



# Prospectus

## Crown A GENERIX plc

*An umbrella fund with segregated liability between sub-funds. A company incorporated with limited liability as an investment company with variable capital under the laws of Ireland with registered number 514358*

02 November, 2023

PURSUANT TO AN EXEMPTION FROM THE CFTC IN CONNECTION WITH POOLS WHOSE PARTICIPANTS ARE LIMITED TO QUALIFIED ELIGIBLE PERSONS, AN OFFERING MEMORANDUM FOR THIS POOL 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 THIS POOL.

## Important information

**Investors should review this Prospectus and any relevant Supplement(s) carefully, and should consult their stockbroker, bank manager, accountant, legal advisor or other financial advisor prior to investing.**

### *Prospectus and Supplements*

This Prospectus, dated 02 November 2023, describes Crown A GENERIX plc (the “**Company**”) and provides general information about offers of Shares in the Company. The Company is comprised of Sub-Funds, with each Sub-Fund comprising a separate portfolio of assets. Each Sub-Fund comprises one or more Classes.

This Prospectus may only be issued with one or more Supplements, each containing specific information relating to a particular Sub-Fund. Details relating to Classes may be dealt with in the Supplement of the relevant Sub-Fund or in separate Supplements for each Class. Each Supplement forms part of, and should be read in conjunction with, this Prospectus. Save as disclosed in the relevant Supplement(s), the information in the Supplement(s) complements, supplements and modifies the information contained in this Prospectus with specific details and terms of the relevant Shares issued. Should there be any inconsistency between the contents of this Prospectus and any Supplement, the contents of the relevant Supplement will, to the extent of any such inconsistency, prevail.

The provisions of the Company’s Memorandum and Articles of Association are binding on all Shareholders.

### *Reliance on Prospectus and Suitability*

The Shares are offered solely on the basis of the information and representations contained in this Prospectus, the relevant Supplement(s) and any PRIIPS KIID(s) (if applicable). Any further information given, or representations made, by any person may not be relied on as having been authorised by the Directors. Neither the delivery of this Prospectus, nor the allotment or issue of Shares, shall under any circumstances create any implication that there has been no change in the affairs of the Company since the date hereof.

Before investing in a Sub-Fund, each prospective investor should read this Prospectus and should understand the risks, costs and terms of investment in that Sub-Fund. In particular, investors should read and consider the section titled [Risk Factors](#) before investing in the Company.

Statements made in this Prospectus are based on the law and practice in force in the Republic of Ireland at the date of this Prospectus, which may be subject to change. This Prospectus will be updated to take into account material changes from time to time and an updated Prospectus will be filed with the Central Bank for approval.

Prospective investors should not treat the contents of this Prospectus or any Supplement(s) as advice relating to legal, taxation, investment or other matters and prospective investors are advised to consult their own professional advisors concerning the purchase or holding of Shares.

Investors should inform themselves as to (a) the possible tax consequences, (b) the legal requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.

**The value of and income from Shares in the Company may go up or down, and you may not get back the amount you have invested in the Company.**

An investment in the Shares is only suitable for you if you (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment.

Neither the Company, the AIFM nor any Investment Manager appointed shall be liable to investors (or to any other persons) for any error of judgement in the selection of each Sub-Fund’s investments.

### *Central Bank Authorisation*

The Company is an umbrella type investment company with variable capital and segregated liability between sub-funds, incorporated with limited liability and authorised by the Central Bank of Ireland (the “**Central Bank**”) pursuant to the provisions of Part 24 of the Companies Act and Chapter 2 of the AIF Rulebook. The Company is a Qualifying Investor AIF, a category of non-UCITS collective investment scheme.

**The Company is authorised to be marketed solely to Qualifying Investors (as defined below). In addition to any further restrictions set out in the relevant Supplement, each investor shall satisfy the Regulatory Minimum Subscription applicable to the Sub-Fund (with the exception of investors who qualify as Knowledgeable Persons). The amounts of subsequent subscriptions from investors who have already subscribed the Regulatory Minimum Subscription are unrestricted unless otherwise specified in the relevant Supplement.**

**Authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank, nor is the Central Bank responsible for the contents of this Prospectus. Authorisation by the Central Bank does not constitute a warranty by the Central Bank as to the credit worthiness or financial standing of the various parties to the Company.**

**The Central Bank shall not be liable by virtue of its authorisation of the Company or by reason of the exercise of the functions conferred on it by legislation in relation to the Company for any default of the Company.**

**While the Company is authorised by the Central Bank, the Central Bank has not set any limits or other restrictions on the investment objectives, investment policies or the degree of leverage which may be employed by the Company, nor has the Central Bank reviewed the contents of this Prospectus. The Company must comply with the aim of spreading investment risk in accordance with Section 1386 of the Companies Act.**

### ***Directors Responsibility***

The Directors of the Company, whose names appear in the section titled [Management and Administration of the Company](#), accept responsibility for the information contained in this Prospectus and each relevant Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus, when read together with the relevant Supplement(s), is in accordance with the facts at the date of this Prospectus and does not omit anything likely to affect the import of such information.

### ***Selling Restrictions – General***

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or may be unlawful. The distribution of this Prospectus and the offering of Shares in certain jurisdictions may be restricted. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform themselves of, and to observe, all applicable laws and regulations of the countries of their nationality, residence or domicile.

The Directors may restrict the ownership of Shares by any person, firm or corporation where such ownership would be in breach of any regulatory or legal requirement or may affect the tax status of the Company.

Any person who, by virtue of his holding, is in breach of the laws and regulations of any competent jurisdiction or whose holding could, in the opinion of the Directors, cause the Company, any Sub-Fund or the Shareholders as a whole to incur any liability to taxation or to suffer any pecuniary disadvantage or other circumstance prejudicial to their interests which any or all of them might not otherwise have incurred or sustained, shall indemnify the Company, the Investment Manager, the Depositary, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company.

The Directors have the power under the Articles to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of the restrictions imposed by them as described in this Prospectus.

Within the European Union the Company is authorised to be marketed solely to Professional Clients unless the Member State in question permits, under the laws of that Member State, the Company to be sold to other types of investors (within the scope of the Qualifying Investor criteria).

Prior to undertaking any 'marketing' (as such term is defined in AIFMD) towards Qualified Investors domiciled in or with a registered office in the EEA, the AIFM will give written notification to the regulatory authorities of the relevant EEA Member States pursuant to Article 32 of Part 2 of the AIFM Regulations of its intention to market the Shares in accordance with the AIFM Regulations and the rules of the respective regulatory authorities.

## ***Selling Restrictions – United States of America***

The Shares are being offered in the United States in reliance on Regulation D promulgated under the U.S. Securities Act of 1933 as amended (the “**Securities Act**”) and Section 4(a)(2) thereof. The Shares have not been and will not be registered under the securities laws of any of the states of the United States and nor is such registration contemplated. The Shares have not been filed with or approved or disapproved by any regulatory authority of the United States or any state thereof, nor has any such regulatory authority passed upon or endorsed the merits of this offering or the accuracy or adequacy of this Prospectus. Any representation to the contrary is unlawful.

The Shares will not be available to U.S. Persons unless they are Eligible U.S. Persons. The Shares may not be offered, sold or delivered directly or indirectly in the United States or to or for the account or benefit of any person other than an Eligible U.S. Persons. Any re-offer or re-sale of any of the Shares in the United States or to U.S. Persons may constitute a violation of U.S. law.

The Shares are not publicly listed on any market and no public market is expected to develop in the future. The Shares offered hereby are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Articles, Prospectus, the Securities Act and applicable laws pursuant to registration or exemption therefrom.

The Company has not been, and will not be, registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the “**Investment Company Act**”), pursuant to the provisions of Section 3(c)(7) thereof.

Investors should be aware that the Company may trade foreign futures or options contracts and accordingly the Company is registered as a commodity pool with the U.S. National Futures Association and U.S. Commodity Futures Trading Commission (the “**CFTC**”). Transactions on markets located outside the United States, including markets formally linked to a U.S. market, may be subject to regulations which offer different or diminished protection to the pool and its participants. Further, U.S. 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 the pool may be effected.

The Shares are not directly or indirectly offered or sold to individuals or entities who are ‘employee benefit plans’ or ‘benefit plan investors’ pursuant to the U.S. Employee Retirement Security Act of 1974, as amended (“**ERISA**”) and all applicable regulations thereunder, or plans, individual retirement accounts or other arrangements that are subject to Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”). The Shares are not directly or indirectly offered or sold to individuals or entities who will purchase Shares with funds that are ‘plan assets’ under ERISA unless otherwise specified in any of the Sub-Fund Supplements.

The Shares are not directly or indirectly offered or sold to individuals or entities who are listed on the U.S. Department of Treasury’s Office of Foreign Assets Control (OFAC) website or who are affiliated with any country, territory, individual or entity named on an OFAC list or prohibited by any OFAC sanctions programs.

The Shares are not offered or sold to individuals or entities who are senior political figures or immediate family members of or closely associated with a senior political figure (as those terms are used in the USA PATRIOT Act of 2001). The Shares are not offered or sold to individuals or entities who are foreign shell banks (as that term is defined in the USA PATRIOT Act of 2001) or individuals or entities who transact with foreign shell banks (as that term is used in the USA PATRIOT Act of 2001).

The Company will make available to each prospective investor or its agent, prior to the sale of any interests to such prospective investor, the opportunity to ask questions of and receive answers from representatives of the Company and the AIFM concerning any aspect of the offering of the Shares, the Company, the applicable Sub-Fund, the AIFM and the Company’s business and to obtain any additional related information to the extent the Company or the AIFM are legally required to provide the prospective investor with such information.

## ***Translations***

Any translations of this Prospectus shall contain all of the same information and have the same meanings contained in this English language document. In the event of any inconsistency or ambiguity between the English language document and the document in another language, the English language document shall prevail except to the extent (but only to the extent) required by the law of any jurisdiction.

### ***Legal Implications of an Investment in the Company***

The main legal implications of the contractual relationship which an investor would enter into by investing in the Company are as follows:

- (a) By completing and submitting the relevant Application Form, an investor will have made an offer to subscribe for Shares which, once it is accepted by the Company and Shares are issued, has the effect of a binding contract. The terms of such contract will be governed by the Application Form (read together with this Prospectus, the relevant Supplement and the Articles).
- (b) Pursuant to the terms of the Application Form, each investor will be obliged to make representations, warranties, declarations and certifications in the Application Form relating to its eligibility to invest in the Sub-Fund and its compliance with the applicable anti-money laundering laws and regulations.
- (c) Upon the issue of Shares, an investor will become a Shareholder in the relevant Sub-Fund and the Articles will take effect as a statutory contract between the investor and the Company.
- (d) The aggregate liability of each Shareholder towards the Company will generally be limited to the amount, if any, unpaid on the Shares held by such Shareholder.
- (e) The Articles are governed by, and construed in accordance with, the laws currently in force in Ireland. The Application Form is expressed to be governed by, and construed in accordance with, the laws of Ireland. This Prospectus, the Supplements, any PRIIPS KIDs (if applicable) and any matters relating to the Company or its operation will be governed by and construed in accordance with Irish law. The courts of Ireland have exclusive jurisdiction to settle any dispute, controversy or claim arising in respect of the Company.
- (f) The rights and restrictions that will apply to a Shareholder's Shares may be modified and/or additional terms agreed from time to time in respect of a particular Class (subject to such terms being consistent with the Articles).
- (g) Although there is no statutory enforcement in Ireland of judgments obtained in a foreign jurisdiction, a judgment obtained in a foreign jurisdiction may be recognised and enforced in the courts of Ireland pursuant to certain processes and conditions.
- (h) Absent a direct contractual relationship between a Shareholder and a service provider to the Company, the Shareholder will generally have no direct rights against the service provider, and there are only limited circumstances in which a Shareholder could potentially bring a claim against a service provider. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Company or the AIFM, by the relevant service provider, is the Company or AIFM.

### ***Redemption Charge and Preliminary Charge***

Where a Preliminary Charge and/or Redemption Charge is provided for in the relevant Supplement, investors should note the difference at any one time between the subscription price and the redemption price of Shares means that an investment should be viewed as medium to long-term.

## Directory

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### Directors

Sivakumar Sethuraman  
Kathryn O'Driscoll  
Roger Gauch  
Kevin Mathews

### Registered Office

Crown A GENERIX plc  
3rd Floor, 30 Herbert Street  
Dublin 2  
Ireland

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### AIFM & Distributor

LGT Capital Partners (Ireland) Limited  
3rd Floor, 30 Herbert Street  
Dublin 2  
Ireland

### Administrator

BNP Paribas Fund Administration Services (Ireland) Ltd  
Termini, 3 Arkle Road, Sandyford  
Dublin D18 T6T7  
Ireland

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### Depository

BNP Paribas S.A., Dublin Branch  
Termini, 3 Arkle Road, Sandyford  
Dublin D18 T6T7  
Ireland

### Auditor

PricewaterhouseCoopers Chartered Accountants  
One Spencer Dock, North Wall Quay  
Dublin 1  
Ireland

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### Legal Advisor – Ireland

Maples and Calder LLP  
75 St Stephen's Green  
Dublin 2  
Ireland

### Legal Advisor – United States

Sidley Austin LLP  
787 7th Avenue  
New York, New York 10019  
United States

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### Company Secretary

LGT Fund Managers (Ireland) Limited  
3rd Floor, 30 Herbert Street  
Dublin 2  
Ireland

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## Definitions

The following words and phrases shall have the meanings set out below:

<b>"Accounting Period"</b>	means a period commencing on the date of the first issue of Shares (in the case of the first such period) or on January 1 in each year, and ending on December 31 of such year, or such other date as the Directors may from time to time determine.
<b>"Administration Agreement"</b>	means the administration agreement entered between the Company, the AIFM and the Administrator as may be amended or supplemented from time to time in accordance with the requirements of the Central Bank.
<b>"Administrator"</b>	means BNP Paribas Fund Administration Services (Ireland) Limited or any successor company appointed as Administrator of the Company and of each Sub-Fund in accordance with the requirements of the Central Bank.
<b>"Advisers Act"</b>	means the U.S. Investment Advisers Act of 1940, as amended.
<b>"Affiliated Funds"</b>	means investment vehicles, for which the AIFM and/or the Investment Manager and/or any of their affiliates provide management and/or other advisory services, which may be domiciled in (but not limited to) the Cayman Islands, Ireland, Liechtenstein or Luxembourg and which may or may not be directly or indirectly regulated by the local regulator in the jurisdiction of incorporation. For the avoidance of doubt Affiliated Funds may include other Sub-Funds of the Company.
<b>"AIF"</b>	means an alternative investment fund as defined in the AIFMD Regulations.
<b>"AIF Rulebook"</b>	means the Central Bank's Rulebook in relation to AIFs as may be amended, consolidated or substituted from time to time.
<b>"AIFM"</b>	means the alternative investment fund manager of the Company, being LGT Capital Partners (Ireland) Limited or any successor thereto duly appointed by the Company in accordance with AIFMD and the requirements of the Central Bank.
<b>"AIFMD"</b>	means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers as supplemented by the European Commission's delegated regulations of 19 December, 2012, as may be amended from time to time.
<b>"AIFM Regulations"</b>	means the European Communities (Alternative Investment Fund Managers Directive) Regulations (SI No. 257 of 2013), as may be amended from time to time.
<b>"Anti-Dilution Levy"</b>	means a levy which represents a provision for market spreads (the difference between the prices at which assets are valued and/or bought or sold) and other dealing costs relating to the acquisition or disposal of assets to be included in the Subscription Price or Redemption Price as appropriate.
<b>"Application Form"</b>	means the agreement, in a form which may be prescribed by the Company from time to time, pursuant to the provisions of which an investor agrees to purchase Shares.



<b>"Articles"</b>	means the Memorandum and Articles of Association of the Company, as amended from time to time.
<b>"Auditor"</b>	means the auditors for the time being of the Company, being persons qualified for appointment as auditors of an AIF, as set out in the sub-section titled <a href="#">Auditor</a> .
<b>"Base Currency"</b>	means the currency of account of a Sub-Fund as specified in the relevant Supplement.
<b>"Benchmark Regulation"</b>	means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, as may be amended from time to time.
<b>"Beneficial Owner"</b>	means a natural person(s) who ultimately owns or controls the Company through either a direct or indirect ownership of a sufficient percentage of shares or voting rights or ownership interest in the Company (as a whole). Where a natural person holds more than 25% of the shares of the Company or has an ownership interest of more than 25%, then that shall be an indication of direct ownership by that person. Where a corporate or multiple corporates hold more than 25% of the shares or other ownership interest exceeding 25% in the Company and those holdings are controlled by the same natural person(s) that shall be an indication of indirect ownership.
<b>"Beneficial Ownership Regulations"</b>	means the European Union (Anti-Money Laundering Beneficial Ownership of Corporate Entities) Regulations 2019 as may be amended, consolidated or substituted from time to time.
<b>"Business Day"</b>	means for a Sub-Fund, such day or days as shall be set out in the relevant Supplement.
<b>"Cash Equivalents"</b>	means, but shall not be limited to, short-term fixed income securities including commercial paper (i.e. investment grade short-term paper issued by credit institutions), short and medium-term treasury bills and treasury notes (both fixed and floating rate), certificates of deposit and bankers' acceptances.
<b>"Central Bank"</b>	means the Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation of the Company.
<b>"CFTC"</b>	means the U.S. Commodity Futures Trading Commission.
<b>"Class"</b>	means any class or classes of Shares in respect of any Sub-Fund.
<b>"Class Currency"</b>	means the currency of a Class of Shares as specified in the relevant Supplement.
<b>"Code"</b>	means the U.S. Internal Revenue Code of 1986, as amended.
<b>"Commitment Fund"</b>	means Underlying Funds which contain a contractual commitment to pay a subscription amount, as and when required, by way of one or more capital calls made by such Underlying Fund. In return for a capital contribution made by the Sub-Fund in response to a capital call, the Underlying Fund shall typically issue an equity interest.

<b>"Companies Act"</b>	means the Companies Act, 2014 including any regulations issued pursuant thereto, insofar as they apply to investment companies with variable capital and every modification, consolidation, re-enactment or amendment of same for the time being in force.
<b>"Company"</b>	means Crown A GENERIX plc.
<b>"Country Supplement"</b>	means a supplement to this Prospectus, issued from time to time, specifying certain information pertaining to the offer of Shares of the Company or a Sub-Fund or Class in a particular jurisdiction or jurisdictions.
<b>"CRS"</b>	means the Standard for Automatic Exchange of Financial Account Information approved on 15 July 2014 by the Council of the Organisation for Economic Cooperation and Development, also known as the Common Reporting Standard, and any bilateral or multilateral competent authority agreements, intergovernmental agreements and treaties, laws, regulations, official guidance or other instrument facilitating the implementation thereof and any law implementing the Common Reporting Standard.
<b>"Crystallisation Period"</b>	means, in respect of the calculation of the Performance Fee for any Class a period, as defined in the relevant Supplement, over which the Performance Fee shall be calculated and at the end of which such fee, where applicable, shall crystallise and be paid.
<b>"Data Protection Legislation"</b>	means the EU data protection regime introduced by the General Data Protection Regulation (Regulation 2016/679).
<b>"Dealing Day"</b>	means any Subscription Day or Redemption Day.
<b>"Depository"</b>	means BNP Paribas S.A., Dublin Branch or any successor depository appointed by the Company in accordance with the requirements of the Central Bank.
<b>"Depository Agreement"</b>	means the depository agreement entered into between the Company, the AIFM and the Depository, as may be amended, supplemented, novated or otherwise modified from time to time in accordance with the requirements of the Central Bank.
<b>"Directors"</b>	means the directors of the Company, each a <b>"Director"</b> , or any duly authorised committee of the board of Directors or, where the context so requires, any duly authorised delegate thereof.
<b>"Distribution Agreement"</b>	means a distribution agreement between the Company and the Distributor.
<b>"Distributor"</b>	means LGT Capital Partners (Ireland) Limited, or any successor company or firm appointed as distributor of the Company.
<b>"Duties and Charges"</b>	means all stamp and other duties, taxes, governmental charges, evaluation fees, annual fees, agents fees, brokerage fees, bank charges, transfer fees, registration fees and other charges whether in respect of the constitution or increase of the assets or the creation, exchange, sale, purchase or transfer of shares or the purchase or proposed purchase, transfer, sale or exchange of investments or in respect of the share certificates, share warrants or otherwise which may have become or will become payable in respect of or prior to or upon

	the occasion of any transaction, dealing or valuation, but not including commission payable to agents or brokers on the issue of Shares.
<b>"EEA"</b>	means European Economic Area (the members as at the date of this Prospectus being: EU Member States, Iceland, Liechtenstein and Norway).
<b>"EEA Member State"</b>	means a member state of the EEA.
<b>"Eligible U.S. Person"</b>	means a U.S. Person that is (i) an 'accredited investor' as defined in Rule 501(a) of Regulation D under the Securities Act and (ii) (A) a 'qualified purchaser' as defined in Section 2(a)(51) of the Investment Company Act and Rule 2a51-1 thereunder or (B) a 'knowledgeable employee' as defined in defined in Section 2(a)(51) of the Investment Company Act and Rule 3c-5 thereunder.
<b>"EMIR"</b>	means Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade Repositories as may be amended, consolidated or substituted from time to time.
<b>"Environmentally Sustainable Investment(s)"</b>	<p>means, in accordance with the Taxonomy Regulation, an underlying investment of a Sub-Fund which satisfies the EU criteria for environmentally sustainable economic activities, on the basis that it:</p> <ul style="list-style-type: none"> <li>(a) contributes substantially to one or more of the environmental objectives, as prescribed in the Taxonomy Regulation (the <b>"Environmental Objectives"</b>):</li> <li>(b) does not significantly harm any of the Environmental Objectives, in accordance with the Taxonomy Regulation;</li> <li>(c) is carried out in compliance with minimum safeguards, prescribed in the Taxonomy Regulation; and</li> <li>(d) complies with technical screening criteria, prescribed in the Taxonomy Regulation.</li> </ul>
<b>"Equalisation"</b>	means an accounting methodology which aims to provide for an equitable allocation of performance fees between investors in a Class and the AIFM. A description of the Equalisation policy is set out in the section titled <a href="#">Performance Fee</a> and information regarding the applicability of Equalisation to a particular Class is detailed in the relevant Supplement.
<b>"ESG"</b>	means environmental, social and governance.
<b>"ESG Focused Fund"</b>	means a Sub-Fund of the Company that meets the criteria in SFDR to qualify as a financial product (which includes AIFs) and has sustainable investment as its objective.
<b>"ESG Oriented Fund"</b>	means a Sub-Fund of the Company that meets the criteria in SFDR to qualify as a financial product (which includes AIFs) and promotes, among other characteristics, environmental or social characteristics, or a combination of those characteristics and provided that the companies that the fund invests in follow good governance practices.
<b>"EU"</b>	means the European Union.
<b>"Euronext Dublin"</b>	means the Irish Stock Exchange trading as Euronext Dublin and any successor thereto.

