving significant revenues from the same market, region or industry. To the extent a Fund makes such investments, the exposure to equity, credit and market risks associated with such market, region or industry will be increased.

Company's Liabilities

The Company will be responsible for paying its fees and expenses regardless of its level of profitability. Pursuant to Irish law, the Company should not be liable as a whole to third parties and there should not be the potential for cross contamination of liabilities between Funds. However, there can be no categorical assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of a Fund will necessarily be upheld.

Limited Disclosure of Certain Information Relating to Securities

It is not anticipated that the Company, the Administrator, the Custodian or the Investment Manager will provide any information to any purchasers of Shares relating to any securities held by a Fund. Other than as included in the periodic reports of the Company, the Administrator, the Custodian and the Investment Manager will not be required to provide the Shareholders with financial or other information (which may include material non-public information) they receive pursuant to the securities held by a Fund and related documents.

Limited Operating History; No Reliance on Past Performance

A Fund may have limited or no operating history upon which prospective investors can evaluate its likely performance. The success of a Fund depends in substantial part upon the skill and expertise of the personnel of the Investment Manager and the ability of the Investment Manager to develop and successfully implement the investment policy of the Fund. No assurance can be given that the Investment Manager will be able to do so. Moreover, decisions made by the Investment Manager may cause a Fund to incur losses or to miss profit opportunities on which it may otherwise have capitalized. Shareholders are not permitted to engage in the active management and affairs of a Fund. As a result, prospective investors will not be able to evaluate for themselves the

merits of investments to be acquired by a Fund prior to their being required to pay for Shares of a Fund. Instead, such investors must rely on the judgment of the Investment Manager to conduct appropriate evaluations and to make investment decisions. Shareholders will be relying entirely on such persons to manage the assets of the Company. There can be no assurance that any of the key investment professionals will continue to be associated with the Investment Manager throughout the life of a Fund.

The Investment Management Agreement may be terminated by either party thereto on 90 days notice in writing to the other party. The Investment Manager may resign at any time upon 30 days' notice if there is a change in control of the Company whereby the majority of the Directors are not persons acceptable to the Investment Manager. In that event, there can be no assurance that a Fund will be able to retain a replacement investment manager or, if a replacement investment manager is appointed by the Company, that it will be able to implement a Fund's investment program successfully.

Systemic Risk

A default by one or several large institutions that are dependent on one another to meet their liquidity or operational needs may cause a series of defaults by the other institutions. This is sometimes referred to as a "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, clearing houses, banks, securities firms and exchanges, with which a Fund interacts on a daily basis.

Non-Irish taxes

The Company may be liable to taxes (including withholding taxes) in countries other than Ireland on income earned-, capital gains arising or proceeds received in respect of its investments. The Company may not be able to benefit from a reduction in the rate of such non-Irish tax by virtue of the double taxation treaties between Ireland and other countries. The Company may not, therefore, be able to reclaim any non-Irish withholding tax suffered by it in particular countries. If this position changes and the Company obtains a repayment of non-Irish tax, the Net Asset Value of the Company will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

Identity of Beneficial Ownership; Withholding on Certain Payments

In order to avoid a US withholding tax of 30% on certain payments (including payments of gross proceeds) made with respect to certain actual and deemed US investments, the Investment Manager has undertaken to sponsor the Company and has agreed to identify certain direct and indirect US account holders (including debtholders and equityholders). Ireland has signed a Model 1A (reciprocal) inter-governmental agreement with the United States (the "US IGA") to give effect to the foregoing withholding and reporting rules. So long as the Company and each Fund comply with the US IGA, they will not be subject to the related U.S. withholding tax.

A non-US investor in a Fund will generally be required to provide to such Fund information which identifies its direct and indirect US ownership and, in certain cases, information regarding its investments in other "foreign financial institutions" within the meaning of Section 1471(d)(4) of the Code. Under the US IGA, any such information provided to a Fund will be shared with Irish Revenue Commissioners or their delegate (the "Irish Revenue"). Irish Revenue will exchange the information reported to it with the IRS annually on an automatic basis. A non-U.S. investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code will generally be required to timely register with the IRS and agree to identify, and report information with respect to, certain of its own direct and indirect U.S. account holders (including debtholders and equityholders). A non-US investor who fails to provide such information to a Fund, or timely register and agree to identify or report information with respect to such account holders, may be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed US investments of such Fund, and the Directors may take any action in relation to an investor's Shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or comply with such requirements gave rise to the withholding. Shareholders should consult their own tax advisors regarding the possible implications of these rules on their investments in a Fund.

FIXED INCOME RISKS

Debt Securities Generally

Debt securities are subject to the risk of an issuer's or a guarantor's inability to meet principal and interest payments on the obligation (credit risk) and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (market risk).

In respect of structured securities, they may also be more volatile and less liquid than less complex securities. The timing of purchase and sale transactions in debt obligations may result in capital appreciation or depreciation because the value of debt obligations generally varies inversely with prevailing interest rates.

Corporate Debt

Bonds, notes and debentures issued by corporations may pay fixed, variable or floating rates of interest, and may include zero-coupon obligations. Corporate debt instruments may be subject to credit ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. In addition, a Fund may be paid interest in kind in connection with its investments in corporate debt and related financial instruments (e.g., the principal owed to the Fund in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, the Fund may experience substantial losses.

Investment in Fixed Income Securities and Risks of Interest and Exchange Rate Fluctuations

The Net Asset Value of the Shares of a Fund invested in fixed income securities will change in response to fluctuations in interest rates and currency exchange rates. Except to the extent that values are independently affected by currency exchange rate fluctuations, when interest rates decline, the value of fixed income securities generally can be expected to rise and when interest rates rise the value of fixed income securities generally can be expected to fall. The performance of investments in fixed income securities denominated in a specific currency will also depend on the interest rate environment in the country issuing the currency.

Zero Coupon, Deferred Interest Bonds and Payment in Kind Bonds

A Fund may invest in zero coupon bonds and deferred interest bonds, which are debt obligations issued at a significant discount from face value. The original discount approximates the total amount of interest the bonds will accrue and compound over the period until maturity or the first interest accrual date at a rate of interest reflecting the market rate of the security at the time of issuance. A Fund may also invest in payment in kind bonds, which are debt obligations where interest is paid in the form of the issue of additional bonds. While zero coupon bonds and payment in kind bonds do not require the periodic payment of interest, deferred interest bonds generally provide for a period of delay before the regular payment of interest begins. Such investments benefit the issuer by mitigating its initial need for cash to meet debt service and some also provide a higher rate of return to attract investors who are willing to defer receipt of such cash. Such investments experience greater volatility in market value due to changes in interest rates than debt obligations which provide for regular payments of interest, and a Fund may accrue income on such obligations even though it receives no cash.

Floating Rate Debt Instruments

Floating rate debt securities present more complex types of interest rate risks. For example, range floaters are subject to the risk that the coupon will be reduced below market rates if a designated interest rate floats outside of a specified interest rate band or collar. Dual index or yield curve floaters are subject to lower prices in the event of an unfavourable change in the spread between two designated interest rates.

Risks of Investing in Non-Investment Grade Fixed Income Securities

Non-investment grade fixed income securities are considered predominantly speculative by traditional investment standards. In some cases, these obligations may be highly speculative and have poor prospects for reaching investment grade standing. Non-investment grade fixed income securities and unrated securities of comparable

credit quality (commonly known as “high yield bonds”) are subject to the increased risk of an issuer’s inability to meet principal and interest obligations. These securities, also referred to as high yield securities, may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the high yield bond markets generally and less secondary market liquidity.

Non-investment grade fixed income securities are often issued in connection with a corporate reorganisation or restructuring or as part of a merger, acquisition, takeover or similar event. They are also issued by less established companies seeking to expand. Such issuers are often highly leveraged and generally less able than more established or less leveraged entities to make scheduled payments of principal and interest in the event of adverse developments or business conditions.

The market value of non-investment grade fixed income securities tends to reflect individual corporate developments to a greater extent than that of higher rated securities which react primarily to fluctuations in the general level of interest rates. As a result, where a Fund invests in such securities its ability to achieve its investment objective may depend to a greater extent on the Investment Manager’s judgement concerning the creditworthiness of issuers than funds which invest in higher-rated securities. Issuers of non-investment grade fixed income securities may not be able to make use of more traditional methods of financing and their ability to service debt obligations may be more adversely affected than issuers of higher-rated securities by economic downturns, specific corporate developments or the issuer’s inability to meet specific projected business forecasts. Negative publicity about the high yield bond market and investor perceptions regarding lower rated securities, whether or not based on fundamental analysis, may depress the prices for such securities.

A holder’s risk of loss from default is significantly greater for non-investment grade fixed income securities than is the case for holders of other debt securities because such non-investment grade securities are generally unsecured and are often subordinated to the rights of other creditors of the issuers of such securities. Investment by a Fund in defaulted securities poses additional risk of loss should non-payment of principal and interest continue in respect of such securities. Even if such securities are held to maturity, recovery by a Fund of its initial investment and any anticipated income or appreciation is uncertain.

The secondary market for non-investment grade fixed income securities is concentrated in relatively few market makers and is dominated by institutional investors, including mutual funds, insurance companies and other financial institutions. Accordingly, the secondary market for such securities is not as liquid as, and is more volatile than, the secondary market for higher-rated securities. In addition, market trading volume for high yield bonds is generally lower and the secondary market for such securities could contract under adverse market or economic conditions, independent of any specific adverse changes in the condition of a particular issuer. These factors may have an adverse effect on the market price and a Fund’s ability to dispose of particular portfolio investments. A less liquid secondary market also may make it more difficult for a Fund to obtain precise valuations of the high yield bonds in its portfolio.

Credit ratings issued by credit rating agencies are designed to evaluate the safety of principle and interest payments of rated securities. They do not, however, evaluate the market value risk of non-investment grade securities and, therefore, may not fully reflect the true risks of an investment. In addition, credit rating agencies may or may not make timely changes in a rating to reflect changes in the economy or in the conditions of the issuer that affect the market value of the security. Consequently, credit ratings are used only as a preliminary indicator of investment quality.

Risks of Spread Transactions

Where a Fund enters into spread transactions, it is subject to the risk that the prices of the currencies underlying the positions comprising such spreads will not fluctuate in the same direction or to the same extent during the period in which the spread position is maintained. Under such circumstances, the Fund could sustain losses on one or both legs of the spread position.

Mortgage-Backed and Asset-Backed Securities

A Fund may invest in securities that represent an interest in a pool of mortgages (“**mortgage-backed securities**”)

and, subject to applicable law, credit card receivables, auto loans or other types of loans (“**asset-backed securities**”). Payments of principal and interest on the underlying loans are passed through to the holders of such securities over the life of the securities. Most mortgage-backed and asset-backed securities are subject to early prepayment of principal, which can be expected to accelerate during periods of declining interest rates. Such prepayments can usually be reinvested only at the lower yields then prevailing in the market. Therefore, during periods of declining interest rates, these securities are less likely than other fixed income obligations to appreciate in value and less effective at locking in a particular yield. On the other hand, mortgage-backed and asset-backed securities are subject to substantially the same risk of depreciation during periods of rising interest rates as other fixed income securities.

Asset-backed securities present certain credit risks that are not presented by mortgage-backed securities because asset-backed securities generally do not have the benefit of a security interest over the collateral that is comparable to mortgage assets. There is the possibility that, in some cases, recoveries on repossessed collateral may not be available to support payments on these securities.

Structured Notes

A Fund may invest in structured notes. The values of the structured notes in which a Fund will invest may be linked to equities or debt instruments (“reference instruments”). These notes differ from other types of debt securities in several respects. The interest rate or principal amount payable at maturity may vary based on changes in the value of the reference instruments. A structured note may be positively or negatively indexed; that is, its value or interest rate may increase or decrease if the value of the reference instrument increases. Similarly, its value may increase or decrease if the value of the reference instrument decreases. Further, the change in the principal amount payable with respect to, or the interest rate of, a structured note may be a multiple of the percentage change (positive or negative) in the value of the underlying reference instrument(s). Investments in structured notes involve certain risks, including the credit risk of the issuer and the normal risks of price changes in response to changes in interest rates. Further, in the case of certain structured notes, a decline or increase in the value of the reference instrument may cause the interest rate to be reduced to zero, and any further declines or increases in the reference instrument may then reduce the principal amount payable on maturity. Finally, these securities may be less liquid than other types of securities, and may be more volatile than their underlying reference instruments.

PGIM Fixed Income Quantitative Model Investment Risk

The success of a Fund's quantitative investment models is heavily dependent on the mathematical models used by the Investment Manager in attempting to exploit short-term and long-term relationships among prices and volatility. The Investment Manager may utilize models that are not well-suited to prevailing market conditions. Models that have been formulated on the basis of past market data may not be predictive of future price movements. Models may not be reliable if unusual events specific to particular issuers, or major events external to the operations of markets, cause extreme market moves that are inconsistent with the historic correlation and volatility structure of the market. Models also may have hidden biases or exposure to broad structural or sentiment shifts. Furthermore, the effectiveness of such models tends to deteriorate over time as more traders seek to exploit the same market inefficiencies through the use of similar models.

EQUITIES RISKS

Equity and Equity-Related Securities and Instruments

Equity market risk is the possibility that stock prices overall will decline over short or even extended periods. Equity markets are volatile and tend to move in cycles, with periods of rising and falling stock prices. This volatility in stock prices means that the value of an investor's holding in a Fund may go down as well as up and an investor may not recover the amount invested. Equities are representatives of companies' capital and expose the investor at the economic risk of the enterprise, so the investor is exposed to the risk of losing completely the money invested in equities.

A Fund may, directly or indirectly, purchase equity-related securities and instruments, such as convertible securities, warrants, stock options and individual stock futures. The value of equity securities varies in response to many

factors. Factors specific to an issuer, such as certain decisions by management, lower demand for its products or services, or even loss of a key executive, could result in a decrease in the value of the issuer's securities. Factors specific to the industry in which the issuer participates, such as increased competition or costs of production or consumer or investor perception, can have a similar effect. The value of an issuer's stock can also be adversely affected by changes in financial markets generally, such as an increase in interest rates or a decrease in consumer confidence, that are unrelated to the issuer itself or its industry. In addition, certain options and other equity-related instruments may be subject to additional risks, including liquidity risk, counterparty credit risk, legal risk and operations risk, and may involve significant economic leverage and, in some cases, be subject to significant risks of loss. These factors and others can cause significant fluctuations in the prices of the securities in which a Fund invests and can result in significant losses.

Investment in Small Capitalisation Companies

The investment risk associated with small cap companies is higher than that normally associated with larger, older companies due to the greater business risks associated with small size, the relative age of the company, limited product lines, distribution channels and financial and managerial resources. Further, there is typically less publicly available information concerning smaller companies than for larger, more established ones. The securities of small companies are often traded only over-the-counter and may not be traded in the volumes typical of trading on national securities exchange. Nonetheless, a Fund will not invest more than 10% of its net assets in securities traded over the counter as provided in the "Investment Restrictions" section. As a result, in order to sell this type of holding, a Fund may need to discount the securities from recent prices or dispose of the securities over a long period of time. The prices of this type of security may be more volatile than those of larger companies which are often traded on a national securities exchange.

Preferred Stock, Convertible Securities and Warrants

The value of preferred stocks, convertible securities and warrants will vary with the movements in the equity market and the performance of the underlying common stock, in particular. Their value is also affected by adverse issuer or market information. Thus, for example, as the value of the underlying common stock of an issuer fluctuates, the value of the preferred stock of such issuer would also be expected to fluctuate. With respect to warrants, their value may decrease or may be zero and thus not be exercised if the market price of the underlying securities remains lower than the specified price at which holders of warrants are entitled to buy such securities, resulting in a loss to the Fund of the purchase price of the warrant (or the embedded warrant price in the case of securities issued with warrants attached).

With respect to convertible debt securities, the market value of such securities tends to decline as interest rates increase and, conversely, to increase as interest rates decline. However, when the market price of the common stock underlying a convertible security exceeds the conversion price, the convertible security tends to reflect the market price of the underlying common stock. As the market price of the underlying common stock declines, the convertible security tends to trade increasingly on a yield basis and thus, may not decline in price to the same extent as the underlying common stock. Convertible securities rank senior to common stock in an issuer's capital structure and consequently entail less risk than the issuer's common stock. In evaluating a convertible security, the Investment Manager will give primary emphasis to the attractiveness of the underlying common stock. If a convertible security held by a Fund is called for redemption, the Fund will be required to permit the issuer to redeem the security, convert it into the underlying stock or sell it to a third party. Any of these actions could have an adverse effect on a Fund's ability to achieve its investment objective.

Voting Rights

The Investment Manager or relevant Sub-Investment Manager may in its discretion exercise or procure the exercise of all voting or other rights which may be exercisable in relation to investments held by a Fund, including Shares held by a Fund in another Fund. In relation to the exercise of such rights the Investment Manager or relevant Sub-Investment Manager may establish guidelines for the exercise of voting or other rights and the Investment Manager or relevant Sub-Investment Manager may, in its discretion, elect not to exercise or procure the exercise of such voting or other rights.

Depository Receipts

A Fund may purchase sponsored or unsponsored American Depositary Receipts (“ADRs”), European Depositary Receipts (“EDRs”) and Global Depositary Receipts (“GDRs”) (collectively “Depository Receipts”) typically issued by a bank or trust company which evidence ownership of underlying securities issued by a foreign corporation. EDRs and GDRs are typically issued by banks or trust companies and evidence ownership of underlying securities issued by a corporation.

Generally, Depository Receipts in registered form are designed for use in the U.S. securities market and Depository Receipts in bearer form are designed for use in securities markets outside the United States. Depository Receipts may not necessarily be denominated in the same currency as the underlying securities into which they may be converted. Depository Receipts may be issued pursuant to sponsored or unsponsored programs. In sponsored programs, an issuer has made arrangements to have its securities traded in the form of Depository Receipts. In unsponsored programs, the issuer may not be directly involved in the creation of the program. Although regulatory requirements with respect to sponsored and unsponsored programs are generally similar, in some cases it may be easier to obtain financial information from an issuer that has participated in the creation of a sponsored program. Accordingly, there may be less information available regarding issuers of securities underlying unsponsored programs and there may not be a correlation between such information and the market value of the Depository Receipts.

Real Estate Risk

An investment in a Fund may be closely linked to the performance of the real estate markets. Real estate securities are subject to the same risks as direct investments in real estate and mortgages, and their value will depend on the value of the underlying properties or the underlying loans or interests. The underlying loans may be subject to the risks of default or of prepayments that occur earlier or later than expected, and such loans may also include so-called “subprime” mortgages. The value of these securities will rise and fall in response to many factors, including economic conditions, the demand for rental property and interest rates. In particular, the value of these securities may decline when interest rates rise and will also be affected by the real estate market and by the management of the underlying properties.

Real Estate Investment Trust (REIT) Risk

Investing in REITs involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. Equity REITs may be affected by changes in the value of the underlying property owned by the REITs, while mortgage REITs may be affected by the quality of any credit extended. REITs are dependent upon management skills, may not be diversified geographically or by property/mortgage asset type, and are subject to heavy cash flow dependency, default by borrowers and self-liquidation. REITs may be more volatile and/or more illiquid than other types of equity securities.

REITs (especially mortgage REITs) are also subject to interest rate risks. When interest rates decline, the value of a REIT's investment in fixed rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a REIT's investment in fixed rate obligations can be expected to decline. In contrast, as interest rates on adjustable rate mortgage loans are reset periodically, yields on a REIT's investments in such loans will gradually align themselves to reflect changes in market interest rates, causing the value of such investments to fluctuate less dramatically in response to interest rate fluctuations than would investments in fixed rate obligations.

Investing in certain REITs involves risks similar to those associated with investing in small capitalization companies. These REITs may have limited financial resources, may trade less frequently and in limited volume and may be subject to more abrupt or erratic price movements than larger company securities. Historically, small capitalization stocks, such as REITs, have been more volatile in price than the larger capitalization stocks included in the S&P 500 Index. The management of a REIT may be subject to conflicts of interest with respect to the operation of the business of the REIT and may be involved in real estate activities competitive with the REIT. REITs may own properties through joint ventures or in other circumstances in which the REIT may not have control over its investments. REITs may incur significant amounts of leverage.

REITs must also meet certain requirements under the Code to avoid entity level tax and be eligible to pass-through certain tax attributes of their income to shareholders. REITs are consequently subject to the risk of failing to meet these requirements for favorable tax treatment and of failing to maintain their exemptions from registration under the 1940 Act. REITs are subject to the risks of changes in the Code affecting their tax status. REITs (especially mortgage REITs) are subject to interest rate risks. REITs may incur significant amounts of leverage. A Fund will indirectly bear a portion of the expenses, including management fees, paid by each REIT in which it invests, in addition to the expenses of the Fund.

While the relevant Sub-Investment Manager attempts to invest wisely, all investments involve risk. Because a Fund could invest in real estate securities, including REITs, the Fund is subject to the risks of investing in the real estate industry, such as changes in general and local economic conditions, the supply and demand for real estate and changes in zoning and tax laws. If a Fund concentrates in the real estate industry, its holdings can vary significantly from broad market indexes. As a result, a Fund's performance can deviate from the performance of such indexes. Because the relevant Sub-Investment Manager invests in stocks, there is the risk that the price of a particular stock owned could go down or pay lower-than-expected or no dividends. In addition to an individual stock losing value, the value of the equity markets or of companies comprising the real estate industry could go down.

REAL ESTATE RELATED SECURITIES

Although a Fund may not invest directly in real estate, a Fund may invest in securities of issuers that are principally engaged in the real estate industry. Therefore, an investment by a Fund is subject to certain risks associated with the ownership of real estate and with the real estate industry in general. These risks include, among others: possible declines in the value of real estate; risks related to general and local economic conditions; possible lack of availability of mortgage funds or other limitations on access to capital; overbuilding; risks associated with leverage; market illiquidity; extended vacancies of properties; increase in competition, property taxes, capital expenditures and operating expenses; changes in zoning laws or other governmental regulation; costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; tenant bankruptcies or other credit problems; casualty or condemnation losses; uninsured damages from floods, earthquakes or other natural disasters; limitations on and variations in rents, including decreases in market rates for rents; investment in developments that are not completed or that are subject to delays in completion; and unfavorable changes in interest rates. To the extent that assets underlying a Fund's investments are concentrated geographically, by property type or in certain other respects, a Fund may be subject to certain of the foregoing risks to a greater extent.

Investments by a Fund in securities of companies providing mortgage servicing will be subject to the risks associated with refinancings and their impact on servicing rights.

DERIVATIVE RISKS

Derivative Instruments Generally

A Fund may make extensive use of derivatives in its investment policy. Derivatives are financial instruments that derive their performance, at least in part, from the performance of an underlying asset, index, or interest rate. Examples of derivatives include, but are not limited to, swap agreements, futures contracts, options contracts, and options on futures contracts. A futures contract is an exchange-traded agreement between two parties, a buyer and a seller, to exchange a particular financial instrument at a specific price on a specific date in the future. An option transaction generally involves a right, which may or may not be exercised, to buy or sell a financial instrument at a particular price on a specified future date.

A Fund's use of derivatives involves risks different from, or possibly greater than, the risks associated with investing directly in securities or more traditional investments, depending upon the characteristics of the particular derivative and the overall portfolio of the Fund as a whole. Derivatives permit an investor to increase or decrease the level of risk of its portfolio, or change the character of the risk to which its portfolio is exposed, in much the same way as an investor can increase or decrease the level of risk, or change the character of the risk, of its portfolio by making investments in specific securities.

Derivatives may entail investment exposures that are greater than their cost would suggest, meaning that a small investment in derivatives could have a large potential impact on a Fund's performance. If a Fund invests in derivatives at inopportune times or judges market conditions incorrectly, such investments may lower the Fund's return or result in a loss, which could be significant. Derivatives are also subject to various other types of risk, including market risk, liquidity risk, structuring risk, counterparty financial soundness, credit worthiness and performance risk, legal risk and operations risk. In addition, a Fund could experience losses if derivatives are poorly correlated with its other investments, or if the Fund is unable to liquidate its position because of an illiquid secondary market. The market for many derivatives is, or suddenly can become, illiquid. Changes in liquidity may result in significant, rapid, and unpredictable changes in the prices for derivatives.

Engaging in derivative transactions involves a risk of loss to a Fund that could materially adversely affect the Fund's NAV. No assurance can be given that a liquid market will exist for any particular contract at any particular time.

Derivatives with Respect to High-Yield and Other Indebtedness

A Fund may engage in trading of derivatives with respect to high yield and other debt. In addition to the credit risks associated with holding high yield debt securities, with respect to derivatives involving high yield and other debt, the Fund will usually have a contractual relationship only with the counterparty of the derivative, and not with the issuer of the indebtedness. Generally, a Fund will have no right to directly enforce compliance by the issuer with the terms of the derivative nor any rights of set-off against the issuer, nor have any voting rights with respect to the indebtedness. A Fund will not directly benefit from the collateral supporting the underlying indebtedness and will not have the benefit of the remedies that would normally be available to a holder of the indebtedness. In addition, in the event of the insolvency of the counterparty to the derivative, the Fund will be treated as a general creditor of such counterparty, and will not have any claim with respect to the underlying indebtedness. Consequently, the Fund will be subject to the credit risk of the counterparty as well as that of the issuer of the indebtedness. As a result, concentrations of such derivatives in any one counterparty may subject the Fund to an additional degree of risk with respect to defaults by such counterparty as well as by the issuer of the underlying indebtedness.