<b>"Excess Value per Share"</b>	means, for Classes where a Performance Fee is charged, the positive outperformance (if any) within a given Crystallisation Period of the Net Asset Value per Share (before accrual for the Performance Fee) over and above the Hurdle Value per Share.
<b>"Exempt Irish Shareholder"</b>	means a Shareholder who comes within any of the prescribed categories under the Taxes Act and has provided a Relevant Declaration to this effect to the Company in a form acceptable to the Company.
<b>"FATCA"</b>	means: <ul style="list-style-type: none"> <li>(a) sections 1471 to 1474 of the Code or any associated legislation, regulations or other official guidance or similar legislation, regulations or guidance enacted in any jurisdiction which seeks to implement similar tax reporting and/or withholding tax regimes;</li> <li>(b) any treaty, law, regulation or other official guidance enacted in any other jurisdiction, or relating to an intergovernmental agreement between the United States and any other jurisdiction, which (in either case) facilitates the implementation of paragraph (a) above; or</li> <li>(c) any agreement pursuant to the implementation of paragraphs (a) or (b) above with the U.S. Internal Revenue Service, the U.S. government or any government authority or taxation authority in any other jurisdiction.</li> </ul>
<b>"FDI"</b>	means financial derivative instruments.
<b>"High Water Mark per Share"</b>	means in respect of the calculation of the Performance Fee for any Class, in respect of each Crystallisation Period, the greater of; (i) the highest Net Asset Value per Share at the end of any previous Crystallisation Period falling in the Performance Reference Period and (ii) the Initial Subscription Price. The High Water Mark per Share shall be reduced proportionately to reflect any reduction in the Net Asset Value per Share which results from the payment of dividends or distributions.
<b>"Hurdle Rate"</b>	means an annual rate defined in the relevant Supplement and used in the calculation of the Performance Fee in respect of a Class.
<b>"Hurdle Value per Share"</b>	means in respect of the calculation of the Performance Fee for any Class, the value above which the Net Asset Value per Share of the relevant Class must outperform in order for a Performance Fee to accrue as further described in the sub-section titled <a href="#">Performance Fee</a> .
<b>"Illiquid Investments"</b>	means any investment(s) of a Sub-Fund, which in the opinion of the Directors in consultation with the AIFM becomes illiquid, otherwise difficult to value or realise or there exists, in the opinion of the Directors in consultation with the AIFM, circumstances in which it is not possible to determine the fair value of such investment(s).
<b>"Ineligible Applicant"</b>	means an ineligible applicant as described in the sub-section titled <a href="#">Ineligible Applicants</a> .
<b>"Initial Subscription Day"</b>	means such day or days as the Directors determine at which Shares may be issued at the Initial Subscription Price and which shall be set out in the relevant Supplement.

<b>"Initial Subscription Price"</b>	means the price (excluding any Preliminary Charge) per Share at which Shares are initially offered on the Initial Subscription Day as determined by the Directors and set out in the relevant Supplement.
<b>"Intermediary"</b>	means a person who: <ul style="list-style-type: none"> <li>• carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or</li> <li>• holds shares in an investment undertaking on behalf of other persons.</li> </ul>
<b>"Investment Advisor"</b>	means an entity appointed by the AIFM or the Investment Manager to provide investment advice in respect of some or all of the assets of a Sub-Fund and who does not have any discretionary powers over any of the assets of the relevant Sub-Fund.
<b>"Investment Advisory Agreement"</b>	means an investment advisory agreement between the AIFM or the Investment Manager and an Investment Advisor, pursuant to which the latter provides non-discretionary investment advice on the management of the investments in respect of certain Sub-Funds.
<b>"Investment Company Act"</b>	means the U.S. Investment Company Act of 1940, as amended.
<b>"Investment Management Agreement"</b>	means the investment management agreement between the AIFM and the Investment Manager as may be amended, supplemented or otherwise modified from time to time pursuant to which the latter provides discretionary investment management in respect of the Sub-Funds.
<b>"Investment Manager"</b>	means LGT Capital Partners Ltd or any successor thereto duly appointed by the AIFM, in accordance with the requirements of the Central Bank to provide discretionary investment management in respect of some or all of the assets of the Sub-Funds.
<b>"Investor Money Regulations"</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investment Firm Regulations 2017, as may be amended, supplemented or consolidated from time to time.
<b>"Ireland"</b>	means the Republic of Ireland.
<b>"Irish Resident"</b>	means any person resident in Ireland or ordinarily resident in Ireland (as described in the section titled <a href="#">Taxation</a> ) other than an Exempt Irish Shareholder.
<b>"Knowledgeable Person"</b>	means an investor who has satisfied one of the following conditions; <ul style="list-style-type: none"> <li>(a) the investor is the AIFM, the Investment Manager, a Sub-Investment Manager or an Investment Advisor;</li> <li>(b) the investor is a director of the Company, the AIFM, the Investment Manager, the Sub-Investment Manager or an Investment Advisor; or</li> <li>(c) the investor is an employee of the Company, the AIFM, the Investment Manager, the Sub-Investment Manager or an Investment Advisor, where the employee is directly involved in the investment activities of the Company or its Sub-Funds or is a senior employee of the Company, the AIFM, the Investment Manager, a Sub-Investment Manager or an Investment Advisor and has experience in the provision of investment management services. In the case of investments by employees, the Company must be satisfied that the investor falls within the criteria outlined</li> </ul>

	<p>herein; and in each case certifies in writing to the Company to its satisfaction that;</p> <ol style="list-style-type: none"> <li>1) they are availing of the Regulatory Minimum Subscription on the basis that they are a Knowledgeable Person as defined above; and</li> <li>2) they are aware that each Sub-Fund is marketed solely to Qualifying Investors who are normally subject to a Regulatory Minimum Subscription.</li> </ol>
<b>"LGT Group"</b>	means LGT Group Foundation or any of its direct or indirect subsidiaries.
<b>"Liquidating Side Pocket Class"</b>	means a means a Class of Shares established by the Company with the features described in the sub-section titled <a href="#">Side Pocket and Liquidating Side Pocket Classes</a> .
<b>"Liquidating Side Pocket Shares"</b>	means Shares in a Liquidating Side Pocket Class.
<b>"Management Agreement"</b>	means the alternative investment fund management agreement entered into between the Company and AIFM pursuant to which the latter was appointed to act as AIFM to the Company as may be amended, supplemented, novated or otherwise modified from time to time in accordance with the requirements of the Central Bank.
<b>"Management Fee Rate"</b>	means the percentage rate used in calculating the Management Fee as outlined in the relevant Supplement.
<b>"Management Share"</b>	means a non-participating share in the capital of the Company.
<b>"Member State"</b>	means a Member State of the European Union.
<b>"MiFID"</b>	means Directive 2014/65/EU (Markets in Financial Instruments Directive) as may be amended, consolidated or substituted from time to time.
<b>"Minimum Holding Amount"</b>	<p>means, in respect of each Sub-Fund or Class, the minimum amount required to be held by Shareholders after a partial redemption of Shares as set out in the relevant Supplement.</p> <p>The Directors or the AIFM may waive the Minimum Holding Amount in their sole discretion.</p>
<b>"Minimum Initial Subscription Amount"</b>	<p>means, in respect of each Sub-Fund or Class, the minimum amount which may be subscribed as specified in the relevant Supplement provided that the Minimum Initial Subscription Amount shall not be less than the Regulatory Minimum Subscription provided that the aggregate of an investor's investments in one or more Sub-Funds or Classes may be taken into account for the purpose of satisfying the minimum subscription requirement.</p> <p>Subject to the foregoing, the Directors or the AIFM may waive the Minimum Initial Subscription Amount in their sole discretion.</p>
<b>"Minimum Share Class Size"</b>	means the minimum value (if any) as the Directors may consider for each Share Class and as set out in the relevant Supplement.
<b>"Minimum Sub-Fund Size"</b>	means the minimum value (if any) as the Directors may consider for each Sub-Fund and as set out in the relevant Supplement.

<b>"Net Asset Value"</b>	means the net asset value of a Sub-Fund calculated in accordance with the provisions of the Prospectus and the Articles, as described in the sub-section titled <a href="#">Calculation of Net Asset Value</a> .
<b>"Net Asset Value per Class"</b>	means the net asset value of a class of a Sub-Fund, expressed in the Class Currency and calculated in the manner described in the sub-section titled <a href="#">Calculation of Net Asset Value</a> .
<b>"Net Asset Value per Share"</b>	means the net asset value per participating share of a Sub-Fund or Class calculated in the manner described in the sub-section titled <a href="#">Calculation of Net Asset Value</a> .
<b>"OECD"</b>	means the Organisation for Economic Co-operation and Development.
<b>"Open-Ended Fund"</b>	means a Sub-Fund that provides redemption facilities at least once in each calendar quarter. The redemption facilities applicable in respect of an Open-Ended Fund will be set out in the relevant Supplement.
<b>"Open-Ended Fund with Limited Liquidity"</b>	means a Sub-Fund that provides redemption and/or settlement facilities on a less than quarterly basis or provides for a period of greater than 90 days between the Redemption Deadline and the payment of redemption proceeds. The redemption facilities of Open-Ended Funds with Limited Liquidity will be set out in the relevant Supplement.
<b>"Ordinarily Resident in Ireland"</b>	<p>means:</p> <p>(a) in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes; or</p> <p>(b) in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.</p> <p>An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years.</p> <p>The concept of a trust's ordinary residence is somewhat obscure and linked to its tax residence.</p>
<b>"OTC"</b>	means over-the-counter and refers to FDI negotiated between two counterparties.
<b>"Paying Agent"</b>	means one or more paying agents including but not limited to representatives, distributors, correspondent banks, or centralising agents appointed by the Company and/or the AIFM in certain jurisdictions.
<b>"Performance Fee"</b>	means a performance fee (if any) payable to the AIFM as described in the section titled <a href="#">Performance Fee</a> and in the relevant Supplement.
<b>"Performance Fee Rate"</b>	means the percentage rate used in calculating the Performance Fee as outlined in the relevant Supplement.
<b>"Performance Reference Period"</b>	Means, where a Performance Fee is provided for, the life of the relevant Sub-Fund or Class to which the Performance Fee is applicable.

<b>"Preliminary Charge"</b>	means the charge, if any, to be added to the Subscription Price which Shares may be subject to, as described in the sub-section titled <a href="#">Preliminary Charge</a> and as may be specified in the relevant Supplement.
<b>"PRIIPS KID"</b>	means a PRIIPS Key Information Document.
<b>"Professional Client"</b>	means an investor who is a professional client within the meaning of Annex II of MiFID.
<b>"Prospectus"</b>	means this prospectus and any Supplements and addenda thereto issued by the Company as amended, supplemented or consolidated from time to time.
<b>"Qualifying Investor"</b>	<p>means an investor who has certified in writing to the Company that it is:</p> <ul style="list-style-type: none"> <li>(a) a Professional Client; or</li> <li>(b) an investor who receives an appraisal from an EU credit institution, a MiFID firm or a UCITS management company that the investor has the appropriate expertise, experience and knowledge to adequately understand the investment in the Company; or</li> <li>(c) an investor who certifies that they are an informed investor by providing the following: <ul style="list-style-type: none"> <li>1) confirmation (in writing) that the investor has such knowledge of and experience in financial and business matters as would enable the investor to properly evaluate the merits and risks of the prospective investment; or</li> <li>2) confirmation (in writing) that the investor's business involves, whether for its own account or the account of others, the management, acquisition or disposal of property of the same kind as the property of the Company.</li> </ul> </li> </ul>
<b>"Qualifying Investor AIF or QIAIF"</b>	means a qualifying investor alternative investment fund, a category of non-UCITS collective investment scheme authorised by the Central Bank pursuant to Chapter 2 of the AIF Rulebook and the AIFMD Regulations.
<b>"Realisation Event"</b>	<p>means the occurrence of circumstances when, in the opinion of the AIFM,</p> <ul style="list-style-type: none"> <li>(a) a significant portion of Illiquid Investments allocated to a Liquidating Side Pocket Class or Side Pocket Class becomes liquid (including, without limitation, when there is a public offering of the securities constituting the Illiquid Investment, which offering the AIFM determines reasonably values the Illiquid Investment); or</li> <li>(b) a significant portion of Illiquid investments allocated to a Liquidating Side Pocket Class or Side Pocket Class are liquidated, sold or otherwise disposed of by the Company, whether through redemption, transfer or sale on a secondary market.</li> </ul>
<b>"Redemption Charge"</b>	means the charge, if any, to be paid out of the Redemption Price which Shares may be subject to, as described under <a href="#">Redemption of Shares</a> and as may be specified in the relevant Supplement.
<b>"Redemption Day"</b>	Means, in relation to a Sub-Fund, such day or days as specified in the relevant Supplement, to this Prospectus provided that open-ended Sub-Funds shall have at least one Redemption Day in each quarter.



	The Directors or the AIFM may declare other day(s) as Redemption Day(s) in their sole discretion, provided that Shareholders will be notified of such amendment in advance.
<b>"Redemption Deadline"</b>	<p>means such day and time as is specified in the relevant Supplement with respect to a Sub-Fund.</p> <p>The Directors or the AIFM may waive the Redemption Deadline in their sole discretion.</p>
<b>"Redemption Payment Date"</b>	<p>means in respect of the dispatch of monies for the redemption of Shares, the timeframe specified in the relevant Supplement.</p> <p>The Directors or the AIFM may waive the Redemption Payment Day in their sole discretion.</p>
<b>"Redemption Price"</b>	means the price at which Shares may be redeemed on any Redemption Day, being the Net Asset Value per Share as of the immediately preceding Valuation Day less any amount, as may be determined by the Directors, to reflect (i) Duties and Charges and/or (ii) an Anti-Dilution Levy. The Redemption Price is available to Shareholders upon request.
<b>"Redemption Proceeds"</b>	means the Redemption Price less any Redemption Charge and any charges, costs, expenses or taxes, as described under Share Dealings- Redemption of Shares.
<b>"Register"</b>	means the register of Shareholders of the Company, which shall be maintained by the Administrator.
<b>"Regulatory Minimum Subscription"</b>	<p>means, in accordance with the requirements of the AIF Rulebook, the minimum subscription for each investor which shall not be less than (i) €100,000 or its foreign currency equivalent or (ii) €500,000 or its foreign currency equivalent (where the Sub-Fund is applying the exemption under Chapter 2, Part II, Section 2 (7) of the AIF Rulebook).</p> <p>The Regulatory Minimum Subscription will be in addition to any further restrictions set out in the relevant Supplement and will not apply to investors who qualify as Knowledgeable Persons.</p>
<b>"Relevant Declaration"</b>	means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act.
<b>"Relevant Period"</b>	means a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.
<b>"Revenue Commissioners"</b>	means the Irish Revenue Commissioners.
<b>"SEC"</b>	means the U.S. Securities and Exchange Commission.
<b>"Securities Act"</b>	means the U.S. Securities Act of 1933, as amended.
<b>"Securities Financing Transaction"</b>	means any transactions within the scope of SFTR that a Sub-Fund is permitted to engage in, including, for example, repurchase agreements, reverse repurchase agreements and securities lending agreements.

<b>"SFDR"</b>	means the Sustainable Finance Disclosure Regulation (Regulation EU/2019/2088) as amended and as may be further amended from time to time.
<b>"SFT Regulations or SFTR"</b>	means Regulation (EU) 2015/2365 of the European Parliament and of the Council on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012, as may be amended, supplemented, consolidated, substituted in any form or otherwise modified from time to time.
<b>"Shareholder"</b>	means a person who is registered as the holder of Shares in the Register for the time being maintained by or on behalf of the Company, and each a Shareholder.
<b>"Shares"</b>	means participating shares in the Company representing interests in a Sub-Fund and where the context so permits or requires any Class of participating shares representing interests in a Sub-Fund.
<b>"Side Pocket"</b>	means any separate portfolio(s) of a Sub-Fund created from time to time to which are allocated interests in Illiquid Investments plus such additional assets representing a reserve for contingencies, commitments and hedging as the AIFM in its discretion may determine. Once Illiquid Investments are so allocated, only the Shareholders at the time of the allocation of the Illiquid Investments will benefit from any subsequent appreciation of the relevant Illiquid Investments. Future investors will not receive a share of the proceeds in the event the relevant Illiquid Investment gets realized.
<b>"Side Pocket Class"</b>	means a Class of Shares established by the Company with the features described in the sub-section titled <a href="#">Side Pocket and Liquidating Side Pocket Classes</a> . For the avoidance of doubt there is no limit to the number of Classes of Side Pocket Shares that may be created in respect of a Sub-Fund.
<b>"Side Pocket Shares"</b>	means Shares in a Side Pocket Class.
<b>"Sterling, Pound or £"</b>	means the lawful currency of the United Kingdom.
<b>"Sub-Investment Manager"</b>	means an entity appointed by the Investment Manager to provide discretionary investment management in respect of some or all of the assets of a Sub-Fund
<b>"Sub-Investment Management Agreement"</b>	means a sub-investment management agreement between the Investment Manager and a Sub-Investment Manager as may be amended, supplemented or otherwise modified from time to time pursuant to which the latter provides discretionary investment management in respect of some or all of the assets of the Sub-Fund.
<b>"Sub-Fund"</b>	means a portfolio of assets which is invested in accordance with the investment objective and policies set out in the relevant Supplement and to which all liabilities, income and expenditure attributable or allocated to such sub-fund shall be applied and charged and 'Sub-Funds' means all or some of the Sub-Funds as the context requires or any other sub-funds as may be established by the Company from time to time with the prior approval of the Central Bank.
<b>"Subscription Day"</b>	means, in relation to a Sub-Fund, such day or days as specified in the relevant Supplement, provided that open-ended Sub-Funds shall have at least one Subscription Day in each quarter.

	The Directors or the AIFM may declare other day(s) as Subscription Day(s) in their sole discretion, provided that Shareholders will be notified of such amendment in advance.
<b>"Subscription Deadline"</b>	<p>means such day and time as is specified in the relevant Supplement with respect to a Sub-Fund.</p> <p>The Directors or the AIFM may waive the Subscription Deadline in their sole discretion.</p>
<b>"Subscription Payment Date"</b>	<p>means in respect of receipt of monies for subscription for Shares such timeframe as may be specified in the relevant Supplement.</p> <p>The Directors or the AIFM may waive the Subscription Payment Date in their sole discretion.</p>
<b>"Subscription Price"</b>	means the price at which Shares may be subscribed for on any Subscription Day, being the Net Asset Value per Share as of the immediately preceding Valuation Day plus an amount, as may be determined by the Directors, to reflect (i) Duties and Charges; and /or (ii) an Anti-Dilution Levy. The Subscription Price is available to investors upon request.
<b>"Subscriptions/Redemptions Account"</b>	means the account in the name of the relevant Sub-Fund through which subscription monies and Redemption Proceeds and dividend income (if any) for that Sub-Fund are channelled, the details of which are specified in the Application Form.
<b>"Supplement"</b>	means a supplement to this Prospectus issued on behalf of the Company specifying information in relation to a particular Sub-Fund and/or one or more Classes from time to time.
<b>"Sustainability Factors"</b>	means environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.
<b>"Sustainability Risk"</b>	means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investment.
<b>"Taxes Act"</b>	means the Irish Taxes Consolidation Act, 1997 as amended.
<b>"Taxonomy Regulation"</b>	means the Regulation on the Establishment of a Framework to Facilitate Sustainable Investment (Regulation EU/2020/852) as may be amended from time to time.
<b>"Third Party Funds"</b>	means investment vehicles, to which a party which is not affiliated with the AIFM, provides management and/or advisory services. Third Party Funds may be domiciled in (but not limited to) Bermuda, the Cayman Islands, the Bahamas, Ireland, Guernsey, Liechtenstein, Luxembourg or Netherlands Antilles and may or may not be directly or indirectly regulated by the local regulator in the jurisdiction of incorporation.
<b>"Total Return Swap"</b>	means a derivative transaction (within the scope of SFTR) whereby the total economic performance of a reference obligation is transferred from one counterparty to another counterparty.

<b>"Transfer Agreement"</b>	means the transfer agreement, as may be amended from time to time, to be submitted to the Administrator to apply for a transfer of Shares, which is available from the Administrator upon request.
<b>"Underlying Fund"</b>	means Affiliated Funds and Third Party Funds.
<b>"United Kingdom and UK"</b>	means the United Kingdom of Great Britain and Northern Ireland.
<b>"United States and U.S."</b>	means the United States of America, (including each of the States, the District of Columbia and the Commonwealth of Puerto Rico) its territories, possessions and all other areas subject to its jurisdiction.
<b>"US Dollars, Dollars or \$"</b>	means the lawful currency of the United States or any successor currency.
<b>"U.S. Person"</b>	means a citizen or 'resident alien' within the meaning of U.S. income tax laws as in effect from time to time, a corporation or partnership or other entity created or organised in the United States or under the laws of the United States or any U.S. state, a trust where (a) a U.S. court is able to exercise primary supervision over the administration of the trust and (b) one or more U.S. Persons have the authority to control all substantial decisions of the trust, an estate which is subject to U.S. tax on its worldwide income from all sources, or any person falling within the definition of the term 'U.S. person' under Regulation S promulgated under the Securities Act or not qualifying as a 'Non-United States person' under CFTC Regulation 4.7 under the U.S. Commodity Exchange Act, as amended.
<b>"Valuation Day"</b>	Means, in relation to a Sub-Fund, such day or days as specified in the relevant Supplement in respect of which the Net Asset Value, the Net Asset Value per Class and the Net Asset Value per Share are calculated, provided that there shall be one Valuation Day in respect of each Dealing Day.  The Directors or the AIFM may declare other day(s) as Valuation Days in their sole discretion.
<b>"Valuation Point"</b>	means the point in time by reference to which the Net Asset Value of a Sub-Fund and the Net Asset Value per Share are calculated on with respect to each Valuation Day. Unless otherwise determined by the AIFM, the Valuation Point will be just prior to midnight (Irish time) on the relevant Valuation Day.

In this Prospectus, any reference to any statute, statutory provision or regulatory requirement or guidance shall be construed as including a reference to that statute, statutory provision or regulatory requirement or guidance as amended, extended or re-enacted as at the date of this Prospectus and from time to time thereafter.

In this Prospectus, unless otherwise specified, all references to a time of day are to Greenwich Mean Time (GMT) and all references to the masculine gender include the feminine gender and vice versa.

# 1 The Company and the Sub-Funds

The Company is an open-ended umbrella investment company with variable capital, limited liability and segregated liability between Sub-Funds, incorporated in Ireland on 14 June, 2012 with registration number 514358 and authorised by the Central Bank as a QIAIF pursuant to the provisions of Part 24 of the Companies Act and chapter 2 of the AIF Rulebook.

Each Sub-Fund's share capital is at all times equal to the net asset value of the Sub-Fund.

## 1.1 SUB-FUNDS

The Company is made up of one or more Sub-Funds, each Sub-Fund being a single portfolio of assets. The assets of each Sub-Fund will be separate from one another and will be invested separately in accordance with the investment objective and policies of each Sub-Fund. The proceeds from the issue of Shares in a Sub-Fund shall be applied in the records and accounts of the Company for that Sub-Fund, and the assets and liabilities and income and expenditure attributable thereto shall be applied to that Sub-Fund.

A separate Supplement shall be issued in respect of each Sub-Fund.

At the date of this Prospectus, the Company has 5 Sub-Funds, namely: LGT Dynamic Protection Sub-Fund, LGT Crown Diversified Trend Sub-Fund, LGT Crown Systematic Trading Sub-Fund, LGT Risk Premia Sub-Fund and LGT AI News-Based Trading Sub-Fund. The name of any additional sub-funds of the Company established from time to time will be available to investors on request.

Additional Sub-Funds may be established by the Directors from time to time with the prior approval of the Central Bank, and additional Classes may be established by the Directors and notified to, and cleared in advance by, the Central Bank, in which cases the Supplements will be updated accordingly.

A Sub-Fund may be established as either an Open-Ended Fund or an Open-Ended Fund with Limited Liquidity. Redemptions at the request of the Shareholder are permitted in Open-Ended Funds and Open-Ended Funds with Limited Liquidity, subject to the redemption terms thereof. Each Supplement shall state if the Sub-Fund is an Open-Ended Fund or an Open-Ended Fund with Limited Liquidity.

## 1.2 CLASSES OF SHARES

The Shares of each Sub-Fund comprise of one or more Classes of Shares and the Directors may, in their absolute discretion, differentiate between Classes of Shares.

All Classes of Shares relating to the same Sub-Fund will be commonly invested in accordance with such Sub-Fund's investment objective, but may differ with regard to, inter alia, their Class Currency, distribution policy (including the dates and payments of any distributions), currency hedging strategies, fee structures, liquidity features, Minimum Initial Subscription Amount, Minimum Holding Amount, investor eligibility criteria or other particular feature(s) as the Directors may determine. The different features of each Class of Shares available in relation to a Sub-Fund are described in detail in the relevant Supplement.

The capital gains or losses and income arising from a Sub-Fund shall be distributed and/or shall accrue equally to each Shareholder relative to their participation in the relevant Class. Subject to the provisions pertaining to Side Pockets and Liquidating Side Pockets, a separate pool of assets shall not be maintained in respect of each Class. Separate books and records will be maintained for each Sub-Fund but not for each Class, however a separate Net Asset Value per Share will be calculated for each issued Class of Shares in relation to each Sub-Fund.

Additional Classes may be established by the Directors and notified to, and cleared in advance by, the Central Bank, in which cases the relevant Supplement will be updated accordingly.

### 1.2.1 Side Pocket and Liquidating Side Pocket Classes

The Directors reserve the right to create, at their discretion and in consultation with the AIFM, Side Pocket Classes and Liquidating Side Pocket Classes in respect of any Sub-Fund.

#### *Side Pocket Classes*

The Directors may create and issue at their discretion from time-to-time Side Pocket Class(es) in a Sub-Fund, to which assets and liabilities of the relevant Sub-Fund are allocated at the discretion of the Directors at any time after the acquisition thereof, being or having become Illiquid Investments, plus such additional assets (including cash) representing a reserve for commitments and contingencies as the Directors in their discretion determine.

Side Pocket Shares shall be redeemable only when so determined by the Directors.

The creation of a Side Pocket Class will involve the Directors effecting a pro-rata reduction in the number of Shares held by a Shareholder attributable to the

relevant Sub-Fund, equal to the value of the assets and liabilities attributable to the Side Pocket Class, and the subsequent crediting for the benefit of such Shareholder of a corresponding number of Shares in the Side Pocket Class.

The value of all Side Pocket Classes and all assets and liabilities attributed to a Side Pocket Class shall be determined in a manner consistent with the Articles.

### **Liquidating Side Pocket Classes**

In circumstances where a Sub-Fund has received redemption requests in respect of a Redemption Day and the Directors determine that the interests of the redeeming Shareholders and those of the non-redeeming Shareholders cannot be satisfied fairly and equitably within one pool of assets due to the Sub-Fund comprising of some or all Illiquid Investments on the relevant Redemption Day, then the Directors, on the advice of the AIFM but in the Directors' sole discretion, may determine to separate the holdings of redeeming Shareholders from those of non-redeeming Shareholders by dividing each non-cash asset of the relevant Sub-Fund as of the Redemption Day, including the assets attributed to any Side Pocket Shares held by the redeeming Shareholders and residual cash required to pay ongoing fees and expenses of the Liquidating Side Pocket Class, and transferring a portion of the non-cash assets of the relevant Sub-Fund attributable to the redeeming Shareholders on a pro rata basis to a new Liquidating Side Pocket Class of the Sub-Fund.

The creation of a Liquidating Side Pocket Class will involve the Directors effecting a compulsory redemption of the Shares held by the redeeming Shareholders and the application of that portion of the assets attributable to such redemption request which have not been realised by the Redemption Day, and which are in specie (together with residual cash required to pay ongoing expenses) and represent a pro rata portion of each non-cash asset of the Sub-Fund as of the Redemption Day, in paying for Shares of the Liquidating Side Pocket Class which will be issued to the redeeming Shareholders.

Liquidating Side Pocket Shares may be designated in respect of each Class of Shares, and each Class of Shares may have an unlimited number of Liquidating Side Pocket Classes designated in respect thereof (as issued on different Redemption Days).

Liquidating Side Pocket Shares shall be redeemed only when so determined by the Directors.

### **1.2.2 Realisation Event**

**Side Pockets;** As soon as practicable after the occurrence of a Realisation Event, the Company shall either at its sole discretion (a) pay out the net proceeds of the Illiquid Investment to Shareholders of Side Pocket Shares in respect of which the Realisation Event has occurred; or (b) issue Shares in another non-Side Pocket

Class with the consent of the Shareholder at the prevailing Subscription Price of such Class which may be then subsequently redeemed in the normal manner at the option of the Shareholders.

**Liquidating Side Pockets;** The AIFM will endeavour to pursue liquidation or redemptions of the underlying investments held in a Liquidating Side Pocket as soon as reasonably practicable, and the realisation proceeds received will be promptly paid out to the Shareholders of the Liquidating Side Pocket Class as assets are progressively realised.

Pay-outs to Shareholders of Side Pocket Shares or Liquidating Side Pocket Shares shall be made as redemptions (including in-specie redemptions) and cancellations, dividends, or distributions of capital or otherwise at the sole discretion of the Directors. The final redemption price payable in relation to the redemption of the Side Pocket Shares or Liquidating Side Pocket Shares shall be net of any accrued fees, expenses, or costs payable with respect to such Side Pocket Shares.

In exercising its discretion whether to make a pay-out, the Directors will give consideration to the future funding requirements of the Side Pocket Class or Liquidating Side Pocket Class, and may determine on the advice of the AIFM that some or all of the liquidity generated following a Realisation Event may be required to support such future funding commitments with the result that such liquidity may remain allocated within the Side Pocket Class or Liquidating Side Pocket Class.

Where assets held in a Side Pocket Class or Liquidating Side Pocket Class can be more quickly realised upon payment of additional fees to an underlying investment, such fees may be paid, and, if paid, will be borne by the holders of the relevant Side Pocket Shares or Liquidating Side Pocket Shares.

### **Liability**

Shares in Classes other than a Side Pocket Class or Liquidating Side Pocket Class shall not participate in the assets or liabilities attributable to the relevant Side Pocket Class or Liquidating Side Pocket Class, and the assets and liabilities attributable to such Side Pocket Class or Liquidating Side Pocket Class shall be segregated from and shall not form part of the other assets of the relevant Sub-Fund. The liabilities of or attributable to a Side Pocket Class or Liquidating Side Pocket Class generally will be discharged solely out of the assets of that Side Pocket Class or Liquidating Side Pocket Class. However, under Irish law, the liabilities of any such Side Pocket Class or Liquidating Side Pocket Class are not segregated from the liabilities of the other Classes in a particular Sub-Fund. Accordingly, there is a risk that liabilities of such Side Pocket Class of a Sub-Fund may not be limited to that particular Class and may be required to be paid out of one or more other Classes of such Sub-Fund.

**General**

Where Side Pocket Shares or Liquidating Side Pocket Shares are denominated in a currency other than the Base Currency, the related currency risk may be hedged or remain unhedged as the Directors may determine, in consultation with the AIFM. An Unhedged Side Pocket Class or Liquidating Side Pocket Class will be exposed to fluctuations in the Net Asset Value per Liquidating Side Pocket Share reflecting the gains/losses arising from currency exposures.

A Management Fee may be payable in respect of the Side Pocket Class or the Liquidating Side Pocket Class in an amount equal to the Management Fee applicable to the relevant Class the Shareholder was previously invested in prior to the creation of the Side Pocket Class or Liquidating Side Pocket Class or such lower amount as notified to Shareholders. Side Pocket Classes and Liquidating Side Pocket Classes will continue to bear their pro-rata share of ongoing expenses payable by the Sub-Fund, including, but not limited to Administrator and Depositary Fees, Directors and Auditors fees.

Performance Fees will crystallize upon the creation of a Side Pocket Class or Liquidating Side Pocket Class and no further performance fees will be charged in respect of a Liquidating Side Pocket Class.



## 2 Investment Objectives, Techniques, Instruments and Strategies

### 2.1 INVESTMENT OBJECTIVES AND POLICIES

The specific investment objective and policies of each Sub-Fund will be set out in the relevant Supplement and will be formulated by the Directors in consultation with the AIFM at the time of the creation of the relevant Sub-Fund.

The investment objective of an Open-Ended Fund or an Open-Ended Fund with Limited Liquidity may not be altered by the Directors, and material changes to the investment policy of an Open-Ended Fund or an Open-Ended Fund with Limited Liquidity may not be made by the Directors without prior approval of the Shareholders on the basis of (i) a majority of votes cast at a meeting of the Shareholders of the particular Sub-Fund duly convened and held, (a simple majority of votes cast at a meeting of Shareholders is required to approve such changes), or (ii) with the prior written approval of all Shareholders of the relevant Sub-Fund. In the event of a change of the investment objective and/or material change in the investment policy of an Open-ended or Open-ended Fund with limited liquidity, Shareholders in the relevant Sub-Fund will be given reasonable notice of such change to enable them to redeem their Shares prior to implementation of such a change.

Non-material amendments may be made to the investment policies of the Sub-Funds at the discretion of the Directors. Any such changes will be notified to the Shareholders and such notification can be provided by means of appropriate disclosure in the next annual report.

The investment return to Shareholders in a particular Sub-Fund or Class is related to the Net Asset Value of that Sub-Fund or Class, which in turn is primarily determined by the performance of the portfolio of investments held by the relevant Sub-Fund.

Prospective investors should note that a Sub-Fund's investment policies may not be able to be fully implemented or complied with during the launch and wind-down phase of a Sub-Fund, when initial investment positions are being established or final positions are being liquidated. Consequently, Shareholders may be exposed to different types of investment risk, and may receive a return that is different to the return that would have been received if full compliance with the relevant investment policies had been maintained (noting that there can be no assurance that any Sub-Fund will achieve its investment objective), during the investment phase and/or wind-down phase of a Sub-Fund.

Pending investment of the proceeds of a subscription for Shares, or where market or other factors so warrant, a Sub-Fund's assets may be invested in money market instruments, money market funds or Cash Equivalents denominated in such currency or currencies as the AIFM or the Investment Manager may determine or in such other securities or instruments as the AIFM or Investment Manager may consider appropriate and as set out in the relevant Supplement.

### 2.2 CROSS INVESTMENT

Where specified in the relevant Supplement, a Sub-Fund may invest in other Sub-Funds of the Company in accordance with the requirements of the Central Bank.

Where a Sub-Fund invests in the Shares of another Sub-Fund of the Company, the following requirements must be adhered to:

- no Preliminary Charge or Redemption Charge may be charged on the cross-investing Sub-Fund's investment; and
- any management fee charged by the AIFM in respect of that portion of assets of the investing Sub-Fund which is invested in other Sub-Funds of the Company, whether such fee is paid by the investing Sub-Fund, indirectly at the level of the receiving Sub-Fund or a combination of both, shall not exceed the rate of the management fee which is charged by the AIFM in respect of the balance of the assets of the investing Sub-Fund, thus ensuring that there shall be no double-charging of the management fee as a result of the investing Sub-Fund's investment in the receiving Sub-Fund.

### 2.3 INVESTMENT RESTRICTIONS

The investment and borrowing restrictions applicable to each Sub-Fund are formulated by the AIFM at the time of the creation of a Sub-Fund and details shall be set out in the relevant Supplement.

Notwithstanding the above or anything contained in the relevant Supplement, the following investment restrictions apply to all Sub-Funds. These are Irish regulatory requirements applicable to Qualifying Investor AIFs pursuant to chapter 2 of the AIF Rulebook:

- (a) A Sub-Fund may not (nor may it appoint an AIFM that would) acquire any shares carrying voting rights which would enable either of them to exercise significant influence over the management of an issuing body nor will it take legal or management control of an issuing body. This restriction is not applied to venture capital, development capital or private equity funds or to any investments by a Sub-Fund in other collective investment schemes;



- (b) Unless availing of the relevant derogation provided for in the AIF Rulebook and as specified in the relevant Supplement, a Sub-Fund will not invest more than 50% of its Net Asset Value in any one unregulated fund and will not invest more than 50% of its Net Asset Value in another fund which itself invests more than 50% of its net assets in another investment fund.
- (c) Where a Sub-Fund invests in the shares or units of any other collective investment scheme managed by the AIFM or an associated entity, the AIFM or the associated entity, as applicable, will waive any Preliminary Charge or Redemption Charge that would otherwise be payable in connection with the investment in that other collective investment scheme.
- (d) With the exception of loan originating Sub-Funds established in accordance with the requirements of the AIF Rulebook and identified clearly as such in the relevant Supplement, a Sub-Fund may not grant loans or act as a guarantor on behalf of third parties. This is without prejudice to the ability of a Sub-Fund to acquire debt securities. It will not prevent a Sub-Fund from acquiring securities which are not fully paid or from entering into bridge financing arrangements where the financing extended to the Sub-Fund is backed by sufficient legally binding commitments to discharge the financing within a time period determined by the AIFM and at least simultaneously triggering obligations on Shareholders to make capital contributions which they are previously contractually committed to making at the time the bridge financing is entered into.
- (e) A Sub-Fund will not raise capital from the public through the issue of debt securities. This investment restriction does not operate to prevent the issue of notes by a Sub-Fund, on a private basis, to a lending institution to facilitate financing arrangements. Details of any such notes issued by a Sub-Fund will be clearly provided in the relevant Supplement.

Investment restrictions are applied at the time of making an investment. Where any investment restriction is breached for reasons beyond the control of the Sub-Fund or as a result of the exercise of subscription rights, including any inadvertent breaches, the AIFM will ensure corrective action is taken as a priority objective. Before taking any action, the AIFM will also take due account of the interests of Shareholders and the prevailing market conditions and may delay corrective sales accordingly.

Any changes to the investment or borrowing restrictions will be disclosed in an updated Prospectus and/or Supplement, and if material, will be subject to prior Shareholder approval pursuant to the sub-section titled [Investment Objectives and Policies](#).

## 2.4 DISTRIBUTION POLICY

The Directors decide the distribution policy and arrangements relating to each Sub-Fund and/or Class, and details shall be specified in the relevant Supplement.

The Company can issue both accumulating and distributing Shares in each Sub-Fund.

In the case of Classes comprised of accumulating Shares, net income and profits (if any) will be accumulated and reflected in the Net Asset Value of the Class. In the case of Classes comprised of distributing Shares, dividends or distributions will generally be declared by the Directors in accordance with the distribution date(s) as set out in the relevant Supplement.

Subject to the Articles, distributions may be paid as dividends out of (i) net realised and unrealised capital gains (i.e. realised and unrealised capital gains less any realised and unrealised capital losses) of the relevant Class or Sub-Fund and/or (ii) the capital of the Sub-Fund, where disclosed in the relevant Supplement.

Distributions may be paid; (i) in cash by wire or electronic transfer to the bank account designated by the Shareholder in the Application Form at the expense of the Shareholder; or (ii) subject to Shareholder consent, by way of in specie transfer of assets of the relevant Sub-Fund. In selecting these assets, the Directors will consult with the Depositary to ensure that the remaining Shareholders are not disadvantaged. A Shareholder may require the Company, instead of transferring any assets in specie, to arrange for a sale of the assets and for payment to the Shareholder of the net proceeds of such sale. The payment of any distribution will be made in accordance with the terms outlined in the relevant Supplement.

Where provided for in the relevant Supplement, Shareholders may elect to have the proceeds of any distribution reinvested in more Shares of the relevant Sub-Fund or Class.

Distributions unclaimed within six months from the date they first become payable will lapse and revert to the relevant Sub-Fund without the necessity for any declaration or other action by the Company. No interest shall be paid on any distribution. However, negative interest rates and other charges may apply to reduce the value of the distribution actually received by the Shareholder.

Shareholders should be aware that the ability of the Class to pay a distribution is subject to the liquidity constraints of the Sub-Fund and Shareholders should note that the Directors may, at any time and without consent of the Shareholders, decide not to declare distributions for a given year. In the interest of clarity, where dealing in the Sub-Fund has been suspended or where a Redemption Restriction for a particular Sub-

Fund has been triggered, the Directors shall not declare or pay any distributions to the Shareholders.

Shareholders should note that payment of distributions (i) may result in a difference in the performance of the relevant Class and (ii) shall be net of any taxes, charges or levies, which shall be borne by the Shareholder.

Pending payment to the relevant Shareholder, distributions shall be paid into a Subscription/Redemption Account and shall remain an asset of the relevant Sub-Fund. Further information relating to the operation of the Subscription/Redemption Accounts is set out in the sub-section titled [Subscription/Redemption Accounts](#) and your attention is also drawn to the risk factor 'Operation of Subscription/ Redemption Accounts' in the section titled [Risk Factors](#).

The Directors may change the distribution policy applicable to any Class of Shares, provided that in such circumstances they shall provide prior written notice to all affected Shareholders in order to allow them the opportunity to redeem their Shares prior to the change.

## 2.5 LIQUIDITY POLICY

The AIFM employs a liquidity management system and has adopted procedures which enable it to monitor the liquidity risk of the Sub-Funds. The liquidity management system is designed to ensure that the Sub-Fund maintains a level of liquidity appropriate to their underlying obligations based on an assessment of the relative liquidity of the Sub-Fund's assets in the market, taking account of the time required for liquidation and the price or value at which those assets can be liquidated, and also their sensitivity to other market risks or factors.

The AIFM monitors the liquidity profile of the portfolios of assets having regard to the profile of the investor base of the Sub-Fund, the relative size of investments and the redemption terms to which these investments are subject. The AIFM implements and maintains liquidity measurement arrangements and procedures to assess the quantitative and qualitative risks of positions and intended investments which have a material impact on the liquidity profile of the portfolio of the Sub-Funds' assets to enable their effects on the overall liquidity profile to be appropriately measured and considers and puts into effect the tools and arrangements necessary to manage the liquidity of the Sub-Funds.

## 2.6 SECURITIES FINANCING TRANSACTIONS AND TOTAL RETURN SWAPS

Where specified in the relevant Supplement, a Sub-Fund may use Securities Financing Transactions and/or Total Return Swaps in accordance with the requirements of the SFTR and the requirements of the Central Bank:

**Repurchase Agreement.** An agreement pursuant to which the Sub-Fund sells a security to a counterparty and simultaneously agrees to repurchase the security at a specified price on a fixed future date.

**Reverse Repurchase Agreement.** A transaction whereby a Sub-Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price.

**Securities Lending Arrangement.** Is an arrangement where one party transfers securities to the other party subject to a commitment that the other party will return equivalent securities on a future date or when requested to do so by the party transferring the securities, that transaction being considered as securities lending for the party transferring the securities.

**Total Return Swap.** Is generally an OTC swap which involves the total economic performance of a reference obligation transferring from one counterparty to another counterparty, typically in exchange for a fee.

Securities Financing Transactions may be entered into for any purpose that is consistent with the investment objective and policy of the relevant Sub-Fund, including (i) to generate income or profits, (ii) in order to increase portfolio returns or (iii) to reduce portfolio expenses or risks.

Where specified in the relevant Supplement, Total Return Swaps may be entered into for any purpose that is consistent with the investment objective and policy of a Sub-Fund, including efficient portfolio management (such as hedging purposes or the reduction of portfolio expenses), speculative purposes (in order to increase income and profits for the portfolio), or to gain exposure to certain markets. The reference obligation of a Total Return Swap may be any security or other investment in which the relevant Sub-Fund is permitted to invest.

Where a Sub-Fund is permitted to use Securities Financing Transactions and/or Total Return Swaps, all types of assets which may be held by the relevant Sub-Fund in accordance with its investment objectives and policies may be subject to a Securities Financing Transaction and/or Total Return Swap.

Subject to each Sub-Fund's investment objective and policies, there is no limit on the proportion of assets that may be subject to Securities Financing Transactions and/or Total Return Swaps, and therefore the maximum and expected proportion of a Sub-Fund's assets that can be subject to Securities Financing Transactions or Total Return Swaps can be as much as 100%, i.e. all of the assets of the relevant Sub-Fund. The most recent annual accounts of the Company will also express the amount of each Sub-Fund's assets subject to Securities Financing Transactions and Total Return Swaps.

All revenues arising from Securities Financing Transactions and Total Return Swaps, net of direct and indirect operational costs and fees, shall be returned to the relevant Sub-Fund. Information on the revenues generated under such transactions shall be disclosed in the annual report of the Company, along with entities to whom direct and indirect operational costs and fees relating to such transactions are paid. Such entities may include the AIFM, the Depositary or entities related to the AIFM or Depositary.

For further information in relation to the risks associated with Securities Financing Transactions and Total Return Swaps, refer to the section titled [Risk Factors](#) and to the risk factors 'Risks Associated with Securities Financing Transactions' and 'Total Return Swaps Risk'.

## 2.7 FINANCIAL DERIVATIVE INSTRUMENTS

Where specified in the relevant Supplement a Sub-Fund may invest in FDI, which may be exchange traded or OTC.

Where a Sub-Fund invests in exchange traded FDI, that Sub-Fund may buy or lease an exchange membership for cost efficiency purposes.

The following is a brief, but non-exhaustive, description of some of the types of FDI which may, where permitted by the relevant Supplement, be used by a Sub-Fund:

**Futures:** Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a pre-agreed price through a transaction undertaken on an exchange. Futures contracts allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Futures can be used to express both positive and negative views on the underlying. Therefore, they can be used to create a synthetic short position. Futures may also be used to equitize cash balances, both pending investment of a cash flow and with respect to fixed cash targets. Frequently, using futures to achieve a particular strategy instead of using the underlying or related security or index results in lower transaction costs being incurred. Futures contracts which may be entered into by a Sub-Fund include foreign exchange futures, index futures, interest rate futures, bond futures and equity futures, which in each case may be used to hedge against certain risk within the portfolio or in order to take a long or short position on the underlying of the future.

**Forwards:** A forward contract locks-in the price at which an underlying may be purchased or sold on a

future date. In a forward, the contracts holders are obliged to buy or sell a particular underlying at a specified price in a specified quantity and on a specified future date. One party to the forward is the buyer (long) who agrees to pay the forward price on settlement date, the other party is the seller (short) who agrees to receive the forward price on settlement date. Forward contracts may be cash settled between the parties. In contrast to futures, forwards are traded OTC. Forward contracts can be used to hedge or generate exposure. They can be used to express both positive and negative views on the underlying assets and can create a synthetic short position. Forward contracts which may be entered into by a Sub-Fund include foreign exchange forwards, interest rate forwards, index forwards, bond forward and equity forwards, which in each case may be used to hedge against certain risks arising within the relevant Sub-Fund's portfolio or in order to take a long or short position on the underlying of the forward.

**Swaps:** A standard swap is an agreement between two parties, whereby they agree to exchange the cash flows or proceeds of a reference asset, such as one or more securities, a currency, an index or an interest rate, against the proceeds of another reference asset. They can be used to express both positive and negative views on the underlying assets and can create a synthetic short position. Generally, swaps are traded OTC. The Sub-Funds may enter into swaps, including, but not limited to, equity swaps, swaptions (as defined below), interest rate swaps, index swaps, inflation swaps, volatility swaps, variance swaps, currency swaps, credit default swaps and Total Return Swaps.

**Contracts for Differences:** The Sub-Funds may enter into contracts for differences which allow a direct exposure to the market, a sector or an individual security. Unlike a forward contract, there is no final maturity, the position being closed out at the discretion of the position taker. Contracts for Difference are used to gain exposure to share price movements without buying the shares themselves. A Contract for Difference on a company's shares will specify the price of the shares when the contract was started. The contract is an agreement to pay out cash on the difference between the starting share price and when the contract is closed.

**Options:** Options are the right to buy or sell a specific quantity of a specific asset at a fixed price at or before a specified future date. There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of an underlying asset at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. Options may also be cash settled. A Sub-Fund may be a seller or buyer of put and call options. Where specified in the relevant Supplement, a Sub-Fund may purchase or sell options to hedge against an increase in the price

of a security, index, currency or other asset which the Sub-Fund intends to purchase or generate exposure to or hedge against a decrease in the price of any such asset or in the market generally. Options can be used to express both positive and negative views on the underlying, hence they can be used to create a synthetic short position. The Sub-Funds may trade options on an exchange or OTC. Options contracts which may be entered into by the Sub-Funds, include foreign exchange options, index options, bond options and equity options, which in each case may be to hedge against certain risks arising within the portfolio or in order to take a long or short position on the underlying of the option.

**Swaptions:** A contract whereby one party is given the option to enter into a swap agreement (typically an interest rate swap agreement) on a specified future date in exchange for an option premium. Swaptions are typically used in order to protect against exposure to specific interest rates.

**Caps and Floors:** A cap is an agreement under which the seller agrees to compensate the buyer if interest rates rise above a pre-agreed strike rate on pre-agreed dates during the life of the agreement. In return the buyer pays the seller a premium up front. A floor is similar to a cap except that the seller compensates the buyer if interest rates fall below a pre-agreed strike rate on pre-agreed dates during the life of the agreement. As with a cap, the buyer pays the seller a premium up front.

For further information in relation to the risks associated with FDI, refer to the section titled [Risk Factors](#) and to the risk factor 'FDI Risk'.

## 2.8 ELIGIBLE COUNTERPARTIES

Any counterparty to an OTC derivative contract or a Securities Financing Transaction shall be subject to an appropriate assessment carried out by the AIFM, which shall include, amongst other considerations, whether the counterparty is subject to prudential regulation, its financial soundness (including whether it is subject to sufficient capital requirements), external credit ratings of the counterparty, the organisational structure and resources of the relevant counterparty, country of origin of the counterparty and the legal status of the counterparty.