Futures

A Fund may use futures as part of its investment program. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. It is also possible that an exchange may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. The circumstances described above could prevent the Investment Manager from liquidating unfavourable positions promptly and subject a Fund to substantial losses. These circumstances could also impair the Fund's ability to withdraw its investments in order to satisfy redemption requests by Shareholders in a timely manner. An investment in a Fund is therefore suitable only for certain sophisticated investors that will not be materially impacted by postponements of the Fund's normal redemption dates.

The successful use of futures for speculative purposes is subject to the ability to predict correctly movements in the direction of the relevant market, and, to the extent the transaction is entered into for hedging purposes, to ascertain the appropriate correlation between the transaction being hedged and the price movements of the futures contract.

Forward Contracts

A Fund may enter into forward contracts and options thereon which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts. Banks and other dealers with whom a Fund may maintain accounts may require the Fund to deposit margin with respect to such trading, although margin requirements are often minimal or nonexistent. A Fund's counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts

or have quoted prices with an unusually wide spread (the difference between the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of a Fund. In addition, disruptions can occur in any market traded by a Fund due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in major losses to a Fund. In addition, a Fund may be exposed to credit risks with regard to counterparties with whom it trades as well as risks relating to settlement default. Such risks could result in substantial losses to such Fund.

When-Issued and Forward Commitment Securities

A Fund may purchase securities on a “when-issued” basis and may purchase or sell securities on a “forward commitment” basis in order to hedge against anticipated changes in interest rates and prices or for speculative purposes. These transactions involve a commitment by the Fund to purchase or sell securities at a future date (ordinarily at least one or two months later). The price of the underlying securities, which is generally expressed in terms of yield, is fixed at the time the commitment is made, but delivery and payment for the securities takes place at a later date. No income accrues on securities that have been purchased pursuant to a forward commitment or on a when-issued basis prior to delivery to the Fund. There is a risk that securities purchased on a when-issued basis may not be delivered and that the purchaser of securities sold by the Fund on a forward basis will not honour its purchase obligation. In such cases, the Fund may incur a loss.

Call Options

A Fund may directly or indirectly sell or purchase call options. There are risks associated with the sale and purchase of call options. The seller (writer) of a call option which is covered (i.e., the writer holds the underlying security) assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise price of the option. The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option.

The buyer of a call option assumes the risk of losing his entire investment in the call option. If the buyer of the call sells short the underlying security, the loss on the call will be offset in whole or in part by any gain on the short sale of the underlying security.

Put Options

A Fund may directly or indirectly sell or purchase put options. There are risks associated with the sale and purchase of put options. The seller (writer) of a put option which is covered (i.e., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. If the seller of the put option owns a put option covering an equivalent number of shares with an exercise price equal to or greater than the exercise price of the put written, the position is “fully hedged” if the option owned expires at the same time or later than the option written. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option.

The buyer of a put option assumes the risk of losing his entire investment in the put option. If the buyer of the put option holds the underlying security, the loss on the put option will be offset in whole or in part by any gain on the underlying security.

Swap Agreements

A Fund may enter into swap agreements. Swap agreements are derivative products in which two parties agree to exchange payment streams that may be calculated in relation to a rate, index, instrument, or certain securities and a particular “notional amount.” Swaps may be subject to various types of risks, including market risk, liquidity risk,

structuring risk, tax risk, and the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty. Swaps may be structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swaps may increase or decrease a Fund's exposure to equity or debt securities, long-term or short-term interest rates (in the United States or abroad), foreign currency values, mortgage-backed securities, corporate borrowing rates, or other factors such as security prices, baskets of securities, or inflation rates and may increase or decrease the overall volatility of the Fund's portfolio. Swap agreements can take many different forms and are known by a variety of names. A Fund is not limited to any particular form of swap agreement if the Investment Manager determines that other forms are consistent with the Fund's investment objective and policies.

The most significant factor in the performance of swaps is the change in individual equity values, specific interest rate, currency or other factors that determine the amounts of payments due to and from the counterparties. If a swap calls for payments by a Fund, the Fund must have sufficient cash available to make such payments when due. In addition, if a counterparty's creditworthiness declines, the value of a swap agreement would be likely to decline, potentially resulting in losses to the Fund.

Swaps may be individually negotiated transactions in the over-the-counter market in which a Fund assumes the credit risk of the other counterparty to the swap and is exposed to the risk of loss of the amount expected to be received under a swap agreement in the event of the default or insolvency of the swap counterparty. Such over-the-counter swap transactions may be highly illiquid and may increase or decrease the volatility of a Fund's portfolio. If there is a default by a counterparty, a Fund under most normal circumstances will have contractual remedies pursuant to the swap agreement; however, exercising such contractual rights may involve delays or costs which could result in the net asset value of the Fund being less than if the Fund had not entered into the transaction. Furthermore, there is a risk that a swap counterparty could become insolvent and/or the subject of insolvency proceedings, in which event the recovery of the collateral posted by the Fund with such counterparty or the payment of claims under the swap agreement may be significantly delayed and the Fund may recover substantially less than the full value of the collateral entrusted to such counterparty or of the Fund's claims.

A Fund will also bear the risk of loss if it breaches the swap agreement or if it fails to post or maintain required collateral. Recent changes in law and regulation require certain types of swap agreements to be transacted on exchanges and/or cleared through a clearinghouse, and will in the future require additional types of swap agreements to be transacted on exchanges and/or cleared through a clearinghouse. See "The EU Regulation on OTC derivatives, central counterparties and trade repositories" and "Changes to US Securities Law - Derivatives Regulation."

Credit Default Swaps

A Fund may enter into credit default swap transactions. The "protection buyer" or "buyer" in a credit default contract is obligated to pay the "protection seller" or "seller" a periodic stream of payments over the term of the contract provided that no credit event (as defined in the applicable contract) on an underlying reference obligation has occurred. If a credit event occurs, the seller may be required to transfer substantial value in cash or securities. A Fund may be either the buyer or seller in a credit default swap transaction. If a Fund is a buyer and no credit event occurs, the Fund will lose its investment and recover nothing. However, if a credit event occurs, the Fund (as buyer) may receive the full notional value of the reference obligation even if the reference obligation has little or no value. As a seller, a Fund generally receives a fixed rate of income throughout the term of the contract, which generally is between six months and ten years (depending on the maturity of the underlying reference obligation), provided that there is no credit event. If a credit event occurs, a Fund (as seller) will be required to pay the full notional value of the reference obligation. Credit default swap transactions may involve greater risks than if a Fund had invested in the reference obligation directly.

A Fund may also purchase credit default swap contracts in order to hedge against the risk of a credit event with respect to debt securities it holds. This would involve the risk that the credit default swap may expire worthless and would only generate income in the event of an actual credit event by the issuer of the underlying reference obligation. It would also involve credit risk—that the seller may fail to satisfy its payment obligations to the Fund in the event of a credit event.

Selling credit default protection creates a synthetic "long" position which may replicate the terms of credit exposure to the referenced cash-market security or index. However, there can be no assurance that the price relationship between the cash-market security or index and the credit derivative will remain constant, and events unrelated to the underlying security or index (such as those affecting availability of borrowed money and liquidity, or the creditworthiness of a counterparty) can cause the price relationship to change. This risk is known as "basis risk." Basis risk may cause a Fund to realize a greater loss on an investment in synthetic form than might otherwise be the case with a cash-market security. To the extent the Fund purchases credit default swap protection to hedge risk, basis risk may cause the hedge to be less effective or ineffective.

Hedging Transactions

Hedging techniques used by the Investment Manager may involve a variety of derivative transactions, including futures contracts, exchange-listed and over-the-counter put and call options on securities, financial indices, forward foreign currency contracts, and various interest rate transactions (collectively, "**Hedging Instruments**"). Hedging techniques involve unique risks. In particular, the variable degree of correlation between price movements of Hedging Instruments and price movements in the position being hedged creates the possibility that losses on the hedge may be greater than gains in the value of a Fund's positions. In addition, certain Hedging Instruments and markets may not be liquid in all circumstances. As a result, in volatile markets a Fund may not be able to close out transactions in certain of these instruments without recurring losses substantially greater than the initial deposit. Although the contemplated use of these instruments should tend to minimise the risk of loss due to a decline in the value of the hedged position, at the same time they tend to limit any potential gain which might result from an increase in the value of such position. The ability of a Fund to hedge successfully will depend on the Investment Manager's ability to predict pertinent market movements, which cannot be assured. A Fund is not required to hedge and there can be no assurance that hedging transactions may be available or, even if undertaken, will be effective. In addition it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-U.S. currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations. Furthermore, over-hedged or under-hedged positions may arise due to factors beyond the control of the Fund.

Position Limits

"Position limits" imposed by various regulators and/or counterparties may also limit a Fund's ability to effect desired trades. Position limits are the maximum amounts of net long or net short positions that any one person or entity may own or control in a particular financial instrument. All positions owned or controlled by the same person or entity, even if in different accounts, may be aggregated for purposes of determining whether the applicable position limits have been exceeded. Thus, even if a Fund does not intend to exceed applicable position limits, it is possible that different accounts managed by the Investment Manager and its affiliates may be aggregated. If at any time positions managed by the Investment Manager were to exceed applicable position limits, the Investment Manager would be required to liquidate positions, which might include positions of a Fund, to the extent necessary to come within those limits. Further, to avoid exceeding the position limits, a Fund might have to forego or modify certain of its contemplated trades.

Necessity for Counterparty Trading Relationships

Participants in the over-the-counter markets typically enter into transactions only with those counterparties which they believe to be sufficiently creditworthy, unless the counterparty provides margin, collateral, letters of credit or other credit enhancements. While it is anticipated that a Fund will be able to establish the necessary counterparty business relationships to permit the Fund to effect transactions in the over-the-counter commodities markets and other counterparty markets, including the swaps market, there can be no assurance that it will be able to do so or, if it does, that it will be able to maintain such relationships. An inability to continue existing or establish new relationships could limit the Fund's activities and would require the Fund to conduct a more substantial portion of such activities in the futures markets. Moreover, the counterparties with which a Fund expects to establish such relationships will not be obligated to maintain the credit lines extended to the Fund, and such counterparties could decide to reduce or terminate such credit lines at their discretion.

Failure of Brokers, Counterparties and Exchanges

A Fund will be exposed to the credit risk of the counterparties with which, or the brokers, dealers and exchanges through which, the Fund deals, whether it engages in exchange-traded or off-exchange transactions. A Fund may be subject to risk of loss of its assets on deposit with a broker in the event of the broker's bankruptcy, the bankruptcy of any clearing broker through which the broker executes and clears transactions on behalf of the Fund, or the bankruptcy of an exchange clearing house. A Fund may also be subject to risk of loss of its funds on deposit with brokers who are not required by their own regulatory bodies to segregate customer funds. A Fund may be required to post margin for its foreign exchange transactions either with the Investment Manager or other foreign exchange dealers who are not required to segregate funds (although such funds are generally maintained in separate accounts on the foreign exchange dealer's books and records in the name of the Fund).

In the case of a bankruptcy of the counterparties with which, or the brokers, dealers and exchanges through which, a Fund deals, or a customer loss as described in the foregoing paragraph, the Fund might not be able to recover any of its assets held, or amounts owed, by such person, even property specifically traceable to the Fund, and, to the extent such assets or amounts are recoverable, the Fund might only be able to recover a portion of such amounts. Further, even if the Fund is able to recover a portion of such assets or amounts, such recovery could take a significant period of time. Prior to receiving the recoverable amount of the Fund's property, the Fund may be unable to trade any positions held by such person, or to transfer any positions and cash held by such person on behalf of the Fund. This could result in significant losses to the Fund.

A Fund may effect transactions on "over-the-counter" or "interdealer" markets. Participants in these markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets. To the extent the Fund invests in swaps, derivatives or synthetic instruments, or other over-the-counter transactions in these markets, the Fund may take a credit risk with regard to parties with which it trades and also may bear the risk of settlement default. These risks may differ materially from those involved in exchange-traded transactions, which generally are characterized by clearing organization guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. Transactions entered into directly between two counterparties generally do not benefit from these protections, which, in turn, may subject the Fund to the risk that a counterparty will not settle a transaction in accordance with agreed terms and conditions due to, among other things, a dispute over the terms of the contract or a credit or liquidity problem. Such "counterparty risk" is increased for contracts with longer maturities when events may intervene to prevent settlement. The inability of the Fund to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses to the Fund.

A Fund may engage in direct or indirect trading of securities, currencies, derivatives (including swaps, forward contracts, futures, options and repurchase and reverse repurchase agreements) and other instruments (as permitted by its investment policy) on a principal basis. As such, a Fund as transferee or counterparty could experience both delays in liquidating the underlying security, future or other investment and losses, including those arising from: (i) the risk of the inability or refusal to perform with respect to such transactions on the part of the principals with which the Fund trades, including without limitation, the inability or refusal to timely return collateral posted by the Fund; (ii) possible decline in the value of any collateral during the period in which the Fund seeks to enforce its rights with respect to such collateral; (iii) the need to remargin or repost collateral in respect of transferred, assigned or replaced positions; (iv) reduced levels of income and lack of access to income during such period; (v) expenses of enforcing its rights; and (vi) legal uncertainty concerning the enforceability of certain rights under swap agreements and possible lack of priority against collateral posted under the swap agreements. Any such failure or refusal, whether due to insolvency, bankruptcy or other causes, could subject the Fund to substantial losses. A Fund will not be excused from performance on any such transactions due to the default of third parties in respect of other trades in which its trading strategies were to have substantially offset such contracts.

CURRENCY RISKS

Currency Transactions

A Fund may engage in a variety of currency transactions. In this regard, spot and forward contracts and over-the-counter options are subject to the risk that counterparties will default on their obligations. Since a spot or forward

contract or over-the-counter option is not guaranteed by an exchange or clearing house, a default on the contract would deprive a Fund of unrealised profits, transaction costs and the hedging benefits of the contract or force a Fund to cover its purchase or sale commitments, if any, at the current market price. To the extent that a Fund is fully invested in securities while also maintaining currency positions, it may be exposed to greater combined risk. The use of currency transactions is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary Fund securities transactions. If the Investment Manager is incorrect in its forecasts of market values and currency exchange rates, the investment performance of a Fund would be less favourable than it would have been if this investment technique were not used.

A Fund may incur costs in connection with conversions between various currencies. Currency exchange dealers realize a profit based on the difference between the prices at which they are buying and selling various currencies. Thus, a dealer normally will offer to sell currency to a Fund at one rate, while offering a lesser rate of exchange should the Fund sell to the dealer.

Currency Risks

As a result of investment in obligations involving currencies of various countries, the value of the assets of a Fund as measured in a Fund's Base Currency will be affected by changes in currency exchange rates, which may affect a Fund's performance independent of the performance of its securities investments. A Fund may or may not seek to hedge all or any portion of its foreign currency exposure. However, even if a Fund attempts such hedging techniques, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in non-Base Currencies because the value of those securities is likely to fluctuate as a result of independent factors not related to currency fluctuations.

Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, a Fund's Net Asset Value to fluctuate as well. 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. Currency exchange rates also can be affected unpredictably by intervention or failure to intervene by governments or central banks or by currency controls or political developments throughout the world. To the extent that a substantial portion of a Fund's total assets, adjusted to reflect a Fund's net position after giving effect to currency transactions, is denominated in the currencies of particular countries, the Fund will be more susceptible to the risk of adverse economic and political developments within those countries.

Currency Counterparty Risk

Contracts in the foreign exchange market are not regulated by a regulatory agency, and such contracts are not guaranteed by an exchange or its clearing house. Consequently, there are no requirements with respect to record-keeping, financial responsibility or segregation of customer funds or positions. In contrast to exchange-traded futures contracts, interbank-traded instruments rely on the dealer or counterparty being contracted with to fulfil its contract. As a result, trading in interbank foreign exchange contracts may be subject to more risks than futures or options trading on regulated exchanges, including, but not limited to, the risk of default due to the failure of a counterparty with which a Fund has a forward contract. Although the Investment Manager intends to trade with counterparties it believes to be responsible, failure by a counterparty to fulfil its contractual obligations could expose a Fund to unanticipated losses.

Share Currency Designation Risk

The Company may from time to time in its sole discretion, and without notice to the Shareholders, issue multiple Hedged Classes of Shares which are designated in a currency other than the Base Currency of a Fund. However, a Fund seeks to achieve its investment objectives in its Base Currency. In order that investors in any Hedged Classes receive a return in the applicable Class Currency substantially in line with the investment objectives of the Fund, the Investment Manager intends to seek to hedge the foreign currency exposure of such interests through foreign exchange transactions. Foreign exchange hedging involves the Company seeking to mitigate the risk of losses caused by adverse exchange rate fluctuations through the use of the efficient portfolio management techniques (including futures and currency forwards) set out in Appendix C within the conditions and limits imposed by the

Central Bank to hedge the foreign currency exposure of such Classes into the Base Currency of the relevant Fund. There can be no assurance that foreign exchange hedging will be effective. For example, foreign exchange hedging may not take into account the changes in foreign currency exposure resulting from appreciation or depreciation of the assets of a Fund allocable to Hedged Classes in the periods between Dealing Days of the relevant Fund. In addition, foreign exchange hedging may not fully protect investors from a decline in the value of the Base Currency against the relevant Class Currency because, among other reasons, the valuations of the underlying assets of the Fund used in connection with foreign exchange hedging could be materially different from the actual value of such assets at the time the foreign exchange hedging is implemented, or because a substantial portion of the assets of the Fund may lack a readily ascertainable market value. Moreover, while holding Shares of a Hedged Class should protect investors from a decline in the value of the Base Currency against the relevant Class Currency, investors in a Hedged Class will not generally benefit when the Base Currency appreciates against the relevant Class Currency. The value of Shares of any Hedged Class will be exposed to fluctuations reflecting the profits and losses on, and the costs of, the foreign exchange hedging.

While the Investment Manager will seek to limit any foreign exchange hedging if the liabilities arising from any foreign exchange hedging utilized by a Fund exceed the assets of the applicable class of interests on behalf of which such hedging activities were undertaken, it could adversely impact the NAV of other classes in a Fund. In addition, foreign exchange hedging will generally require the use of a portion of a Fund's assets for margin or settlement payments or other purposes. For example, a Fund may from time to time be required to make margin, settlement or other payments, including in between Dealing Days of the relevant Fund, in connection with the use of certain hedging instruments. Counterparties to any foreign exchange hedging may demand payments on short notice, including intra-day. As a result, a Fund may liquidate assets sooner than it otherwise would have and/or maintain a greater portion of its assets in cash and other liquid securities than it otherwise would have, which portion may be substantial, in order to have available cash to meet current or future margin calls, settlement or other payments, or for other purposes. A Fund generally expects to earn interest on any such amounts maintained in cash, however, such amounts will not be invested in accordance with the investment policy of the Fund, which may materially adversely affect the performance of the Fund (including Base Currency denominated Shares). Moreover, due to volatility in the currency markets and changing market circumstances, the Investment Manager may not be able to accurately predict future margin requirements, which may result in a Fund holding excess or insufficient cash and liquid securities for such purposes. Where a Fund does not have cash or assets available for such purposes, the Fund may be unable to comply with its contractual obligations, including without limitation, failing to meet margin calls or settlement or other payment obligations. If a Fund defaults on any of its contractual obligations, the Fund and its Shareholders (including holders of Base Currency denominated Shares) may be materially adversely affected.

There may be circumstances in which the Investment Manager may determine not to conduct any foreign exchange hedging in whole or in part for a certain period of time, including without limitation, where the Investment Manager determines, in its sole discretion, that foreign exchange hedging is not practicable or possible or may materially affect a Fund or any direct or indirect investors therein, including the holders of Base Currency denominated Shares. As a result, foreign currency exposure may go fully or partially unhedged for that period of time. Shareholders may not receive notice of certain periods for which foreign currency exposure is unhedged.

There can be no assurance that the Investment Manager will be able to hedge, or be successful in hedging, the currency exposure, in whole or in part, of Shares of any Hedged Class. In addition, a Fund is not expected to utilize foreign exchange hedging during the period when the Fund's assets are being liquidated or the Fund is being wound up, although it may do so in the Investment Manager's sole discretion. The Investment Manager may, in its sole discretion and subject to applicable law, delegate the management of all or a portion of the foreign exchange hedging to one or more of its affiliates.

OTHER SECURITIES RISKS

Investment in Collective Investment Schemes

Each Fund will bear its proportionate share of any fees and expenses paid by collective investment schemes in which the Fund may invest (including funds affiliated with the Investment Manager, other than a Fund of the Company), in addition to all fees and expenses payable by each Fund. Investments in funds affiliated with the

Investment Manager will be subject to the Investment Manager's fiduciary obligations to a Fund and will be made on an arm's length basis. Where a Fund invests in units of a collective investment scheme managed by the Investment Manager or its affiliates, and the Investment Manager or its affiliate, as the case may be, is entitled to receive a preliminary charge for its own account in respect of an investment in such fund, the Investment Manager or the affiliate, as appropriate, will waive the preliminary charge. Where the Investment Manager receives any commission by virtue of investing in a fund advised or managed by the Investment Manager, such commission will be paid into the assets of the relevant Fund.

Exchange Traded Funds ("ETFs")

ETFs are investment companies whose shares are bought and sold on a securities exchange. ETFs invest in a portfolio of securities designed to track a particular market segment or index. ETFs, like mutual funds, have expenses associated with their operation, including advisory fees. When a Fund invests in an ETF, in addition to directly bearing expenses associated with its own operations, it will bear a pro rata portion of the ETF's expenses. Such ETF's expenses may make owning shares of the ETF more costly than owning the underlying securities directly. The risks of owning shares of an ETF generally reflect the risks of owning the underlying securities the ETF is designed to track, although lack of liquidity in an ETF could result in its value being more volatile than the underlying portfolio of securities.

Purchases of Securities and Other Obligations of Financially Distressed Companies

A Fund may directly or indirectly purchase securities and other obligations of issuers that are experiencing significant financial or business distress ("**Distressed Companies**"), including issuers involved in bankruptcy or other reorganization and liquidation proceedings. These investments are considered speculative. Although such purchases may result in significant returns, they involve a substantial degree of risk and may not show any return for a considerable period of time, if ever. In fact, many of these instruments ordinarily remain unpaid unless and until the issuer reorganizes and/or emerges from bankruptcy proceedings, and as a result may have to be held for an extended period of time. The level of analytical sophistication, both financial and legal, necessary for successful investment in issuers experiencing significant business and financial distress is unusually high. There is no assurance that a Fund will correctly evaluate the nature and magnitude of the various factors that could affect the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to an issuer, a Fund may lose its entire investment or may be required to accept cash or securities with a value less than its original investment. In addition, distressed investments may require active participation by the Investment Manager and its representatives. This may expose a Fund to litigation risks or restrict a Fund's ability to dispose of its investments. Under such circumstances, the returns generated from a Fund's investments may not compensate Shareholders adequately for the risks assumed.

Restricted Securities

A Fund may invest in securities that are not registered under the 1933 Act or under the laws of any non-U.S. jurisdiction pursuant to an exemption thereunder ("**Restricted Securities**"). Restricted Securities may be sold in private placement transactions between issuers and their purchasers and may be neither listed on an exchange nor traded in other established markets. In many cases, privately placed securities may not be freely transferable under the laws of the applicable jurisdiction or due to contractual restrictions on resale. As a result of the absence of a public trading market, privately placed securities may be less liquid and more difficult to value than publicly traded securities. To the extent that privately placed securities may be resold in privately negotiated transactions, the prices realized from the sales, due to illiquidity, could be less than those originally paid by the Fund or less than their fair market value. In addition, issuers whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that may be applicable if their securities were publicly traded. If any privately placed securities held by a Fund are required to be registered under the securities laws of one or more jurisdictions before being resold, a Fund may be required to bear the expenses of registration. A Fund's investments in private placements may consist of direct investments and may include investments in smaller, less seasoned issuers, which may involve greater risks. These issuers may have limited product lines, markets or financial resources or they may be dependent on a limited management group. In making investments in such securities, a Fund may obtain access to material nonpublic information, which may restrict a Fund's ability to conduct portfolio transactions in such securities.

Stripped Securities

Stripped securities are created when the issuer separates the interest and principal components of an instrument and sells them as separate securities. In general, one security is entitled to receive the interest payments on the underlying assets (the interest only or “IO” security) and the other to receive the principal payments (the principal only or “PO” security). Some stripped securities may receive a combination of interest and principal payments. The yields to maturity on IOs and POs are sensitive to the expected or anticipated rate of principal payments (including prepayments) on the related underlying assets, and principal payments may have a material effect on yield to maturity. If the underlying assets experience greater than anticipated prepayments of principal, a Fund may not fully recoup its initial investment in IOs. Conversely, if the underlying assets experience less than anticipated prepayments of principal, the yield on POs could be adversely affected. Stripped securities may be highly sensitive to changes in interest rates and rates of prepayment.