## 2.9 COLLATERAL

### 2.9.1 Types of collateral which may be received by a Sub-Fund

Where necessary, a Sub-Fund may receive both cash and non-cash collateral from a counterparty to a Securities Financing Transaction or an OTC derivative transaction in order to reduce its counterparty risk exposure.

Non-cash collateral received by a Sub-Fund may comprise of fixed income securities or equities. The level of collateral required to be posted by a counterparty may vary by counterparty, and where the exchange of collateral relates to initial or variation margin in respect of non-centrally cleared OTC derivatives which fall within the scope of EMIR, the level and type of collateral will be determined taking into account the requirements of EMIR.

There are no restrictions on the maturity of the collateral received by a Sub-Fund. Typically, non-cash collateral received by a Sub-Fund will be highly liquid so that it can be sold quickly at a price that is close to its pre-sale valuation. Assets which exhibit high price volatility will only be accepted as collateral where a suitable haircut is applied in respect of such assets. The AIFM will typically only accept collateral that is issued by an entity that is independent from the counterparty, such that there is no direct correlation between the collateral received and the performance of the counterparty. The AIFM shall also ensure that the collateral received by a Sub-Fund is appropriately diversified in terms of countries, markets and issuers (where relevant) in accordance with the requirements set down in EMIR.

### 2.9.2 Valuation of collateral

Collateral that is received by a Sub-Fund will be valued on at least a daily basis. Non-cash collateral received by a Sub-Fund will be valued at mark-to-market given the required liquid nature of the collateral.

### 2.9.3 Safe-keeping of collateral received by a Sub-Fund

Collateral received by a Sub-Fund on a title transfer basis shall be held by the Depositary, or a duly appointed sub-depositary of the Depositary.

For other types of collateral arrangements, the collateral can be held by the Depositary or by a third party custodian which is subject to prudential supervision and which is unrelated to the provider of the collateral.

### 2.9.4 Re-use of collateral by a Sub-Fund

Save where specified in the relevant Supplement, a Sub-Fund is not subject to any restrictions on the re-use of collateral.

### 2.9.5 Posting of collateral by a Sub-Fund

Collateral provided by a Sub-Fund to a counterparty shall be agreed with the relevant counterparty and may comprise of cash or any types of assets held by the relevant Sub-Fund in accordance with its investment objective and policies.

Collateral may be transferred by a Sub-Fund to a counterparty on a title transfer basis, where the assets are passed outside of the custody network and are no

longer held by the Depositary or its sub-depositary. In such circumstances, subject to the requirements of SFTR, the counterparty to the transaction may use those assets in its absolute discretion.

Where collateral is posted by a Sub-Fund to a counterparty under a security collateral arrangement, where title to the relevant securities remains with the Sub-Fund, such collateral must be safe-kept by the Depositary or its sub-depositary, however, subject to the requirements of SFTR, such assets may be subject to a right of re-use by the counterparty.

## 2.10 BORROWING, LEVERAGE AND REHYPOTHECATION OF ASSETS

Subject to any limits and conditions laid down by the Central Bank the AIFM reserves the right to engage in borrowing and to leverage the assets of a Sub-Fund, where provided for in the relevant Supplement.

Leveraging allows a Sub-Fund to generate a return, or incur a loss, that is larger than that which would be generated on the invested capital without leverage, thus changing small market movements (either positive or negative) into larger changes in the value of the investments of a Sub-Fund. Leverage may be generated in order to pursue a Sub-Fund's investment objective and policy by using a variety of strategies including, but not limited to, investing in FDI.

Borrowing made on behalf of a Sub-Fund may be used for general business purposes, including to facilitate the transfer of funds from one Sub-Fund investment to another, to smooth the negative impact of Shareholders' subscriptions and redemptions of Shares on that Sub-Fund's performance, to temporarily fund investments, to fund redemptions, to fund distributions and/or in connection with currency hedging transactions or other derivative transactions.

Borrowing or leverage present the potential for a higher rate of total return but also increases the volatility of a Sub-Fund, including the risk of a total loss of the amount invested. Leverage may cause increased volatility by magnifying gains or losses.

Borrowings may be secured by pledging, transferring, charging or otherwise encumbering the assets of a Sub-Fund.

The Company may, where provided for in the relevant Supplement, engage the services of prime broker(s) in respect of a Sub-Fund, whereby such prime broker(s) may hold collateral and other assets of the relevant Sub-Fund on a full title transfer basis and be granted the right to rehypothecate the assets of the Sub-Fund that it holds.

## 2.11 INTEGRATION OF ESG

### 2.11.1 Fund Classification for SFDR

For SFDR purposes certain Sub-Funds of the Company may be classified as either (i) an ESG Oriented Fund; or (ii) an ESG Focused Fund.

If a Sub-Fund is classified as either an ESG Oriented Fund or an ESG Focused Fund, a clear indication of this classification (along with additional SFDR-related disclosure) will be made in the Supplement for the relevant Sub Fund. As a default, and in the absence of such clear indication, each Sub-Fund will not be classified as an ESG Oriented Fund or an ESG Focused Fund.

### 2.11.2 Integration of Sustainability Risks into Investment Decisions

As part of the process to undertake appropriate due diligence on investments, the Investment Manager will generally conduct a level of research on each investment. This will typically include a consideration of fundamental and quantitative elements, the composition of which may vary depending on the nature of the investment. Where relevant, this may also involve qualitative and non-financial elements such as ESG factors and consideration of Sustainability Risks.

The Investment Manager integrates an assessment of Sustainability Risks into its investment processes for each Sub-Fund. This will occur both initially and on an ongoing basis for the duration of the period the Sub-Fund holds an investment or pursues a particular investment strategy. However, unless stated in the relevant Supplement that the Sub-Fund is classified as an ESG Oriented Fund or an ESG Focused Fund, an accentuated ESG investment process or enhanced exclusionary screening methodology will not be applied in respect of the Sub-Fund.

The Investment Manager may rely on third-party ESG data or research providers to produce any ESG-related analysis. Such data or research may be imprecise, incorrect or unavailable and the resulting analysis or use of such data by the Investment Manager may be impacted.

This assessment is based on the inclusion of Sustainability Risks in the Investment Manager's due diligence processes, forecasting, exclusionary screening methods and / or analysis based on currently available ESG data. Once these factors have been taken into account, in combination with the fact that it is considered that Sustainability Risks may be factored into the price of an underlying instrument and that the risk factors as described in this Prospectus under the section titled [Risk Factors](#) will have been assessed, it is not considered likely that ongoing, identifiable Sustainability Risks will materially alter the return profile of a Sub-Fund. Further, it is acknowledged that exceptional or



unpredictable Sustainability Risk events may occur, which may impact this ongoing assessment. It is considered that the policies adopted by the Investment Manager to assess and mitigate Sustainability Risks may mitigate such risks to the Company. Investors should note the Investment Manager's assessment of ESG characteristics may change over time and the ESG conclusions of the Investment Manager might not reflect the ESG views of investors.

For the avoidance of doubt, Sustainability Risks are one of several factors considered as part of a broader assessment when making investment decisions.

Further details on the Investment Manager's approach to ESG integration and sustainability-related stewardship can be found on the Investment Manager's website.

## 2.12 TAXONOMY REGULATION

The Taxonomy Regulation is a piece of directly effective EU legislation that is applicable to the Company and its Sub-Funds. Its purpose is to establish a framework to facilitate sustainable investment. It sets out harmonised criteria for determining whether an economic activity qualifies as environmentally sustainable and outlines a range of disclosure obligations to enhance transparency and to provide for objective comparison of financial products regarding the proportion of their investments that contribute to environmentally sustainable economic activities.

It is notable that the scope of environmentally sustainable economic activities, as prescribed in the Taxonomy Regulation, is narrower than the scope of sustainable investments under SFDR. Therefore, although there are disclosure requirements for both, these two concepts should be considered and assessed separately.

For further information on a Sub-Fund's alignment with the Taxonomy Regulation refer to the relevant Supplement.

## 2.13 INVESTMENT THROUGH SUBSIDIARIES

The Company may from time to time (subject to the rules of the Central Bank) make investments on behalf of Sub-Funds through wholly owned subsidiaries or other vehicles incorporated in any relevant jurisdiction, where the AIFM considers that this would be operationally, commercially and/or tax efficient or would provide the only practicable means of access to the relevant security. The investment objective and policy of the relevant Sub-Fund will not only be applied to the Sub-Fund but also to the wholly-owned subsidiary and the investments of the wholly-owned subsidiary will be treated as being held by the Sub-Fund. The assets and shares of any wholly-owned subsidiary will be held

by the Depositary or an appointed sub-custodian on behalf of the Company. The names of any wholly owned subsidiaries will be disclosed in the annual report in respect of the Sub-Fund.

## 2.14 REFERENCE TO RATINGS

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

## 2.15 REFERENCES TO BENCHMARKS

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

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

## 2.16 CURRENCY HEDGING TRANSACTIONS

When undertaking currency hedging transactions the AIFM or the Investment Manager may utilise a variety of FDI, such as currency futures, options, forward foreign exchange contracts and currency swaps. The AIFM or the Investment Manager may also enter into spot foreign exchange transactions which involve the purchase of one currency with another, a fixed amount of the first currency being paid to receive a fixed amount of the second currency. 'Spot' settlement means that delivery of the currency amounts normally takes place within two business days and therefore spot foreign exchange transactions are not classed as FDI.

There can be no assurance that a Sub-Fund's currency hedging program will be entirely successful.

Where the Investment Manager is of the view that it may not be practicable, economical or desirable to hedge against certain currency exposures, the relevant Sub-Fund (or specific Classes) may not be hedged against such currency risks. In such cases currency exchange rate fluctuations could cause the value of the assets of the relevant Sub-Fund, and/or the value of certain Classes, to increase or decrease over time.

### 2.16.1 Portfolio-Level Currency Hedging

Assets of a Sub-Fund may be denominated in a currency other than the Base Currency, and changes in the exchange rate between the Base Currency and the currency of the assets held may lead to a fluctuation of the value of the relevant Sub-Fund's assets as expressed in the Base Currency.

Where specified in the relevant Supplement, the AIFM or the Investment Manager may engage in portfolio-level currency hedging in respect of a Sub-Fund. The aim of this hedging will be to either partially or fully hedge the currency exposure of the Sub-Fund's underlying assets into the Base Currency.

No assurance can be given that such hedging will be successful. Any such hedging transactions shall be carried out at normal commercial rates. Shareholders should note that further information regarding the various risks associated with currency hedging are set out in the section titled [Risk Factors](#).

### 2.16.2 Share Class Currency Hedging

Where specified in the relevant Supplement, the AIFM or the Investment Manager may engage in share class currency hedging transactions. The aim of this hedging will be to either partially or fully hedge the currency exposure of the assets attributable to a particular Class into the Class Currency.

Such transactions may affect the value of a relevant Class and will be clearly attributable to a particular Class

(although the instrument itself will be an asset/liability of the Sub-Fund as a whole). The costs and any gains or losses associated with Class currency hedging transactions will be allocated solely to the relevant Class.

No assurance can be given that such hedging will be successful. Any such hedging transactions shall be carried out at normal commercial rates. Shareholders should note that further information regarding the various risks associated with currency hedging are set out in the section titled [Risk Factors](#).

Where both portfolio-level and share class currency hedging are applicable, the AIFM or the Investment Manager may effectuate requisite currency hedging transactions concurrently so as to hedge any exchange rate risks between (i) the currencies in which the underlying assets of the Sub-Fund attributable to a Class are denominated and (ii) the Class Currency of each Class being hedged – thereby avoiding any double-hedging costs for the benefit of the Sub-Fund.

## 3 Share Dealing

### 3.1 SUBSCRIPTION FOR SHARES

Under the Articles, the Directors are given authority to effect the issue of Shares and to create new Classes of Shares (in accordance with the requirements of the Central Bank) and have absolute discretion to accept or reject in whole or in part any application for Shares.

#### 3.1.1 Subscription Procedure

An initial application for Shares should be made by submitting a completed Application Form along with supporting documentation referred to therein (including but not limited to documentation relating to money laundering prevention checks and tax status) (the **"Supporting Documentation"**) to the Administrator in original form by post, by fax, email or by approved electronic transmission (which may be signed in electronic form, as set out in the Application Form and where such electronic transmission is in accordance with Central Bank requirements).

In the case of applications submitted by electronic transmission, email or fax, it shall not be necessary to provide the Administrator with the original Application Form provided that the Directors are satisfied that the appropriate controls and procedures are in place to comply with applicable anti-money laundering legislation.

Where an investor is applying to subscribe for Shares via an electronic dealing platform, such investor will be required to subscribe for Shares pursuant to the terms of such electronic dealing platform.

The Application Form contains certain conditions regarding the application procedure for Shares in the Company and certain indemnities in favour of the Company, the relevant Sub-Fund, the AIFM, the Administrator, the Depositary and the other Shareholders.

Applicants for Shares must certify, in writing, that they meet the Qualifying Investor (or Knowledgeable Person) criteria as set out in the AIF Rulebook, and that they are aware of the risk involved in the proposed investment and of the fact that inherent in such investments is the potential to lose all of the sum invested.

Each applicant for Shares that is a U.S. Person must also certify that it is:

- (a) an 'accredited investor' as defined in Rule 501(a) of Regulation D under the Securities Act; and
- (b) Is either (A) a 'qualified purchaser' as defined in Section 2(a)(51) of the Investment Company Act and Rule 2a51-1 thereunder or (B) a 'knowledgeable employee' as defined in defined in

Section 2(a)(51) of the Investment Company Act and Rule 3c-5 thereunder.

Where provided for in the relevant Supplement, each applicant must satisfy the Minimum Initial Subscription Amount applicable to the relevant Class and each Shareholder must retain Shares equivalent to the Minimum Holding Amount applicable to each Class. For the purposes of calculating the Minimum Initial Subscription Amount and the Minimum Holding Amount, the Directors or AIFM may permit the aggregation of; (i) investments received from multiple registered shareholders which are managed or controlled by the same entity; or (ii) holdings of the registered shareholder across Affiliated Funds. For the avoidance of doubt, each investment used for aggregating the Minimum Initial Subscription Amount must not be less than the Regulatory Minimum Subscription.

The Directors or the AIFM reserve the right from time to time to waive any requirements relating to the Minimum Initial Subscription Amount (which in any case will not be less than the Regulatory Minimum Subscription) and the Minimum Holding Amount as and when they determine, at their reasonable discretion. Investors who qualify as Knowledgeable Persons will be exempt from the Regulatory Minimum Subscription requirement.

If an application for Shares is rejected then the Administrator, at the cost and risk of the applicant, will, subject to any applicable laws, return the application monies or the balance thereof, without interest, by electronic transfer to the account from which the monies were paid within five (5) Business Days of the rejection.

A Shareholder may request the withdrawal of a subscription request, in whole or in part, if the request to withdraw the subscription request is received by the Administrator in advance of the relevant Subscription Deadline. Otherwise, a Shareholder may not withdraw a subscription request once submitted unless the Directors or the AIFM determine, in their sole discretion, to permit the withdrawal of such subscription request, in whole or in part.

Any amendments to a Shareholder's registration details or payment instructions will only be made following receipt by the Administrator of appropriately authorised original written instructions from the relevant Shareholder.

#### 3.1.2 Subscription Deadline

Applications for Shares received and accepted by the Administrator prior to the relevant Subscription Deadline for a Sub-Fund in respect of a particular Subscription Day will normally be processed as at that Subscription Day.



Subscription Days and Subscription Deadlines relating to each Sub-Fund are specified in the relevant Supplement.

Any applications for Shares received after the relevant Subscription Deadline for a particular Dealing Day will generally be processed on the next available Dealing Day, subject to the Subscription Deadline, unless the Directors or the AIFM, in their discretion, otherwise determine to accept one or more applications received after the Subscription Deadline but prior to the Valuation Point for that particular Dealing Day.

Applications for Shares in a Sub-Fund received after the relevant Subscription Deadline but prior to the Valuation Point will only be accepted in exceptional circumstances. The exceptional circumstances under which the application was received will also be fully documented by the Directors or the AIFM, as appropriate.

### 3.1.3 Subscription Price

On the Initial Subscription Day, the Initial Subscription Price for Shares in the relevant Class shall be the amount as set out in the relevant Supplement. Thereafter, Shares shall be issued at the Subscription Price.

Investors should note that the Subscription Price may result in Shares being issued at a price which is higher than the Net Asset Value per Share, as the Subscription Price may include provisions for Duties and Charges or the application of an Anti-Dilution Levy. Potential shareholders should therefore note that the cost paid for Shares could exceed their value on the day of issue.

Where provided for in the relevant Supplement, a Preliminary Charge of up to 3% on the issue of Shares may be payable. This charge will be in addition to any Anti-Dilution Levy which may be imposed. It should be noted that the amount paid for Shares issued could exceed their value on the day of issue. Further details regarding the Preliminary Charge are set out in the section titled [Fees and Expenses](#).

### 3.1.4 Payment for Shares

Payment for Shares must be made by close of business on the Subscription Payment Date specified in the relevant Supplement by electronic transfer to the bank account specified in the Application Form, failing which the application will be held over until the following Subscription Day subject to the Subscription Payment Date, unless otherwise determined by the Directors.

Payments must be made in cleared funds in the currency of denomination of the relevant Class.

The Administrator may, in consultation with the AIFM, accept payment in other currencies, but such payments will be converted into the currency of denomination of the relevant Class at the then prevailing exchange rate available to the Administrator and only the net proceeds (after deducting the conversion expenses) will be

applied towards payment of the Subscription Price. This may result in a delay in processing the application, and investors should note that the cost and risk of converting currency in such circumstances will be borne by the investor.

Where the subscription monies are received into the Subscription/Redemption Account from an investor in advance of Shares being issued (as will be the case in the context of a Sub-Fund which operates on a cleared funds basis), such subscription monies will be the property of the relevant Sub-Fund and, accordingly, an investor will be treated as a general unsecured creditor of the Sub-Fund during the period between receipt of subscription monies into the Subscription/Redemption Account and the issue of Shares.

Subscription monies may be transferred from the Subscription/Redemption Account into the Sub-Funds operating account upon receipt and in advance of the Dealing Day. Further information relating to the operation of Subscription/Redemption Accounts is set out in the sub-section titled [Subscription/Redemption Accounts](#) and your attention is also drawn to the risk factor 'Operation of Subscription/Redemption Accounts' in the section titled [Risk Factors](#).

### 3.1.5 Failure to Pay

An applicant for Shares shall be liable to the Company for, and shall indemnify it against, any loss, cost, expense or fees incurred by it or the relevant Sub-Fund arising out of the non-receipt or non-clearance of subscription monies by the relevant Subscription Payment Date. For the avoidance of doubt, the applicant shall not be entitled to any profit or benefit accrued by the Company in respect of such non-receipt or non-clearance of subscription monies.

If payment in full has not been received by the Subscription Payment Date, or in the event of non-clearance of funds, the Directors shall be entitled to charge the applicant interest together with an administration fee. Alternatively, where applicable, the Directors may cancel the issue and allotment of Shares in respect of such application, or may effect a compulsory redemption of such Shares in accordance with the provisions outlined in the sub-section titled [Compulsory Redemption of Shares](#), save that no Redemption Proceeds shall be paid to the relevant Shareholder in such circumstances. In addition, the Company has the right to sell all or part of the applicant's holding of Shares in the relevant Class, any other Class or any other Sub-Fund (if any) in order to meet any losses, costs expenses or fees incurred by the Company or the relevant Sub-Fund arising out of such non-receipt or non-clearance of subscription monies.

For the avoidance of doubt, where Shares are compulsorily redeemed in any of the above circumstances, the relevant Shareholder will not be entitled to any profit arising from such compulsory

redemption of Shares in the event the Redemption Proceeds are worth more than the amount originally subscribed for. The defaulting Shareholder shall also be liable for any loss suffered by the Company in the event that the Redemption Proceeds are less than the amount initially subscribed for.

### 3.1.6 Confirmation of Ownership

Shares will be issued in registered form and will be denominated in the currency specified in the Supplement.

Title to Shares will be evidenced by entering the Shareholder's name on the Register, however no certificates will be issued. Written confirmation of entry on the Register in the form of a contract note will be issued in respect of each purchase of Shares.

The Register shall be available for inspection at the registered office of the Company during normal business hours, but each Shareholder will only be entitled to inspect the entry relating to that Shareholder.

### 3.1.7 In Specie Issues

The Directors may, at their discretion, allot Shares in any Sub-Fund against the vesting in the Depositary or its sub-custodians, on behalf of the relevant Sub-Fund, of investments the nature of which would qualify as suitable investments of the relevant Sub-Fund in accordance with the investment objective, policy and restrictions of the Sub-Fund.

The number of Shares to be issued shall be the number which would, on the day the investments are vested in the Depositary on behalf of the relevant Sub-Fund, have been issued for cash (together with the relevant Preliminary Charge, where applicable) against the payment of a sum equal to the value of the vesting investments.

The value of the investments to be vested shall be calculated by the Directors or their delegate, having consulted with the AIFM, in accordance with the valuation principles described in the section titled [Calculation of Net Asset Value](#), including such sum as the Directors may consider appropriate for Duties and Charges arising in connection with the vesting of the investments in the Depositary on behalf of the relevant Sub-Fund.

Any prospective investor wishing to subscribe for Shares by a transfer in specie of assets will be required to comply with any administrative and other arrangements (including any warranties to the Company in relation to the title of such assets being passed to the Depositary, if applicable) for the transfer specified by the Directors, the AIFM, the Depositary and/or the Administrator. Any in specie transfer will be at the investor's risk, and the costs of such a transfer will be borne by the investor.

Shares will not be issued until the investments have been vested or arrangements are made to vest the investments in the Depositary or its sub-custodian to the Depositary's satisfaction. In addition, the Depositary must be satisfied that the terms of such exchange shall not be such as are likely to result in any material prejudice to the existing Shareholders.

### 3.1.8 Fractions of Shares

Fractions of Shares up to six (6) decimal places may be issued where subscription monies received are insufficient to purchase an integral number of Shares. Subscription monies representing smaller fractions of Shares will not be returned to the applicant but rather will be retained as part of the assets of the relevant Sub-Fund and accordingly will be available to all Shareholders of the Sub-Fund on a pro rata basis based on each Shareholder's holding of Shares.

### 3.1.9 Joint Shareholders

In the case of joint holdings, and unless specifically stated in writing at the time of application and unless written authorisation to the contrary has been received from the other joint Shareholders, all registered joint Shareholders must sign any and all documents or give instructions in connection with that holding. Voting by joint Shareholders is detailed below in the sub-section titled [Voting Rights And Written Resolutions](#).

### 3.1.10 Limitations on Subscriptions

The Directors may, in consultation with the AIFM, reject any application for Shares in whole or in part without giving any reason for such rejection in which event the subscription monies or any balance thereof will, subject to applicable law, be returned without interest, expenses or compensation to the applicant by transfer to the applicant's designated account or by post at the applicant's cost and risk.

Additionally, the Directors may close some or all of the Classes in a Sub-Fund to subscriptions from existing and/or new Shareholders if the assets attributable to the Sub-Fund are at a level, above which, as determined by the Directors, it is not in the best interests of Shareholders to accept further subscriptions – for instance where the size of the Sub-Fund may constrain the ability of the AIFM or the Investment Manager to meet the investment objective.

The Directors may subsequently re-open some or all of the Classes in the Sub-Fund to further subscriptions from existing and/or new Shareholders at their discretion, and the process of closing and potentially re-opening Classes may be repeated thereafter as the Directors may determine from time to time. Shareholders may ascertain the closed or open status of the Classes of a particular Sub-Fund and if those Classes are open to existing and/or new Shareholders by contacting the Administrator. Closing the Classes to

new subscriptions from existing and/or new Shareholders will not affect the redemption rights of Shareholders in such Classes, and such closure will not be classified as a suspension of dealing in the relevant Class.

Shares may not be issued or sold by the Company during the period when calculation of the Net Asset Value of the relevant Sub-Fund is suspended in the manner described in the sub-section titled [Suspension of Calculation of Net Asset Value](#). Applicants for Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

The Directors may at any time limit the amount of subscription applications accepted into the Sub-Fund where such subscription applications exceed the Sub-Fund's capital requirements.