ADDITIONAL RISKS

Correlation of Performance Across Investments and Strategies

The Investment Manager may invest in securities in a manner which is intended to provide some degree of portfolio diversification. However, there can be no assurance that the performance of its investments will not be correlated. For example, in periods of illiquidity such as those experienced in 2008, assets in certain market sectors which historically did not show a high degree of correlation became correlated due to the sharp decrease in liquidity available to investors and the loss of systemically important institutions that affected all such investments. Similarly, there can be no assurance that the strategy employed by the Investment Manager will be uncorrelated with other investment strategies in the future.

Execution of Orders; Electronic Trading

A Fund's investment strategies and trading strategies depend on its ability to establish and maintain an overall market position in a combination of financial instruments selected by the Investment Manager. A Fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, trading volume surges or systems failures attributable to a Fund, the Investment Manager, a Fund's counterparties, brokers, dealers, agents or other service providers. In such event, a Fund might only be able to acquire or dispose of some, but not all, of the components of such position, or if the overall position were to need adjustment, the Fund might not be able to make such adjustment. As a result, a Fund would not be able to achieve the market position selected by the Investment Manager, which may result in a loss. In addition, a Fund relies heavily on electronic execution systems (and may rely on new systems and technology in the future), and such systems may be subject to certain systemic limitations or mistakes, causing the interruption of trading orders made by a Fund.

Trading on Exchanges

A Fund may trade, directly or indirectly, futures and securities on exchanges located anywhere. Some exchanges, in contrast to those based in the United States, for example, are “principals’ markets” in which performance is solely the individual member's responsibility with whom the trader has entered into a commodity contract and not that of an exchange or its clearinghouse, if any. In the case of trading on such exchanges, a Fund will be subject to the risk of the inability of, or refusal by, a counterparty to perform with respect to contracts. Moreover, in certain jurisdictions there is generally less government supervision and regulation of worldwide stock exchanges, clearinghouses and clearing firms than, for example, in the United States. A Fund is also subject to the risk of the failure of the exchanges on which its positions trade or of their clearinghouses or clearing firms and there may be a higher risk of financial irregularities and/or lack of appropriate risk monitoring and controls.

Custodians and Sub-Custodians

The assets of a Fund will be held by custodians and broker-dealers (in the case of broker-dealers, assets of a Fund will only be held during the settlement of a transaction). There are risks involved in dealing with the custodians or

brokers who settle a Fund's trades. It is expected that all securities and other assets deposited with custodians or brokers will be identified as being assets of a Fund, and hence a Fund should not be exposed to credit risk with regard to such parties. However, with respect to both U.S. and non-U.S. custodians, it may not always be possible to achieve such segregation, and there may be practical or time problems associated with enforcing the Fund's rights to its assets in the case of an insolvency of any such party.

The Custodian may appoint sub-custodians in certain non-U.S. jurisdictions to hold assets of a Fund. Subject and without prejudice to the terms of the Custody Services Agreement, as described in the Custodian section below, the Custodian may not be responsible in certain circumstances for cash or assets which are held by sub-custodians in certain non-U.S. jurisdictions, nor for any losses suffered by a Fund as a result of the bankruptcy or insolvency of any such sub-custodian. A Fund may have a potential exposure on the default of any sub-custodian. In such event, many of the protections that would normally be provided to a customer by a custodian may not be available to a Fund. Custody services in certain non-U.S. jurisdictions remain undeveloped, and accordingly there are transaction and custody risks of dealing in certain non-U.S. jurisdictions. Given the undeveloped state of regulations on custodial activities and bankruptcy in certain non-U.S. jurisdictions, the ability of a Fund to recover assets held by a sub-custodian in the event of its insolvency would be in doubt.

No Investment Guarantee Equivalent to Deposit Protection

Investment in a Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Furthermore, unlike a deposit in a bank account, the principal invested in a Fund is capable of fluctuation.

Third Party Litigation

A Fund's investment activities subject it to the normal risks of becoming involved in litigation by third parties. The expense of defending against any such claims and paying any amounts pursuant to settlements or judgments would generally be borne by such Fund and would reduce its net assets.

Substantial Subscriptions

The Investment Manager may not be able to invest all net subscription proceeds immediately following the Dealing Day. To the extent that a Fund's assets are not invested immediately following the relevant Dealing Day, there could be a negative impact on the performance of a Fund, as the Fund will not be pursuing its investment objective in respect of the portion of its assets held in cash or other liquid assets.

Substantial Redemptions

Substantial redemption requests by Shareholders in a concentrated period of time could require a Fund to liquidate certain of its investments more rapidly than might otherwise be desirable in order to raise cash to fund the redemptions and achieve a portfolio appropriately reflecting a smaller asset base. This may limit the ability of the Investment Manager to successfully implement the investment policy of a Fund and could negatively impact the value of the Shares being redeemed and the value of Shares that remain outstanding. In addition, following receipt of a redemption request, a Fund may be required to liquidate assets in advance of the applicable Dealing Day, which may result in a Fund holding cash or highly liquid investments pending such Dealing Day. During any such period, the ability of the Investment Manager to successfully implement the investment policy of a Fund may be impaired and the Fund's returns may be adversely affected as a result.

Moreover, regardless of the time period over which substantial redemption requests are made, the resulting reduction in the NAV of a Fund could make it more difficult for the Fund to generate profits or recover losses. Shareholders will not receive notification of substantial redemption requests in respect of any particular Dealing Day from a Fund and, therefore, may not have the opportunity to redeem their Shares or portions thereof prior to or at the same time as the redeeming Shareholders.

The risk of substantial redemption requests in a concentrated period of time may be heightened in the event that a Fund accepts investments related directly or indirectly to the offering of structured products including, without

limitation, in connection with the hedging of positions under such structured products, particularly those structured products with a fixed life. A Fund may or may not accept such investments, as determined by the Fund in its sole discretion, and such investments could, at any time, make up a significant portion of the Fund's NAV.

Swing Pricing

As described in the "Fees and Expenses" section of the applicable Supplement, the Directors may, where they so determine, "swing" the Net Asset Value of the Fund in order to attempt to mitigate the potentially dilutive effects of dealing on the Net Asset Value on any Dealing Day on which there are net subscriptions or redemptions in the Fund. In such cases, investors should be aware that swing pricing may not always prevent the dilution of the Net Asset Value of the Fund. The dealing charges, commission and transaction charges and the dealing spread and the adjustments made to the Net Asset Value may also benefit certain investors while not benefitting the Fund as a whole. For example a subscriber into the Fund on a day on which the Net Asset Value is swung downwards as a result of net redemptions from the Fund may benefit from paying a lower Net Asset Value per Share in respect of their subscription than they would otherwise have been charged. In addition, the Fund's Net Asset Value and short-term performance may experience greater volatility as a result of this valuation methodology.

Limited Liquidity of Shares: Redemptions

An investment in a Fund is of limited liquidity since Shares may be subject to certain restrictions. Subject to limited redemption rights, each Shareholder must be prepared to bear the economic risk of an investment in the Company for an indefinite period. Shares are subject to the restrictions on transfer. See "Transfer of Shares" section of the Prospectus. Redemption rights may be limited or postponed under certain circumstances. See "Temporary Suspension of Dealings" section of the Prospectus.

A distribution in respect of a redemption may be made in kind, at the discretion of the Directors in consultation with the Investment Manager; provided that where the redemption request represents less than 5% of the NAV of a Fund, the Shareholder's consent is required. The investments so distributed may not be readily marketable or saleable and may have to be held by such Shareholder for an indefinite period of time.

An investment in a Fund is therefore suitable only for certain sophisticated investors that can bear the risks associated with the limited liquidity of their Shares. There is no independent market for the purchase or sale of Shares, and none is expected to develop.

Adjustments

If at any time the Company determines, in its sole discretion, that an incorrect number of Shares was issued to a Shareholder because the NAV in effect on the Dealing Day was incorrect, the Company will implement such arrangements as it determines, in its sole discretion, are required for an equitable treatment of such Shareholder, which arrangements may include redeeming a portion of such Shareholder's shareholding for no additional consideration or issuing new Shares to such Shareholder for no consideration, as appropriate, so that the number of Shares held by such Shareholder following such redemption or issuance, as the case may be, is the number of Shares as would have been issued at the correct NAV. In addition, if at any time after a redemption of Shares (including in connection with any complete redemption of Shares by a Shareholder) the Company determines, in its sole discretion, that the amount paid to such Shareholder or former Shareholder pursuant to such redemption was materially incorrect (including because the NAV at which the Shareholder or former Shareholder purchased such Shares was incorrect), the Company will pay to such Shareholder or former Shareholder any additional amount that the Company determines such Shareholder or former Shareholder was entitled to receive, or, in the Company's sole discretion, seek payment from such Shareholder or former Shareholder of (and such Shareholder or former Shareholder will be required to pay) the amount of any excess payment that the Company determines such Shareholder or former Shareholder received, in each case without interest. In the event that the Company elects not to seek the payment of such amounts from a Shareholder or former Shareholder or is unable to collect such amounts from a Shareholder or former Shareholder, the NAV will be less than it would have been had such amounts been collected.

Valuations of Assets

The valuation of a Fund's assets obtained for the purpose of calculating NAV may not be reflected in the prices at which securities are sold. For details of the valuation of assets please see the "Administration of the Company".

Indemnification of the Investment Manager

The Investment Management Agreement contains broad exculpation and indemnification provisions that require the Company and a Fund, out of the assets of the Company and a Fund, to exculpate and indemnify the Investment Manager (and each of its directors, officers, employees and agents) against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including reasonable legal fees or expenses) suffered or incurred by the Investment Manager in connection with the performance of its duties and/or the exercise of its powers under the Investment Management Agreement, in the absence of gross negligence, wilful default, bad faith or fraud.

Use of Sub-Investment Managers

One or more Sub-Investment Managers may be appointed from time to time. Any risk factors with respect to the Investment Manager would be similarly applicable to such Sub-Investment Managers.

No Separate Counsel

Matheson acts as the Irish counsel to the Company and the Funds. This Prospectus was prepared based on information furnished by the Directors and the Investment Manager, and Matheson has not independently verified such information. Matheson does not represent investors in a Fund, and no independent counsel has been retained to act on behalf of shareholders.

REGULATORY RISKS

Government Investment Restrictions

Government regulations and restrictions may limit the amount and types of securities that may be purchased or sold by a Fund. The ability of a Fund to invest in securities of companies or governments of certain countries may be limited or, in some cases, prohibited. As a result, larger portions of a Fund's assets may be invested in those countries where such limitations do not exist. Such restrictions may also affect the market price, liquidity and rights of securities and may increase Fund expenses. In addition, policies established by the governments of certain countries may adversely affect each Fund's investments and the ability of a Fund to achieve its investment objective.

In addition, the repatriation of both investment income and capital is often subject to restrictions such as the need for certain governmental consents, and even where there is no outright restriction, the mechanics of repatriation may affect certain aspects of the operation of a Fund.

Changes to US Securities Law

U.S. Derivatives Regulation

Some derivative contracts are currently not regulated by the SEC or the CFTC, or, in some jurisdictions, any comparable regulatory body, and such contracts are not guaranteed by an exchange or its clearinghouse. However, the regulation of derivatives has been, and will be, changing as a result of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "**Dodd-Frank Act**").

In order to mitigate counterparty risk and systemic risk in general, various regulatory and legislative initiatives are underway to require certain over-the-counter derivatives to be cleared through a clearinghouse. In the United States, clearing requirements were part of the Dodd-Frank Act. The CFTC imposed its first clearing mandate on December 13, 2012 affecting certain interest rate and credit default swaps. It is expected that the CFTC and the SEC will introduce additional clearing requirements for other derivatives in the future. While such clearing requirements may be beneficial for a Fund in many respects (for instance, they may reduce the counterparty risk to

the dealers to which a Fund would be exposed under non-cleared derivatives), a Fund could be exposed to new risks such as the risk that the majority of such derivatives may be required to be standardized and/or cleared through a clearinghouse, as a result of which a Fund may not be able to hedge its risks or express an investment view as well as it would using customizable derivatives available in the over-the-counter markets. Also, each clearinghouse only covers a limited range of products and a Fund may have to spread its derivative portfolio across multiple clearinghouses, which in turn reduces the benefits of netting that derivatives users rely on to mitigate counterparty risk.

Another risk is that a Fund will likely be subject to more onerous and more frequent (daily or even intraday) margin calls from both the clearinghouse and the dealer through which a Fund will access the clearinghouse, which may force a Fund to use temporary credit facilities of the dealer to meet margin calls related to cleared trades and increase the costs of cleared trades to a Fund. Clearinghouses also limit collateral that they will accept to cash, U.S. treasuries and, in some cases, other highly rated sovereign and private debt instruments, which may require a Fund to borrow eligible securities from a dealer to meet margin calls and raise the costs of cleared trades to a Fund. In addition, clearinghouses may not allow a Fund to portfolio-margin its positions, which may cause an increase in the costs to a Fund. Further, clearinghouses are encouraged to model risks and implement margin requirements in typical market environments. Many of the risk models, however, are subject to change at any time and, therefore, a Fund may be subject to an unexpected increase in collateral obligations by clearinghouses during a volatile market environment, which could have a detrimental effect on a Fund.

Derivatives clearing may also lead to concentration of counterparty risk, namely in the clearinghouse or any counterparty a Fund utilizes as a clearing agent or broker, subjecting a Fund to the risk that the assets of the clearing entity are insufficient to satisfy all of the clearing entity's payment obligations, leading to a payment default. The failure of a clearinghouse could have a significant impact on the financial system. Even if a clearinghouse does not fail, large losses could force significant capital calls on member firms during a financial crisis, which could lead member firms to default and thus worsen the crisis. Because these potential clearinghouses are still in the approval stage and are still being analyzed for bankruptcy risk, it is difficult to speculate what the actual risks would be to a Fund related to the default of a clearinghouse. There is no one international standard for clearinghouses; existing clearinghouses both domestically and internationally have different waterfalls that apply upon the insolvency of a clearinghouse or a clearinghouse member and it is possible that a Fund could be in a worse position if a clearinghouse were to fail than a traditional derivative counterparty. Also, a clearinghouse will likely require that a Fund relinquish control of its transactions if the clearinghouse were to become insolvent, and, therefore, a Fund would not be able to terminate and close out of a defaulting clearinghouse's positions, but would become subject to regulators' control over those positions. In such a circumstance, a Fund may not be able to take actions that it deems appropriate to lessen the impact of such clearinghouse default.

Applicable regulations may also require a Fund to make public information regarding its swaps volume, position size and/or trades, which could detrimentally impact a Fund's ability to achieve its investment objectives.

The overall impact of the Dodd-Frank Act on the Company and a Fund is highly uncertain and it is unclear how the over-the-counter derivatives markets will adapt to this new regulatory regime or any additional regulations in the future.

Dodd-Frank Act

On July 21, 2010, President Obama signed into law the Dodd-Frank Act. The Dodd-Frank Act provides a broad framework for regulatory changes that will extend to almost every area of U.S. financial regulation, some of which could lead to material impacts on the Company, including, among other things, the imposition of additional costs on the Company or restrictions on the activities of the Company. Among the reforms that could affect the Company are the "Volcker Rule" (which is described in more detail below), a new framework for the regulation of derivatives, and new regulations on advisers to private investment and private equity funds. Implementation of the Dodd-Frank Act has resulted in extensive studies and rulemaking over several years by multiple regulators, and uncertainty remains about the final details, impact and timing of a number of significant rulemakings under the Dodd-Frank Act. Pramerica Financial has been designated by the U.S. Financial Stability Oversight Council ("**FSOC**") as a nonbank systemically important financial institution ("SIFI") that is to be supervised by the Board of Governors of the Federal Reserve System and subject to stricter prudential regulatory standards pursuant to the Dodd-Frank Act. Under the

Dodd-Frank Act, these stricter prudential standards may include requirements regarding risk-based capital and leverage, liquidity, stress-testing, overall risk management, resolution plans, early remediation, and credit concentration; and may also include additional standards regarding capital, public disclosure, short-term debt limits, and other related subjects as appropriate.

The Volcker Rule

A key Dodd-Frank Act provision, commonly known as the “Volcker Rule”, generally prohibits, with limited exceptions, a “banking entity” (including affiliates of depository institutions) from acquiring or retaining any equity, partnership, or other ownership interest in, or sponsoring, a hedge fund, private equity fund or other private investment fund. The Federal banking agencies, the SEC and the CFTC have adopted regulations implementing the Volcker Rule which are effective April 1, 2014. The Federal Reserve Board has issued guidance governing activities after the effective date, the general effect of which is to delay enforcement of the Volcker Rule until July 1, 2015. Pramerica Financial is not a “banking entity” subject to these regulations, but the Financial Stability Oversight Council has determined that Pramerica Financial is a nonbank systemically important financial institution that is to be supervised by the Federal Reserve Board and subject to stricter prudential regulatory standards pursuant to the Dodd-Frank Act and, as such, the Volcker Rule provides that the Federal Reserve Board could impose upon Pramerica Financial, including the Investment Manager, even if not deemed to be banking entities, capital requirements, quantitative limits or other restrictions concerning private funds they sponsor or invest in. Those requirements have not been determined and accordingly the likelihood that they would have any material adverse impact on the Company, its Funds or its investors cannot be predicted at this time.

The EU Regulation on OTC derivatives, central counterparties and trade repositories:

The EU Regulation on OTC derivatives, central counterparties and trade repositories (“**EMIR**”) introduced uniform requirements covering financial counterparties, such as investment firms, credit institutions, insurance companies and managers of alternative investment funds and certain non-financial counterparties in respect of central clearing of so-called “eligible” OTC derivative contracts through a duly authorised central counterparty, reporting the details of derivative contracts to a trade repository and certain risk mitigation requirements. EMIR requires the adoption of further delegated acts and regulatory technical standards before becoming fully effective. Certain of the EMIR risk mitigation requirements, such as the requirement for parties to formalize portfolio reconciliation and related dispute resolution procedures, have become effective. Prospective investors should be aware that the regulatory changes arising from EMIR may in due course adversely affect a Fund’s ability to adhere to its investment approach and to achieve its investment objective.

In January 2014, the European Parliament announced that informal political agreement had been reached with the Council of Ministers of the European Union (“EU”) on the principles to be contained in the proposed MiFID II Directive and the proposed Markets in Financial Instruments Regulation (“MiFIR”) (together the “MiFID II Proposals”), which will replace and recast the Markets in Financial Instruments Directive (“MiFID”). When they come into force, the MiFID II Proposals will apply to investment firms, market operators and service providers providing post-trade transparency in the EU. The MiFID II Proposals will require that all purchases and sales of financial instruments in the EU will have to be conducted on (i) Regulated Markets (“RMs”) (such as EU stock exchanges), (ii) Multilateral Trading Facilities (“MTFs”), or (iii) Organised Trading Facilities (“OTFs”). All non-equities trades in the EU, such as interests in bonds, structured finance products, emission allowances or derivatives will have to be conducted on OTFs and all trading in shares in the EU will have to be conducted on organised trading venues such as RMs or MTFs. In addition, EU regulators will be empowered to limit the size of a net position which a person may hold in commodity derivatives, given their potential impact on food and energy prices. Under the new rules, positions in commodity derivatives (traded on trading venues and over the counter), would be limited, to support orderly pricing and prevent market distorting positions and market abuse. The MiFID II Proposals also introduce rules on algorithmic trading in financial instruments. Any EU investment firm engaging in algorithmic trading will be required to have effective systems and controls in place, such as “circuit breakers” that stop the trading process if price volatility gets too high. To minimize systemic risk, the algorithms used would have to be tested on trading venues and authorized by EU regulators. Records of all orders placed and cancelled by an EU investment firm’s algorithm will be required to be stored and made available to the applicable EU regulator upon request.

The MiFID II Proposals are still in a preliminary stage of negotiation and many provisions will require the adoption of

delegated acts by the European Commission before the MiFID II Proposals become fully effective. Accordingly, it is difficult to predict the precise impact, if any, of the MiFID II Proposals on the Funds. Regulatory changes arising from the MiFID II Proposals may adversely affect the Funds' ability to adhere to its investment approach and achieve its investment objectives.

Automatic reporting of Shareholder information to other tax authorities

From 1 January 2016, the automatic exchange of information regime known as the "*Common Reporting Standard*" proposed by the Organisation for Economic Co-operation and Development is to apply in Ireland. Under these measures, the Company is expected to be required to report information to the Irish Revenue Commissioners relating to Shareholders, including the identity, residence and tax identification number of Shareholders and details as to the amount of income and sale or redemption proceeds received by Shareholders in respect of the Shares. As a result, Shareholders may be required to provide such information to the Company. Such information will be collected for compliance reasons only and will not be disclosed to unauthorised persons.

Financial transaction tax

Eleven European Union Member States are currently considering the implementation of a financial transaction tax ("**FTT**") through the European enhanced cooperation procedure. These Member States are Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia (the "**Participating Member States**"). It is proposed that the FTT would apply to certain financial transactions to which a financial institution (such as an investment company) is a party if one of the parties to that transaction is established in a Participating Member State. It is proposed that the FTT would, in certain circumstances, be charged on both parties to such financial transactions. Therefore, if implemented, the proposed FTT could apply to certain financial transactions to which the Company is a party. It could also apply to transactions involving the Shares issued by the Company, if any of the parties to such transactions are within the Participating Member States.

In January 2015, the Participating Member States (other than Greece) issued a Joint Statement in which they reiterated their commitment to reach an agreement on the proposal of implementing an FTT and to create the conditions necessary to implement the this FTT by 1 January 2016. However, no further update on the FTT has been issued by the Participating Member States and there is still uncertainty as to whether the FTT will ultimately be introduced. If the FTT is implanted it could negatively impact the financial performance of the Company and, in such circumstances, the Shareholders of the Company may be adversely affected.

BEPS

In 2013, the OECD worked with government in approximately 40 participating countries to develop an action plan to address "base erosion and profit shifting" aimed at countering tax planning strategies that exploit gaps and mismatches in national tax rules to artificially shift profits to low or no tax locations where there is little or no economic activity with the result that less corporate tax is paid (the "**BEPS Plan**").

The BEPS Plan identified 15 key areas to be addressed known as "actions". In November 2015, the OECD recently approved and published a final package in respect of the BEPS Plan comprising of final reports in respect of each of these 15 actions containing analysis and recommendations. Some of these reports and recommendations may impact on the Company.

In particular, the final report in respect of action 6 of the BEPS Plan (which addresses the granting of treaty benefits in inappropriate circumstances), recommends that countries should include in their tax treaties (i) a limitation on benefits ("**LOB**") rule which, broadly, looks through an investment company to the underlying shareholder's residence and/or entitlements under an applicable treaty and/or (ii) a principle purpose test ("**PPT**") which would provide that a principle purpose of arrangements should not be to access treaty benefits.

The proposed LOB rule set out in the final action 6 report provides for access to treaties to certain collective investment vehicles ("**CIVs**"). This report also acknowledges the economic importance of non-widely held CIVs and notes that further work must be undertaken to consider in what circumstances such vehicles should be granted treaty benefits.

If implemented into double tax treaties, it is possible that the introduction of an LOB or a PPT could, in certain circumstances, deny investment companies access to double tax treaties and impact on the way investment companies manage their investment portfolios. In such circumstances, this could result in the Company suffering increased withholding tax on returns, resulting in a negative impact for the Shareholders of the Company.

In addition, it is possible that action 13 of the BEPS Plan (which addresses country-by-country reporting) could also impact on investment companies.

Changes in UCITS Regulations

As a UCITS the Company will be subject to any changes in the UCITS Regulations which may occur from time to time. In particular, the European Commission has published a directive introducing amendments to the UCITS regime (colloquially referred to as “**UCITS V**”) which addresses the eligibility of entities to act as custodian to a UCITS, applies strict liability to custodians of UCITS for the loss of certain assets and imposes conditions on delegation of services by managers to UCITS, including new rules in relation to remuneration payable by managers of UCITS. Any changes in the UCITS Regulations could have negative consequences for the Company, whether intended or unintended, such as increasing the operating costs of the Company, limiting its ability to engage in certain investment strategies or to access certain markets or hold certain instruments or positions or to appoint certain service providers on terms favourable to the Company.

CONFLICTS OF INTEREST

The Directors, Investment Manager, Sub-Investment Managers, the Administrator, the Custodian, Distributor(s) and their respective delegates and affiliates, officers and shareholders, employees and agents (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause conflicts of interest with the management of the Company and any of its Funds.

The Investment Manager, the Sub-Investment Managers and their respective affiliates may provide investment management and other services to other clients (including other investment companies), including clients which may invest in the securities in which the Fund and each Fund may invest. In the event of a conflict of interest arising, the Investment Manager or Sub-Investment Managers or their respective affiliates will seek to ensure that it is resolved fairly in the best interests of the Shareholders and that the investment opportunities shall be allocated in a fair and equitable manner.

Further, the Parties' activities may include managing or advising other clients, purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Company may invest. In particular, it is envisaged that the Investment Manager and Sub-Investment Managers may (i) be involved in advising or managing other investment funds which have similar or overlapping investment objectives to the Funds; and/or (ii) be involved in procuring or providing valuations of some or all of the assets of a Fund, their fees being linked directly to the valuation of a Fund's assets.

There is no prohibition on transactions with the Company by the Investment Manager, any Sub-Investment Managers, the Administrator, the Custodian, Distributor(s) or their respective affiliates including, without limitation, holding, disposing or otherwise dealing with Shares issued by or property of the Company and none of them shall have any obligation to account to the Company for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are consistent with the best interests of Shareholders and dealings are carried out as if effected on an arm's length basis and

- (a) a person approved by the Custodian as independent and competent certifies the price at which the relevant transaction is effected is fair; or
- (b) the execution of the transaction is on best terms on organized investment exchanges under their rules; or
- (c) where the conditions set out in (a) and (b) above are not practical, the relevant transaction is executed on terms which the Custodian is (or in the case of a transaction involving the Custodian, the Directors are) satisfied conform with normal commercial terms negotiated at arm's length.

Where transactions are conducted in accordance with (c), the Custodian (or the Directors in the case of a transaction involving the Custodian or an affiliate of the Custodian) shall document its rationale for being satisfied that the transaction conformed to the principles outlined in the above paragraph.

The Investment Manager or the Sub-Investment Managers or their respective affiliates may invest in Shares so that a Fund or class may have a viable minimum size or is able to operate more efficiently. In such circumstances the Investment Manager or the Sub-Investment Managers or their respective affiliates may hold a high proportion of the Shares and voting rights of a Fund or class in issue. The Investment Manager or the Sub-Investment Managers or their respective affiliates are under no obligation to make or maintain their investments and may reduce or dispose of any of these in the Fund or Share Class at any time.

Conflicts of interest may also arise out of, among other circumstances, (a) the Investment Manager's or a Sub-Investment Manager's side-by-side management of (i) accounts with asset-based fees and accounts with performance-based fees, (ii) accounts for affiliated clients and accounts for non-affiliates, (iii) larger accounts and smaller accounts, (b) legal restrictions that may apply to the Investment Manager and Sub-Investment Managers as a result of their affiliation with each other, and (c) the investment by an Investment Manager or a Sub-Investment Manager, whether for affiliated or non-affiliated accounts, in classes or types of securities, or at levels in the capital

structure, of an issuer, that are different from the classes or types of securities, or level in the capital structure, in which they have invested on behalf of a Fund. The Investment Manager and Sub-Investment Managers may also have financial interests or relationships with issuers in whose securities they invest in for client accounts, including the Funds.

The conflicts of interest described above could create incentives to favour one or more clients over others in the allocation of investment opportunities, time, aggregation and timing of investments. The Investment Manager and each Sub-Investment Manager has developed policies and procedures that seek to address, mitigate and assess these and other conflicts of interest. It cannot be guaranteed, however, that these policies and procedures will detect and prevent, or lead to the disclosure of, each and every situation in which a conflict may arise. The Investment Manager and each Sub-Investment Manager will use their reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be resolved fairly and equitably.

A director of the Company or the Investment Manager may be a party to, or otherwise interested in, any transaction or arrangement in which the Company is interested. At the date of this Prospectus other than as disclosed under "Management and Administration – The Board of Directors," no director of the Company has any interest, beneficial or non-beneficial, in the Company or any material interest in any agreement or arrangement relating to the Company. The Directors shall endeavour to ensure that any conflict of interest is resolved fairly.

For a more detailed description of specific conflicts of interest affecting the Investment Manager and Sub-Investment Managers or applicable unit thereof, please see their respective Forms ADV, Part 2A. You can obtain a copy of Form ADV Part 2A for each Investment Manager, Sub-Investment Manager or applicable unit thereof by either visiting the SEC's website or contacting the Investment Manager or Sub-Investment Manager directly.

BORROWING POLICY

Under the Articles, the Directors are empowered to exercise all of the borrowing powers of the Company, subject to any limitations under the UCITS Regulations, and to charge the assets of the Company as security for any such borrowings.

Under the UCITS Regulations, a Fund may not grant loans or act as guarantor on behalf of third parties, borrow money except for temporary borrowings in an amount not exceeding 10% of its net assets and except as otherwise permitted under the UCITS Regulations. A Fund may acquire foreign currency by means of a back-to-back loan agreement. Where a Fund has foreign currency borrowings which exceed the value of a back-to-back deposit, the Company shall ensure that excess is treated as borrowing for the purposes of the UCITS Regulations. Currency risks may arise where the offsetting balance is not maintained in the Base Currency of a Fund. Please refer to the *Currency Risks* section above in this regard.

Subject to the provisions of the UCITS Regulations, the Company may, from time to time, where collateral is required to be provided by a Fund to a relevant counterparty in respect of derivatives transactions, pledge investments of the relevant Fund equal in value to the relevant amount of required collateral, to the relevant derivative counterparty.

FEES AND EXPENSES

Fees and expenses applicable to a Fund are set out in the relevant Supplement.

Investment Management Fees

The Investment Manager will be entitled to receive an investment management fee in respect of a Fund or Class pursuant to the Investment Management Agreement. Details of the investment management fee will be contained in the relevant Supplements.

Unless stated to the contrary in the relevant Supplements, the Investment Manager will be responsible for discharging, from its fee, the fees of any advisor or other delegate, including any Sub-Investment Manager, appointed by it in respect of a Fund.

The investment management fee will accrue at each relevant Valuation Point based on the NAV of the relevant Fund as of the relevant Dealing Day and will be paid monthly in arrears.

Administration and Custodian Fees

The Administrator and Custodian will be entitled to receive fees calculated as a percentage of the Net Asset Value of each Fund for the provision, respectively, of administration, accounting, trustee and custodial services to the Company as set out in the relevant Supplement. It is expected that such fees will be reduced as the Net Asset Value of a Fund increases. Each Fund may be subject to a combined monthly minimum fee in respect of administration, accounting and trustee services.

The Administrator will also be entitled to receive certain other fees, including for financial reporting services in respect of the Company and for each Fund in respect of transfer agency services in respect of the relevant class of Shares.

The Administrator and Custodian will also be reimbursed by the Company out of the assets of the relevant Fund for reasonable out-of-pocket expenses incurred by them. The Custodian will also be paid by the Company out of the assets of the relevant Fund for transaction fees (which will not exceed normal commercial rates) and fees and reasonable out-of-pocket expenses of any sub-custodian appointed by the Custodian. The Administrator and Custodian may also charge each Fund certain other additional fees for services that may be required from time to time.

The fees and expenses of the Administrator and Custodian will accrue at each relevant Valuation Point and are payable monthly in arrears.

Establishment and Operating Expenses

The Company's establishment and organisational expenses (including expenses relating to the drafting of this Prospectus and any Supplement, the negotiation and preparation of the material contracts, the printing of this Prospectus and the related marketing material, the cost of establishing and maintaining a listing of Shares on the Irish Stock Exchange and the fees and expenses of its professional advisers) did not exceed €200,000 and are being paid out of the assets of the PGIM US Corporate Bond UCITS Fund, the PGIM Global Corporate Bond Fund, the PGIM European High Yield Bond UCITS Fund, the PGIM Emerging Market Local Currency Debt UCITS Fund and the PGIM Emerging Market Corporate Bond UCITS Fund. These expenses are being amortised over the first 36 months of the Company's operation or such other period as the Directors may determine.

Each Fund will pay its organisational expenses incurred with the preparation of the initial offering of Shares in respect of that Fund. The Company reserves the right to write off the balance of unamortised formation expenses immediately in the event that the Investment Manager determines that they have become material. Each Fund will also pay its own operational expenses as set forth in its Supplement.

The Company will also pay certain other costs and expenses incurred in its operation, including without limitation, withholding taxes that may arise on investments, clearing and registration fees and other expenses due to regulatory, supervisory or fiscal authorities in various jurisdictions, insurance, interest, brokerage costs, promotional and marketing expenses and all professional and other fees and expenses in connection therewith and the cost of publication of the NAV of the Shares. Such charges will be at normal commercial rates and will be collected at the time of settlement. The Investment Manager may, at its discretion, contribute directly towards the expenses attributable to the establishment and/or operation of the Company and/or the marketing, distribution and/or sale of Shares and may from time to time at its sole discretion waive part of the investment management fee in respect of any particular payment period. The Investment Manager will be entitled to be reimbursed by the Company in respect of any such expenses borne by it.

The independent Directors are entitled to receive fees in any year of up to €25,000 (or such other sum as the Directors may from time to time determine and disclose to the Shareholders). Although some of the Directors may not receive a fee in remuneration for their services to the Company, all of the Directors will be paid for all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any other meetings in connection with the business of the Company.

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to some or all Shareholders, or to intermediaries, part or all of its fees, without notice to other Shareholders.

Charges and expenses that are not specifically attributable to a particular Fund may be allocated among the Funds based on their respective net assets or any other reasonable basis given the nature of the charges.

Sales Charge

Investors may be subject to a sales charge of up to 5% of the net subscription amount, as set out in the relevant Supplement.

Redemption Charge

Investors may be subject to a redemption charge of up to 3% of the NAV of the Shares, as set out in the relevant Supplement.

Swing Pricing

The actual cost of purchasing investments may be higher or lower than the value used in calculating the Net Asset Value. These costs may include dealing charges, commission and transaction charges and the dealing spread may have a materially disadvantageous effect on a Shareholder's interest in a Fund. To prevent this effect, known as "dilution" a Fund may engage in swing pricing as set forth in the relevant Supplement, in order to seek to mitigate the effect of dilution, and to "swing" the Net Asset Value to counter the possible negative effects of dilution. Where they so determine, the Administrator will calculate the Net Asset Value for the relevant Fund and then adjust ("swing") the Net Asset Value by a pre-determined amount. For any Funds which engage in "swing pricing" further details will be specified in the "Fees and Expenses" section of the relevant Supplement.

Amortisation of Organisational Costs

Each Fund's financial statements will be prepared in accordance with International Financial Reporting Standards ("IFRS"). A Fund's organisational and offering expenses, to the extent the Directors deem appropriate and disclose in the relevant Supplement, may be, for accounting purposes, amortised by such Fund for up to three accounting periods. Amortisation of expenses over such a period is a divergence from IFRS, which may, in certain circumstances, result in a qualification of the Fund's annual audited financial statements. In such instances, the Directors (acting on behalf of the Fund) may decide to (i) avoid the qualification by recognising the unamortised expenses or (ii) make IFRS conforming changes for financial reporting purposes, but amortise expenses for purposes of calculating the Fund's NAV. There will be a divergence in the Fund's fiscal year-end NAV and in the NAV reported in the Fund's financial statements in any year where, pursuant to clause (ii), IFRS conforming changes are made only to the Fund's financial statements for financial reporting purposes. If the Fund is terminated within

three accounting periods of its commencement, any unamortised expenses will be recognised. If a Shareholder redeems Shares prior to the end of the third accounting period during which the Fund is amortising expenses, the Fund may, but is not required to, accelerate a proportionate share of the unamortised expenses based upon the number of Shares being redeemed and reduce redemption proceeds by the amount of such accelerated expenses.

Paying Agents, Information Agents and/or Correspondent Banks

In connection with the registration of the Company or the Shares for sale in certain jurisdictions, the Company will pay the fees and expenses of paying agents, information agents and/or correspondent banks, such payments to be made at normal commercial rates.

ADMINISTRATION OF THE COMPANY

Unless otherwise specified in a Supplement applicable to a particular Fund, the provisions in relation to the calculation of the Net Asset Value will apply to all Funds as set out below.

Determination of Net Asset Value

The Administrator will determine the Net Asset Value of the Company, the Net Asset Value of a Fund and the Net Asset Value per Share of each Class of Shares, as appropriate, to the nearest three decimal places (or to such other number of decimal places as the Directors may determine from time to time in relation to a Fund), at each Valuation Point and in accordance with the Articles and this Prospectus. All approvals given or decisions made by the Custodian in relation to the calculation of the Net Asset Value of the Company, the Net Asset Value of a Fund or the Net Asset Value per Class of Shares will be given or made, as the case may be, following consultation with the Investment Manager.

Where there is no more than one Class of Shares of a Fund, the NAV per Share of a Fund will be calculated by dividing the assets of the relevant Fund less its liabilities by the number of Shares in issue in a Fund. Shares of different Funds are expected to perform differently and each Fund will bear its own fees and expenses to the extent specifically attributable to that Fund. Any liabilities of the Company that are not attributable to any Fund may be allocated amongst the Funds based on their respective NAV or on any other reasonable basis approved by the Directors, following consultation with the Custodian having taken into account the nature of the liabilities.

Net Asset Value per Share of a Class

Where a Fund issues multiple Classes of Shares, the NAV of each Class of Shares will be determined by calculating the amount of the NAV of a Fund attributable to each Class. The amount of the NAV of a Fund attributable to a Class will be determined by establishing the number of Shares in issue in the Class, by allocating relevant Class Expenses and management fees to the Class and making appropriate adjustments to take account of distributions paid out of a Fund, if applicable, and apportioning the NAV of a Fund accordingly. Currency related transactions may be utilised for the benefit of a particular Class of Shares, a Hedged Class, and, in such circumstances, their cost and related liabilities and/or benefits will be for the account of that Class only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the NAV per Share for Shares of any such Class. Where there is more than one Class in a Fund denominated in the same currency (which is a currency other than the Base Currency), the Investment Manager may aggregate any currency related transactions entered into on behalf of such Classes and apportion the gains/losses on and the costs of the relevant financial instruments pro rata to each such Class in the Fund. The currency exposures of the assets of a Fund will not be allocated to separate Classes.

The NAV per Share of a Class will be calculated by dividing the NAV of the Class by the number of shares in issue in that Class. Class Expenses or management fees or charges not attributable to a particular Class may be allocated amongst the Classes based on their respective NAV or any other reasonable basis approved by the Directors following consultation with the Custodian and having taken into account the nature of the fees and charges. Where Classes of Shares are issued which are priced in a currency other than the Base Currency, currency conversion costs will be borne by that Class.

In determining the value of the assets, debt securities which are quoted, listed or traded on or under the rules of any Recognised Market will be valued at the closing bid price as at each Valuation Point. Generally, equity securities for which the primary market is on a Recognised Market are valued at the official closing price published by an exchange on such a Recognised Market as at each Valuation Point or, if there was no trade on such day, at the mean between the last bid and asked prices or at the last bid price on such day in the absence of an asked price. If the security is normally quoted, listed or traded on or under the rules of more than one Recognised Market, the relevant Recognised Market will be that which the Directors, or the Administrator as their delegate, determine provides the fairest criterion of value for the security. For equities securities, this will be the primary exchange on which securities are traded unless otherwise determined by the Directors. If prices for a security quoted, listed or traded on the relevant Recognised Market are not available at the relevant time or are unrepresentative in the

opinion of the Directors, or their delegate, such security will be valued at such value as will be estimated with care and good faith as the probable realisation value of such security by the Directors, or their delegate or a competent person (appointed by the Directors and each approved for the purpose by the Custodian) or valued at the probable realisation value estimated with care and in good faith by any other means provided that the value is approved by the Custodian. Neither the Directors nor the Administrator, the Investment Manager, the Sub-Investment Manager, or the Custodian will be under any liability if a price reasonably believed by them to be the latest available price may be found not to be such.

The value of any security, including debt and equity securities, which is not normally quoted, listed or traded on or under the rules of a Recognised Market or in respect of which the Directors or their delegate (in consultation with the Investment Manager) determine that the closing bid price or the official closing price published by an exchange as set out above is not representative of its fair market value, will be valued at its probable realisation value as determined with care and in good faith by the Investment Manager or its delegates appointed for such purpose by the Directors with the approval of the Custodian or by a competent person appointed by the Directors and each approved for such purpose by the Custodian.

The value of leveraged loans and sub-participations in leveraged loans will be determined in accordance with the above provisions and will be obtained from an independent vendor pricing source.

Shares in collective investment schemes will be valued on the basis of the latest published net asset value of such shares. If such prices are unavailable, the shares will be valued at their probable realisation value estimated with care and good faith by the Directors, or by a competent person appointed for such purpose by the Directors and approved for such purpose by the Custodian.

Cash deposits and similar assets will be valued at their face value together with accrued interest unless in the opinion of the Investment Manager or its delegate (in consultation with the Administrator and the Custodian) any adjustment should be made to reflect the fair value thereof.

Derivative instruments including swaps, interest rate futures contracts and other financial futures contracts which are traded on a Recognised Market will be valued at the settlement price as determined by the relevant Recognised Market at the close of business on that market on the Valuation Day, provided that where it is not the practice of the relevant Recognised Market to quote a settlement price, or if a settlement price is not available for any reason, such instruments will be valued at their probable realisation value estimated with care and good faith by the Investment Manager or its delegate (being a competent person appointed by the Directors and approved for such purpose by the Custodian) in consultation with the Administrator.

Derivative instruments which are not dealt on a Recognised Market will be valued on each Valuation Day at the mid price by reference to freely available market quotations supplied by an independent pricing agent or at the price obtained from the counterparty or a competent person appointed by the Directors and approved by the Custodian for such purpose, or by any other means provided the value is approved by the Custodian. If a derivative instrument is valued at a price obtained from the counterparty, such price will be verified at least quarterly by a party independent of the counterparty, being a competent person appointed by the Directors and approved for such purpose by the Custodian. If a derivative instrument is valued in any other way, such valuation will be reconciled on at least a monthly basis to a valuation provided by the counterparty and any significant difference will be promptly investigated and explained. Notwithstanding the above provisions, forward foreign exchange contracts and interest rate swap contracts may be valued by reference to freely available market quotations.

For purposes of determining the NAV of a Fund, the liabilities of the Fund to be deducted from the Fund's assets on the applicable Valuation Day will include accrued debts, liabilities and obligations of the Fund (including fees to service providers which have been earned but not yet paid) and any contingencies for which reserves or accruals are made.

Notwithstanding the above provisions the Directors or their delegate may, with the prior approval of the Custodian, (a) adjust the valuation of any listed investment or (b) permit some other method of valuation to be used if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they deem

relevant, they consider that such adjustment or alternative method of valuation is required to reflect more fairly the value thereof.

In determining the Company's NAV, all assets and liabilities initially expressed in foreign currencies will be converted into the Base Currency of the relevant Fund using the latest available exchange rates at 4.00 pm GMT on each Valuation Day. If quotations are not available, the rate of exchange will be determined in accordance with policies established in good faith by the Directors or their delegate.

The Directors and/or the Investment Manager may, and may be required under certain circumstances to, engage one or more third parties to value assets of the Company. Any such third party engaged by the Directors and/or the Investment Manager will value such assets in the manner otherwise described above in this "Determination of Net Asset Value" section.

Availability of the Net Asset Value per Share

Except where the determination of the NAV per Share of a Fund has been suspended, in the circumstances described below, the NAV per Share of each Class of Shares will be available at the registered office of the Company. Such information will relate to the latest available NAV per Share which is usually for the previous Dealing Day and is made available for information purposes only. It is not an invitation to subscribe for or redeem Shares at that NAV per Share. For Funds listed on the Irish Stock Exchange the NAV per Share will also be notified to the exchange immediately upon calculation and the up-to-date Net Asset Value will be available on the website www.ise.ie.

Temporary Suspension Of Dealings

The Directors may at any time, in consultation with the Custodian, temporarily suspend the issue, valuation, sale, purchase and/or redemption of Shares in any Fund during:

- (a) any period when any organised exchange on which a substantial portion of the investments for the time being comprised in the relevant Fund are quoted, listed, traded or dealt in is closed otherwise than for ordinary holidays, or during which dealings in any such organised exchange are restricted or suspended;
- (b) any period where, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Directors, the disposal or valuation of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interest of Shareholders;
- (c) any breakdown in the means of communication normally employed in determining the value of any investments for the time being comprised in the relevant Fund or during any period when for any other reason the value of investments for the time being comprised in the relevant Fund cannot, in the opinion of the Directors, be promptly or accurately ascertained;
- (d) any period when the relevant Fund is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of investments for the time being comprised in the relevant Fund, or the transfer or payment of the funds involved in connection therewith cannot, in the opinion of the Directors, be effected at normal prices;
- (e) any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the opinion of the Directors, have an adverse impact on the relevant Fund or the remaining Shareholders in the relevant Fund;
- (f) any period (other than ordinary holiday or customary weekend closings) when any market or exchange which is the main market or exchange for a significant part of the instruments or positions is closed, or in which trading thereon is restricted or suspended;

- (g) any period when proceeds of any sale or redemption of the Shares cannot be transmitted to or from the account of the relevant Fund;
- (h) any period in which the redemption of the Shares would, in the opinion of the Directors, result in a violation of applicable laws;
- (i) any period in which notice has been given to Shareholders of a resolution to wind up the Company;
- (j) any period when the Directors determine that it is in the best interests of the Shareholders to do so; or
- (k) any period during which dealings in a collective investment scheme in which a Fund has invested a significant portion of its assets are suspended.

The Central Bank, the Irish Stock Exchange (for listed funds) and any relevant Shareholders will be notified immediately of any such suspension or postponement. Shareholders who have requested an issue or redemption of Shares will have their subscription or redemption request dealt with on the first Dealing Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension, but will not have priority over other Shareholders who requested an issue or redemption of Shares. Shares will be held by the Shareholder during the period of suspension as if no redemption request had been made. The Company will take reasonable steps to bring any period of suspension or postponement to an end as soon as possible. For the avoidance of doubt, no dividends will be paid at times when the redemption of Shares or the calculation of NAV per Share is suspended for any reason specified above.

The Company, in its discretion, may terminate, in part or in whole, the temporary suspension of the issue, valuation, sale, purchase and/or redemption of Shares in any Fund. The Company will notify all affected Shareholders of any termination of a temporary suspension.

SUBSCRIPTION FOR SHARES

Unless otherwise specified in a Supplement applicable to a particular Fund, the procedure for determining the subscription price and applying for Shares in a Fund is as set out below.

Shares in a Fund may be purchased on any Dealing Day at the Net Asset Value per Share on the relevant Dealing Day on the terms and in accordance with the procedures described below and in the relevant Supplement.

Subscription orders are effected at the Net Asset Value per Share applicable on the relevant Dealing Day. Details of the deadline by which subscription monies must be received by the Company will be set out in the relevant Supplement. No Subscription order will be accepted after the relevant Valuation Point for a Fund.

If a subscription order is received prior to the Subscription Cut-Off Time, Shares will be issued at the NAV per Share applicable on the relevant Dealing Day. Subscription orders received after the relevant Subscription Cut-Off Time will be held over without interest on any related subscription monies and, in the absolute discretion of the Directors, either (i) such subscription monies will be returned (without interest) to the person from whom the subscription order and subscription funds were received, or (ii) the relevant Shares will be issued on the next applicable Dealing Day at the relevant NAV per Share, unless the Directors determine in their sole discretion to accept such subscriptions in exceptional circumstances and provided that such subscriptions for Shares are received before the Valuation Point on the preceding Dealing Day. Subscription orders will not be processed at times when the calculation of the NAV per Share is suspended in accordance with the terms of the Prospectus and the Articles.

The Directors may also, at their sole discretion, issue Shares in any Class on terms providing for settlement to be made by the vesting in the Company of any investments provided that: (a) the assets to be transferred in to the Fund must qualify as investments of the Fund in accordance with the investment objectives, policies and restrictions which are set out in the relevant Supplement and this Prospectus; (b) the Directors will be satisfied that the terms of any such exchange will not be such as are likely to result in any material prejudice to the Shareholders; (c) the number of Shares to be issued will be not more than the number which would have been issued for settlement in cash as hereinbefore provided on the basis that the amount of such cash was an amount equal to the value of the investments to be so vested in the Company as determined by the Directors on the relevant Dealing Day; (d) no Shares will be issued until the investments will have been vested in the Custodian to the Custodian's satisfaction; (e) any Duties and Charges arising in connection with the vesting of such investments in the Company will be paid by the person to whom the Shares are to be issued, or by the relevant Fund; and (f) the Custodian will be satisfied that the terms on which the shares are issued will not be such as are likely to result in any prejudice to the existing Shareholders.

An applicant wishing to make an initial subscription for Shares in a Fund must complete and send the Subscription Agreement to the Administrator. Subscription Agreements may be sent by facsimile or electronic means (e.g. via clearing platform/SWIFT trading) provided that the signed original version (including all support documentation in relation to money laundering prevention checks) is sent by post immediately thereafter. Subsequent purchases of Shares, following an initial subscription pursuant to a properly completed Subscription Agreement, may be made by completing and submitting an Additional Subscription Agreement to the Administrator. Additional Subscription Agreements may be sent by facsimile or electronic means as previously agreed with the Administrator.

The Directors or their delegates are under no obligation to consider the allotment and issue of Shares in a Fund to an applicant unless and until the Administrator has received a completed Subscription Agreement and always have discretion as to whether or not to accept a subscription. Following the Initial Offer Period (as specified in the relevant Supplement), Shares to be issued will be issued at the relevant NAV per Share prevailing as of the relevant Dealing Day on the terms and in accordance with the procedures described above.

Subscription Agreements and Additional Subscription Agreements can be obtained by contacting the Administrator or the Distributor.