### 3.1.11 Ineligible Applicants

Shares may not be directly or indirectly offered, sold or transferred to an Ineligible Applicant. An Ineligible Applicant is any of the following:

- (a) any person, firm or corporation in breach of any regulatory requirements or law or requirements of any country or governmental authority by virtue of which such person is not qualified to hold Shares including, without limitation, any exchange control regulation;
- (b) any person who is, or any person who has acquired such Shares on behalf of, or for the benefit of an Irish Resident or persons Ordinarily Resident in Ireland other than Exempt Irish Residents;
- (c) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons connected or not, or any other circumstances appearing to the Directors to be relevant) which in the opinion of the Directors might result in the Company or a Sub-Fund incurring any liability to taxation or suffering any legal pecuniary, regulatory or material administrative or economic or fiscal disadvantage which the Company might not otherwise have incurred or suffered;
- (d) any person who is not a Qualifying Investor or a Knowledgeable Person;
- (e) any person who is, or any person who has acquired such Shares on behalf of, or for the benefit of a U.S. Person who is not an Eligible U.S. Person and who does not meet the suitability requirements set forth in the Application Form;
- (f) any person or entity who are 'employee benefit plans' or 'benefit plan investors' or who purchase Shares with funds that are 'plan assets' pursuant to

ERISA and all applicable regulations thereunder, or plans, individual retirement accounts or other arrangements that are subject to Section 4975 of the Code;

- (g) any person whose holding would cause (or which the Company, or the Administrator acting on the Company's instructions, suspects would cause) the Company to become non-compliant with FATCA;
- (h) any individual under the age of 18 (or such other age as the Directors think fit); or
- (i) any other person determined by the Directors, including but not limited to, any person or entity, whose holding would cause or be likely to cause the Company to be required to register as an 'investment company' under the United States Investment Company Act of 1940, or to register any class of its securities under the Securities Act or similar statute.

Any additional restrictions on investors applicable to a particular Sub-Fund or Class may be specified in the relevant Supplement.

Where a person becomes aware that he is holding Shares in contravention of restrictions imposed by the Directors, such person shall forthwith request the redemption of his Shares or request to transfer them to a person eligible to hold the Shares.

The Directors or the AIFM have the power to compulsorily redeem any Shares held or beneficially owned by an Ineligible Applicant as described in further detail in the section titled [Compulsory Redemption of Shares](#). The Directors may, at their sole discretion, compulsorily redeem and/or cancel such number of Shares held by an Ineligible Applicant as is required to discharge any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by an Ineligible Applicant.

Any person who holds Shares in contravention of restrictions imposed by the AIFM and the Directors and who, in the opinion of the AIFM, is an Ineligible Applicant will indemnify the Company, the Directors, the Administrator, the Depositary, the AIFM, the Investment Manager, a Sub-Investment Manager, an Investment Advisor, the Distributor and Shareholders for any loss, costs, damages or tax suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company.

### 3.1.12 Anti-Money Laundering Provisions

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the applicant's identity, address and source of funds and where applicable the identity of the beneficial owners of the applicant and/or of any underlying investor on whose behalf Shares are being acquired. Politically exposed persons ("PEPs"), defined as individuals who

are or have, at any time in the preceding twelve months, been entrusted with prominent public functions, and the immediate family members, or persons known to be close associates of such persons, must also be specifically identified.

The Company, or the Administrator acting on behalf of the Company, reserves the right to request such information as is necessary to verify the identity of an applicant for Shares and where applicable the beneficial owner of an applicant and in a nominee arrangement, the beneficial owner of the Shares in the relevant Sub-Fund. In particular, each reserve the right to carry out additional procedures in relation to an applicant who is classed as a PEP.

### **AML - Initial Application**

Verification of the applicant's identity is required to take place before the establishment of the business relationship and no Shares will be issued until anti-money laundering verification checks have been conducted to the Administrator and Company's satisfaction.

The types of documentation that may be requested by the Administrator in order to comply with anti-money laundering prevention checks will vary depending on whether the applicant is an individual investor or a corporate investor. Details of the requirements are set out in the Application Form and are also available on request from the Administrator.

In the event of delay or failure by the applicant to produce any information required for anti-money laundering verification purposes, the Administrator acting on behalf of the Company, may refuse to accept the application and subscriptions monies and, subject to applicable law, return subscription monies to the account from which it was paid at the cost and risk of the applicant and/or payment of redemption proceeds may be delayed (no redemption proceeds will be paid if the Shareholder fails to produce such information).

None of the Company, the Directors, the AIFM or the Administrator shall be liable to an applicant for any loss arising where an application for Shares is not processed due to a failure by the applicant to provide the documentation requested by the Company or by the Administrator on behalf of the Company.

### **AML – Ongoing Monitoring**

The Administrator will also conduct ongoing monitoring of the business relationship with Shareholders in order to comply with the applicable Irish anti-money laundering obligations and may require additional or refreshed anti-money laundering verification documentation on request.

The Company, or the Administrator acting on behalf of the Company, may refuse to pay or delay payment of

Redemption Proceeds where the requisite information for ongoing AML monitoring and verification purposes has not been produced by a Shareholder and none of the Company, the Directors, the AIFM or the Administrator shall be liable where payment of Redemption Proceeds are delayed in such circumstances.

For further information regarding the actions which the Company may take in circumstances where a Shareholder fails to comply with the Company and Administrator's ongoing AML verification checks refer to the sub-section below titled [Payment of Redemption Proceeds](#).

The Company, or the Administrator on behalf of the Company, may impose additional requirements from time to time to comply with all applicable anti-money laundering laws.

### **3.1.13 Beneficial Ownership Regulations**

The Company, or the Administrator on behalf of the Company, may request information as may be required for the establishment and maintenance of the Company's beneficial ownership register in accordance with the Beneficial Ownership Regulations.

Under the Beneficial Ownership Regulations, the Company shall be obliged to file certain information about its Beneficial Owners (including name, nationality, country of residence, social security number and details of interest held in the Company) with a central register which will be accessible to the public.

### **3.1.14 FATCA**

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

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

value of the Shares held by all Shareholders may be materially affected.

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

### 3.1.15 CRS

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

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

The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions.

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

### 3.1.16 Data Protection

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

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

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

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

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

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

### 3.1.17 Abusive Trading Practices

The Company generally encourages Shareholders to invest in the Sub-Funds as part of a medium to long-term investment strategy.

The AIFM and/or an Investment Manager, on behalf of the Company, seeks to deter and prevent certain trading practices, such as excessive short-term trading, sometimes referred to as ‘market timing’ which may have a detrimental effect on the Sub-Funds and their Shareholders. To the extent that there is a delay between a change in the value of a Sub-Fund’s investments, and the time when that change is reflected in the Net Asset Value of the Sub-Fund’s Shares, the relevant Sub-Fund is exposed to the risk that investors may seek to exploit this delay by purchasing or redeeming Shares at Net Asset Values that do not reflect



appropriate fair value prices. The AIFM and/or an Investment Manager shall seek to deter and prevent this activity.

The AIFM and/or an Investment Manager seek to monitor Shareholder account activities in order to detect and prevent excessive and disruptive trading practices. The Company reserves the right to restrict or refuse any subscription or switching transaction if it considers the transaction may adversely affect the interests of a Sub-Fund or its Shareholders. If an application is rejected, the Administrator, at the risk of the applicant, will return the application monies or the balance thereof, at the cost and risk of the applicant and without interest, by bank transfer to the account from which it was paid.

## 3.2 REDEMPTION OF SHARES

Subject to any limitations which may be specified herein or in the relevant Supplement, a Shareholder may request the redemption of all or part of their Shares (not being Side Pocket Shares or Liquidating Side Pocket Shares) on any Redemption Day.

### 3.2.1 Redemption Procedure

Redemption requests may be made in original form by post, by fax or email or by using an established electronic dealing platform. Redemption requests will only be accepted electronically where the Shareholder has accepted the terms and conditions of use of such service.

Details relating to the redemption of Shares, including the Redemption Day, the Redemption Deadline and the Redemption Payment Date, are set out in the relevant Supplement in respect of each Sub-Fund.

Redemptions will not be processed on non-cleared/verified accounts.

### 3.2.2 Redemption Deadline

Redemption requests received on or prior to the Redemption Deadline specified in the relevant Supplement will, subject to the provisions outlined in the sub-section titled [Limitations on Redemptions](#), normally be dealt with on the relevant Redemption Day.

Redemption requests received after the Redemption Deadline for a particular Redemption Day will normally be treated as having been received in respect of the next Redemption Day. The Directors or the AIFM may, on an exceptional basis, accept redemption requests received after the Redemption Deadline, provided that these requests have been received before the relevant Valuation Point. The exceptional circumstances under which the application was received will be documented by the Directors or the AIFM, as appropriate.

### 3.2.3 Redemption Price

Redemption requests will be processed at the Net Asset Value per Share of the relevant Class on the relevant Redemption Day and shall be repaid to redeeming Shareholders at the Redemption Price, or, where provided for in the relevant Supplement, at the Redemption Price less any applicable Redemption Charge. Such charge will be in addition to any Anti-Dilution Levy and/or Duties and Charges which may be imposed (and incorporated into the Redemption Price). Potential Shareholders should therefore note that payments received for Shares redeemed could be less than the Net Asset Value per Share on the relevant Redemption Day.

### 3.2.4 Payment of Redemption Proceeds

The amount due on redemption of Shares will be paid by electronic transfer at the risk and expense of the relevant Shareholder to the bank account specified in the Application Form, or to an account as subsequently notified to the Administrator in writing. Payment of Redemption Proceeds will be made to the account of the registered Shareholder or in favour of the joint registered Shareholders as appropriate.

Redemption Proceeds are payable in the Base Currency of the relevant Class (or such other currency as the Directors shall determine and agree in advance with the relevant Shareholders) by the Redemption Payment Date.

Redemption Proceeds payable to an investor subsequent to the Redemption Day as of which the Shares were redeemed (and at which point consequently the investor is no longer a Shareholder of the Sub-Fund) are held in a Subscription/Redemptions Account and will be treated as an asset of the relevant Sub-Fund until paid to investors. Such investors will therefore be unsecured creditors of the relevant Sub-Fund with respect to such Redemption Proceeds.

The Company, or the Administrator acting on behalf of the Company, may refuse to pay, or delay payment of, Redemption Proceeds, beyond the Redemption Payment Date, where, for example, the requisite information for ongoing AML monitoring and verification purposes has not been produced by a Shareholder. In such circumstances where a redemption request is received, the Administrator may process the redemption request received from the relevant Shareholder, however, the Redemption Proceeds will be held in a Subscription/Redemption Account until such time as the Administrator and Company are satisfied that its anti-money laundering and terrorist financing procedures have been fully complied with, following which Redemption Proceeds will be released. Further information relating to the operation of the Subscription/Redemption Accounts is set out in the sub-section titled [Subscription/Redemption Accounts](#) and your attention is also drawn to the risk factor 'Operation

of Subscription/Redemption Accounts' in the section titled [Risk Factors](#).

The Company will be required to withhold Irish tax on Redemption Proceeds, at the applicable rate, unless it has received from the Shareholder a Relevant Declaration in the prescribed form, confirming that the Shareholder is not an Irish Resident nor Ordinarily Resident in Ireland. When a redemption request has been submitted by an investor who is or is deemed to be an Irish Resident or is acting on behalf of an Irish Resident, the Company shall be entitled to deduct or withhold from the Redemption Proceeds an amount which is equal to the tax payable by the Company to the Revenue Commissioners in respect of the relevant transaction.

In addition, if the disposal, redemption or transfer of Shares by a Shareholder or a distribution to a Shareholder gives rise to a liability to taxation or withholding tax, the Directors shall be entitled to: (i) deduct from the payment due to such Shareholder an amount sufficient to discharge the tax liability (including any interest or penalties thereon); (ii) refuse to register any transfer which gives rise to such a liability; or (iii) appropriate and cancel such number of Shares held by such Shareholder as has a value sufficient to discharge the tax liability (including interest or penalties thereon).

### 3.2.5 Timing of the Payment

Subject to any limitations outlined below, Redemption Proceeds will, under normal circumstances, be paid by the Redemption Payment Date specified in the Supplement for the relevant Sub-Fund.

Notwithstanding the above, if the AIFM or the Investment Manager requests the redemption of an underlying investment in order to satisfy a redemption request from a Shareholder, and if redemption monies in respect of that underlying investment are not received in time to satisfy the relevant redemption request for any reason whatsoever, the AIFM, as advised by the Investment Manager, a Sub-Investment Manager or any Investment Advisor, as appropriate, may schedule the payment of the redemption monies in respect of such Shares in a manner that the AIFM believes will treat Shareholders in a fair and equal manner during the period when such an underlying investment is or may be illiquid. Such a schedule may include delays in the payment of all or a portion of Redemption Proceeds, and/or the payment of all or a portion of Redemption Proceeds in several instalments.

### 3.2.6 Redemptions In Specie

The Company may, at the discretion of the Directors, and upon request, or by consent, of the relevant Shareholder satisfy any request for redemption of Shares by the transfer to those redeeming Shareholder(s) investments held by the relevant Sub-Fund having a value equal to the Redemption Price for the Shares

redeemed, as if the Redemption Proceeds were paid in cash less any Redemption Charge and other expenses of the transfer as the Directors may determine.

A determination to provide a redemption in specie may be made solely at the discretion of the Directors where the redeeming Shareholder requests a redemption of a number of Shares that represent five (5) percent or more of the Net Asset Value of any Sub-Fund, provided that any Shareholder requesting redemption and receiving in specie payment shall be entitled to request the sale of any asset or assets proposed to be distributed in specie and the distribution to such Shareholder of the cash proceeds net of the costs of such sale.

The nature and type of assets to be transferred in specie to a redeeming Shareholder shall be determined by the Directors, in consultation with the AIFM (subject to the approval of the Depositary as to the allocation of assets) on such basis as the Directors, in their discretion, shall deem equitable and provided that the Depositary is satisfied that the terms of the exchange will not be such as are likely to result in any material prejudice to the remaining Shareholders in the relevant Sub-Fund or Class.

### 3.2.7 Limitations on Redemptions

For any redemption, the AIFM is obliged to manage a Sub-Fund with a view to attaining the Sub-Fund's investment objectives in conformity with the investment guidelines. Such an obligation must be balanced with the AIFM's obligation to manage the Sub-Fund to pay out redemption proceeds, and may give rise to a conflict of interest. For further discussion, see the section titled [Conflicts of Interest](#).

### Deferred Redemptions

Where a Sub-Fund is structured as an Open-Ended Fund with Limited Liquidity, the Directors may, in their discretion, refuse to redeem any Shares on any Redemption Day if the AIFM or the Investment Manager does not expect to receive sufficient funds from the liquidation of investments held by the relevant Sub-Fund and, if it so refuses, the Shares which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Redemption Day until all Shares to which the original request related have been redeemed.

### Redemption Restriction

In the case of Open-Ended Funds or Open-Ended Funds with Limited Liquidity, in the event that valid requests for redemption in respect of a particular Redemption Day exceed a threshold amount as may be set out in the relevant Supplement, or such higher amount as may be determined by the Directors, the Directors may, in their sole discretion, limit the proportion of Shares available for redemption in respect of that particular Redemption Day (the "Redemption Restriction").

Where aggregated redemption requests are submitted in respect of a particular Redemption Day that would result in the Redemption Restriction being exceeded, all redemption requests of such Redemption Day shall be pro rata reduced and the Shares to which each request relates which are not redeemed by reason of such Redemption Restriction shall be treated as if a request for redemption had been made in respect of each subsequent Redemption Day until all the Shares to which the original request related have been redeemed.

Requests for redemption which have been carried forward from an earlier Redemption Day shall be treated equally with all other Shareholders seeking timely redemption of their Shares on that Redemption Day.

The Directors or their delegate, as advised by the AIFM, shall notify redeeming Shareholders whose redemption requests are subject to a Redemption Restriction of the pro rata portion of their respective redemption requests that will be accepted by the Company in respect of each Redemption Day.

Any unsatisfied portion of a redemption request will remain invested in the relevant Sub-Fund and, therefore, Shareholders will continue to have exposure to the Sub-Fund's investments, until such portion is redeemed in full.

Notwithstanding the above, the Directors reserve the right to waive or amend any Redemption Restriction in their absolute discretion having regard to the liquidity profile of a Sub-Fund and the interests of the remaining shareholders of the Sub-Fund.

### Temporary Suspension of Redemptions

The Directors may declare a temporary suspension of redemptions in any Sub-Fund during any of the circumstances outlined in the sub-section titled [Suspension of Calculation of Net Asset Value](#).

A suspension of redemptions may correspond with a suspension of the calculation of the Net Asset Value of the relevant Sub-Fund, however, the Directors reserve the right to continue to calculate the Net Asset Value of a Sub-Fund notwithstanding any suspension of dealing, provided that such figures shall be indicative only and shall not be used as the basis for dealing in Shares of a Sub-Fund of the Company.

The Company may not redeem Shares of any Sub-Fund during any period when the calculation of the Net Asset Value per Share of the relevant Sub-Fund is suspended in the manner described in the sub-section titled [Suspension of Calculation of Net Asset Value](#). Any total suspension of redemptions will be notified, without delay, to the Central Bank and to the competent authorities of any EU Member State in which the relevant Sub-Fund markets its Shares.

Shareholders will be notified of any such suspension, and Shareholders who have submitted redemption requests may withdraw such requests provided that notice of withdrawal is received by the Administrator prior to the termination of the suspension. Unless withdrawn, redemption requests will be processed on the first Dealing Day for the relevant Sub-Fund after the suspension has been lifted.

### Side Pockets and Liquidating Side Pocket Classes

Shares held in a Side Pocket Class or a Liquidating Side Pocket Class are redeemable only at the discretion of the Directors.

Where a Shareholder submits a redemption request for Shares in respect of a Redemption Day and, either (i) between such submission and such Redemption Day or (ii) on that same Redemption Day, the Directors decide to create a Side Pocket Class or deem it appropriate to create or a Liquidating Side Pocket Class for the benefit of redeeming Shareholders in accordance with the Articles and as described above in the sub-section titled [Classes of Shares](#), the creation of the Side Pocket Class or Liquidating Side Pocket Class shall be deemed to occur first in time and such redemption request shall be deemed to apply only to the redeemable Shares held by that Shareholder following the creation of the Side Pocket Class or, where a Liquidating Side Pocket Class is created, then the redemption of such Liquidating Side Pocket Shares will be in accordance with the process described in the sub-section titled [Side Pocket and Liquidating Side Pocket Classes](#).

### 3.3 COMPULSORY REDEMPTION OF SHARES

The Company or the AIFM may compulsorily redeem Shares in the following circumstances:

- (a) if the Directors are of the view that the Shares are held by or on behalf of an Ineligible Applicant;
- (b) if a Shareholder does not provide cleared settlement monies by the relevant Subscription Payment Date;
- (c) if a Shareholder does not supply any information or declarations (including for the avoidance of doubt anti-money laundering documents) requested by the Company or its delegate;
- (d) if a Shareholder, other than as a result of depreciation in the value of his holding, holds less than the Minimum Holding Amount for a particular Sub-Fund or Class;
- (e) where such redemption is required for the purpose of satisfying any Performance Fee (including in respect of any Contingent Redemption) payable by that Shareholder to the AIFM or the Investment Manager;



- (f) in order to settle or discharge any tax liability (including any interest or penalties thereon) incurred by the Company as the result of the disposal, redemption or transfer of Shares by a Shareholder;
- (g) if required to effect a redemption of a percentage of a Shareholders holding which shall equal the Net Asset Value represented by side pocketed assets identified in the relevant Sub-Fund and Side Pocket Shares shall be issued in proportion to the relevant Shareholder's holding of Shares in the Sub-Fund;
- (h) if the Directors consider that it is in the best interests of the Shareholders of the relevant Sub-Fund; or
- (i) in order to effect the closure of a Sub-Fund or Class in accordance with the sub-section titled [Closure of Sub-Funds or Classes](#).

The decision to effect a compulsory redemption in the circumstances above, is solely at the discretion of the Company or the AIFM.

In all cases of compulsory redemption, the Company or the AIFM retain the right to determine the Redemption Day for the redemption.

Where Shares have been compulsorily redeemed by the Company or the AIFM as a result of a failure to provide any information, documentation or declarations required by the Company or the Administrator in order to comply with applicable anti-money laundering and counter-terrorist financing laws, the proceeds of such compulsorily redemption shall be held in the Subscription/Redemption Account.

### 3.4 SUBSCRIPTION/REDEMPTION ACCOUNTS

The Company operates a separate Subscription/Redemption Account for each Sub-Fund in accordance with the requirements of the Central Bank.

All subscription monies received from investors in advance of the issue of Shares, all redemption monies due to investors who have redeemed Shares and all dividend monies owing to Shareholders are held in the Subscription/Redemption Account until paid to the relevant Sub-Fund or Shareholder as the case may be.

Accordingly, monies in each Subscription/Redemption Account are deemed assets of the relevant Sub-Fund and shall not have the protection of the Investor Money Regulations (i.e. such monies will not be held on trust as investor monies for the relevant investor). Investors will be treated as a general unsecured creditors of the Sub-Fund with respect to the monies held in the Subscription/Redemption Account.

It should be noted, however, that the Depositary will monitor each Subscription/Redemption Account in

performing its cash monitoring obligations and ensure effective and proper monitoring of the Company's cash flows in accordance with its obligations as prescribed under the AIFMD Regulations.

Nonetheless, there remains a risk for investors where monies are held by the Company for the account of a Sub-Fund in a Subscription/Redemption Account if that Sub-Fund becomes insolvent. In the event of the insolvency of a particular Sub-Fund, there is no guarantee that the Sub-Fund will have sufficient funds to pay unsecured creditors and in such circumstances investors will be entitled to a pro-rata share of the monies (if any) which are made available to all unsecured creditors by the insolvency practitioner. Therefore, investors may not recover all monies originally paid into any such Subscription/Redemption Account on their behalf.

It should be noted that any redemption monies or dividend monies which remain in the Subscription/Redemption Account as a result of failure to provide information required for verification purposes for a period of more than 6 years (or such shorter period as may be agreed by the relevant Shareholder in the Application Form or otherwise) from the date when such monies became payable to the Shareholder shall be forfeited and revert to the relevant Sub-Fund.

## 3.5 CONVERSION OF SHARES

### 3.5.1 Voluntary Conversion

Subject to the Minimum Initial Subscription Amount and Minimum Holding Amount of the relevant Class (if any) and any other restrictions set down in the relevant Supplement, Shareholders can request to convert, on any Dealing Day, all or part of their holding of Shares in any Class (the "**Original Class**") for Shares of another Class (such Class being in the same Sub-Fund) which are being offered at that time (the "**New Class**"), provided that the prior consent of the Directors has been obtained.

Requests for conversion of Shares should be made to the Company, care of the Administrator, by post, facsimile or electronically and must include such information as may be specified from time to time by the Director or the Administrator.

Requests for conversion of Shares should be received by the Administrator prior to the relevant Subscription Deadline in the New Class. The Directors may, on an exceptional basis, agree to accept requests for conversions received after the relevant Subscription Deadline provided they are received prior to the relevant Valuation Points.

The general provisions and procedures relating to the issue and redemption of Shares will apply equally to conversions, save in relation to charges payable for

which details are set out below and in the relevant Supplement.

Conversion requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

When requesting the conversion of Shares as an initial investment in a Sub-Fund, Shareholders should ensure that the value of the Shares converted is equal to, or exceeds, the Minimum Initial Subscription Amount for the relevant New Class specified in the relevant Supplement. In the case of a conversion of a partial holding only, the value of the remaining holding must also be at least equal to the Minimum Holding Amount for the Original Class.

The number of Shares of the New Class to be issued will be calculated in accordance with the following formula:

$$NNS = \frac{(NOS \times POS \times EXR)}{PNS}$$

where:

NNS = is the number of Shares of the New Class;

NOS = is the number of Shares of the Original Class;

POS = is the price of the Shares of the Original Class on the relevant Dealing Day, being the Net Asset Value per Share as of the immediately preceding Valuation Day less any amount, as may be determined by the Directors, to reflect (i) Duties and Charges and/or (ii) an Anti-Dilution Levy;

EXR = is the exchange rate used for currency conversions (if any) as determined by the Administrator or its delegate; and

PNS = is the price of the Shares of the New Class on the relevant Dealing Day, being the Net Asset Value per Share as of the immediately preceding Valuation Day less any amount, as may be determined by the Directors, to reflect (i) Duties and Charges and/or (ii) an Anti-Dilution Levy.