Except at the discretion of the Company, subscription orders will be irrevocable. Each prospective investor will be required to agree in the Subscription Agreement to, under certain circumstances, indemnify the Company or a Fund,

the Administrator, the Investment Manager and any of their respective affiliates for any and all claims, losses, liabilities or damages (including attorneys' fees and other related out-of-pocket expenses) suffered or incurred by any such person as a result of the investor not remitting the amount of its subscription by the due date for such subscription or otherwise failing to comply with the terms of such Subscription Agreement. In addition, upon the failure of a Shareholder to pay subscription monies by the date due, the Directors may, in their sole discretion, redeem any Shares held by the Shareholder in the Company and apply the redemption proceeds in satisfaction of the Shareholder's liabilities arising as a result of such failure to pay subscription proceeds to the Company or a Fund, the Administrator, the Investment Manager or any of their respective affiliates pursuant to the indemnity described above. Please see "Mandatory Redemption of Shares, Forfeiture of Dividend and Deduction of Tax".

The Subscription Agreement contains, among other provisions, certain representations, warranties, agreements, undertakings and acknowledgements relating to a prospective Shareholder's suitability to purchase Shares, the terms of the Shares and other matters. Subscribers should understand that the Shares are offered and sold in reliance upon the representations, warranties, agreements, undertakings and acknowledgements made by the subscriber and contained in the Subscription Agreement, and that such provisions may be asserted as a defence by the Company and the Investment Manager in any action or proceeding relating to the offer and sale of Shares.

The Company, the Investment Manager or its affiliates and/or service providers or agents of the Company or the Investment Manager may from time to time be required or may, in their sole discretion, determine that it is advisable to disclose certain information about a Fund and the Shareholders, including, but not limited to, investments held by a Fund and the names and level of beneficial ownership of Shareholders, to (i) regulatory authorities of certain jurisdictions, which have or assert jurisdiction over the disclosing party or in which the Fund directly or indirectly invests, or (ii) any counterparty of or service provider to the Investment Manager or the Company. By virtue of the entering into a Subscription Agreement, each Shareholder consents to any such disclosure relating to such Shareholder.

The Company or the Administrator may, in their sole discretion, reject any subscription order for Shares for any reason, including in particular, where the Company or Administrator, as appropriate, reasonably believes the subscription order may represent a pattern of excessive trading or market timing activity in respect of the Company.

Measures provided for in the Criminal Justice Act 2011 which are aimed at the prevention of money laundering and terrorist financing will, subject as set out below, require an applicant for Shares to verify its identity to the Administrator or the Company. The Administrator will notify applicants if additional proof of identity is required.

The details given above are by way of example only and, regardless of the material produced by an applicant or its representatives, the Administrator or the Company will request such additional information and documentation as it, in its absolute discretion, considers is necessary to fully verify the identity or source of funds of an applicant and to establish the circumstances of the application. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator or the Company may reject the application and the subscription monies relating thereto, in which case the subscription monies may be returned without interest to the account from which the monies were originally debited, subject to any advice or request from the relevant authorities that the subscription monies should be retained pending any further directions from them or the Administrator or the Company may refuse to withhold payment of a redemption request until full information has been provided, in each case without any liability whatsoever on the part of the Company, the Administrator or any service provider to the Company. No interest will be paid either on subscription proceeds pending settlement to the account of the Company or on redemption proceeds pending settlement to the account of the Shareholder. Amendments to an investor's registration details and payment instructions will only be effected on receipt of original documentation. Redemption orders will be processed on receipt of facsimile or electronic instructions (e.g. via clearing platform/SWIFT trading) only where payment is made to the account of record. The Company may issue fractional Shares up to three decimal places.

Written Confirmations of Ownership

The Administrator will be responsible for maintaining the Company's register of Shareholders in which all issues, redemptions and transfers of Shares will be recorded. All Shares issued will be in registered form and no Share certificates will be issued. Ownership will be evidenced by entry in the Share register. Following each transfer,

purchase, redemption and conversion of Shares written confirmations of ownership will be sent by post, facsimile, email or electronic means (e.g. via clearing platform/SWIFT trading) to each Shareholder. A Share may be registered in a single name or in up to four joint names. The register of Shareholders will be available for inspection at the registered office of the Company during normal business hours.

Subscriptions by and Transfers to US Persons

The purchase by or transfer of Shares to or on behalf of a U.S. Person must meet the following conditions:

- (i) such purchase or transfer is exempt from registration under, and does not result in a violation of, the 1933 Act or the applicable laws of the U.S. or any U.S. state and otherwise complies with the applicable requirements of any U.S. state;
- (ii) any purchaser or transferee that is a U.S. Person is a “qualified purchaser” as defined in the 1940 Act and the rules promulgated thereunder and an “accredited investor” as defined in Regulation D under the 1933 Act;
- (iii) such purchase or transfer would not be reasonably expected to result in the Company or any Fund being required to register under the 1940 Act;
- (iv) such purchase or transfer would not cause a violation of, or require the Company or any Fund to register under the 1934 Act;
- (v) there will be no adverse tax, pecuniary, legal, regulatory or material administrative disadvantage to the Company, a Fund or its Shareholders as a whole as a result of such a purchase or transfer; and
- (vi) such purchase or transfer would not cause the Shares of any Class to be deemed to constitute “plan assets” under ERISA and the regulations thereunder.

The Investment Manager or Sub-Investment Manager, as applicable, shall be responsible for determining, in its sole discretion, whether such conditions have been satisfied.

Each applicant (including a prospective transferee) for Shares who is a U.S. Person will be required to provide such representations, warranties or documentation, as may be required by the Directors to ensure that such requirements are met prior to approval of such sale or transfer by the Directors. The Directors shall determine from time to time the number of U.S. Persons who may be admitted into the Company.

The Directors shall have the authority to refuse applications for Shares or require compulsory transfer or redemptions of Shares where any of the aforementioned conditions in respect of investment by U.S. Persons are not satisfied.

REDEMPTION OF SHARES

Shareholders may request that Shares of a Fund be redeemed on any Dealing Day by completing and submitting a Redemption Application to the Administrator to arrive no later than the Redemption Cut-Off Time, in order to be effective on a Dealing Day. Redemption Applications received after the relevant Redemption Cut-Off Time will be held over until the next applicable Dealing Day, unless the Directors determine in their sole discretion, in exceptional circumstances and where such Redemption Applications are received before the relevant Valuation Point, to accept such Redemption Applications on the relevant Dealing Day. Redemption Applications may be sent by facsimile or electronic means (e.g. via clearing platform/SWIFT trading) as previously agreed with the Administrator, provided that the signed original version (including all support documentation in relation to money laundering prevention checks) is sent by post immediately thereafter. Any minimum holding period in relation to a Fund may be set out in the relevant Supplement. Redemption Applications received after the relevant Redemption Cut-Off Time will be effective on the next succeeding Dealing Day. Redemption Applications will not be processed at times when the redemption of Shares or the calculation of the NAV per Share is suspended in accordance with the terms of this Prospectus and the Articles. Shares which have been subject to a Redemption Application will be entitled to dividends, if any, up to the Dealing Day upon which the redemption is effective.

The applicable Supplement may provide that if Redemption Applications on any Dealing Day exceed a specified percentage of the NAV of the applicable Fund (which must be at least 10%), the Company may defer the excess Redemption Applications to subsequent Dealing Days. Any request for redemption on such Dealing Day shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent Dealing Day until all the Shares to which the original request related have been redeemed.

A distribution in respect of a redemption may be made in kind, at the discretion of the Directors, after consultation with the Investment Manager, provided that where the redemption request represents less than 5% of the NAV of a Fund, the redemption in kind will only be made with the consent of the redeeming Shareholder. The assets to be transferred will be selected at the discretion of the Directors with the approval of the Custodian and taken at their value used in determining the redemption price of the Shares being so redeemed. As a result, such distributions will only be made if the Directors and the Custodian consider that they will not materially prejudice the interests of the Shareholders of the relevant Fund as a whole and the Custodian is satisfied that the assets distributed are equivalent to the amount of the distribution declared. Shareholders will bear any risks of the distributed securities and may be required to pay a brokerage commission or other costs in order to dispose of such securities. If a Shareholder so requests, the Investment Manager will seek to sell the assets to be distributed to that Shareholder and distribute the cash proceeds to the Shareholder provided however that the Company may withhold a reserve to meet expected taxes in connection with the sale of such assets, any remainder of which will be distributed in due course once all relevant taxes are discharged.

The minimum holding amount in respect of each Fund will be set out in the relevant Supplement.

Redemption Price

Shares will be redeemed at the applicable Net Asset Value per Share, obtained on the Dealing Day on which redemption is effected, subject to any applicable fees associated with such redemption.

All payments of redemption monies will be made, except in the exceptional circumstances specified above, on the day specified in the relevant Supplement, following the Dealing Day on which the Redemption Application is effective and will be made by telegraphic transfer to the Shareholder's account, details of which will be notified by the Shareholder to the Administrator in the original Subscription Agreement or subsequently in writing. For the avoidance of doubt, no redemption payment will be made until the original Subscription Agreement has been received from the investor and all documentation required by the Company (including any documents in connection with anti-money laundering procedures) and the necessary anti-money laundering procedures have been completed.

Mandatory Redemption of Shares, Forfeiture of Dividend and Deduction of Tax

If a redemption causes a Shareholder's holding in a Fund to fall below the minimum holding amount set out in the relevant Supplement, the Company may redeem the whole of that Shareholder's holding. Before doing so, the

Company will notify the Shareholder in writing and allow the Shareholder thirty days to purchase additional Shares to meet the minimum requirement.

Shareholders are required to notify the Directors and the Administrator immediately in writing in the event that they become Irish Residents or U.S. Persons. Shareholders who become U.S. Persons may be required to dispose of their Shares on the next Dealing Day thereafter to persons who are not U.S. Persons. Shareholders who become Irish Residents will cause the Company to become subject to Irish tax on a subsequent disposal of Shares held by such Shareholders whether by way of a redemption or transfer and on any distributions made in respect of such Shares. The Company will be obliged to account for and remit such tax to the Irish Revenue Commissioners. However, the Company will be entitled to deduct from the payment arising on such a chargeable event an amount equal to the appropriate tax and/or where applicable, to redeem and/or cancel such number of Shares held by the Shareholder or such beneficial owner as are required to discharge the tax liability. The relevant Shareholder will indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax in any jurisdiction on the happening of a chargeable event if no such deduction, redemption or cancellation has been made. The Irish taxation implications of disposals of Shares by Shareholders is outlined in the section entitled "Taxation" below.

The Company may, in its sole discretion, require any Shareholder to redeem some or all of its Shares at any time where, in the opinion of the Directors, the holding of such Shares may result in regulatory, pecuniary, legal, taxation or material administrative disadvantage to the Company, a Fund or its Shareholders as a whole or where the Directors resolve to redeem such Shares. The Company may also, in its sole discretion, redeem some or all of the Shares of a Shareholder where the Shareholder has failed to pay subscription monies by the due date and may apply the redemption proceeds in satisfaction of the Shareholder's liabilities to the Company or the Investment Manager or any of its respective affiliates pursuant to the indemnity described under "Subscription for Shares".

In addition, the Company may redeem all of its Shares of a Fund or Class in issue if the redemption of the Shares or Class is approved by a resolution of the Shareholders or where the Custodian has served notice of its intention to retire and an alternative custodian has not been approved within ninety (90) days from the date of such notice.

The Articles of the Company permit the Company to redeem Shares where during a period of six years any dividend on the Shares remains unpaid and no acknowledgement has been received in respect of any confirmation of ownership of the Shares sent to the Shareholder and require the Company to hold the redemption monies as a permanent debt of the Company. The Articles also provide that any unclaimed dividends may be forfeited after six years and on forfeiture will form part of the assets of the relevant Fund.

TRANSFER OF SHARES

All transfers of Shares will be effected by a transfer in writing in any usual or common form or any other form approved by the Directors and/or the Administrator and every form of transfer will state the full name and address of the transferor and the transferee. The instrument of transfer of a Share will be signed by or on behalf of the transferor. The transferor will be deemed to remain the holder of the Share until the name of the transferee is entered on the Share register in respect thereof. The Directors may decline to register any transfer of Shares if, in consequence of such transfer, the value of the holding of the transferor or transferee does not meet the minimum subscription or holding levels of the relevant Share Class and/or Fund as set out in the relevant Supplement. The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine, provided, however, that such registration will not be suspended for more than 30 days in any calendar year. The Directors may decline to register any transfer of Shares unless the original instrument of transfer, and such other documents as the Directors and/or the Administrator may require, including without limitation a Subscription Agreement, are deposited at the office of the Administrator or at such other place as the Directors may reasonably require, together with such other evidence as the Directors and/or the Administrator may reasonably require to show the right of the transferor to make the transfer and to verify the identity of the transferee. Such evidence may include a declaration as to whether the proposed transferee is a U.S. Person or acting for or on behalf of a U.S. Person.

The Directors will decline to register a transfer of Shares if, in the opinion of the Directors, the transfer will be unlawful or result or be likely to result in any adverse regulatory, pecuniary, legal or taxation consequences or material administrative disadvantage to the Company, a Fund or its Shareholders as a whole.

The Directors may decline to register a transfer of Shares if the transferee is a U.S. Person or acting for or on behalf of a U.S. Person. Please see the "Subscriptions by and Transfers to U.S. Persons" section below for details of circumstances in which a transfer to a U.S. Person may be permitted by the Directors.

In the event that the Company does not receive a Declaration in respect of the transferee confirming that the transferee is not an Irish Resident or is an Exempt Investor, the Company will be required to deduct appropriate tax in respect of any payment to the transferee or any sale, transfer, cancellation, redemption or other payment in respect of the Shares as described in the section headed "Taxation" below.

Please see the "Subscriptions by and Transfers to US Persons" heading in the "Subscription for Shares" section above for details of circumstances in which a transfer to a U.S. Person may be permitted by the Directors.

CONVERSION OF SHARES

Shareholders may be entitled to exchange any or all of their Shares of any Class in a Fund ("**Original Class**") for either (a) Shares of the same Class in any other Fund available for issue at that time; or (b) Shares of another Class in the same Fund available for issue at that time (each of (a) and (b), a "**New Class**").

When requesting the conversion of Shares as an initial investment in a New Class, Shareholders should ensure that the NAV of the Shares converted is equal to or exceeds the minimum holding (if any) for the relevant New Class. In the case of a conversion of a partial holding only, the value of the remaining holding must also be at least equal to any minimum holding for the relevant Original Class. If the number of Shares of the New Class to be issued on conversion is not an integral number of Shares, the Company may at its discretion issue fractional new Shares or retain the surplus arising for the benefit of the Fund in which the New Class Shares are being issued.

Shareholders should be aware that the Company reserves the right to accept or reject a conversion of Shares in its discretion.

A Shareholder should obtain and read the Prospectus and the Supplement relating to any Fund or any Class of Shares of a Fund and consider its investment objective, policies and applicable fees before requesting any exchange into that Fund or any Class of Shares of a Fund.

The general provisions and procedures relating to redemptions of Shares of the Original Class and subscriptions for Shares of the New Class will apply to any conversion of Shares, including the provisions in relation to sales charges, redemption charges and anti-dilution levies. Shares may be exchanged on any Dealing Day, upon notice given not later than the earlier of the Redemption Cut-Off Time for the Original Class or the Subscription Cut-Off Time for the New Class, as set out in the relevant Supplement. Such notice must be given in writing, on a form available from the Administrator and may be sent by facsimile or electronic means as agreed with the Administrator at the number set out on the Subscription Agreement. In the event that an exchange request is received after the relevant cut-off time such request will be effected on the following Dealing Day, unless the Directors otherwise determine, in exceptional circumstances and where such exchange request is received before the relevant Valuation Point(s), to accept such exchange request on the relevant Dealing Day. The Directors will ensure that the relevant cut-off time for requests for exchange are strictly complied with and will therefore take all adequate measures to prevent practices known as "late trading". The costs of any foreign exchange trade necessitated by the conversion will be borne by the converting Shareholder. Shareholders should contact the Administrator for further information.

The exchange of Shares of a Fund may be temporarily suspended by the Fund upon the occurrence of certain events described below under "Temporary Suspension of Dealings".

An exchange of Shares may have tax consequences for a Shareholder. Shareholders should consult with their normal tax adviser if they are in any doubt as to such tax consequences.

TERMINATION OF THE COMPANY, A FUND OR SHARE CLASS

The Company and each Fund is established for an unlimited period and may have unlimited assets. However, the Company may redeem all of its Shares or the Shares of any tranche (representing a Fund) or Class in issue if:

- (a) the redemption of the Shares in a Class or tranche (representing a Fund) is approved by a resolution in writing signed by all of the holders of the Shares in that Class or tranche (representing a Fund), as appropriate;
- (b) the NAV of the Fund, or of a Class of Shares in a Fund, does not exceed or falls below \$100 million or its foreign currency equivalent (or such other amount as may be determined from time to time by the Directors);
- (c) the Directors deem it appropriate because of an adverse political, economic, fiscal environment affecting the Company or relevant class or tranche (representing a Fund) of Shares; or
- (d) where the Custodian has served notice of its intention to retire and an alternative custodian has not been appointed within 90 days from the date of such notice. See the section headed "Custodian" above.

In the event of termination or merger, the Shares of the Company or relevant tranche or Class will be redeemed after giving such prior written notice as may be required by law to all holders of such Shares. Such notice periods will be at least two weeks and may be up to three months. The Shares will be redeemed at the NAV per Share of such class on the relevant Dealing Day less their pro rata share of such sums as the Company in its discretion may from time to time determine as an appropriate provision for Duties and Charges in relation to the estimated realisation costs of the assets of the Fund and in relation to the redemption and cancellation of the Shares to be redeemed.

If the Company will be wound up or dissolved (whether the liquidation is voluntary, under supervision or by the Court) the liquidator may with the authority of an Ordinary Resolution, divide among the Shareholders pro-rata to the value of their shareholdings in the Company (as determined in accordance with the Articles) in specie the whole or any part of the assets of the Company, and whether or not the assets will consist of property of a single kind and may for such purposes value any class or classes of property in accordance with the valuation provisions in the Articles. The liquidator may, with the authority of an Ordinary Resolution, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator will think fit, and the liquidation of the Company may be closed and the Company dissolved, but not so that any Shareholder will be compelled to accept any asset in respect of which there is a liability. If a Shareholder so requests, the Investment Manager will seek to sell the assets to be distributed to that Shareholder and distribute the cash proceeds to the Shareholder provided however that the Company may withhold a reserve to meet expected taxes in connection with the sale of such assets, any remainder of which will be distributed in due course once all relevant taxes are discharged. Shareholders will bear any risks of the distributed securities and may be required to pay a brokerage commission or other costs in order to dispose of such securities.

Unamortised establishment and organisational expenses at the time of any such termination will be borne by the relevant Fund and will reduce the Net Asset Value per Share of Shares then outstanding pro rata in accordance with the NAV of each such Share.

MANAGEMENT AND ADMINISTRATION

The Board of Directors

The Directors have overall responsibility for the management of the Company (and any wholly owned subsidiaries) including making general policy decisions and reviewing the actions of the Investment Manager, the Custodian, the Administrator and any other service providers appointed by the Company from time to time.

The Directors are responsible for managing the business affairs of the Company in accordance with the Articles. The Directors may delegate certain functions to the Administrator, the Investment Manager and other parties, subject to the supervision and direction by the Directors and subject to compliance with the requirements of the Central Bank. It is intended that the Company will be centrally managed and controlled in Ireland.

The Directors are listed below with their principal occupations. All of the Directors serve in a non-executive capacity. The Company has delegated the day to day administration of the Company to the Administrator, an Irish tax resident company, and the acquisition, management and disposal of its assets to the Investment Manager.

The Directors as of the date of this Prospectus are as follows:

Directors

Denis Chatterton (British) is Chief Operating Officer for PGIM Limited, based in London. Mr. Chatterton manages the day-to-day operations of the firm's Fixed Income business including oversight of the finance, operations, technology, and administrative functions. He is also a member of the board of directors of PGIM Limited and assists with developing and implementing the firm's business strategy. Prior to joining PGIM in 2007, Mr. Chatterton was Chief Administrative Officer for Ecofin Ltd., a hedge fund manager in London. Earlier, he was Chief Administrative Officer for Pramerica Financial's International Investments Unit based in London. Prior to that assignment, Mr. Chatterton was Head of Compliance for Europe, the Middle East and Africa at Citigroup Asset Management, London. Mr. Chatterton has 30 years of experience working in finance, compliance, operations, and administration roles in London's financial services industry. Mr. Chatterton earned a B.Sc. in Mathematics from Nottingham University and is a UK Chartered Accountant.

Peter Cordrey (American) is Managing Director and Head of Product Management and Distribution at PGIM Fixed Income. Previously, Mr. Cordrey was Head of Alternative Investments at PGIM Fixed Income, responsible for all fixed income long/short strategies, as well as PGIM Fixed Income's collateralized debt obligation platform. Earlier, Mr. Cordrey was Head of PGIM Fixed Income's Global Liquidity Sector Team, the group responsible for managing U.S. government and foreign government securities, U.S. mortgage-backed securities, and fixed income derivative products. He was also Senior Portfolio Manager of the U.S. government-based relative value long/short strategy managed by PGIM Fixed Income. Prior to joining Pramerica Financial in 1996, Mr. Cordrey traded U.S. Treasuries, agencies, and STRIPs for nine years as a Director of Government Securities at Merrill Lynch. He was also the Head Trader on the Zero Coupon Desk at Lehman Brothers. He began his finance career in the Investment Banking division of EF Hutton. Mr. Cordrey received an AB in Economics from Princeton University and an MBA in Finance from Columbia University.

Frank Connolly (Irish) is a Senior Consultant with KB Associates, a firm which provides a range of advisory and project management services to the promoters of offshore funds. 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. 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 worked 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.

Vincent Dodd (Irish) has over 20 years' experience in fund management, fund administration and private banking. Since 2003 he has acted as an advisor and independent director to a number of Irish and IFSC financial entities, UCITS, and exchange listed mutual funds. Mr Dodd established and was appointed Head of Private Banking at KBC Bank Ireland from 1997 to 2003. Before joining KBC Bank, he was Head of Business Development at Bank of Ireland Securities Services, the custody and fund administration arm of the Bank of Ireland. From 1993 to 1997 he was a senior manager in the Private Clients Group of the Investment Bank of Ireland prior to joining Bank of Ireland Securities Services. Mr Dodd received his BA in Economics and Politics from University College Dublin in 1986 and his DBA in Corporate Finance and Business Administration in 1987 from Queens University Belfast. Mr Dodd is a member of the Institute of Directors. In 2010 Mr Dodd completed the postgraduate diploma in Corporate Governance awarded by the Smurfit Business School of University College Dublin.

Dina Santoro (American) is a managing director at QMA in New Jersey, USA and has been head of marketing and client services since January 2009. Prior to this appointment Ms. Santoro was senior vice president and head of marketing and communications at Jennison (which is an affiliate of QMA) from January 2004.

Kenneth Moore (American) is an executive vice president and the chief operating officer of Jennison in New York, New York, USA. He joined Jennison in May 2003. Prior to joining Jennison, Mr Moore was chief financial officer of the US business at JP Morgan Asset Management. Prior to his CFO role, from 1994 to 2003, he served in a variety of financial, accounting, and management roles at JPMorgan Fleming and JPMorgan & Company. Mr Moore began his career as an auditor with KPMG Peat Marwick in 1991. He received a BS in accounting, summa cum laude, from Saint Peter's College and an MBA in finance from New York University. He is a Chartered Financial Analyst and a member of the New York Society of Security Analysts.

The address of the Directors is the registered office of the Company.

None of the Directors of the Company has:

- (i) had any unspent convictions in relation to indictable offences; or
- (ii) been a director of any company or partnership which, while he was a director with an executive function or partner at the time of or within the 12 months preceding such events, been declared bankrupt, went into receivership, liquidation, administration or voluntary arrangements; or
- (iii) been subject to any official public incrimination and / or sanctions by statutory or regulatory authorities (including designated professional bodies); or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of affairs of any company.

A memorandum detailing the names of all companies and partnerships of which the directors of the Company have been a director or partner in the past five years, together with an indication of whether or not the individual is still a director or partner, is available for inspection at the offices of Matheson, 70 Sir John Rogerson's Quay, Dublin 2, Ireland.

The Company Secretary is Matsack Trust Limited.

INVESTMENT MANAGER, AND SUB-INVESTMENT MANAGERS

PGIM is the principal asset management business of Pramerica Financial. PGIM is a corporation formed under the laws of the State of New Jersey and is the Investment Manager for the Company. PGIM is a registered investment adviser with the SEC under the Advisers Act. Additional information regarding PGIM is available in its most recent Form ADV, Part 1A, and regarding PGIM Fixed Income, PGIM Limited and Pramerica Real Estate Investors, in their respective Parts 2A, all of which have been filed with the SEC. QMA, Jennison and PGIM Limited are also registered investment advisers under the Advisers Act. Additional information about each of them is available in such Sub-Investment Manager's Form ADV Part 1A and the Form ADV, Part 2A with respect to the Sub-Investment Manager or applicable unit thereof, each of which has been filed with the SEC.