### 3.5.2 Compulsory Conversion of Shares

The Company or the AIFM may compulsorily exchange all or any Shares of one Class in a Sub-Fund (the "**X Class**") for Shares of any Class of the same Sub-Fund (the "**Y Class**") by providing advance written notice to Shareholders in the X Class (the "**Compulsory Exchange Notice**") on the following terms:

- (a) The exchange of the Shares specified in the Compulsory Exchange Notice shall occur on the Dealing Day specified in the Compulsory Exchange Notice (the "**Compulsory Exchange Date**");
- (b) Exchange of the Shares of the X Class as specified in the Compulsory Exchange Notice shall be effected as follows:-
  - 1) Shares in the X Class shall be redeemed by the issue of Shares in the Y Class; and
  - 2) The Shares of the Y Class shall be issued in respect of and in proportion to the holding of the Shares of the X Class which is being exchanged;
- (c) The Company or the AIFM shall determine the number of Shares of the Y Class to be issued on exchange in accordance with the formula outlined in the sub-section titled [Voluntary Conversion](#). In applying the formula, the X Class will be the 'Old Class' and the 'Y Class' will be the 'New Class'; and
- (d) The compulsory exchange shall not result in the Shareholders holding Shares of the Y Class which are subject to less favourable terms than those terms applicable to the X Class (unless otherwise agreed with the relevant Shareholder).

If Shareholders receive a Compulsory Exchange Notice and do not wish to receive Shares in the Y Class, they may, in advance of the Compulsory Exchange Date and in accordance with any limitations on redemptions provided for in the relevant Supplement, redeem their Shares in the X Class in accordance with the standard redemption procedure for the X Class.

### 3.5.3 Limitations on Conversion

Shares may not be converted for Shares of a different Class during any period when the calculation of the Net Asset Value of the relevant Sub-Fund or Sub-Funds is suspended in the manner described under the sub-section titled [Suspension of Calculation of Net Asset Value](#). Applicants for conversion of Shares will be notified of such postponement and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

## 3.6 TRANSFER OF SHARES

In order to transfer Shares, the transferor and the transferee may be required to execute the Transfer Agreement as shall be provided by the Administrator upon request. Transferees will also be required to complete an Application Form and provide any other documentation reasonably required by the Administrator in accordance with the procedure outlined in the sub-section titled [Subscription for Shares](#). No transfer will be registered until such time as all requested documents have been provided to the Administrator by the transferee.

Transfers of Shares to an Ineligible Applicant are not permitted and registration of any transfer may be refused by the Directors if, following the transfer, either transferor or transferee would hold Shares having a value less than the Minimum Holding Amount for that Class specified in the relevant Supplement.

The Directors may further, in their absolute discretion and without assigning any reason therefore, decline to register any transfer of a Shares.

## 4 Valuation Principles

### 4.1 CALCULATION OF NET ASSET VALUE

The AIFM is responsible for ensuring that the Net Asset Value per Share is calculated and disclosed to Shareholders. The procedures and methodology for calculating the Net Asset Value per Share are summarised below. As part of its control function, the AIFM shall regularly verify and update as necessary these calculation procedures and methodologies.

The Articles provide for the Administrator to calculate the Net Asset Value of each Sub-Fund, each Class and the Net Asset Value per Share in respect of each Sub-Fund or Class as at the Valuation Point with respect to each Valuation Day.

The Articles provide for the AIFM to determine the value of the Company's assets. Each Sub-Fund is considered to be a distinct portfolio of assets.

Due to the nature of the assets in which the Sub-Funds may invest, the prices of the underlying investments may not be available to the AIFM on the Valuation Day. Accordingly, although the Net Asset Value of each Sub-Fund and the Net Asset Value per Share of each Class will be calculated as at the Valuation Point on each Valuation Day, the calculation will normally not be finalised until the Valuation Day immediately following such Valuation Day.

The Net Asset Value of each Sub-Fund will be calculated by the Administrator in accordance with the Articles with respect to each Valuation Day as at the Valuation Point, by valuing the assets of each Sub-Fund (including income accrued but not collected) and deducting the liabilities of each Sub-Fund (including a provision for Duties and Charges and accrued expenses and fees as the AIFM or its delegate deem appropriate). The Net Asset Value of a particular Sub-Fund will be expressed in the Base Currency. The Net Asset Value per Share of a Sub-Fund shall be calculated by dividing the Net Asset Value by the total number of Shares in issue or deemed to be in issue in such Sub-Fund on the relevant Valuation Day.

When, due to either holidays or weekends, two Valuation Days for a Sub-Fund precede a single Dealing Day, the Administrator, with the agreement of the AIFM may calculate the Net Asset Value for the relevant Sub-Fund only on one of the Valuation Days, which will be used for the relevant Dealing Day.

The Net Asset Value per Class will be calculated by deducting the liabilities of the Sub-Fund attributable to a Class (which may include, in respect of each Class and Valuation Day, any cost or profit arising from any Class currency hedging, and the portion of fees and expenses attributable to such Class, including the Management and Performance Fees specified in the relevant

Supplement and any other Class specific adjustment) from the assets of the Sub-Fund attributable to such Class. The Net Asset Value per Share of a Class shall be determined by dividing the Net Asset Value per Class by the number of Shares in such Class then in issue. Any increase or decrease in the value of the assets of the Sub-Fund attributable to a Class will be allocated to the relevant Class based on the previous relative Net Asset Value per Class (adjusted for subscriptions and redemptions).

The AIFM is responsible for ensuring that proper and independent valuation of the assets of each Sub-Fund can be performed.

The assets and liabilities of each Sub-Fund will be valued in accordance with the valuation policy of the AIFM and consistent with the provisions outlined below. Specific details on the method of valuation of the assets and liabilities of each Sub-Fund are set out in the valuation policy of the AIFM and include the following:

- (a) details of the competence and independence of the personnel who are effectively carrying out the valuation of assets;
- (b) the specific investment strategies of the Company;
- (c) the controls over the selection of valuation inputs and the assets that the Company might invest in;
- (d) the escalation channels for resolving differences in values for assets;
- (e) the valuation of any adjustments related to the size and liquidity of positions, or to changes in the market conditions, as appropriate;
- (f) the appropriate time for closing the books for valuation purposes; and
- (g) the appropriate frequency for valuing assets.

Any variation from the models used to value the assets of the Company shall be explained and justified in an update to the AIFM's valuation policy including the reason for the change of the method, and details on the new method and the rationale for using it.

The method of calculating the value of the assets of each Sub-Fund is as follows:

- (a) Instruments or securities which are quoted, listed or dealt in on any stock exchange or market and for which market quotations are readily available shall be valued at the closing price. Where any such instrument or security is listed or dealt in on more than one stock exchange or market the AIFM may select the principal stock exchange or market on which such instrument or security is listed or dealt on for the foregoing purposes. The value of any instrument or security which is not quoted, listed or dealt in on a stock exchange or which is so quoted, listed or dealt but for which no such quotation or value is available shall be the probable

realisation value as estimated with care and good faith by the AIFM or a competent person, firm or corporation appointed by the AIFM (including the Administrator, stockbroker, investment manager of an underlying fund or other professional person) and approved for the purpose by the Depositary;

- (b) Assets which are quoted, listed or regularly traded on any stock exchange or market but acquired or traded at a premium or at a discount may be valued taking into account the level of premium or discount as at the date of valuation of the investment with the approval of the Depositary. The AIFM shall use reasonable endeavours to ensure that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the asset;
- (c) Cash will be valued at face value with interest accrued, where applicable, as at the Valuation Point unless in any case the AIFM is of the opinion that such assets are unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as may be considered appropriate in such case, by the AIFM or a competent person appointed by the AIFM and approved for the purpose by the Depositary, to reflect the true value thereof;
- (d) The value of each unit, share or other interest in collective investment schemes shall be the last published final net asset value per unit, share or other interest in such collective investment schemes as of or reasonably close to the relevant Valuation Day (where available) or (if the same is not available) its estimated net asset value as of or reasonably close to such relevant Valuation Day. If no net asset value, whether final or estimated, is available, as provided in the preceding sentence, the relevant asset shall be valued at its probable realisation value as estimated with care and good faith by the AIFM or a competent person appointed by the AIFM and approved for this purpose by the Depositary;
- (e) FDI traded on a regulated market shall be valued at the closing settlement price as determined by the relevant market. If the closing settlement price is not available, the value shall be the probable realisation value estimated with care and in good faith by the AIFM or a competent person selected by the AIFM and approved for the purpose by the Depositary. Derivative contracts which are not traded on a regulated market and not cleared by a clearing counterparty (each an “**OTC derivative**”) will be valued in accordance with market practice subject to the valuation provisions detailed in Article 11 of Regulation (EU) No. 648/2012 on OTC derivatives, central counterparties and trade repositories (EMIR) and the related Commission Delegated Regulation No 149/2013. Derivative contracts which are not traded on a regulated market and which are cleared by a central

counterparty shall be valued on the basis of a quotation provided by the relevant counterparty and verified periodically by a party independent of the counterparty selected for such purpose by the Director;

- (f) Forward contracts shall be valued by reference to the latest available prices as at the Valuation Point or, if not traded, by reference to the price at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken;
- (g) Any investment with a known residual maturity date of less than six months may be valued using the amortised cost method of valuation whereby the investment is valued at its acquisition cost adjusted for amortisation of a premium or accretion of a discount on the investments;
- (h) The AIFM or its delegate may adjust the value of any assets if, in relation to currency, marketability, applicable interest rates, anticipated rates of dividend maturity, dealing costs and/or such other considerations as they deem relevant, if they consider that such adjustment is required to reflect the fair value thereof;
- (i) If it is impossible or impractical to carry out a valuation of a specific asset in accordance with the valuation rules set out in paragraphs (a) to (h) above, the AIFM, or a competent person appointed by the AIFM and approved for the purpose by the Depositary, are entitled to use such other generally recognised valuation method as is approved by the Depositary in order to reach a fair valuation of such asset; and
- (j) Any value expressed otherwise than in the Base Currency of the relevant Sub-Fund (whether of an investment or cash) and any borrowing in a currency other than the Base Currency of the relevant Sub-Fund shall be converted into the Base Currency at the rate (whether official or otherwise) which the AIFM or a competent person appointed by the AIFM and approved for the purpose by the Depositary deems appropriate in the circumstances.

In calculating the Net Asset Value, appropriate provisions will be made to account for the charges and fees payable by and other liabilities of the relevant Sub-Fund as well as accrued income on the Sub-Fund's investments.

Where currency hedging strategies are used in relation to a Class of a Sub-Fund, the financial instruments used to implement such strategies shall be deemed to be assets or liabilities (as the case may be) of the relevant Sub-Fund as a whole but the gains or losses on such financial instruments will be attributable solely to the relevant Class.

Adjustments and revisions may be made to the Net Asset Value following the year-end audit of the

Company or receipt of updated prices from underlying investments.

The AIFM may instruct the Administrator to recalculate a previously calculated Net Asset Value where it has determined that the relevant Net Asset Value has not been calculated correctly in accordance with the valuation provisions and may instruct the Administrator to make appropriate adjustments to the Register to reflect the revised Net Asset Value and/or take such other steps as are deemed necessary in the circumstances.

Without prejudice to its general powers to delegate its functions, the AIFM may delegate any of their functions in relation to the calculation of the Net Asset Value to a committee of the AIFM or to any other duly authorised person. In the absence of wilful misconduct or manifest error, every decision taken by the AIFM or any committee of the AIFM or any duly authorised person on behalf of the AIFM in calculating the Net Asset Value shall be final and binding on the Company and present, past or future Shareholders.

## 4.2 NAV-BASED ADJUSTMENTS

### 4.2.1 Swing Pricing

Where specified in the relevant Supplement, in calculating the Net Asset Value of a Sub-Fund, the AIFM may value the investments of a Sub-Fund at lowest market dealing bid or exit prices where on any Dealing Day the value of all redemption requests received exceeds the value of all applications for Shares received for that Dealing Day ("**Net Redemptions**") or at highest market dealing offer prices or entry prices where on any Dealing Day the value of all applications for Shares received for that Dealing Day exceeds the value of all redemption requests received for that Dealing Day ("**Net Subscriptions**"), in each case in order to preserve the value of the Shares held by existing Shareholders. This valuation policy shall be applied consistently throughout the life of the relevant Sub-Fund.

### 4.2.2 Swing Factor

Under certain circumstances and where provided in the Supplement relating to a Sub-Fund, the AIFM has the power to adjust the Net Asset Value of a Sub-Fund upwards or downwards by a percentage (the "**Swing Factor**") to be determined from time to time at the AIFM's discretion, for Net Subscription or Net Redemption applications received in relation to that Sub-Fund.

The primary goal of the of the application of the Swing Factor to adjust the Net Asset Value of a Sub-Fund is to cover the transaction costs, tax burdens or bid/offer spreads that are incurred by the relevant Sub-Fund due to the receipt of Net Subscriptions or Net Redemptions

for a particular Sub-Fund. Existing Shareholders are not required to bear these costs, as these costs are directly integrated into the calculation of the Net Asset Value and are therefore borne by incoming and outgoing Investors.

The adjustments to the Net Asset Value of the relevant Sub-Fund shall be identical for all Subscriptions / Redemptions dealt with as of that Business Day.

Where specified in the relevant Supplement and unless the AIFM determines otherwise, the Net Asset Value of a Sub-Fund will be adjusted in the following circumstances:

- (a) on a Sub-Fund experiencing Net Subscriptions, the Net Asset Value will be adjusted upwards by the Swing Factor set by the AIFM from time to time;
- (b) on a Sub-Fund experiencing Net Redemptions, the Net Asset Value will be adjusted downwards by the Swing Factor set by the AIFM from time to time; or
- (c) in any other case where the Directors are of the opinion that it is in the interests of existing/remaining Shareholders and potential Shareholders that the Net Asset Value be adjusted.

The Swing Factor may be applied on the basis of Net Subscription or Net Redemption applications received in relation to a Sub-Fund, irrespective of the extent of the Net Subscription or Net Redemption applications (i.e. an adjustment of the Net Asset Value does not require that a certain pre-determined threshold is reached) or alternatively when the Net Subscriptions or Net Redemptions exceed a certain pre-determined threshold (the "**Swing Threshold**"). Information relating to any Swing Factor which may be applied shall be disclosed in the relevant Supplement.

### 4.2.3 Anti-Dilution Levy

Where a Sub-Fund buys/enters or sells/exits investments in response to a request for the issue or redemption of Shares, it will generally incur a reduction in value made up of dealing costs incurred as a result of the purchase or sale of such investments.

Where disclosed in the relevant Supplement, the Directors may charge an Anti-Dilution Levy, the aim of which is to reduce the impact of such costs (which, if material, disadvantage existing Shareholders of the relevant Sub-Fund) so as to preserve the underlying assets of the relevant Sub-Fund.

The need to charge a dilution levy will depend amongst other things on general market liquidity of the Sub-Fund's investments and on the net share transactional activity of Shares on any given Dealing Day, and this will be evaluated by the AIFM and implemented by the Administrator without prior notification to the relevant Shareholder. Net transactional activity of Shares is determined with reference to the cumulative



subscription and redemption requests (including subscriptions and/or redemptions which would be effected as a result of conversions from one Sub-Fund into another Sub-Fund) processed in respect of any given Dealing Day. The level of the Anti-Dilution Levy may vary but at no time shall exceed a maximum of 3% of the Net Asset Value of the relevant Sub-Fund.

The Anti-Dilution Levy will be paid into the assets of the Sub-Fund which has sought to impose it, however, in situations where the Sub-Fund is a fund of funds, it may be the case that an Underlying Fund may seek to apply an Anti-Dilution Levy to their investors, including the Sub-Fund (the “**Underlying Fund Anti-Dilution Levy**”). The Underlying Fund Anti-Dilution Levy will be charged at the discretion of the Underlying Fund and will cover the Underlying Fund’s costs of dealing in the various markets and will preserve the value of the underlying assets of the Underlying Fund. The Underlying Fund Anti-Dilution Levy will be passed through to investors subscribing for or redeeming Shares in a Sub-Fund in a manner that avoids double-charging but facilitates the Underlying Fund and the Sub-Fund passing on the relevant dealing costs to the particular investors of the Sub-Fund subscribing for Shares. The Underlying Fund Anti-Dilution Levy will typically be applied where the Underlying Fund receives net subscriptions or net redemptions on any dealing day of that Underlying Fund and will result in a dilution adjustment being applied to the relevant Subscription Price or Redemption Price on the relevant Dealing Day.

### 4.3 SUSPENSION OF CALCULATION OF NET ASSET VALUE

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of any Sub-Fund or Class and the issue, redemption and conversion of Shares in any of the following instances:

- (a) during the whole or part of any period when any one (or more) underlying investment has itself suspended the calculation of its own net asset value or is subject to an insolvency or analogous event; or when circumstances exist as a result of which any disposal or valuation of investments of an underlying investment is not reasonably practicable or such disposal would not be in the best interests of the Shareholders of the Company or any particular Sub-Fund;
- (b) during the whole or part of any period when any market or stock exchange on which the assets of the relevant Sub-Fund are quoted, listed, traded or dealt is closed, otherwise than for ordinary holidays, or during which dealings thereon are restricted or suspended;
- (c) during the whole or part of any period when circumstances exist as a result of which any disposal or valuation by the AIFM of investments of the relevant Sub-Fund is not reasonably practicable or

such disposal would not, in the opinion of the Directors, be in the best interests of the Shareholders of the Company or any particular Sub-Fund; or it is not possible to transfer monies involved in the acquisition or disposition of investments at normal rates of exchange; or it is not practically feasible for the AIFM or its delegate to determine the value of any investments of the relevant Sub-Fund in a fair and accurate manner;

- (d) during the whole or part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the investments of the relevant Sub-Fund or of current prices on any market or stock exchange;
- (e) during the whole or part of any period when for any reason the value of any investment of the relevant Sub-Fund cannot be fairly, reasonably, promptly or accurately ascertained or when the calculation of such value would not, in the opinion of the Directors, be in the best interests of the Shareholders of a particular Sub-Fund;
- (f) during the whole or part of any period when the Company is unable to repatriate, remit or transfer funds required for making redemptions or when such payments are not, in the opinion of the Directors, reasonably practicable, including circumstances when payments cannot be carried out at normal rates of exchange;
- (g) when a notice of a general meeting of the Company has been circulated to Shareholders at which the winding up of the Company or the relevant Sub-Fund is to be considered;
- (h) when the redemption of Shares would, in the opinion of the Directors, result in a violation of any provisions of applicable law;
- (i) during any period when in the opinion of the Directors or the AIFM such suspension is justified having regards to the best interests of the Company and/or the relevant Sub-Fund;
- (j) where necessary to facilitate the winding up of the Company or the closing or termination of any Sub-Fund or Class or the compulsory redemption of Shares by the Company; or
- (k) where so instructed by the Central Bank to do so.

No Shares will be issued, redeemed or converted on any Dealing Day during such a suspension. In the case of suspension of dealings in Shares, any pending subscription, redemption or conversion requests will be dealt with on the next relevant Dealing Day following the end of such suspension period. During a period of suspension of dealings in Shares, notices for subscriptions, redemptions and conversions submitted in respect of such affected Shares shall not be accepted. The Directors shall promptly notify all affected Shareholders of any such suspension and shall promptly



notify such Shareholders upon termination of such suspension.

Notice of any such suspension and notice of the termination of any such suspension shall be given immediately to the Central Bank, and in any event within the working day on which such suspension took effect and, should a Sub-Fund or Class be listed on Euronext Dublin or any other exchange, to Euronext Dublin or such other exchange, and will be notified to applicants for Shares or to Shareholders requesting the redemption of Shares at the time of application or filing of the written request for such redemption. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible in a manner that is, in the opinion of the Directors, in the best interests of the Shareholders of the particular Sub-Fund.

## 5 Management and Administration of the Company

### 5.1 DIRECTORS OF THE COMPANY

The powers of management of the Company are vested in the Directors pursuant to the Articles. The Directors have delegated the day-to-day management of each Sub-Fund to the AIFM. The Directors will review the operations of the Company at meetings held at least quarterly and will receive periodic reports from the AIFM detailing the performance of the Company and providing an analysis of its investment portfolio. The AIFM will provide such other information as may from time to time be reasonably required by the Directors for the purpose of such meetings.

The Directors of the Company are as follows:

**Kevin Mathews** (Irish citizen) received a certificate in financial services from the Institute of Bankers at University College Dublin in 1995. He joined the Irish Department of Labour in Dublin prior to working in key accounting management from Svenska Handelsbanken in Luxembourg between 1986 and 1995. He was managing director of LGT Bank (Ireland) Ltd between 1995 and 2006, during which time he also acted as director of a number of fund of hedge funds and private equity funds. He is currently providing consultancy and advisory services to banking, investment funds, local government and charitable organisations.

**Sivakumar Sethuraman** (Head of Liquid Program Operations) (born in Nagpur, India, Swiss citizen), is responsible for alternative liquid fund operations at LGT Capital Partners (Ireland) Limited and Designated Person for Financial and Capital Management for the Management Company. Mr. Sethuraman is a member of the AIFM's executive management committee. Previously he worked as an Executive Director at LGT Capital Partners Limited in Pfäffikon, Switzerland and was head of the Client Information Center. Prior to joining LGT Capital Partners in 2007, Mr. Sethuraman worked at Swiss Capital Alternative Investments AG as a Senior Associate in Valuations and Operations. Before joining Swiss Capital, Mr. Sethuraman worked as Fachstelle Corporate Actions, at SegalInterSettle AG and prior to this in Project Management at Axion4 GSTP Ltd in Zürich. Mr. Sethuraman holds a Bachelor of Science degree in Mathematics.

**Kathryn O'Driscoll** (Irish citizen) joined LGT Bank (Ireland) Limited in 2008 as Legal Counsel and is currently employed by the AIFM with responsibility for its legal department and advising in relation to its funds under management and distribution. Kathryn is a member of the AIFM's executive management committee and its product, distribution and compliance committee and sits on the boards of certain Irish funds managed by the AIFM. She previously trained and

worked with Dillon Eustace Solicitors in Dublin and has experience in the structuring, establishment and ongoing operation of collective investment schemes and in providing legal and regulatory advice to UCITS management companies, alternative investment fund managers, global distributors, investment managers and fund service providers. She received a BA (Hons) Degree from University College Dublin and was admitted to the Law Society of Ireland's roll of solicitors in 2006.

**Roger Gauch** (Swiss citizen), as a Managing Partner, is a member of the Executive Board and head of Operations Liquid Strategies of LGT Capital Partners Ltd. Moreover Mr. Gauch is CEO of LGT Capital Partners (FL) Ltd. From 2010 to 2014 Mr. Gauch was COO of LGT Capital Management Ltd. From 2004 to 2010 Mr. Gauch was head of the business segment Asset Management Services and Distribution of LGT Capital Management Ltd. and prior to that he was head of the business area Premium Solutions. Previously, Mr. Gauch has also held positions within LGT as head of Premium Funds and as portfolio manager for fund of hedge funds. Mr. Gauch was a member of the Executive Board of LGT Capital Management Ltd. in Pfäffikon (CH) and Vaduz (FL) from 2002 until the merger with LGT Capital Partners Ltd. in 2014. Mr. Gauch was appointed as CEO of LGT Capital Management Ltd. in Liechtenstein since 2012. Mr. Gauch is with LGT since 1992. Born in 1966, Mr. Gauch holds a Certificate in Behavioural Finance from Zurich University and a Swiss Federal Finance and Investment Expert Diploma from AZEK, the Swiss training centre for investment professionals. His graduate studies were in Business IT and General Management.

None of the Directors have entered into an employment or service contract with the Company nor is any such contract proposed. Accordingly, all Directors of the Company are non-executive Directors. All Directors other than Kevin Matthews are employees and/or directors of companies in the LGT Group.