Under the Investment Management Agreement, the Investment Manager is entitled to delegate or sub-contract all or any of its functions, powers, discretions, duties and obligations to any person approved by the Company in accordance with the requirements of the Central Bank, provided that such delegation or sub-contract will terminate automatically on the termination of the Investment Management Agreement and provided further that the Investment Manager will remain responsible and liable for any acts or omissions of any such delegatee as if such acts or omissions were those of the Investment Manager. All Sub-Investment Managers appointed will be disclosed in the Company's periodic reports. Details on any Sub-Investment Managers appointed will be disclosed to Shareholders on request. Such Sub-Investment Managers will not be paid directly by the Company but instead will be paid by the Investment Manager.

The Investment Management Agreement provides that the Investment Manager (and its directors, officers, employees and agents) will not be liable for any loss or damage arising directly or indirectly out of any act or omission done or suffered by the Investment Manager in the performance of its duties unless such loss or damage arose out of or in connection with the gross negligence, wilful default, bad faith or fraud of the Investment Manager (or any of its directors, officers, employees and agents) in the performance of its duties thereunder. Under the Investment Management Agreement, in no circumstances will the Investment Manager, its directors, officers, employees and agents be liable for special, indirect or consequential damages, or for lost profits or loss of business, arising out of or in connection with the performance of its duties, or the exercise of its powers. The Company is obligated under the Investment Management Agreement to indemnify and keep indemnified and hold harmless the Investment Manager (and each of its directors, officers, employees and agents) against any and all claims, actions, proceedings, damages, losses, liabilities, costs and expenses (including reasonable legal fees or expenses) suffered or incurred by the Investment Manager in connection with the performance of its duties and/or the exercise of its powers under the Investment Management Agreement, in the absence of any such gross negligence, wilful default, bad faith or fraud. In carrying out its duties, the Investment Manager may with the approval of the Company, and at the expense of the Company, obtain and pay for such expert or professional advice or services as may be necessary or desirable for the performance of its duties under the Investment Management Agreement and in particular, the Investment Manager may receive investment advice from any person and may refer any legal question to the Company's legal advisers, and may rely and act on any expert or professional opinion or advice, including investment advice received and any legal opinion or advice given by the Company's legal advisers, and in the absence of gross negligence, wilful default, fraud or bad faith, the Investment Manager will not be responsible for any loss or damage occasioned by its so acting.

The Investment Management Agreement will continue in force until terminated by either party thereto on 90 days notice in writing to the other party. The Investment Manager may terminate the Investment Management Agreement on 30 days notice to the Company if there is a change in control of the Company and the majority of the Directors are not persons acceptable to the Investment Manager. Any party to the Investment Management Agreement may terminate the Investment Management Agreement immediately at any time by notice in writing to the other parties if another party ("**Defaulting Party**") will at any time during the continuance of the Agreement (i) commit any material breach of the Investment Management Agreement or commit persistent breaches of the Investment Management Agreement which either is or are incapable of remedy or has or have not been remedied within 30 days of the other party serving notice upon the Defaulting Party requiring it to remedy same; or (ii) be incapable of performing its duties or obligations under the Investment Management Agreement; or (iii) 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; or (iv) 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; or (v) have a receiver appointed over all or any substantial part of its undertaking, assets or revenues; or (vi) 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 party; or (vii) be the subject of a court order for its winding up or liquidation.

The Investment Manager and Sub-Investment Manager, as applicable, may also manage other investment funds that have investment policies that are similar to the Company. Please see “Risk Considerations” – Conflicts of Interest”.

The Investment Manager and Sub-Investment Managers, as applicable, will use reasonable efforts to achieve the objective of what it considers to be overall best execution for transactions effected for the Company, considering all circumstances, but does not guarantee the success thereof. In selecting broker dealers, the Investment Manager takes into account the quality of brokerage services, including such factors as profitability, liquidity, capital, financial metrics, economic factors, size and market presence.

The Investment Manager will use certain of its business units, including PGIM Fixed Income and Prudential Real Estate Investors, to manage one or more of the Funds.

PGIM Fixed Income

PGIM Fixed Income is a global asset manager primarily focused on public fixed income investments, whose United States business operates as a unit within the Investment Manager and whose UK business operates as a unit within PGIM Limited. PGIM Fixed Income offers a wide range of fixed income investment strategies, including broad market strategies, sector-specific strategies, long duration strategies and alternative strategies.

PGIM Fixed Income is headquartered in Newark, New Jersey, U.S.A. and also has affiliated offices in London, Tokyo and Singapore. Each of these non-U.S. affiliates operates within a separate legal entity. In the Americas and certain Asian jurisdictions, PGIM Fixed Income operates as Prudential Fixed Income.

Pramerica Real Estate Investors

Pramerica Real Estate Investors' approach to real estate investing is value-oriented based upon real estate fundamentals and assessments of management teams. It is comprised of global fund management centers and is supported by a network of local offices throughout the world. Its specialized operating units offer a broad range of real estate investment opportunities and investment management services in the United States, Europe, Asia and Latin America. Pramerica Real Estate Investors is a business unit of the Investment Manager.

The Investment Manager has appointed several Sub-Investment Managers, which may include:

PGIM Limited

PGIM Limited is a registered investment adviser with the SEC under the Advisers Act and has been authorised and is regulated by the UK Financial Conduct Authority. PGIM Limited is an indirect, wholly-owned subsidiary of the Investment Manager.

PGIM Limited's public fixed income unit (which operates as PGIM Fixed Income) offers a wide range of fixed income investment strategies, including broad market strategies, sector-specific strategies and alternative strategies.

PGIM Limited's real estate investment unit is a global real estate investment manager offering a range of real estate investment opportunities and investment management services primarily focused in Europe.

Jennison

Jennison's investment strategy is based on rigorous internal fundamental research and a highly interactive investment process, using a bottom-up approach to stock selection. Jennison is a registered investment adviser with the SEC under the Advisers Act. It is organized under the laws of Delaware, USA as a single member limited liability company whose sole member is the Investment Manager.

QMA

QMA offers a broad array of advisory services, including active and passive equity investment management as well as asset allocation strategies that invest across a range of asset classes. QMA is registered as an investment adviser with the SEC under the Advisers Act. It is organized as a limited liability company formed under the laws of the State of New Jersey, USA, as a single member limited liability company whose sole member is the Investment Manager.

CUSTODIAN

The Company has appointed State Street Custodial Services (Ireland) Limited to act as custodian of all of the Company's assets, pursuant to the Custody Services Agreement.

The principal activity of the Custodian is to act as trustee/custodian of the assets of collective investment schemes. The Custodian is regulated by the Central Bank. As at 27 July 2015, the Custodian has assets in excess of USD 591 billion under custody. The Custodian is a private limited company incorporated in Ireland on 22 May 1991. The Custodian is ultimately owned by State Street Corporation. Its authorised share capital is GBP 5,000,000 and its issued and paid up capital is GBP200,000. State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street is headquartered in Boston, Massachusetts, USA, and trades on the New York Stock Exchange under the symbol "STT".

The Custody Services Agreement contains provisions governing the responsibilities of the Custodian, including its primary responsibilities which are acting as custodian and ensuring the safekeeping of the cash and assets of the Company. The Custodian is obliged to enquire into the conduct of the Company in each financial year and to report thereon to the Shareholders whether in the Custodian's opinion the Company has been managed in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Central Bank under the powers granted to the Central Bank under the UCITS Regulations and otherwise in accordance with the provisions of the Articles and the UCITS Regulations.

The Custodian will be liable to the Company and the Shareholders for any losses or damage suffered by them as a result of its unjustifiable failure to perform its obligations or its improper performance of them. The liability of the Custodian is not affected by the fact that it has entrusted assets of the Company to any third party. In order to discharge this liability and its responsibility in respect of third parties, the Custodian must exercise care and diligence in choosing and appointing a third party as safekeeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned. The Custodian must maintain an appropriate level of supervision over the safekeeping agent and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged. The Custodian will be kept indemnified by and will be without liability to the Company and the Company's assets for any and all losses, damages, claims, costs, actions, liabilities, suits, proceedings or expenses (including reasonable attorney's fees and disbursements) (each an "**Indemnifiable Loss**") which may arise in connection with the property held or otherwise in connection with the Custody Services Agreement, including, without limitation, any Indemnifiable Loss suffered or incurred as a result of (i) the acts or omissions of the Company or any third party, including any transfer agent, whose data or services, including records, reports and other information, the Custodian must rely upon in performing its duties hereunder, or (ii) acting upon any proper instructions reasonably believed by it to have been duly authorized by the Company, the Investment Manager or any other authorized person, provided any such Indemnifiable Loss has not arisen out of the Custodian's own negligence, fraud, bad faith, wilful default or recklessness in the performance of its duties under the Custody Services Agreement.

The Custody Services Agreement will continue unless terminated by any party on 90 days written notice to the other party. Any party may also terminate the Custody Services Agreement by notice in writing to the other parties if the another party (a) is unable to pay its debts as they fall due or go into liquidation or receivership or an examiner will be appointed pursuant of the Companies (Amendment) Act 1990 or be unable to pay its debts as they fall due; (b) commits any material breach of the provisions of the Custody Services Agreement if it has not remedied that breach within 30 days after the service of written notice required to be remedied; or (c) if certain representations, warranties, covenants or undertakings contained in the Custody Services Agreements cease to be true or accurate in any material respect in respect of that party. The Custody Services Agreement may also be terminated by the Company if the Custodian is no longer permitted to act as a custodian or trustee by the Central Bank.

Pursuant to the Custody Services Agreement, the Company may not terminate the appointment of the Custodian and the Custodian may not retire from such appointment unless and until a successor custodian has been appointed

in accordance with the Articles (provided such appointment and successor Custodian is approved in advance by the Central Bank) or in the event that the Central Bank revokes the authorisation of the Company.

If the Custodian will have given to the Company notice of its desire to retire from its appointment or the appointment of the Custodian is terminated pursuant to the terms of the Custody Services Agreement and no successor will have been appointed in accordance with its Articles within 90 days from the giving of such notice or from the date on which the Company notifies the Custodian of its desire to remove the Custodian, no new custodian will have been appointed, the Company will, at the request of the Custodian, redeem all shares in issue in accordance with the Articles and the secretary of the Company at the request of the Directors or the Custodian will forthwith convene an extraordinary general meeting of the Company at which there will be proposed a special resolution to wind up the Company and, if such special resolution is passed in accordance with the UCITS Regulations, the liquidator will distribute the assets of the Company in accordance with the Articles and the Custodian's appointment will terminate with effect from the date on which the authorisation of the Company under the UCITS Regulations is revoked by the Central Bank after redemption of the Shares.

ADMINISTRATOR

The Company has appointed State Street Fund Services (Ireland) Limited to act as administrator and registrar and transfer agent to the Company with responsibility for performing the day-to-day administration of the Company and for providing accounting services for the Company, including the calculation of the Net Asset Value and the Net Asset Value per Share of each Class of Shares.

The principal activity of the Administrator is to act as administrator for collective investment schemes. The Administrator is regulated by the Central Bank. The Administrator is a private limited company incorporated in Ireland on 23 March 1992 and is ultimately owned by State Street Corporation. The authorised share capital of the Administrator is GBP 5,000,000 with an issued and paid up share capital of GBP 350,000.

The Administrative Services Agreement will continue in full force and effect until terminated by any party by giving the other party at least 90 days prior written notice of termination.

Subject to the requirements of the Central Bank, the Administrator may at its own expense employ agents in the performance of its duties and the exercise of its rights under the Administrative Services Agreement including without limitation the valuation of Shares, provided that the employment of such agents will not reduce the Administrator's obligations or liabilities hereunder and will be subject to the requirements under the Administrative Services Agreement. The Administrator will not delegate or sub-contract any such functions to any person who is not an affiliate of the Administrator without the prior written consent of the Company. The Administrator will remain liable to the Company for the performance of any duties or functions so delegated or sub-contracted by the Administrator to an affiliate and will be liable for the acts and omissions of any such affiliate delegate or affiliate sub-contractor as if such acts or omissions were those of the Administrator. For the avoidance of doubt, the Administrator will not be liable for the acts and omissions of any non-affiliated delegate or sub-contractor, provided that the Administrator takes all reasonable steps to satisfy itself as to the ability and competence of such non-affiliated delegate or sub-contractor to discharge the duties delegated to it. Should the Company direct or instruct the Administrator to appoint a non-affiliated delegate or sub-contractor, the Administrator will not be responsible for any duties or functions so delegated or sub-contracted to such a non-affiliated delegate or sub-contractor. "Non-Affiliate" means any entity not within the State Street group of companies or any company not wholly or partially owned by the Administrator.

Any party may terminate the Administrative Services Agreement immediately and without prior notice For Cause. "For Cause" means: (i) if a party materially breaches the Administrative Services Agreement and the breaching party fails to cure the breach within 30 calendar days of receiving notice thereof, or, if the breach is not capable of being cured (as determined in good faith by the non-breaching party), then no cure period will apply, (ii) a party will go into liquidation or receivership or an examiner will be appointed pursuant to the Companies (Amendment) Act 1990 (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the notifying party) or be unable to pay its debts as they fall due; (iii) if the Administrator will no longer be permitted by the Central Bank to perform its obligations under the Administrative Services Agreement or if the Company's authorisation is revoked by the Central Bank, (iv) if the Company or the Administrator reasonably believes the other has breached certain agreements and obligations as described in the Administrative Services Agreement; or (v) if the Company does not have any investors or has otherwise ceased trading and any other investment activities, has no assets remaining, is wound up or dissolved, or is otherwise terminated. Upon termination of the Administrative Services Agreement For Cause, the Company may elect to extend the Administrator's services thereunder for a period not to exceed 120 days from the date notice of termination is given (the "**Transition Period**") by giving the Administrator written notice of such election. The Administrator agrees to continue to provide the services on the terms set forth herein during the Transition Period, unless doing so would result in a violation of applicable law or regulation.

The Administrator will at all times exercise reasonable care and diligence and act in good faith in the performance of its duties thereunder, provided, however, that the Administrator will assume no responsibility and will be without liability for any loss, liability, claim or expense suffered or incurred by the Company unless caused by its own fraud, wilful default, recklessness, negligence or bad faith or that of its agents or employees. The Administrator will be responsible for the performance of only such duties as are set forth in the Administrative Services Agreement.

Neither party will be liable for any failure or delay in the performance of its obligations under the Administrative Services Agreement to the extent such failure or delay was due, in whole or in part, directly or indirectly, to the failure or delay of the other party or any of the other party's agents to perform all or a portion of its obligations under the Administrative Services Agreement. Each party will have a duty to mitigate damages for which the other party may become responsible. Neither party will be liable for any special, indirect, incidental, or consequential damages of any kind whatsoever and accordingly each party will bear the costs of any such damages itself, without recourse to the other party.

In no event will either party be liable for any failures, losses, errors or delays in performance due to causes or circumstances beyond its reasonable control to the extent that either party is prevented, hindered or delayed by such event (including, but not limited to, acts of God, acts of the public enemy, terrorism, acts of Ireland or any state territory or political division of Ireland, fires, floods or other natural disasters, strikes or any other labor disputes, interruption, loss or malfunction of utilities, computer or communications capabilities and/or freight embargoes), provided that each party has taken reasonable steps to minimize interruptions in performances. The party claiming such a failure or delay must promptly notify in writing the other party of such failure or delay. In the event that any such failure or delay by the Administrator continues for a period of more than ten (10) days, the Company will, upon twenty (20) days written notice to the Administrator, have the option of terminating the Administrative Services Agreement without any further liability whatsoever to the Administrator (except as otherwise provided in the Administrative Services Agreement).

The Company and any Third Party Agents (as defined in the the Administrative Services Agreement) or Authorized Price Sources (as defined in the Administrative Services Agreement) from which the Administrator will receive or obtain certain records, reports and other data included in the services provided hereunder are solely responsible for the contents of such information, including, without limitation, the accuracy thereof. The Administrator will have no responsibility to review, confirm or otherwise assume any duty with respect to the accuracy or completeness of any such information and will be without liability for any loss or damage suffered by the Fund as a result of the Administrator's reasonable reliance on and utilization of such information, except as otherwise required by the Administrative Services Agreement and related Schedules with respect to the use of data obtained from Authorized Price Sources. The Administrator will have no responsibility and will be without liability for any loss or damage caused by the failure of the Company or any Third Party Agent to provide it with the information required the Administrative Services Agreement.

The Administrator will have no liability and will be kept indemnified by the Company against any loss, liability, claim or expense resulting from the offer or sale of Shares in violation of any requirement under any applicable securities laws or regulations.

Except as otherwise expressly agreed to in writing by the Administrator, the Administrator will have no obligation to review, monitor or otherwise ensure compliance by the Company with the investment policies, restrictions or guidelines applicable to it or any other term or condition of the Constitutive Documents (as defined in the the Administrative Services Agreement).

The Company has agreed to indemnify and hold harmless the Administrator from and against any loss, liability, claim or expense (including reasonable attorney's fees and disbursements) suffered or incurred by the Administrator in connection with the performance of its duties under the Administrative Services Agreement provided, however, that such indemnity will not apply to any liability or expense occasioned by or resulting from the recklessness, fraud, wilful default, negligence or bad faith of the Administrator or that of its agents or employees in the performance of the Administrator's duties thereunder.

THE DISTRIBUTOR

The Company has appointed PGIM Limited to act as distributor, on a non-exclusive basis, of the Shares in certain Funds.

The Distribution Agreement between the Company and PGIM Limited dated 19 November 2013 provides that the appointment of the Distributor as marketing and distribution agents will continue unless and until terminated by either party giving to the other party not less than 30 days written notice although in certain circumstances the Distribution Agreement may be terminated forthwith by notice in writing by either party to the other.

The Distributor will be obliged to carry out their duties in accordance with applicable law and to indemnify the Company for all losses, claims, damages expenses or liabilities (including but not limited to reasonable legal fees and any other costs incurred in connection with any actual or threatened proceeding) arising from a breach by the relevant Distributor of these obligations.

The Distribution Agreement contains certain indemnities in favour of the Distributor as a marketing and distribution agent which are restricted to exclude matters arising by reason of the gross negligence, wilful misconduct or fraud on the part of the Distributor, their servants or agents in the performance of their obligations and duties as distributor.

The fees of the Distributor will not be paid directly by the Company but instead will be paid by the Investment Manager out of its investment management fee.

PGIM Limited is an affiliate of the Investment Manager and the Sub-Investment Managers.

The Company and/or Distributor may appoint additional distributors and/or sub-distributors in respect of a Fund.

Paying Agent

Local laws/regulations in certain EEA member states may require (i) the Company to appoint facilities agents/paying agents/representatives/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 or dividends may be paid. Shareholders who choose or who are obliged under local regulations to pay subscription monies, or receive redemption monies or dividends, 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 Fund held by the Paying Agent prior to the transmission of such monies to the Custodian for the account of the relevant Fund, and (b) the redemption monies and dividend payments held by the Paying Agent (after transmission by the Company) prior to payment to the relevant Shareholder. Fees and expenses of the Paying Agents appointed by the Company, which will be at normal commercial rates, will be borne by the Company in respect of which a Paying Agent has been appointed. All Shareholders of the relevant Fund on whose behalf a Paying Agent is appointed may use the services provided by Paying Agents appointed by or on behalf of the Company.

MEETINGS OF AND REPORTS TO SHAREHOLDERS

All general meetings of the Company will be held in Ireland. In each year the Company will hold an annual general meeting. 21 days notice (excluding the day of posting and the day of the meeting) will be given in respect of each general meeting of the Company. The notice will specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder. The requirements for quorum and majorities at all general meetings are set out in the Articles. Two members present in person or by proxy will constitute a quorum, save in the case of a meeting of any one Fund or Class where the quorum will be at least two Shareholders who hold at least one third of the Shares of the relevant Fund or Class and in either case if a quorum is not present and the meeting is adjourned one member may constitute the quorum. Under Irish law an Ordinary Resolution is a resolution passed by a simple majority of votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast. Under Irish law, the Articles can be amended only with the agreement of the Shareholders by special resolution.

Reports to Shareholders

Shareholders will receive an annual report containing audited financial statements of the Company for the period ending 30 June in each year. Annual reports will be forwarded to the Irish Stock Exchange within four months of the end of the relevant year and to Shareholders at least 21 days before the annual general meeting of the Company. The annual audited financial statements will be sent to Shareholders and prospective investors on request. In addition to the annual reports, each Shareholder will be provided with monthly statements showing their holdings in a Fund and any transactions effected by such Shareholder during the relevant month.

In addition, the Company will prepare and circulate to Shareholders a half-yearly report for the period ending 31 December in each year which will include unaudited semi-annual accounts for the Company and each Fund. The unaudited semi-annual report will be published, and made available to the Irish Stock Exchange, where applicable, within two months of the end of the relevant period and to Shareholders as soon as practical thereafter.

TAXATION

Ireland

The following is a summary of certain Irish tax consequences of the purchase, ownership and disposal of Shares. The summary does not purport to be a comprehensive description of all of the Irish tax considerations that may be relevant. The summary relates only to the position of persons who are the absolute beneficial owners of Shares and may not apply to certain other classes of persons.

The summary is based on Irish tax laws and the practice of the Irish Revenue Commissioners in effect on the date of this Prospectus (and is subject to any prospective or retroactive change). Potential investors in Shares should consult their own advisors as to the Irish or other tax consequences of the purchase, ownership and disposal of Shares.

Taxation of the Company

The Company intends to conduct its affairs so that it is Irish tax resident. On the basis that the Company is Irish tax resident, the Company qualifies as an 'investment undertaking' for Irish tax purposes and, consequently, is exempt from Irish corporation tax on its income and gains.

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

Taxation of non-Irish shareholders

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Company will not deduct any Irish tax in respect of the Shareholder's Shares once the declaration set out in the application form accompanying this Prospectus has been received by the Company confirming the Shareholder's non-resident status. If this declaration is not received by the Company, the Company will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). The Company will also deduct Irish tax if the Company has information which reasonably suggests that a Shareholder's declaration is incorrect. A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company and holds the Shares through an Irish branch and in certain other limited circumstances. The Company must be informed if a Shareholder becomes Irish tax resident.

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

Taxation of exempt Irish shareholders

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in section 739D(6) Taxes Consolidation Act of Ireland ("**TCA**"), the Company will not deduct Irish tax in respect of the Shareholder's Shares once the declaration set out in the application form accompanying this Prospectus has been received by the Company confirming the Shareholder's exempt status.

The categories listed in section 739D(6) TCA can be summarised as follows:

1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).
2. Companies carrying on life assurance business (within the meaning of section 706 TCA).
3. Investment undertakings (within the meaning of Section 739B TCA).
4. Investment limited partnerships (within the meaning of section 739J TCA).

5. Special investment schemes (within the meaning of section 737 TCA).
6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).
7. Charities (within the meaning of section 739D(6)(f)(i) TCA).
8. Qualifying managing companies (within the meaning of section 734(1) TCA).
9. Specified companies (within the meaning of section 734(1) TCA).
10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).
11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).
12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
13. The National Asset Management Agency.
14. The National Pensions Reserve Fund Commission or a Commission investment vehicle.
15. Qualifying companies (within the meaning of section 110 TCA).
16. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Shares in the Company without requiring the Company to deduct or account for Irish tax.

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

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

Taxation of other Irish shareholders

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

Distributions by the Company

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

1. 25% of the distribution, where the distributions are paid to a Shareholder who is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the distribution, in all other cases.

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

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

Redemptions and Transfers of Shares

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

1. 25% of such gain, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and

2. 41% of the gain, in all other cases.

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

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

If Shares are not denominated in euro, a Shareholder may be liable (on a self-assessment basis) to Irish capital gains taxation on any currency gain arising on the redemption or transfer of the Shares.

Eighth Anniversary Events

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

1. 25% of such increase in value, where the Shareholder is a company which has made the appropriate declaration for the 25% rate to apply; and
2. 41% of the increase in value, in all other cases.

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

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

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

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

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

Share exchanges

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

Stamp duty

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

Gift and Inheritance tax

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

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

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

Automatic reporting of Shareholder information to other tax authorities

From 1 January 2016, the automatic exchange of information regime known as the "*Common Reporting Standard*" proposed by the Organisation for Economic Co-operation and Development is to apply in Ireland. Under these measures, the Company is expected to be required to report information to the Irish Revenue Commissioners relating to Shareholders, including the identity, residence and tax identification number of Shareholders and details as to the amount of income and sale or redemption proceeds received by Shareholders in respect of the Shares. This information may then be shared by the Irish Revenue Commissioners with tax authorities in other EU member states and other jurisdictions which implement the OECD Common Reporting Standard.

The OECD Common Reporting Standard regime was adopted by the EU Union in Directive 2014/107/EU. In Ireland, legislation has been introduced to adopt the OECD Common Reporting Standard from 1 January 2016 and implementing regulations are due to be published imminently.

The OECD Common Reporting Standard will replace the previous European information reporting regime in respect of savings income under Directive 2003/48/EC (commonly known as the EU Savings Directive regime), which is to be repealed in Ireland with effect from 1 January 2016.

Meaning of terms

Meaning of 'residence' for companies

A company which has its central management and control in Ireland is tax resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is tax resident in Ireland except where:

1. the company (or a related company) carries on a trade in Ireland and either the company is ultimately controlled by persons resident in EU member states or countries with which Ireland has a double tax treaty, or the company (or a related company) are quoted companies on a recognised stock exchange in the EU or in a tax treaty country; or
2. the company is regarded as not resident in Ireland under a double tax treaty between Ireland and another country.

Meaning of 'residence' for individuals

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

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

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

Meaning of 'ordinary residence' for individuals

The term 'ordinary residence' (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2015 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2018.

United States

THE DISCUSSION CONTAINED HEREIN REFLECTS U.S. TAX LAW IN EFFECT AS OF NOVEMBER 19, 2015.

THE DISCUSSION HEREIN IS FOR INFORMATIONAL PURPOSES ONLY AND IS A DISCUSSION PRIMARILY OF THE US TAX CONSEQUENCES TO PROSPECTIVE SHAREHOLDERS. EACH PROSPECTIVE SHAREHOLDER SHOULD CONSULT ITS INDEPENDENT TAX ADVISOR WITH RESPECT TO THE TAX ASPECTS OF AN INVESTMENT IN FUND. TAX CONSEQUENCES MAY VARY DEPENDING UPON THE PARTICULAR STATUS OF A PROSPECTIVE SHAREHOLDER. IN ADDITION, SPECIAL CONSIDERATIONS (NOT DISCUSSED HEREIN) MAY APPLY TO PERSONS WHO ARE NOT DIRECT SHAREHOLDERS IN A FUND BUT WHO ARE DEEMED TO OWN SHARES AS A RESULT OF THE APPLICATION OF CERTAIN ATTRIBUTION RULES.

Neither the Company nor any Fund has sought a ruling from the IRS (or any other US federal, state or local agency with respect to any of the tax issues affecting the Company or such Fund, nor has the Company or any Fund obtained an opinion of counsel with respect to any tax issues.

The following is a summary of certain potential US federal tax consequences which may be relevant to prospective Shareholders. The discussion contained herein is not a full description of the complex tax rules involved, does not take into account the application of any income tax treaty and is based upon existing laws, judicial decisions and administrative regulations, rulings and practices, all of which are subject to change, retroactively as well as prospectively. A decision to invest in a Fund should be based upon an evaluation of the merits of the trading program, and not upon any anticipated US tax benefits.

Each prospective Shareholder of a Fund should also carefully review any additional tax disclosure provided in the Supplement for such Fund.

US Tax Status

The Company has been incorporated as an Irish public limited company organized as an umbrella fund with segregated liability between Funds. Generally, the assets of each Fund will be applied solely in respect of the Shares of such Fund, will belong exclusively to such Fund, and will not be used or available to discharge the liabilities of or claims against any other Fund. Each Fund will be charged with the liabilities, expenses, costs, charges or reserves of the Company in respect of, or attributable to, that Fund. However, the Funds are not separate

legal entities for the purposes of incorporation.

Each Fund intends to operate as a separate corporation for US federal tax purposes, separate and apart from the Company and other sub-funds of the Company, and that investors are shareholders of a particular Fund rather than of the Company. Such characterization is uncertain under US tax law as currently interpreted. There is no precedential authority (whether statutory, regulatory, judicial or otherwise) affirming this position and the Company does not intend to seek an opinion of counsel on this point. The IRS has issued a number of nonprecedential rulings holding that sub-funds or series of certain unincorporated business entities are separate entities for US federal income tax purposes. Generally, in those rulings, the jurisdiction under which the entities were formed recognized the sub-funds or series as separate legal entities. The Company and Funds, however, differ from the entities addressed by those rulings, because the Company is a "per se" corporation rather than an unincorporated business entity for US federal income tax purposes and the Funds are not separate legal entities for the purposes of incorporation.

Therefore, no assurances can be provided that each Fund will be treated as a separate entity for US federal income tax purposes. If each Fund is not treated as a separate entity for US federal income tax purposes, investors would be treated as shareholders of the Company, rather than of the applicable Fund, and the taxable items of income, gain, loss and deduction of each Fund would be treated as income, gain, loss and deduction of the Company and certain aspects of the analysis below would be different.¹

The remainder of the US tax discussion herein assumes that each Fund will be treated as a separate corporation for US federal tax purposes.

US Trade or Business

Section 864(b)(2) of the Code provides a safe harbor (the "**Safe Harbor**") applicable to a non-US corporation such as a Fund (other than a dealer in securities) that engages in the US in trading securities (including contracts or options to buy or sell securities) for its own account pursuant to which such non-US corporation will not be deemed to be engaged in a US trade or business. The Safe Harbor also provides that a non-US corporation (other than a dealer in commodities) that engages in the US in trading commodities for its own account is not deemed to be engaged in a US trade or business if "the commodities are of a kind customarily dealt in on an organized commodity exchange and if the transaction is of a kind customarily consummated at such place." Pursuant to proposed regulations, a non-US taxpayer (other than a dealer in stocks, securities, commodities or derivatives) that effects transactions in the United States in derivatives (including (i) derivatives based upon stocks, securities, and certain commodities and currencies, and (ii) certain notional principal contracts based upon an interest rate, equity, or certain commodities and currencies) for its own account is not deemed to be engaged in a United States trade or business. Although the proposed regulations are not final, the IRS has indicated in the preamble to the proposed regulations that for periods prior to the effective date of the proposed regulations, taxpayers may take any reasonable position with respect to the application of Section 864(b)(2) of the Code to derivatives, and that a position consistent with the proposed regulations will be considered a reasonable position.

Each Fund intends to conduct its business in a manner so as to meet the requirements of the Safe Harbor. Thus, based on the foregoing, each Fund's securities and commodities trading activities are not expected to constitute a US trade or business and, except in the limited circumstances discussed below, each Fund does not expect to be subject to the regular US income tax on any of its trading profits. However, if certain of a Fund's activities were determined not to be of the type described in the Safe Harbor, such Fund's activities may constitute a US trade or business, in which case such Fund would be subject to US income and branch profits tax on the income and gain from those activities.

Even if a Fund's securities trading activity does not constitute a US trade or business, gains realized from the sale or disposition of stock or securities (other than debt instruments with no equity component) of US Real Property Holding Corporations (as defined in Section 897 of the Code) ("USRPHCs"), including stock or securities of certain Real Estate Investment Trusts ("REITs"), will be generally subject to US income tax on a net basis. However, a principal

exception to this rule of taxation may apply if such USRPHC has a class of stock which is regularly traded on an established securities market and a Fund generally did not hold (and was not deemed to hold under certain attribution rules) more than 5% of the value of a regularly traded class of stock or securities of such USRPHC at any time during the five year period ending on the date of disposition.² Moreover, if a Fund were deemed to be engaged in a US trade or business as a result of owning a limited partnership interest in a US business partnership or a similar ownership interest, income and gain realized from that investment would be subject to US income and branch profits tax. Each Fund intends to conduct its activities so as to avoid any direct US taxation under the rules discussed in this paragraph.

Identity of Beneficial Ownership and Withholding on Certain Payments

In order to avoid a US withholding tax of 30% on certain payments (including payments of gross proceeds) made with respect to certain actual and deemed US investments, the Investment Manager has undertaken to sponsor the Company and has agreed to identify certain direct and indirect US account holders (including debtholders and equityholders). Ireland has signed a Model 1A (reciprocal) inter-governmental agreement with the United States (the "US IGA") to give effect to the foregoing withholding and reporting rules. So long as the Company and each Fund comply with the US IGA, they will not be subject to the related U.S. withholding tax.

A non-US investor in a Fund will generally be required to provide to such Fund information which identifies its direct and indirect US ownership and, in certain cases, information regarding its investments in other "foreign financial institutions" within the meaning of Section 1471(d)(4) of the Code. Under the US IGA, any such information provided to a Fund will be shared with Irish Revenue. Irish Revenue will exchange the information reported to it with the IRS annually on an automatic basis. A non-U.S. investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code will generally be required to timely register with the IRS and agree to identify, and report information with respect to, certain of its own direct and indirect U.S. account holders (including debtholders and equityholders). A non-US investor who fails to provide such information to a Fund, or timely register and agree to identify or report information with respect to such account holders, may be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed US investments of such Fund, and the Directors may take any action in relation to an investor's Shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or comply with such requirements gave rise to the withholding. Shareholders should consult their own tax advisors regarding the possible implications of these rules on their investments in a Fund.

Non-US shareholders may also be required to make certain certifications to a Fund as to the beneficial ownership of the Shares and the non-US status of such beneficial owner, in order to be exempt from US information reporting and backup withholding on a redemption of Shares.

US Withholding Tax

In general, under Section 881 of the Code, a non-US corporation which does not conduct a US trade or business is nonetheless subject to tax at a flat rate of 30% (or lower tax treaty rate) on the gross amount of certain US source income which is not effectively connected with a US trade or business, generally payable through withholding. Income subject to such a flat tax rate is of a fixed or determinable annual or periodic nature, including dividends, certain "dividend equivalent payments" and certain interest income. In some cases, dividend income subject to the

² A Fund will also be exempt from tax on dispositions of REIT shares, whether or not those shares are regularly traded, if less than 50% of the value of such shares is held, directly or indirectly, by non-US persons at all times during the five-year period ending on the date of disposition. However, even if the disposition of REIT shares would be exempt from tax on a net basis, distributions from a REIT (whether or not such REIT is a USRPHC), to the extent attributable to the REIT's disposition of interests in US real property, are subject to tax on a net basis when received by a Fund and may be subject to the branch profits tax. Distributions from certain publicly traded REITs to non-US shareholders owning 5% or less of the shares are subject to a 30% gross withholding tax on those distributions and are not subject to tax on a net basis.

30% (or lower tax treaty) rate, can be imputed to holders of certain equity interests or equity derivative instruments, such as options or convertible debt, as a result of an adjustment by the issuing corporation to the exercise or conversion ratio, or as a result of other corporate action which has the effect of increasing a holder's interest in the earnings and profits or assets of the issuing corporation.

Certain types of income are specifically exempted from the 30% tax and thus withholding is not required on payments of such income to a non-US corporation. The 30% tax does not apply to capital gains (whether long or short-term) or to interest paid to a non-US corporation on its deposits with US banks. The 30% tax also does not apply to interest which qualifies as portfolio interest. The term "portfolio interest" generally includes interest (including original issue discount) on an obligation in registered form which has been issued after July 18, 1984 and with respect to which the person who would otherwise be required to deduct and withhold the 30% tax receives the required statement that the beneficial owner of the obligation is not a US person within the meaning of the Code. In addition, if any credit default swap is characterized as a contract of insurance or a guarantee, payments received under such credit default swap may be subject to an excise tax or a withholding tax.

Redemption of Shares

Gain realized by Shareholders who are not US persons within the meaning of the Code ("**non-US shareholders**") upon the sale, exchange or redemption of Shares held as a capital asset should generally not be subject to US federal income tax provided that the gain is not effectively connected with the conduct of a trade or business in the US. However, in the case of nonresident alien individuals, such gain will be subject to the 30% (or lower tax treaty rate) US tax if (i) such person is present in the US for 183 days or more during the taxable year (on a calendar year basis unless the nonresident alien individual has previously established a different taxable year) and (ii) such gain is derived from US sources.

Generally, the source of gain upon the sale, exchange or redemption of Shares is determined by the place of residence of the Shareholder. For purposes of determining the source of gain, the Code defines residency in a manner that may result in an individual who is otherwise a nonresident alien with respect to the US being treated as a US resident only for purposes of determining the source of income. Each potential individual shareholder who anticipates being present in the US for 183 days or more (in any taxable year) should consult his tax advisor with respect to the possible application of this rule.

Gain realized by a non-US shareholder engaged in the conduct of a US trade or business will be subject to US federal income tax upon the sale, exchange or redemption of Shares if such gain is effectively connected with its US trade or business.

Tax-Exempt US Persons

The term "Tax-Exempt US Person" means a US person within the meaning of the Code that is exempt from payment of US federal income tax. Generally, a Tax-Exempt US Person is exempt from federal income tax on certain categories of income, such as dividends, interest, capital gains and similar income realized from securities investment or trading activity. This type of income is exempt even if it is realized from securities trading activity which constitutes a trade or business. This general exemption from tax does not apply to the "unrelated business taxable income" ("UBTI") of a Tax-Exempt US Person. Generally, except as noted above with respect to certain categories of exempt trading activity, UBTI includes income or gain derived from a trade or business, the conduct of which is substantially unrelated to the exercise or performance of the Tax-Exempt US Person's exempt purpose or function. UBTI also includes (i) income derived by a Tax-Exempt US Person from debt-financed property and (ii) gains derived by a Tax-Exempt US Person from the disposition of debt-financed property.

In 1996, Congress considered whether, under certain circumstances, income derived from the ownership of the shares of a non-US corporation should be treated as UBTI to the extent that it would be so treated if earned directly by the shareholder. Subject to a narrow exception for certain insurance company income, Congress declined to amend the Code to require such treatment. Accordingly, based on the principles of that legislation, a Tax-Exempt US Person investing in a non-US corporation such as a Fund is not expected to realize UBTI with respect to an unleveraged investment in Shares. Tax-Exempt US Persons are urged to consult their own tax advisors concerning the US tax consequences of an investment in a Fund.

There are special considerations which should be taken into account by certain beneficiaries of charitable remainder trusts that invest in a Fund. Charitable remainder trusts should consult their own tax advisors concerning the tax consequences of such an investment on their beneficiaries.

US Persons that are not Tax-Exempt US Persons

Each Fund will be classified as a passive foreign investment company ("**PFIC**") for federal income tax purposes. In addition, it is possible that a Fund will be a controlled foreign corporation ("**CFC**"). Under the PFIC rules, US persons within the meaning of the Code that are not Tax Exempt US Persons ("**Non Tax-Exempt US Persons**") are subject to US federal income taxation with respect to their investment in a Fund under one of three methods. Under the "interest charge" method, a Non Tax-Exempt US Person is generally liable for tax (at ordinary income rates) plus an interest charge reflecting the deferral of tax liability (which is not deductible by an individual) when it pledges or sells its Shares at a gain or receives a distribution from a Fund. Furthermore, the estate of a deceased individual Non Tax-Exempt US Person will be denied a tax-free "step-up" in the tax basis to fair market value for Shares held by that deceased individual that were subject to the "interest charge" method.

Alternatively, a Non Tax-Exempt US Person can make an election under the PFIC rules to have a Fund treated as a qualified electing fund ("**QEF**") with respect to its Shares. A Shareholder that has made the QEF election, which may only be revoked with the consent of the IRS, is generally taxed currently on its proportionate share of the ordinary earnings and net long-term capital gains of a Fund, whether or not the earnings or gains are distributed. Fund expenses, if any, that are properly capitalized will not be deductible for purposes of calculating the income included as a result of the QEF election. If the PFIC realizes a net loss in a particular year, under the QEF rules, that loss will not pass through to the Non Tax-Exempt US Person nor will it be netted against the income of any other PFIC with respect to which a QEF election has been made. Moreover, the loss also cannot be carried forward to reduce inclusions of income with respect to the PFIC in subsequent years. Instead, a Non Tax-Exempt US Person would only realize the loss in calculating its gain or loss when it disposes of its shares in the PFIC. A Non Tax-Exempt US Person should also note that under the QEF rules, it may be taxed on income related to unrealized appreciation in the PFIC's assets attributable to periods prior to the investor's investment in the PFIC if such amounts are recognized by the PFIC after the investor acquires Shares. Moreover, any net short-term capital gains of the PFIC will not pass through as capital gains, but will be taxed as ordinary income. In order for a shareholder to be eligible to make a QEF election, a Fund would have to agree to provide certain tax information to such shareholder on an annual basis. Each Fund has committed to providing such information to the extent such Fund will permit Non Tax-Exempt US Persons to invest.

Finally, if a Fund's Shares are considered "marketable", a Non Tax-Exempt US Person would be able to elect to mark its shares to market at the end of every year. Any such mark to market gain or loss would be considered ordinary. Ordinary mark to market losses would only be allowed to the extent of prior mark to market gains. However, as a result of the definition of "marketable" adopted in regulations, no Fund anticipates that its Shares would be eligible for the mark to market election.

Even though the PFIC rules apply, if a Fund is also a CFC, other rules could apply in addition to the PFIC rules that could cause a Non Tax-Exempt US Person to (i) recognize taxable income prior to his or her receipt of distributable proceeds or (ii) recognize ordinary taxable income that would otherwise have been treated as long-term or short-term capital gain. Furthermore, the calculation of (a) "net investment income" for purposes of the 3.8% Medicare tax and (b) taxable income for purposes of the regular income tax may be different with respect to certain income, including income from PFICs and CFCs. In addition, the Medicare tax and the regular income tax may be due in different taxable years with respect to the same income. The application of the Medicare tax (and the availability of particular elections) is quite complex. Investors are urged to consult their tax advisors regarding the consequences of these rules in respect of their investments.

A Non Tax-Exempt US Person who invests in a Fund should expect to recognize amounts of phantom income, where such phantom income could be particularly significant in the case of an investor in "Accumulation Class Shares" (as defined in the applicable Supplement).

IN AS MUCH AS NON TAX-EXEMPT US PERSONS ARE SUBJECT TO POTENTIALLY ADVERSE TAX CONSEQUENCES IF THEY INVEST IN A FUND AND THE FOREGOING SUMMARY IS ONLY A BRIEF

OVERVIEW OF HIGHLY COMPLEX RULES, SUCH POTENTIAL INVESTORS ARE STRONGLY URGED TO CONSULT WITH THEIR OWN TAX ADVISORS BEFORE INVESTING IN A FUND.

Reporting Requirements for US Persons

Any United States person within the meaning of the Code who holds shares in a PFIC such as a Fund (other than certain Tax-Exempt US Persons for whom an investment in such PFIC does not generate UBTI) is generally required to report its investment in such PFIC on an annual basis. Furthermore, such persons who are individuals will generally be required to make additional tax filings if their aggregate investment in certain non-US financial assets (including interests in entities such as a Fund) exceeds \$50,000. Such filing requirements may be extended to certain US entities who are formed or availed for the purpose of making investments in non-US entities such as a Fund.

Any US person within the meaning of the Code owning 10% or more (taking certain attribution rules into account) of either the total combined voting power or total value of all classes of the shares (the "**10% Amount**") of a non-US corporation such as a Fund will likely be required to file an information return with the IRS containing certain disclosure concerning the filing shareholder, other shareholders and the corporation. Any US person within the meaning of the Code who within such US person's tax year (A) acquires shares in a non-US corporation such as a Fund, so that either (i) without regard to shares already owned, such US person acquires the 10% Amount or (ii) when added to shares already owned by the US person, such US person's total holdings in the non-US corporation reaches the 10% Amount or (B) disposes of shares in a non-US corporation so that such US person's total holdings in the non-US corporation falls below the 10% Amount (in each such case, taking certain attribution rules into account), will likely be required to file an information return with the IRS containing certain disclosure concerning the filing shareholder, other shareholders and the corporation. No Fund has committed to provide all of the information about such Fund or its shareholders needed to complete these returns. In addition, a US person within the meaning of the Code that transfers cash to a non-US corporation such as a Fund may be required to report the transfer to the IRS if (i) immediately after the transfer, such person holds (directly, indirectly or by attribution) at least 10% of the total voting power or total value of such corporation or (ii) the amount of cash transferred by such person (or any related person) to such corporation during the twelve-month period ending on the date of the transfer exceeds \$100,000.

Certain US persons ("**potential filers**") who have an interest in a foreign financial account during a calendar year are generally required to file, electronically, FinCEN Form 114 (an "**FBAR**") with respect to such account. Failure to file a required FBAR may result in civil and criminal penalties. Under existing regulatory guidance, potential filers who do not own (directly or indirectly) more than 50% of the voting power or total value of the shares of a Fund, generally are not obligated to file an FBAR with respect to an investment in such Fund. However, potential filers should consult their own advisors regarding the current status of this guidance.

Furthermore, certain US persons within the meaning of the Code may have to file Form 8886 ("Reportable Transaction Disclosure Statement") with their US tax return, and submit a copy of Form 8886 with the Office of Tax Shelter Analysis of the IRS if a Fund in which such US persons are invested engages in certain "reportable transactions" within the meaning of US Treasury Regulations. If the IRS designates a transaction as a reportable transaction after the filing of a reporting shareholder's tax return for the year in which such Fund or such reporting shareholder participated in the transaction, the reporting shareholder may have to file Form 8886 with respect to that transaction within 90 days after the IRS makes the designation. Shareholders required to file this report include a US person within the meaning of the Code if either (1) such Fund is treated as a CFC and such US person owns a 10% voting interest or (2) such US person owns 10% (by vote or value) of such Fund and makes a QEF election with respect to that Fund. In certain situations, there may also be a requirement that a list be maintained of persons participating in such reportable transactions, which could be made available to the IRS at its request. Moreover, if a US person within the meaning of the Code recognizes a loss upon a disposition of Shares, such loss could constitute a "reportable transaction" for such shareholder, and such shareholder would be required to file Form 8886. A significant penalty is imposed on taxpayers who fail to make the required disclosure. The maximum penalty is \$10,000 for natural persons and \$50,000 for other persons (increased to \$100,000 and \$200,000, respectively, if the reportable transaction is a "listed" transaction). Shareholders who are US persons within the meaning of the Code (including Tax-Exempt US Persons) are urged to consult their own tax advisors concerning the application of these reporting obligations to their specific situations and the penalty discussed above.

Estate and Gift Taxes

Individual holders of Shares who are neither present or former US citizens nor US residents (as determined for US estate and gift tax purposes) are not subject to US estate and gift taxes with respect to their ownership of such Shares.

Future Changes in Applicable Law

The foregoing description of US income tax consequences of an investment in and the operations of a Fund is based on laws and regulations which are subject to change through legislative, judicial or administrative action. Other legislation could be enacted that would subject a Fund to income taxes or subject shareholders to increased income taxes.

Prospective shareholders should also review any related tax disclosure in the applicable Fund Supplement and consult their own counsel regarding tax laws and regulations of any other jurisdiction which may be applicable to them.

THE TAX AND OTHER MATTERS DESCRIBED IN THIS MEMORANDUM DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE SHAREHOLDERS.

Summary

The foregoing is not a complete summary of all of the tax consequences of investment in a Fund. Each prospective investor is advised to consult with its own tax adviser with respect to the ~~tax~~ consequences of, and the reporting requirements attributable to, the purchase, ownership and disposition of Shares.

GENERAL

The Share Capital

The share capital of the Company will at all times equal the NAV. The authorised share capital of the Company is €300,002 (three hundred thousand and two Euro) represented by 300,002 (three hundred thousand and two) Subscriber Shares of no par value issued at €1.00 each and 500,000,000,000 (five hundred billion) Shares of no par value. The Directors are empowered to issue up to 500 billion Shares of no par value in the Company at the NAV per Share (or the relevant initial subscription price in the case of new Funds) on such terms as they may think fit.

Each of the Shares entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of the Fund in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the Company, but do not entitle the holders to participate in the dividends or net assets of any Fund.

The Directors also reserve the right to redesignate any Class of Shares from time to time, provided that Shareholders in that Class will first have been notified by the Company that the Shares will be redesignated and will have been given the opportunity to have their Shares redeemed by the Company.

Each of the Shares entitles the holder to attend and vote at meetings of the Company and of the Fund represented by those Shares. The Articles provide that matters may be determined at meetings of the Shareholders on a show of hands unless a poll is requested by five Shareholders or by Shareholders holding 10% or more of the Shares or unless the Chairman of the meeting requests a poll. Each Shareholder will have one vote on a show of hands. Each Shareholder will be entitled to such number of votes as will be produced by dividing the aggregate NAV of that Shareholder's shareholding (expressed or converted into the Base Currency and calculated as of the relevant record date) by one. The "relevant record date" for these purposes will be a date being not more than thirty days prior to the date of the relevant general meeting or written resolution as determined by the Directors. Where a separate written resolution or general meeting of a particular Class or tranche of Shares is held, in such circumstances, the Shareholders' votes will be calculated by reference only to the NAV of each Shareholder's shareholding in that particular Class or tranche, as appropriate. The Subscriber Shareholders will have one vote for each Subscriber Share held. In relation to a resolution which in the opinion of the Directors affects more than one Class of Shares or gives or may give rise to a conflict of interest between the Shareholders of the respective Classes, such resolution will be deemed to have been duly passed, only if, in lieu of being passed through a single meeting of the Shareholders of those Classes, such resolution will have been passed at a separate meeting of the Shareholders of each such Class.

Miscellaneous

- (i) The Directors confirm and report that the Company was incorporated in Ireland on 18 July 2013.
- (ii) 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.
- (iii) Each Director has entered into an engagement letter with the Company.
- (iv) No Director or any connected person of any director has any interest, beneficial or non-beneficial, in the share capital of the Fund.

Material Contracts

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

- The Investment Management Agreement
- The Sub-Investment Management Agreement
- The Custody Services Agreement
- The Administrative Services Agreement
- The Distribution Agreement

Supply and Inspection of Documents

Copies of 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:

- (a) Memorandum and Articles of Association of the Company;
- (b) the certificate of incorporation;
- (c) a memorandum detailing the names of all companies and partnerships of which the directors of the Company have been a director or partner in the past five years, together with an indication of whether or not the individual is still a director or partner; and
- (d) the UCITS Regulations.