Pursuant to the Articles, each of the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, debts, claims, demands, suits, proceedings, judgements, decrees, charges, losses, damages, expenses, liabilities or obligations of any kind which he or his heirs, administrators or executors shall or may incur or sustain by reason of any contract entered into or any act done, concurred in, or omitted to be done by virtue of his being or having been a Director, provided that, as permitted by the Companies Act such indemnity shall not extend to any of the foregoing sustained or incurred as a result of any negligence, default, breach of duty or breach of trust by him in relation to the Company and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Shareholders over all other claims.

For the purposes of this Prospectus, the address of all the Directors of the Company is the registered office of the Company.

The Directors have delegated the performance of their investment management functions in respect of the Company to the AIFM.

## 5.2 DELEGATION TO COMMITTEE

The Directors may delegate any of their powers to any committee comprising at least one Director. Any such delegation may be made subject to any conditions the Directors may impose. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Articles regulating the proceedings of Directors so far as they are capable of applying.

The Directors have approved the establishment by the Company of an Executive Management Committee (“**EMC**”) for the purposes of approving and/or reviewing various ad hoc matters on behalf of the Directors on an ongoing basis (provided such authority does not conflict with the authority of the full Board as outlined in the EMC and Board terms of reference). The Directors collectively will however (notwithstanding any delegation of tasks) take all key material operational, strategic, procedural and ad-hoc decisions in relation to the Company (subject always to matters reserved for the Shareholders), where appropriate.

## 5.3 THE AIFM

The Company has appointed LGT Capital Partners (Ireland) Limited, as AIFM to the Company, pursuant to the Management Agreement.

LGT Capital Partners (Ireland) Limited also acts as Distributor of the Company.

The AIFM was incorporated in Ireland on January 28th 2005 as a limited liability company with an authorised share capital of EUR 1,000,000 divided into 1,000,000 shares of EUR 1.00 each and is a wholly owned subsidiary of LGT Holding Denmark ApS and, ultimately, a wholly owned subsidiary of LGT Group, whose sole beneficiary is the Prince of Liechtenstein Foundation. The issued share capital of the AIFM is EUR 200,000.

LGT Fund Managers (Ireland) Limited is appointed as the AIFM’s company secretary in respect of the Company.

The AIFM is authorised by the Central Bank to act as a fund management company pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended and an AIFM pursuant to the AIFMD Regulations.

The directors of the AIFM are as follows:

**Brian Goonan** (Irish citizen) joined LGT Fund Managers (Ireland) Limited in 2004 as a Funds Operational Manager. He was appointed General Manager of LGT Capital Partners (Ireland) Limited in 2005. He previously worked with Cogent Investment Operations Limited (formerly part of Henderson plc) as operational manager both in UK and Ireland. He has a Diploma in Business Studies (Accounting) and is a Fellow of the Association of Chartered Certified Accountants.

**Desmond Tobin** (Irish Citizen) joined LGT Bank (Ireland) Limited in 1997 and was later appointed Managing Director of LGT Bank (Ireland) Limited in October 2006 with overall responsibility for Irish operations. He was appointed as CEO of LGT Capital Partners (Ireland) Limited in 2019 and holds various board seats on behalf of LGT entities in Ireland. He previously worked with Bankers Trust in Sydney and Bank of Ireland Securities Services in Dublin in finance and custody roles. He has a Master’s in business administration from University College Dublin and is an Associate Member of the Chartered Institute of Management Accountants in Ireland.

**Werner von Baum** (German citizen) received his Masters in Business Administration from the European Business School, Frankfurt, London and Paris (1985-1989). He has passed the SFA in the UK. He joined LGT Capital Partners Ltd. in July 2005 as Head of Hedge Fund Programs and was made Partner and Member of the Executive Management Team in April of 2007. From 1997 to 2005, he worked for HypoVereinsbank in Munich where he was the Head of High Yield and structured Capital Markets, focusing on the integration of Debt origin, High Yield execution and SME financing. Prior to this, he worked for Bankers Trust (1991-1997) in both London and Frankfurt, in positions that included Trading, Risk Management, Structuring Fixed-Income, FX and Equity-Derivatives and marketing of OTC warrants. He started his career with Salomon Brothers (1989-1991) in New York, London and Frankfurt in sales and trading of both Bonds and Index Derivatives.

**Dr. Hans Markvoort** (Swiss and Dutch citizen) studied economics at Erasmus University Rotterdam in the Netherlands and the University of St. Gallen (HSG), Switzerland where he qualified as a Doctor in Economics in 1995. He was Head of Controlling and Company Secretary of Industrieholding Cham, a diversified Swiss industrial group, until 1998. He subsequently served as Chief Financial Officer of Universal Holding, a European subsidiary of a US-American industrial equipment supplier. Dr. Markvoort joined LGT Capital Partners’ private equity team in 2000, serving as Managing Director of Castle Private Equity AG and of LGT Private Equity Advisers AG.

**Gerald Brady** (Irish Citizen) was appointed to the Board in 2019. He is an independent non-executive director with over 25 years of experience in the funds’ industry. He has acted as INED and consultant to both funds and management companies since 2010. Prior to 2010, he

worked as the country head for Northern Trust and as MD of Capital Financial Group. From 1990 to 2004, Mr. Brady worked at Bank of Bermuda in a number of roles including as country head for Ireland. He has served as a council member in the Irish Funds industry association and is a former executive board member of Financial Services Ireland. He is a chartered accountant and holds a B.Sc. from Queen's University Belfast.

The alternate directors of the AIFM are Paul Garvey and Frank Sheedy.

**Paul Garvey** (Irish citizen) joined LGT Bank (Ireland) Limited in 1998 as Financial Controller and was appointed Finance Director in 2000. In 2001 he was appointed general manager of LGT Fund Managers (Ireland) Limited and Operations Executive from 2018. He previously worked with Irish Life plc Corporate Life and Pensions division in systems development. Prior to this he worked with GAM Fund Management Limited and GT Asset Management Limited in fund accounting and systems development for shareholder services. In Dublin and Canada he worked for Deloitte and Touche in the areas of audit and corporate restructuring. Mr. Garvey received a B.Comm from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland.

**Frank Sheedy** (Irish citizen) joined LGT Fund Managers (Ireland) Limited in 2012 and was appointed Fund Operations Manager in 2013 and General Manager in 2018. He previously worked in Dublin and Chicago for PricewaterhouseCoopers in the areas of audit with particular focus on Private Equity clients during his time spent in Chicago. Mr. Sheedy received an Honours Degree from National College of Ireland in Accounting and Human Resource Management and is a member of the Institute of Chartered Accountants in Ireland.

The AIFM is an 'exempt reporting adviser' in reliance of the 'private fund adviser' exemption set forth in Rule 203(m)-1 under the Advisers Act. As an 'exempt reporting adviser', the AIFM will be required to file periodic reports with the SEC describing certain aspects of its advisory business. These reports will be publicly available. Nevertheless, the AIFM will not be subject to the same oversight or examination by the SEC as a registered investment adviser. The AIFM may in the future choose to be or may be required to be registered under the Advisers Act pursuant to applicable U.S. securities law.

The AIFM is registered as a commodity pool operator with the CFTC and is a member of the U.S. National Futures Association. The AIFM operates the Company pursuant to CFTC Regulation 4.7 due to all of the investors in the Company being 'qualified eligible persons', as defined in CFTC Rule 4.7. As a result, the AIFM will be exempt from certain recordkeeping and other requirements with respect to the Company that are otherwise applicable to registered commodity pool operators.

In order to cover its professional liability risk resulting from the activities it may carry out, the AIFM shall either hold additional own funds which are appropriate to cover potential liability risks arising from professional negligence or shall take out and maintain professional indemnity insurance against liability arising from professional negligence that is appropriate to the risks covered and fulfils the requirements of AIFMD. Such professional liability risks shall include, without being limited to, risks of (a) loss of documents evidencing title of assets of the Company; (b) misrepresentations or misleading statements made to the Company or its investors; (c) acts, errors or omissions resulting in a breach of: (i) legal and regulatory obligations; (ii) duty of skill and care towards the Company and its investors; (iii) fiduciary duties; (iv) obligations of confidentiality; (v) the Memorandum and Articles of Association; or (vi) terms of appointment of the AIFM by the Company; (d) failure to establish, implement and maintain appropriate procedures to prevent dishonest, fraudulent or malicious acts; (e) improperly carried out valuation of assets or calculation of Share prices; or (f) losses arising from business disruption, system failures, failure of transaction processing or process management.

The AIFM shall ensure that its decision-making procedures and its organizational structure promote the fair treatment of Shareholders in the Company. Accordingly, the Company may not afford any more beneficial rights to any individual Shareholder unless otherwise provided for in this Prospectus or the Articles. In discharging its role, the AIFM shall act honestly, fairly, professionally, independently and in the interests of the Company and the Shareholders.

The AIFM delegates aspects of the portfolio management and risk management functions for the Sub-Funds to the Investment Manager pursuant to the Investment Management Agreement, as further described in the relevant Supplements.

The AIFM will at all times maintain a level of minimum capital in accordance with the requirements of the AIFMD Regulations.

Among other requirements of AIFMD, the AIFM shall:

- be responsible for the management of the assets of each Sub-Fund;
- be responsible for making available to prospective investors the information required by AIFMD;
- comply with all duties, obligations and functions of an AIFM as are contained in AIFMD, the Level 2 Regulation and the AIF Rulebook as they apply to the services it provides to the Company; and
- be responsible for marketing and distributing the Shares of the Company and performing such other duties as required under AIFMD.

The AIFM is legally and operationally independent of the Administrator and the Depositary.

The AIFM has delegated certain aspects of its financial control and accounting management functions to the Administrator, as further detailed below. The conflicts which may arise from such delegation are detailed below. This delegation arrangement has been notified to the Central Bank and both this delegation and any sub-delegation thereunder will be in accordance with the requirements of AIFMD.

The AIFM has remuneration policies in place to ensure compliance with AIFMD and, in particular, Annex II of AIFMD. For further information on the AIFM's remuneration policy, refer to the sub-section titled [AIFM's Remuneration Policy](#).

## 5.4 INVESTMENT MANAGER

The AIFM has appointed LGT Capital Partners Ltd. as investment manager to manage the Sub-Funds' investments. The Investment Manager is independent of the Company and the AIFM. The Investment Manager is a traditional investment management company founded in Switzerland on 30 November 2000 and its registered office is at Schützenstrasse 6, P.O. Box, CH – Pfäffikon (SZ), Switzerland. The Investment Manager is regulated by the Swiss Financial Market Supervisory Authority (FINMA).

The Investment Manager is an 'exempt reporting adviser' in reliance on the 'private fund adviser' exemption set forth in Rule 203(m)-1 under the Advisers Act. As an 'exempt reporting adviser' the AIFM will be required to file periodic reports with the SEC describing certain aspects of its advisory business. These reports will be publicly available. Nevertheless, the AIFM will not be subject to the same oversight or examination by the SEC as a registered investment adviser. The AIFM may in the future choose to be or may be required to be registered under the Advisers Act pursuant to applicable U.S. securities law.

### 5.4.1 Sub-Investment Manager

The Investment Manager may delegate the discretionary investment management functions in respect of the assets of each or any Sub-Fund to a sub-investment manager in accordance with the requirements of the Central Bank. Where a Sub-Investment Manager is appointed but not paid directly out of the assets of the relevant Sub-Fund, disclosure of such entity will be provided to the Shareholders on request and details thereof will be disclosed in the Company's periodic reports. Where a Sub-Investment Manager is appointed and paid directly out of the assets of a Sub-Fund, this will be set out in the Supplement for the relevant Sub-Fund.

## 5.5 INVESTMENT ADVISOR

The AIFM may appoint an Investment Advisor in respect of a specific Sub-Fund. Where an Investment Advisor is paid directly out of the assets of the relevant Sub-Fund, details of such Investment Advisor and fees paid to such entity shall be set out in the Supplement for the relevant Sub-Fund. Details of any Investment Advisor whose fees are not paid directly out of the assets of the relevant Sub-Fund shall be available to Shareholders upon request and details thereof will be disclosed in the Company's periodic reports.

## 5.6 ADMINISTRATOR

BNP Paribas Fund Administration Services (Ireland) Limited has been appointed by the Company and the AIFM to provide administration services to the Company pursuant to the Administration Agreement. The Administrator is a private limited liability company incorporated in Ireland.

The Administrator is responsible for the day to day administration of the Sub-Funds, with responsibilities including, without limitation:

- processing of all issues, redemptions, conversions and transfers of Shares;
- sending of subscription, redemption, conversion, transfer and any other confirmations to investors;
- the calculation of the Net Asset Value, Net Asset Value per Class and Net Asset Value per Share on each Valuation Day, as described in the sub-section titled [Calculation of Net Asset Value](#);
- trade and position reconciliation and portfolio reporting to the Company in respect of certain Sub-Funds, depending on NAV cycle;
- the maintenance of accounting records;
- liaising with auditors; and
- assisting the auditors in the preparation of financial statements for audit purposes.

The Administrator has also been appointed by the Company to act as the registrar and transfer agent for the Company. The Administrator will maintain the register of members holding Shares and conduct appropriate investor due diligence.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Company and is responsible and liable only for the services that it provides to the Company pursuant to the Administration Agreement. The Administrator will not participate in the Company's investment decision-making process.



The Administrator is not responsible for the preparation of this document or the activities of the Company and therefore accepts no responsibility for any information contained in this document other than the description of the Administrator contained in this section.

## 5.7 DEPOSITARY

The Company has appointed the Depositary. The Depositary is a branch of BNP Paribas S.A., a company incorporated in France, subject to prudential supervision on a consolidated basis by the European Central Bank, in cooperation with the Autorité de contrôle prudentiel et de résolution. As a public listed company and as an investment service provider, BNP Paribas S.A. is also operating in France under the supervision of the Autorité des marchés financiers. BNP Paribas S.A.'s head office is at 16 boulevard des Italiens, 75009 Paris, France. The Depositary acts, inter alia, as depositary of a number of collective investment schemes. The Depositary's main business activity consists of providing custody and related services to collective investment schemes and other portfolios.

In accordance with the provisions of the AIFMD Regulations, AIFMD, the AIF Rulebook and the terms of the Depositary Agreement, the Depositary shall carry out functions in respect of the Company including, but not limited to the following key functions:

- (a) The Depositary shall (a) hold in custody all financial instruments capable of being registered or held in a financial instruments account opened in the Depositary's books and all financial instruments capable of being physically delivered to the Depositary; (b) ensure that all financial instruments that can be registered in a financial instruments account opened in the Depositary's books are registered in the Depositary's books within segregated accounts in accordance with the principles set out in Article 16 of Commission Directive 2006/73/EC, opened in the name of the Company, so that they can be clearly identified as belonging to the Company in accordance with the applicable law at all times;
- (b) The Depositary shall verify the Company's ownership of any assets (other than those referred to in (a) above) and maintain and keep up-to-date a record of such assets it is satisfied are owned by the Company;
- (c) The Depositary shall ensure effective and proper monitoring of the Company's cash flows;
- (d) The Depositary shall be responsible for certain fiduciary and oversight obligations in respect of the Company.

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

## Summary of Fiduciary and Oversight Obligations

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

- the sale, issue, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the Companies Act, the conditions imposed by the Central Bank and the Articles;
- the value of Shares is calculated in accordance with the Companies Act and the Articles;
- in transactions involving the Company's assets, any consideration is remitted to it within time limits which are acceptable market practice in the context of a particular transaction;
- the Company's income is applied in accordance with the Companies Act and the Articles; and
- it has enquired into the conduct of the Company in each Accounting Period and reports thereon to the Shareholders.

The Depositary's report will be delivered to the Company in good time to enable the AIFM to include a copy of the report in the annual report of the Company. The Depositary's report will state whether in the Depositary's opinion the Company has been managed in that period:

- (a) in accordance with the limitations imposed on the investment and borrowing powers of the Company imposed by the Articles and/or the Central Bank under the powers granted to the Central Bank under the Companies Act; and
- (b) otherwise in accordance with the provisions of the Companies Act and the Articles.

If the Company has not complied with (a) or (b) above, the Depositary will state why this is the case and will outline the steps that the Depositary has taken to rectify the situation.

The duties provided for above may not be delegated by the Depositary to a third party.

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

The Depositary may, in accordance with, and subject to the terms of the Depositary Agreement, appoint certain entities as its delegates for the purpose of providing sub-custodial functions in countries where the Depositary does not have a direct local presence. Such delegation must not be made with the intention of avoiding the requirements of the AIFMD Regulations and the Depositary must be able to demonstrate that there is an

objective reason for the delegation. Any discharge of the Depositary's responsibility must be in accordance with the requirements of AIFMD and the AIFMD Regulations. In order for the Depositary to discharge its responsibility under the AIF Rulebook issued by the Central Bank, the Depositary must exercise care and diligence in choosing and appointing a third party as a 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 Depositary must maintain an appropriate level of supervision over the sub-custodian and make appropriate enquiries from time to time to confirm that the obligations of the sub-custodian continue to be competently discharged.

The Depositary shall provide the Company and the AIFM on a regular basis details of the appointment of any sub-custodians and, upon request, information on the criteria used to select the sub-custodian and the steps taken to monitor their activities.

As at the date of this Prospectus, the Depositary delegates certain safe-keeping duties as set out in the Depositary Agreement to BNP Paribas Securities Services Group. The Depositary has confirmed that no conflict of interest arises from such delegation.

Pursuant to the terms of the Depositary Agreement, the Depositary will be liable to the Company and its Shareholders for the loss by the Depositary or a duly appointed third party of any financial instruments held in custody (determined in accordance with AIFMD) and shall be responsible for the return of financial instruments or corresponding amount to the Company without undue delay. The Depositary shall not be liable if it can prove that the Loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary or the Depositary has discharged its liability as provided under the AIFM Regulations. Furthermore, the Depositary shall be liable to the Company and the Shareholders for any loss arising from the Depositary's negligence or intentional failure to properly fulfil its obligations pursuant to the AIFMD Regulations.

The liability of the Depositary will not be affected by the fact that it has entrusted to a sub-custodian some or all of the assets for safekeeping. The AIFM will inform investors before they invest in the Company of any arrangement made by the Depositary to discharge itself contractually of any liability. In addition, the AIFM shall inform Shareholders of any subsequent changes to the Depositary's liability without delay.

The Depositary Agreement provides that the Company or the AIFM acting on behalf of the Company shall inform the Depositary if it intends to appoint a prime broker to the Company and that from time to time the assets of the Company may be passed by the Depositary or its agents to such prime broker pursuant to proper

instructions which assets a prime broker may reuse, pledge, lend, rehypothecate or otherwise utilise for its own purposes in accordance with the terms of an agreement entered into between the Company, or the AIFM acting on behalf of the Company and a prime broker.

Further information regarding the terms of the Depositary Agreement are set out in the sub-section titled [Material Contracts](#).

The Depositary is not involved, directly or indirectly with the business affairs, organisation, sponsorship or management of the Company and is responsible and liable only for the trustee and custodial services that it provides to the Company pursuant to the Depositary Agreement.

The Depositary is a service provider to the Company and is not responsible for the preparation of this document or the activities of the Company and therefore accepts no responsibility for any information contained in this document other than the relevant descriptions. The Depositary will not participate in any Company's investment decision-making process.

## 5.8 AUDITOR

The Company's auditor is PricewaterhouseCoopers. The responsibility of the Auditor is to audit and express an opinion on the financial statements of the Company in accordance with Irish law and International Standards on Auditing (UK and Ireland). Those standards require the Auditor to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## 5.9 COMPANY SECRETARY

The Company has appointed LGT Fund Managers (Ireland) Limited as company secretary to the Company pursuant to an Administration Services Agreement. The Company Secretary is a private company incorporated with limited liability in Ireland on 13 December 2000 with an authorised share capital of EUR 1,000,000 divided into 1,000,000 shares of EUR 1.00 each and is beneficially owned by LGT Group. The issued share capital of the Company Secretary is EUR 700,000. LGT Fund Managers (Ireland) Limited is authorised and regulated by the Central Bank.

## 5.10 PAYING AGENTS

Local laws or regulations in certain EEA Member States may require the appointment of Paying Agents and maintenance of accounts by such agents through which subscription and redemption monies or dividends may be paid.

Shareholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather



than directly to the Company or the Administrator (e.g. a Paying Agent in a local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Depositary for the account of the Company or the relevant Sub-Fund and (b) redemption monies or dividends payable by such intermediate entity to the relevant Shareholder.

Country Supplements dealing with matters pertaining specifically to Shareholders in certain jurisdictions may be prepared for circulation to such Shareholders. All Shareholders of the Company or the Sub-Fund on whose behalf a Paying Agent is appointed may avail of the services provided by the Paying Agent appointed by or on behalf of the Company.

Details of the Paying Agents appointed will be set out in the relevant Country Supplement.

## 6 Conflicts of Interest; Connected Party Transactions; Soft Commissions and Commission Rebates

### 6.1 CONFLICTS OF INTEREST

The Directors, the AIFM, the Investment Manager, any Investment Advisor, a Sub-Investment Manager, the Depositary, the Administrator and any of their respective subsidiaries, affiliates, associates, directors, shareholders, employees, agents or delegates (the “**Parties**”) are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Company and/or their respective roles with respect to the Company or the Sub-Funds. These activities may include managing or advising other funds, including funds in which the Sub-Funds may invest, purchases and sales of financial instruments, banking, investment management and investment advisory services, brokerage services, currency hedging services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such investments 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 Sub-Funds may invest.

The Parties will devote as much of their time to the activities of the Company as they deem necessary and appropriate.

There is no prohibition on transactions between the Company and the Parties. The Company may contract or enter into any financial, banking or other transaction with any of the Parties. This includes, without limitation, investment by the Company in securities of any of the Parties or investment by any of the Parties in any company or bodies any of whose investments form part of the assets comprised in any Sub-Fund or be interested in any such contract or transactions. The Parties may also deal as agent or principal in the sale or purchase of securities and other investments (including foreign exchange and stock lending transactions) to or from the relevant Sub-Fund. There will be no obligation on the part of any of the Parties to account to the relevant Sub-Fund or to Shareholders of that Sub-Fund for any benefits so arising and any such benefits may be retained by the relevant party, provided that such transactions are conducted at arm’s length and in the best interests of Shareholders.

In addition, any of the Parties may invest in and deal in Shares relating to any Sub-Fund or any property of the kind included in the property of any Sub-Fund for their respective individual accounts or for the account of someone else.

An overview of potential conflicts of interest in respect of the various Parties is detailed below. Investors should note, however, that the below does not purport to be a comprehensive list or complete explanation of all potential conflicts of interest that may affect the Company or the Sub-Funds. The Company may encounter circumstances or enter into transactions in which conflicts that are not discussed below may arise.

#### 6.1.1 Directors

The Directors may engage in other business activities in addition to acting as Director to the Company. The Directors are not required to refrain from any other activity or to account for any profits for any such activity to the Company.

With the exception of Kevin Mathews, all of the Directors of the Company are employees or directors of the AIFM or its affiliated group companies. One or more Directors may also act as director to other investment funds in which the Sub-Funds may invest or which may have similar investment objective and approach to the Sub-Funds. To the extent that there are other conflicts of interest on the part of any Director between the Company and any other account, company, partnership or venture in respect of which such Director may now or later be so engaged, such Director will endeavour to treat all such persons equitably.

In addition, a Director may be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is interested, provided that he has disclosed to the other Directors, prior to the conclusion of any such transaction or arrangement the nature and of any material interest of his therein. Subject to the Articles, a Director shall not vote at a meeting of the Directors or any committee established by the Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material (other than an interest arising by virtue of his interest in Shares or debentures or other securities or otherwise in or through the Company) or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote. For the avoidance of doubt, a Director shall be entitled to vote (and be counted in the quorum) in respect of any resolutions concerning any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever.

At the date of this Prospectus, no Director or connected person of any Director has any material interest in the Company or in any agreement or arrangement with the Company.