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

APPENDIX A – DEFINITIONS OF US PERSON AND NON-US PERSON

A. Regulation S Definition of U.S. Person

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- (1) **“U.S. Person”** means:
 - (a) any natural person resident in the United States;
 - (b) any partnership or corporation organized 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 foreign 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 organized, incorporated, or (if an individual) resident in the United States; and
 - (h) any partnership or corporation if:
 - (i) organized or incorporated under the laws of any foreign 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 organized 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.
- (2) Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States will not be deemed a “US Person.”
- (3) Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person will not be deemed a “US Person” if:
 - (a) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and
 - (b) the estate is governed by foreign law.
- (4) Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person will not be deemed a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a “US Person.”
- (5) Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country will not be deemed a “US Person.”
- (6) Notwithstanding (1) above, any agency or branch of a US Person located outside the United States will not be deemed a “US Person” if:

- (a) the agency or branch operates for valid business reasons; and
 - (b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
- (7) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans will not be deemed "US Persons."

B. Under the Commodity Exchange Act, a "Non-United States Person" is defined as:

- (1) a natural person who is not a resident of the United States;
- (2) a partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a foreign jurisdiction and which has its principal place of business in a foreign jurisdiction;
- (3) an estate or trust, the income of which is not subject to United States income tax regardless of source;
- (4) an entity organized principally for passive investment such as a pool, investment company or other similar entity; provided, that units of participation in the entity held by persons who do not qualify as Non-United States Persons or otherwise as qualified eligible persons represent in the aggregate less than 10% of the beneficial interest in the entity, and that such entity was not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States Persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States Persons; and
- (5) a pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside the United States.

C. Under the Code and the Treasury Regulations promulgated thereunder, a "US Person" is defined as:

- (1) an individual who is a US citizen or a US "resident alien." Currently, the term "resident alien" is defined to generally include an individual who (i) holds an Alien Registration Card (a "green card") issued by the US Immigration and Naturalization Service or (ii) meets a "substantial presence" test. The "substantial presence" test is generally met with respect to any current calendar year if (i) an individual is present in the US on at least 31 days during such year and (ii) the sum of (A) the number of days on which such individual is present in the US during the current year, (B) 1/3 of the number of such days during the first preceding year, and (C) 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days;
- (2) a corporation or partnership created or organized in the United States or under the law of the United States or any state;
- (3) a trust where (i) a US court is able to exercise primary supervision over the administration of the trust and (ii) one or more US Persons have the authority to control all substantial decisions of the trust; and
- (4) an estate that is subject to US tax on its worldwide income from all sources.

APPENDIX B – RECOGNISED MARKETS

The following exchanges and markets constitute Recognised Markets for the purposes of this Prospectus:

Any stock exchange in an EU Member State or in any of the following member countries of the OECD:

Australia, Canada, Iceland, Japan, Hong Kong, New Zealand, Norway, Switzerland and the United States of America.

Any of the following stock exchanges:

- Argentina
 - Buenos Aires Stock Exchange
 - Cordoba Stock Exchange
 - La Plata Stock Exchange
 - Mendoza Stock Exchange
 - Rosario Stock Exchange
 - Bolsa de Comercio de Santa Fe
 - Mercado Abierto Electrónico (MAE)
 - Mercado a Termino de Rosario
 - Mercado de Valores de Rosario
 - Mercados de Futuros y Opciones SA (Merfox)
- Bahrain
 - Bahrain Stock Exchange
 - Manama Stock Exchange
- Bangladesh
 - Dhaka Stock Exchange
 - Chittagong Stock Exchange
- Botswana
 - Botswana Stock Exchange
 - Serowe Stock Exchange
- Brazil
 - Rio de Janeiro Stock Exchange
 - Sao Paulo Stock Exchange
 - Bahia-Sergipe-Alagoas Stock Exchange
 - Brasilia Stock Exchange
 - Extremo Sul Porto Alegre Stock Exchange
 - Minas Esperito Santo Stock Exchange
 - Parana Curitiba Stock Exchange
 - Pernambuco e Paraiba Recife Stock Exchange
 - Regional Fortaleza Stock Exchange
 - Santos Stock Exchange
- Chile
 - Santiago Stock Exchange
 - Valparaiso Stock Exchange
 - Bolsa Electronica de Chile
- China
 - Shanghai Securities Exchange
 - Shenzhen Stock Exchange
- Colombia
 - Colombian Stock Exchange
 - Bogota Stock Exchange
 - Medellin Stock Exchange
 - Occidente Stock Exchange
- Costa Rica
 - San Jose Stock Exchange
 - National Stock Exchange
- Croatia
 - Zagreb Stock Exchange
- Egypt
 - Cairo and Alexandria Stock Exchange
- Ghana
 - Ghana Stock Exchange
- Hong Kong
 - The Stock Exchange of Hong Kong Limited
- Iceland
 - OMX Nordic Exchange

-	India	The National Stock Exchange of India The Stock Exchange, Mumbai Delhi Stock Exchange Ahmedabad 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 Bombay Stock Exchange Madras Stock Exchange Delhi Stock Exchange Gauhati Stock Exchange Magadh Stock Exchange
-	Indonesia	Jakarta Stock Exchange Surabaya Stock Exchange
-	Israel	Tel Aviv Stock Exchange Limited
-	Jamaica	Jamaica Stock Exchange
-	Jordan	Amman Stock Exchange
-	Kazakhstan	Kazakhstan Stock Exchange
-	Kenya	Nairobi Stock Exchange
-	Korea (South)	Korea Stock Exchange KOSDAQ Korea Futures Exchange Korean Securities Dealers Association
-	Kuwait	Kuwait Stock Exchange
-	Lebanon	Beirut Stock Exchange
-	Malaysia	Kuala Lumpur Stock Exchange The Bursa Malaysia Berhad Bumipatra Stock Exchange
-	Mauritius	Stock Exchange of Mauritius
-	Morocco	Casablanca Stock Exchange
-	Mexico	Mexico Stock Exchange Mercado Mexicana de Derivados
-	Namibia	Namibian Stock Exchange
-	Nigeria	Nigerian Stock Exchange Lagos Stock Exchange Kaduna Stock Exchange Port Harcourt Stock Exchange
-	Oman	Muscat Securities Market
-	Pakistan	Karachi Stock Exchange Lahore Stock Exchange Islamabad Stock Exchange
-	Palestine	Nablus Stock Exchange
-	Peru	Lima Stock Exchange
-	Philippines	Philippines Stock Exchange
-	Qatar	Doha Securities Market
-	Russia	Moscow International Currency Exchange (included solely in relation to equity securities) Russian Trading System (RTS) 1 (included solely in relation to equity securities) Russian Trading System (RTS) 2 (included solely in relation to equity securities)

		relation to equity securities)
-	Saudi Arabia	Saudi Stock Exchange (Tadawul)
		Riyadh Stock Exchange
-	Serbia	Belgrade Stock Exchange
-	Singapore	Singapore Stock Exchange
		SESDAQ
-	South Africa	Johannesburg Stock Exchange
-	Sri Lanka	Colombo Stock Exchange
-	Taiwan	Taiwan Stock Exchange
	(Republic of China)	GreTai Securities Market (GTSM)
		Taiwan Futures Exchange (TAIFEX)
-	Thailand	Stock Exchange of Thailand
		Market for Alternative Investments (MAI)
-	Tunisia	Tunis Stock Exchange
-	Turkey	Istanbul Stock Exchange
-	Uganda	Kampala Stock Exchange
-	Ukraine	First Securities Trading System (PFTS)
		Ukraine Stock Exchange
		Ukrainian Interbank Currency Exchange
-	United Arab Emirates	Abu Dhabi Securities Market (ADSM)
	(UAE)	Borse Dubai
		Dubai: Financial Market (DFM)
		Dubai: Gold and Commodities Exchange
		Dubai: International Financial Exchange (DIFX)
		Dubai: Mercantile Exchange
-	Uruguay	Montevideo Stock Exchange
-	Venezuela	Caracas Stock Exchange
		Maricaibo Stock Exchange
		Venezuela Electronic Stock Exchange
-	Vietnam	Ho Chi Min Stock Exchange (HOSE)
		Ho Chi Minh Securities Trading Center
		Hanoi Securities Trading Center
-	Zambia	Lusaka Stock Exchange
-	Zimbabwe	Zimbabwe Stock Exchange

The following markets:

- the market organised by the International Capital Market Association;
- the market conducted by “listed money market institutions” as described in the Financial Services Authority Publication “The Regulation of the Wholesale cash and Derivatives Markets under Section 43 of the Financial Services Act 1986 (The Grey Paper)” dated June 1999 (as amended from time to time);
- (a) NASDAQ in the United States, (b) the market in the U.S. government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; and (c) the over-the-counter market in the United States conducted by primary dealers and secondary dealers regulated by the Securities and Exchange Commission and the Financial Industry Regulatory Authority and by banking institutions regulated by the U.S. Comptroller of 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;

- AIM - the alternative investment market in the U.K. regulated and operated by the London Stock Exchange;
- the French market for “Titres de Creance Negotiable” (over-the-counter market in negotiable instruments); and
- the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada.
- Multilateral Trading Facilities which meet with applicable regulatory criteria, as same may be amended from time to time.

DERIVATIVES MARKETS

In the case of an investment in FDI, any derivative market approved in a member state of the European Economic Area and the following exchanges or derivative markets:

- Americas
 - Nasdaq
 - The Chicago Mercantile Exchange
 - American Stock Exchange
 - Chicago Board of Trade
 - Chicago Board of Options Exchange
 - Coffee, Sugar and Cocoa Exchange
 - Iowa Electronic Markets
 - Kansas City Board of Trade
 - Mid-American Commodity Exchange
 - Minneapolis Grain Exchange
 - New York Cotton Exchange
 - Twin Cities Board of Trade
 - New York Futures Exchange
 - New York Board of Trade
 - New York Mercantile Exchange
 - CME Group
 - Montreal Derivatives Exchange
 - BMF Bovespa
- Asia
 - China Financial Futures Exchange
 - Dalian Commodity Exchange
 - Shanghai Futures Exchange,
 - Zhengzhou Commodity Exchange
 - China Interbank Bond Market
 - Hong Kong Futures Exchange
 - Ace Derivatives & Commodity Exchange
 - Indonesia Commodity and Derivatives Exchange
 - Korean Exchange
 - Bursa Malaysia Derivatives Berhad
 - Singapore International Monetary Exchange
 - Singapore Commodity Exchange
 - Osaka/Tokyo Stock Exchange
 - Tokyo Financial Exchange
 - Tokyo Commodity Exchange
 - Taiwan Futures Exchange
 - Thailand Futures Exchange
 - Agricultural Futures Exchange of Thailand
 - Singapore Commodity Exchange
 - Singapore Mercantile Exchange

- Australasia New Zealand Exchange
 Sydney Exchange
- Europe Athens Derivative Exchange
 Borsa Italiana (IDEM)
 EUREX Deutschland
 EUREX Zurich
 EUREX for Bunds, OATs, BTPs,
 Euronext Derivatives Amsterdam
 Euronext Derivatives Brussels
 Euronext Derivatives Paris
 ICE Futures Europe
 London Metal Exchange
 Meff Renta Variable (Madrid)
 OMX Nordic Exchange Copenhagen
 OMX Nordic Exchange Stockholm
 Ukranian Interbank Currency Exchange
- Africa South African Futures Exchange

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

With the exception of permitted investments in unlisted securities the Company will only invest in securities traded on a stock exchange or market which meets with the regulatory criteria (regulated, operated regularly, recognised and open to the public) and which is listed in this Prospectus.

APPENDIX C – EFFICIENT PORTFOLIO MANAGEMENT

This section of the Prospectus clarifies the instruments and/or strategies which the Company may use for efficient portfolio management purposes or short term investment purposes. Where derivative instruments are used for hedging purposes, details of the derivative instruments to be used will be specifically disclosed in the relevant Supplement. The Investment 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.

The Investment Manager may, on behalf of each Fund and subject to the conditions and limits set out in the UCITS Regulations, employ techniques and instruments relating to transferable securities for hedging purposes (to protect an asset of a Fund against, or minimise liability from, fluctuations in market value or foreign currency exposures) or for efficient portfolio management purposes (with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to the Fund provided such transactions are not speculative in nature). Investment in FDI which give exposure to foreign exchange will only be used for hedging purposes. Such techniques and instruments may include investments in exchange-traded or over-the-counter (“**OTC**”) FDI, such as futures and currency forwards (which may be used to manage market and currency risk respectively), options (including call and put options which may be used to achieve cost efficiencies) and swaps, including credit default swaps (which may be used to manage interest rate and credit risk respectively). A Fund may also invest in the FDI as part of its investment strategy where such intention is disclosed in the Fund’s investment policy and provided that the counterparties to such transactions are institutions subject to prudential supervision and, in relation to OTC transactions, belong to categories approved by the Central Bank.

The Investment Manager (or relevant Sub-Investment Manager) employs a risk management process in respect of a Fund in accordance with the requirements of the Central Bank to enable it to accurately monitor, measure and manage, the global exposure from FDIs (“**global exposure**”) which each Fund gains. Unless otherwise specified in the relevant Supplement, the Investment Manager will use the commitment approach to calculate its global exposure. The Company will, on request, provide supplemental information to Shareholders relating to the risk management methods employed, including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

The conditions and limits for the use of such techniques and instruments in relation to each Fund are as follows:

1. In no circumstances will the global exposure of a Fund exceed 100% of its Net Asset Value (where commitment approach is used to calculate global exposure).
2. Position exposure to the underlying assets of FDIs, including embedded FDIs 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 UCITS Regulations. (This provision does not apply in the case of index based FDIs provided the underlying index is one which meets with the criteria set out in the UCITS UCITS Regulations).
3. A 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. Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

A Fund may only enter into OTC derivatives, repurchase/reverse repurchase agreements and securities lending arrangements with counterparties in accordance with the requirements of the UCITS Regulations where a credit assessment has been undertaken. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is

downgraded to A2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay.

Efficient Portfolio Management - Other Techniques and Instruments

1. In addition to the investments in FDIs noted above, the Company may employ other techniques and instruments relating to transferable securities and money market instruments subject to the conditions imposed by the Central Bank, such as repurchase / reverse repurchase agreements, ("**repo contracts**") and securities lending only for efficient portfolio management. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management, including FDIs which are not used for direct investment purposes, will be understood as a reference to techniques and instruments which fulfil the following criteria:
 - (a) they are economically appropriate in that they are realised in a cost-effective way;
 - (b) they are entered into for one or more of the following specific aims:
 - reduction of risk;
 - reduction of cost;
 - generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the UCITS Regulations;
 - (c) their risks are adequately captured by the risk management process of the Company (in the case of FDIs only); and
 - (d) they cannot result in a change to the Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in the sales documents.

Techniques and instruments (other than FDIs) which may be used for efficient portfolio management purposes are set out below and are subject to the conditions set out below.

2. The following applies to repo contracts and securities lending arrangements, in particular, and reflects the requirements of the Central Bank and is subject to changes thereto:
 - (a) Repo contracts and securities lending may only be effected in accordance with normal market practice.
 - (b) The Company must have the right to terminate any securities lending arrangement which it has entered into at any time or demand the return of any or all of the securities loaned.
 - (c) Repo contracts or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively.
 - (d) Where the Company enters into repurchase agreements, it must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
 - (e) Where the Company enters into reverse repurchase agreements, it must be able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

3. Any revenues from efficient portfolio management techniques not received directly by the Company, net of direct and indirect operational costs and fees (which do not include hidden revenue), will be returned to the Company. To the extent the Company engages in securities lending it may appoint a securities lending agent, which may or may not be an affiliate of the Investment Manager, and which may receive a fee in relation to its securities lending activities. Any operational costs arising from such securities lending activities will be borne by the securities lending agent out of its fee.
4. When Issued, Delayed Delivery and Forward Commitment Securities

The Company may invest in securities on a when-issued, delayed delivery and forward commitment basis and such securities will be taken into consideration in calculating a Fund's investment restriction limits.

Risks and potential conflicts of interest involved in efficient portfolio management techniques.

There are certain risks involved in efficient portfolio management activities and the management of collateral in relation to such activities (see further below). Please refer to the section of this Prospectus entitled "Conflicts of Interest" and "Risk Considerations" and, in particular but without limitation, the risk factors relating to FDI risks, counterparty risk, and counterparty risk to the Custodian and other depositaries. These risks may expose investors to an increased risk of loss.

Management of collateral for OTC financial derivative transactions and efficient portfolio management techniques

For the purposes of this section, "Relevant Institutions" refers to those institutions which are credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998 or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

- (a) Collateral obtained in respect of OTC financial derivative transactions and efficient portfolio management techniques ("**Collateral**"), such as a repo contract or securities lending arrangement, must comply with the following criteria:
 - (i) liquidity: Collateral (other than cash) should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral should also comply with the provisions of Regulation 74 of the Regulations;
 - (ii) valuation: Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place;
 - (iii) issuer credit quality: Collateral should be of high quality;
 - (iv) correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
 - (v) diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Fund's Net Asset Value. When a Fund is exposed to different counterparties the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. Notwithstanding the above, a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a EU Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong, as disclosed in Appendix D Section 2.11. Such a Fund will receive securities from at least six different issues and securities from any single issue will not account for more than 30% of the Fund's Net Asset Value; and

- (vi) immediately available: Collateral must be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.
- (b) Until the expiry of the repo contract or securities lending arrangement, collateral obtained under such contracts or arrangements:
 - (i) must be marked to market daily; and
 - (ii) must equal or exceed, in value, at all times the value of the amount invested or securities loaned.
- (c) Collateral must be held by the Custodian, or its agent (where there is title transfer). This is not applicable in the event that there is no title transfer in which case the Collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the Collateral.
- (d) Non-cash Collateral:

Non- cash Collateral cannot be sold, re-invested or pledged.
- (e) Cash Collateral:

Cash as Collateral may only be:

 - (i) placed on deposit with Relevant Institutions;
 - (ii) invested in high quality government bonds;
 - (iii) used for the purpose of reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company can recall at any time the full amount of the cash on an accrued basis; and
 - (iv) invested in short term money market funds.

Re-invested cash collateral should be diversified in accordance with the diversification requirements applicable to non-cash Collateral. Where cash collateral is re-invested it will be subject to the same risks as direct investments as set out under "Risk Considerations" above.
- (f) The Company has implemented a haircut policy in respect of each class of assets received as Collateral. A haircut is a discount applied to the value of a Collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy takes account of the characteristics of the relevant asset class, including the credit standing of the issuer of the Collateral, the price volatility of the Collateral and the results of any stress tests which may be performed in accordance with the stress testing policy. The value of any Collateral received by the Company, adjusted in light of the haircut policy, will equal or exceed, in value, at all times, the relevant counterparty exposure.

APPENDIX D – INVESTMENT RESTRICTIONS

The assets of each Fund must be invested in accordance with the restrictions on investments set out in the UCITS Regulations and such additional investment restrictions in accordance with Central Bank requirements, if any, as may be adopted from time to time by the Directors in respect of any Fund and specified in the relevant Supplement. The principal investment restrictions applying to each Fund under the UCITS Regulations are described as follows:

1 Permitted Investments

A Fund may invest in:

- 1.1 transferable securities and money market instruments, as prescribed in the UCITS Regulations³, which are either admitted to official listing on a Recognised Market 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;
- 1.2 recently issued transferable securities which will be admitted to official listing on a Recognised Market within a year;
- 1.3 money market instruments, as defined in the UCITS Regulations⁴, other than those dealt on Recognised Market;
- 1.4 units of UCITS;
- 1.5 units of non-UCITS as set out in the UCITS Regulations;
- 1.6 deposits with credit institutions as prescribed in the UCITS Regulations⁵; and
- 1.7 financial derivative instruments (“FDI”) as prescribed in the UCITS Regulations⁶.

2 Investment Restrictions

- 2.1 A 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.
- 2.2 A Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a Recognised Market within a year. This restriction will not apply in relation to investment by a Fund in certain U.S. securities known as Rule 144A securities which satisfy the requirements of paragraph 1.1 or provided that:
 - i) the securities are issued with an undertaking to register with the U.S. Securities and Exchanges Commission within one year of issue; and

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3. See Regulation 4 of Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015
 4. See Regulation 6 of Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015
 5. See Regulation 7 of Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015
 6. See Regulation 8 of Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015

- ii) the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- 2.3 A 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%.
- 2.4 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. The transferable securities and money market instruments referred to in 2.4 and 2.7 will not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.5 A Fund may not invest more than 20% of net assets in deposits made with the same credit institution. Deposits with any one credit institution, other than (i) a credit institution authorised in the EU Member States, Norway, Iceland or Liechtenstein (the "EEA"), (ii) 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 of America) or (iii) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand, held as ancillary liquidity and which are repayable on demand or have the right to be withdrawn and will mature in no more than 12 months, must not exceed 10% of net assets. This limit may be raised to 20% in the case of deposits made with the Custodian.
- 2.6 The risk exposure of a Fund to a counterparty to an over-the-counter ("OTC") derivative may not exceed 5% of net assets. This limit is raised to 10% in the case of a credit institution authorised in the EEA, a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 2.7 Notwithstanding paragraphs 2.3, 2.5 and 2.6 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:
 - (i) investments in transferable securities or money market instruments;
 - (ii) deposits, and/or
 - (iii) counterparty risk exposures arising from OTC derivatives transactions.
- 2.8 The limits referred to in 2.3, 2.4, 2.5, 2.6 and 2.7 above may not be combined, so that exposure to a single body will not exceed 35% of net assets.
- 2.9 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.6 and 2.7. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.10 A 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 body of which one or more EU Member States are members.

The individual issuers may be drawn from the following list:

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 Singapore, European Investment Bank, European Bank for

Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC. In the case of a Fund which has invested 100% of net assets in this manner, such 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 Collective Investment Schemes (“CIS”)

- 3.1 A Fund may not invest more than 10% of net assets in aggregate in CIS, including non-UCITS CIS.⁷
- 3.2 A CIS in which a Fund invests may not invest more than 10% of its net assets in other open ended CIS. The assets of the CIS in which a Fund has invested do not have to be taken into account when complying with the investment restrictions set out herein.
- 3.3 When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager or other company will not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
- 3.4 Where a commission (including a rebated commission) is received by the Investment Manager by virtue of an investment in the units of another CIS, this commission will be paid into the assets of the relevant Fund.
- 3.5 A Fund may only invest in another Fund of this Company if the Fund in which it is investing does not itself hold Shares in any other Fund of this Company.

4 General Provisions

- 4.1 The Company may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 4.2 A 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; or
 - (4) 10% of the money market instruments of any single issuing body.

The limits laid down in 4.2 (2), (3) and (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.

- 4.3 4.1 and 4.2 will not be applicable to:

7. See Central Bank Guidance “UCITS Acceptable Investment in other Investment Funds”

- (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 Fund in the capital of a company incorporated in a non-EU Member State which invests its assets mainly in the securities of issuing bodies with their registered offices in that State, where under the legislation of that State such a holding represents the only way in which a Fund can invest in the securities of issuing bodies in that 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 2.10, 3.1, 4.1, 4.2, 4.4, 4.5 and 4.6 provided that where these limits are exceeded, paragraphs 4.5 and 4.6 below are observed.
 - (5) shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.
- 4.4 A Fund need not comply with the investment limits herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
- 4.5 The Central Bank may allow a recently authorised Fund to derogate from the provisions of 2.3 to 2.9 and 3.1 for six months following the date of its authorisation, provided it observes the principle of risk spreading.
- 4.6 If the limits laid down herein are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, the Company must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of the Shareholders.
- 4.7 Neither the Company, nor the Investment Manager will carry out uncovered sales of:
- transferable securities;
 - money market instruments*;
 - units of CIS; or
 - financial derivative instruments.
- 4.8 A Fund may hold ancillary liquid assets.

5 Financial Derivative Instruments

- 5.1 a Fund's global exposure (as prescribed in the UCITS Regulations⁸) relating to FDI must not exceed its total net asset value.

* Any short selling of money market instruments by the Company is prohibited.

- 5.2 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 UCITS Regulations⁹. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the UCITS Regulations¹⁰).
- 5.3 a Fund may invest in FDI dealt in **OTC** provided that the counterparties to over-the-counter transactions ("OTCs") are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 5.4 investment in FDI is subject to the conditions and limits laid down by the Central Bank.

6 General Provisions

A Fund may not acquire either precious metals or certificates representing them. This provision does not prohibit a Fund from investing in transferable securities or money market instruments issued by a corporation whose main business is concerned with precious metals.

The Directors may, without limitation, adopt additional investment restrictions with respect to any Fund to facilitate the distribution of Shares in the relevant Fund to the public in a particular jurisdiction. In addition, the investment restrictions set out above may be changed from time to time by the Directors in accordance with a change in the applicable law and regulations in any jurisdiction in which Shares in a Fund is currently offered provided that the assets of each Fund will at all times be invested in accordance with the restrictions on investments set out in the UCITS Regulations. In the event of any such addition to, or change in, the investment restrictions applicable to any Fund, a reasonable notification period will be provided by the Company to enable Shareholders in the relevant Fund to redeem their Shares prior to implementation of these changes.

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8. See Chapter 3 of Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and Central Bank Guidance "UCITS Financial Derivative Instruments and Efficient Portfolio Management"
 9. See Chapter 3 of Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and Central Bank Guidance "UCITS Financial Derivative Instruments and Efficient Portfolio Management"
 10. See Regulation 9 of Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and Central Bank Guidance "UCITS Financial Indices"