Provided that the nature and extent of his interest shall be disclosed as set out above, no Director or intending Director shall be disqualified by his office from

contracting with the Company nor shall any such contract or any contract or arrangement entered into by or on behalf of any other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

### 6.1.2 AIFM, Investment Manager, Sub-Investment Manager and Investment Advisor

The AIFM, the Investment Manager, a Sub-Investment Manager or an Investment Advisor may be involved in advising or managing, or may hold investments in other investment funds and other collective investment schemes in which a Sub-Fund may invest or which have similar or overlapping investment objectives to or with the Sub-Funds. The AIFM, the Investment Manager, a Sub-Investment Manager or an Investment Advisor may provide management or advisory services for accounts in which the AIFM, the Investment Manager, a Sub-Investment Manager or Investment Advisor or their directors, shareholders, employees are the principal investors or beneficiaries (the “**Proprietary Accounts**”). Neither the AIFM, the Investment Manager, a Sub-Investment Manager or Investment Advisor or any of their affiliates are under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of (or share with the Company of or inform the Company of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities in its absolute discretion between the Company and other clients (which clients may include Proprietary Accounts).

The AIFM and its delegates and affiliates (including the Investment Manager, a Sub-Investment Manager or an Investment Advisor appointed by the AIFM from time to time) are not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Company and/or may involve substantial time and resources. These activities could be viewed as creating a conflict of interest in that the time and effort of the AIFM, its delegates and their officers and employees will not be devoted exclusively to the business of the Company but will be allocated between the business of the Company and such other activities. Future activities by the AIFM and its delegates and affiliates, including the establishment of other investment funds, may give rise to additional conflicts of interest.

The AIFM or the Investment Manager may be consulted by the Administrator in relation to the valuation of investments. There is a conflict of interest between any involvement of the AIFM or an Investment Manager in

this valuation process and with the AIFM or Investment Manager’s entitlement to any proportion of a Management Fee, or where applicable Performance Fee, which fees are calculated on the basis of the Net Asset Value. The AIFM or an Investment Manager may have an interest in managing the terms and timing of Sub-Funds’ transactions so as to maximise its fees.

The AIFM or the Investment Manager or a Sub-Investment Manager or an Investment Advisor may have potential conflicts of interest with the Company in circumstances other than those referred to above. In the event that a conflict of interest does arise, the directors of the AIFM will endeavour to ensure that such conflicts are resolved fairly.

### 6.1.3 Depositary

The Depositary and/or its affiliates may act as depositary or trustee to other funds. In addition, the Company, or the AIFM on behalf of the Company may maintain other business relationships with the Depositary or any of its affiliates or delegates, where the Depositary, its affiliates or delegates have a financial or business interest in such product or services, or receives remuneration for other related products or services it provides to the Company or any Sub-Fund. Such services may include (but are not limited to) currency hedging services, brokerage services and provision of credit facilities to the Company or its Sub-Funds.

It is possible that the Depositary (or any of its affiliates) may, in the course of its business, be involved in other financial and professional activities which may on occasion have conflicts or potential conflicts of interest with those of the Company or a particular Sub-Fund. In the event of any potential conflict of interest, which may arise during the normal course of business, the Depositary will have regard to the applicable laws. Where a conflict or potential conflict of interest arises, the Depositary will have regard to its obligations to the Company under the Depositary Agreement, AIFMD, the AIFMD Regulations and the AIF Rulebook and will treat the Company and the other funds for which it acts fairly and in a manner that, so far as is practicable, any transactions are effected on terms which are not materially less favourable to the Company than if the conflict or potential conflict had not existed.

### 6.1.4 Administrator

The Administrator and/or its affiliates may act as Administrator to other funds.

It is possible that the Administrator may, in the course of its business, be involved in other financial and professional activities which may on occasion have conflicts or potential conflicts of interest with those of the Company or a particular Sub-Fund. In the event of any potential conflict of interest, which may arise during the normal course of business, the Administrator will have regard to the applicable laws. Where a conflict or

potential conflict of interest arises, the Administrator will have regard to its obligations to the Company under the Administrator Agreement.

### 6.1.5 Common Counsel and Auditor

Maples and Calder LLP is Irish counsel to the Company. Maples and Calder LLP may also act as counsel to the AIFM in matters not involving the Company, and/or may also represent the Investment Manager and its affiliates. Consequently, certain conflicts of interest may arise. Prospective investors and Shareholders are advised to consult their own independent counsel (and not Maples and Calder (Ireland) LLP) with respect to the legal and tax implications of an investment in the Shares.

PricewaterhouseCoopers Chartered Accountants has been appointed as the auditor for the Company. PricewaterhouseCoopers Chartered Accountants may also act as the auditor to the AIFM in matters not involving the Company, and/or may also act as the auditor to an Investment Manager and its affiliates. Consequently, certain conflicts of interest may arise.

### 6.1.6 Shareholder Interests

The Shareholders may have conflicting investment, tax and other interests with respect to their investments in the Company. The conflicting interests of individual Shareholders may relate to or arise from, among other things, the nature of the investments made by the Company, the structuring or the acquisition of investments, the timing of disposal of investments and/or the tax implications to Shareholders of certain investments. As a consequence, conflicts of interest may arise in connection with decisions made by the Parties, including with respect to the nature or structuring of investments, that may be more beneficial for one Shareholder than for another Shareholder, especially with respect to Shareholders' individual tax situations. In selecting and structuring investments appropriate for the Company, the AIFM and Investment Manager will consider the investment and tax objectives of the Company and its Shareholders as a whole, not the investment, tax or other objectives of any Shareholder individually.

The AIFM or the Investment Manager, as appropriate, will attempt to manage the Sub-Fund to meet redemption requests in a manner that allows the Sub-Fund to continue to pursue its investment objectives and follow its investment guidelines. In that regard, the AIFM or the Investment Manager, as appropriate, need not plan to meet redemption requests by liquidating those investments most likely to satisfy those redemption requests, and as a result the Sub-Fund may have more difficulty meeting redemption requests than if the AIFM/Investment Manager, as appropriate, were to manage the Sub-Fund with the sole purpose of satisfying redemption requests. There can be no assurance that the approaches chosen and the decisions made by the AIFM or the Investment Manager, as

appropriate, will be regarded as fair and equitable by any or all of the investors in the Sub-Fund and it is ultimately subject to the AIFM's discretion to take the various interests appropriately into account

### 6.1.7 Connected Party Transactions

A transaction will be deemed to be with a connected party where it is with; the AIFM, the Depositary, the Investment Manager or their delegates, sub-delegates or associated/group companies of those parties (excluding any non-group company sub-custodians appointed by the Depositary) (each a "**Connected Party**") (each transaction a "**Connected Party Transaction**").

There is no prohibition on Connected Party Transactions, provided that such transaction must be conducted on an arm's length basis and in the best interests of Shareholders and must satisfy the following conditions;

- (a) the value of such transaction is certified by a person approved by the Depositary (or in the case of a transaction involving the Depositary, the Directors) as independent and competent; or
- (b) execution on best terms on an organised investment exchange in accordance with the rules of such exchange; or
- (c) where (a) or (b) are not practical, execution on terms which the Depositary is (or in the case of a transaction involving the Depositary, the Directors are) satisfied conforms with the principle that such transactions are conducted at arm's length and in the best interests of Shareholders.

The Depositary (or the AIFM, in the case of transactions involving the Depositary), must document how it complied with paragraphs (a) – (c) above. Where transactions are conducted in accordance with paragraph (c), the Depositary, or the AIFM in the case of transactions involving the Depositary, must document their rationale for being satisfied that the transaction was conducted at arm's length and in the best interests of the Shareholders of the relevant Sub-Fund.

Dealings in Shares of the Company on the terms set out in this Prospectus and the entry into service level agreements with Connected Parties shall not be deemed to be Connected Party Transactions.

The AIFM, the Investment Manager or an associated company of the AIFM or Investment Manager may invest in Shares so that a Sub-Fund or Class may have a viable minimum size or is able to operate more efficiently. In such circumstances the AIFM or the Investment Manager or its associated company may hold a high proportion of the Shares of a Sub-Fund or Class in issue. Details of the proportion of shares held by the AIFM or the Investment Manager will be made available to investors and prospective investors upon request.

Each Connected Party will provide the Company with relevant details of each transaction (including the name of the party involved and where relevant, fees paid to that party in connection with the transaction) in order to facilitate the Company discharging its obligation to provide the Central Bank with a statement within the relevant Sub-Fund's annual report in respect of all Connected Party transactions.

## **6.2 SOFT COMMISSIONS AND COMMISSION REBATES**

The AIFM or any of its delegates may not retain cash or other rebates received from a third party in connection with investment transactions conducted by the AIFM or its delegate on behalf of the Sub-Funds, but may, where permitted under applicable rules and regulations, receive, and are entitled to retain, research products and services (known as soft dollar benefits) from brokers and other persons through whom investment transactions for the Sub-Funds are carried out. In the event that the AIFM or the Investment Manager or any Sub-Investment Manager do enter into soft commission arrangement(s) they shall ensure that (i) the broker or counterparty to the arrangement will agree to provide best execution to the Company; (ii) the benefits under the arrangement(s) shall be those which assist in the provision of investment services to the relevant Sub-Fund and (iii) brokerage rates will not be in excess of customary institutional full service brokerage rates. Details of any soft commission arrangements affecting the Company will be contained in the annual reports. Where applicable, any such arrangements will comply with the requirements of Article 11 of the Commission Delegated Directive (EU) supplementing MiFID.

Where the AIFM, or any of its delegates, successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities or derivatives for a Sub-Fund, the rebated commission shall be paid to the relevant Sub-Fund. The AIFM or its delegates may be paid/reimbursed out of the assets of the relevant Sub-Fund for reasonable properly vouched costs and expenses directly incurred by the AIFM or its delegates in this regard. The AIFM or its delegates may also receive a fee which shall be disclosed in the relevant Supplement for the arrangement and management of the provision of brokerage services to the Company or the relevant Sub-Fund.

## 7 Fees and Expenses

### 7.1 ESTABLISHMENT EXPENSES

The cost of establishing the Company have been fully amortised.

The fees and expenses relating to the establishment of any subsequent Sub-Fund(s) will be set out in the relevant Supplement(s).

### 7.2 OPERATING EXPENSES AND FEES

Fees and expenses are payable by the Company to the Directors, the Company Secretary, the Auditors and to any service provider appointed to provide services to the Company.

Other fees and expenses payable by the Company may include, but are not limited to; (i) expenses relating to the acquisition and disposal of investments, (ii) fees and expenses of transaction and execution related services and post-trade transaction processing, (iii) brokerage and banking commissions and charges and dealer mark-ups, mark-downs and spreads, (iv) interest on borrowings (including margin debt and obligations under repurchase agreements), (v) charges associated with short sales, custody costs and expenses for both the Sub-Fund and the Company, (vi) all taxes and VAT applicable to the Company or a Sub-Fund, (vii) administrative costs incurred due to risk management, tax, legal and other professional advisory fees, (viii) stock exchange listing fees, (ix) fees associated with the use of financial indices/fees of benchmark administrators, (x) investment research expenses, (xi) costs and expenses associated with the lease or purchase of futures exchange memberships, (xii) statutory and regulatory fees in respect of the Company or any Sub-Fund (in Ireland or in any other jurisdiction), (xiii) costs incurred in respect of the distribution of income to Shareholders, (xiv) costs and expenses of preparing, translating, printing, updating and distributing the Company's Prospectus and Supplements, PRIIPS KIDs (as applicable), annual and semi-annual reports and other documents furnished to current Shareholders and prospective investors, (xv) expenses applicable to the Company for the costs of preparation, translation, printing and distribution of marketing material and periodic Shareholder reports, (xvi) fees and expenses incurred in connection with the registration of the Company or any Sub-Fund or Class for sale in other jurisdictions, (xvii) fees and costs and expenses (including legal or other professional advisory fees) incurred as a result of periodic updates to this Prospectus, (xviii) all litigation and indemnification expenses, (xix) expenses of Shareholders and Directors meetings, (xx) all sums payable in respect of directors and officers liability insurance cover, (xxi) expenses incurred in publishing and distributing details of the Net Asset Value, (xxii) clerical costs of issue or redemption of Shares, (xxiii) the

cost of liquidation or winding up the Company or terminating any Sub-Fund, (xxiv) the costs of any amalgamation or restructuring of the Company or any Sub-Fund and/or (xxv) any other expenses in each case together with any applicable value added tax.

An estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of each Sub-Fund.

### 7.3 SERVICE PROVIDER FEES

Particulars of the specific fees and expenses applicable to each Sub-Fund payable to the AIFM, the Investment Manager, the Administrator and the Depositary are set out in the relevant Supplement.

### 7.4 MANAGEMENT FEE

The AIFM may, where specified in the relevant Supplement in respect of a particular Class, be entitled to receive a Management Fee which will be calculated on each Valuation Day by multiplying (i) the Net Asset Value per Class (before debiting the Management Fee and any Performance Fee) by (ii) the Management Fee Rate (as specified in the relevant Supplement in respect of each Class).

The Management Fee shall be paid regardless of the profitability, or lack thereof, of a Class.

The AIFM may be paid different fees in respect of different Classes as disclosed in the relevant Supplement.

The Management Fee may be divided between the AIFM and the Investment Manager in such proportions as shall be agreed between the AIFM and the Investment Manager from time to time.

Further, and except where expressly prohibited in respect of a particular Class as outlined in the relevant Supplement, the AIFM or the Investment Manager may, in their sole discretion, pay any of their portion of the Management Fee to any party (including to other LGT entities) in any manner whatsoever, whether by way of retrocession payment, rebate, distribution fee or otherwise.

Where a Sub-Investment Manager and/or an Investment Advisor has been appointed by the Investment Manager for a particular Sub-Fund, details of the fees (if any) payable out of the assets of the relevant Sub-Fund to such entity shall also be set out in the relevant Supplement.

The AIFM may from time to time, at its sole discretion and out of its own resources, decide to rebate to Shareholders part or all of its Management Fee and/or Performance Fee. Any such rebates may be applied by issuing additional Shares to Shareholders or in cash.



Unless otherwise specified in the relevant Supplement, the Management Fee is payable by the Company monthly in arrears. In addition, the AIFM will be reimbursed out of the assets of the relevant Sub-Fund for all of its reasonable out-of-pocket expenses incurred on behalf of the relevant Sub-Fund (including the out-of-pocket expenses of its advisors and delegates).

The Investment Manager shall also be entitled to be repaid out of the assets of the relevant Sub-Fund for all of its reasonable out-of-pocket expenses incurred on behalf of the relevant Sub-Fund.

## 7.5 PERFORMANCE FEE

The AIFM may, where specified in the relevant Supplement in respect of a particular Class, be entitled to receive a Performance Fee which will be calculated on each Valuation Day by multiplying (i) the Performance Fee Rate (as specified in the relevant Supplement) by (ii) the Excess Value per Share achieved during each Crystallisation Period by (iii) the number of Shares outstanding.

If the Excess Value per Share is negative then no Performance Fee will be applicable.

The Hurdle Value per Share will be calculated on each Valuation Day within a Crystallisation Period according to the following steps;

- (a) For the first Valuation Day in a given Crystallisation Period, the starting value for calculation shall be the High Water Mark per Share applicable to that Crystallisation Period. For all other Valuation Days in a given Crystallisation Period, the starting value for calculation shall be the Hurdle Value per Share calculated as of the immediately preceding Valuation Day;
- (b) On each Valuation Day, the Hurdle Value per Share shall be calculated by compounding the applicable starting value from (a) above by the applicable Hurdle Rate value:
  - 1) The Hurdle Rate value used in (b) above shall be the value applicable as of the immediately preceding Valuation Day or, where such value is not yet available at the time the calculation is being performed, then the latest available value as of the immediately preceding Valuation Day that is available at the time of calculation; and
  - 2) The Hurdle Rate value used in (b) above shall be adjusted on the basis of the actual number of days elapsed and assuming a 360 day year when accounting for the number of days between adjacent Valuation Days;
- (c) The Hurdle Value per Share throughout a Crystallisation Period shall have a floor value equal

to at least the High Water Mark per Share applicable to that Crystallisation Period; and

- (d) The Hurdle Value per Share shall be reduced proportionately to reflect any reduction in the Net Asset Value per Share which results from the payment of dividends or distributions.

The Crystallisation Period, Performance Fee Rate and Hurdle Rate may differ across Sub-Funds and Classes thereof, such that the description of the Performance Fee methodology (and possibly Equalisation adjustments) described in this sub-section should be understood in the context of each individual Class.

The Performance Fee may be divided between the AIFM and the Investment Manager in such proportions as shall be agreed between the AIFM and the Investment Manager from time to time.

The Performance Fee will be calculated and accrued by the Administrator on each Valuation Day. Accrued Performance Fees shall crystallise at the end of each Crystallisation Period and be paid out to the AIFM within 30 calendar days of the final Valuation Day falling in that Crystallisation Period. In cases where (i) Shares are redeemed, (ii) the Company is wound down, (iii) a Sub-Fund or Class terminated and/or (iv) the Management Agreement is terminated at any time other than at the end of a Crystallisation Period, any accrued Performance Fees shall crystallize as of the relevant Valuation Day in connection with such redemption and/or termination (as the case may be) and be paid out to the AIFM within 30 calendar days of that Valuation Day.

The calculation of the Performance Fee shall be verified by the Depositary.

Shareholders should refer to [Appendix 1](#) for an illustrative example of the accrual and crystallisation of the Performance Fee.

### Equalisation

Where specified in the relevant Supplement, Equalisation may be applied when calculating the Performance Fee so that each Share is charged a Performance Fee corresponding to that Share's performance.

Shareholders should note that Equalisation may not be applicable to all Classes where a Performance Fee is applicable.

Where Equalisation is not applicable, the Performance Fee will be calculated in respect of the overall Class Performance and not on a per Share basis. Shareholders may therefore be advantaged or disadvantaged as a result of this method of calculation, depending upon the Net Asset Value per Share of the relevant Class at the time an investor subscribes or redeems relative to the overall performance of the Class during the relevant Crystallisation Period.



For Classes where Equalisation is applicable, the following Equalisation policy will be applied:

### **Contingent Redemptions**

If Shares are subscribed for at a time when the Net Asset Value per Share is less than the Hurdle Value per Share, a Shareholder may be required to pay a performance fee in respect of such Shares to the extent there is subsequent appreciation in the Net Asset Value per Share between the point of such subscription and the end of the relevant Crystallisation Period (a “**Specific Performance Fee**”). A Specific Performance Fee shall be calculated equivalently to the Performance Fee, with the exception of (a) the first Crystallisation Period definition, which is adjusted to reflect the period of time between the point of subscription and the end of the relevant Crystallisation Period and (b) the High Water Mark per Share definition, which is adjusted to be the greater of (i) the highest Net Asset Value per Share at the end of any previous Crystallisation Period and (ii) the Net Asset Value per Share at the point of subscription.

If, at the end of a Crystallisation Period, a Specific Performance Fee exceeds the Performance Fee on a per Share basis, then a number of a Shareholder’s Shares, corresponding in value to the difference between the Specific Performance Fee per Share and the Performance Fee per Share multiplied by the number of Shares, shall be redeemed and the proceeds paid to the AIFM as a Performance Fee (a “**Contingent Redemption**”). If a Shareholder redeems Shares before a Contingent Redemption has been applied, the Shareholder’s redemption proceeds will be reduced by an amount equal to the value of the Contingent Redemption multiplied by a fraction, the numerator of which is the number of Shares being redeemed and the denominator of which is the number of Shares held by the Shareholder immediately prior to the redemption, and this amount shall be paid to the AIFM as a Performance Fee.

Contingent Redemptions ensure that there is a uniform Net Asset Value per Share in respect of each Class and that all Shareholders pay an equivalent Performance Fee based on the performance of their particular Shares, irrespective of when during a Crystallisation Period a subscription is made.

### **Equalisation Credits**

If Shares are subscribed for at a time when the Net Asset Value per Share is greater than the Hurdle Value per Share, a portion of a Shareholder’s subscription, equal to the Performance Fee per Share accrued as at the date of subscription divided by the Net Asset Value per Share, will be allotted to the Shareholder as an uncrystallised credit (an “**Equalisation Credit**”). The value of the Equalisation Credit will be at risk and will appreciate or depreciate based on the performance of the Net Asset Value per Share from the point of subscription onwards. In the event the Net Asset Value per Share declines

subsequent to the subscription, the size of the Equalisation Credit shall be reduced. Such a reduction in the Equalisation Credit shall be recaptured, however, should the performance of the Net Asset Value per Share subsequently increase, however only up to a maximum size equivalent to the size of the Equalisation Credit at the time of the subscription.

If, at the end of a Crystallisation Period, there is an accrued Performance Fee in respect of the Class, a portion of the Equalisation Credit, multiplied by the number of Shares subscribed for by the Shareholder, will be used to subscribe for additional Shares for the benefit of the Shareholder. The portion of the Equalisation Credit which shall crystallise in this way will depend on the performance of the Net Asset Value per Share between the point of the Shareholder’s subscription and the end of the relevant Crystallisation Period. Where required, additional Shares will continue to be so subscribed for at the end of each subsequent Crystallisation Period until the Equalisation Credit, as it may have appreciated or depreciated after the original subscription for Shares was made, has been fully exhausted. If the Shareholder redeems Shares before the Equalisation Credit has been fully applied, the Shareholder will receive additional redemption proceeds equal to the value of the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares being redeemed and the denominator of which is the number of Shares held by the Shareholder immediately prior to the redemption.

Equalisation Credits are used to account for the fact that, at the time of subscription, the Net Asset Value per Share paid by a subscribing Shareholder has been reduced to reflect an accrued Performance Fee in respect of performance which occurred before that Shareholder was a shareholder of the Class. This accrual serves as a form of credit, on behalf of earlier Shareholders, against a Performance Fee which may fall due at the end of the Crystallisation Period. As any subsequent reduction in the Net Asset Value per Share from the point of subscription would result in an unwinding of some or all of this accrual, such unwinding should be for the benefit of earlier Shareholders only, and not also for the benefit of the subscribing Shareholder who did not participate in the earlier performance which gave rise to the accrued Performance Fee. Equalisation Credits ensure that all Shareholders have the same amount of capital at risk per Share held, irrespective of when during a Crystallisation Period a subscription is made.

## **7.6 ADMINISTRATOR FEES**

Details of the fees payable to the Administrator shall be set out in the relevant Supplement.

Unless otherwise specified in the relevant Supplement, the Administrator’s fees are calculated and accrued on each Valuation Day and paid monthly in arrears.

The Administrator is entitled to be reimbursed for any out-of-pocket expense reasonably incurred by it in the performance of its duties pursuant to or in connection with the Administrator Agreement, together with VAT, if any, thereon.

## 7.7 DEPOSITARY FEE

Details of the fees payable to the Depositary shall be set out in the relevant Supplement.

Unless otherwise specified in the relevant Supplement, the Depositary's fees are calculated and accrued on each Valuation Day and paid monthly in arrears.

The Depositary is entitled to be reimbursed for any out-of-pocket expense reasonably incurred by it in the performance of its duties pursuant to or in connection with the Depositary Agreement, together with VAT, if any, thereon.

## 7.8 FEES CHARGED BY UNDERLYING FUNDS

Where the Sub-Fund invests in Underlying Funds, the Sub-Fund will be liable to pay fees and expenses charged by the Underlying Fund. These may include, subscription and redemption charges, management and performance fees as well as other operational costs and expenses. Further details in this regard will be specified in the relevant Supplement.

Where a Sub-Fund invests in an Affiliated Fund, then any initial subscription or redemption charge chargeable by such Affiliated Fund must be waived in respect of the Sub-Fund's investment.

In addition, any commissions received by the AIFM, the Investment Manager, a Sub-Investment Manager or an Investment Advisor by virtue of investment by the Company into an Affiliated Fund must be paid into the assets of the relevant Sub-Fund.

## 7.9 AIFM'S REMUNERATION POLICY

The AIFM has in place a remuneration policy which seeks to ensure that the interests of the AIFM and the investors of the Company are aligned. Such remuneration policy imposes remuneration rules on staff and senior management within the AIFM whose activities have an impact on the risk profile of the Company. The AIFM shall seek to ensure that such remuneration policies and practices will be consistent with sound and effective risk management and shall not encourage risk-taking which is inconsistent with the risk profile and constitutional documents of the Company and shall be consistent with the AIFMD Regulations and ESMA's Remuneration Guidelines.

The AIFM shall seek to ensure the remuneration policy will at all times be consistent with the business strategy,

objectives, values and interests of the Company and the investors of the Company and that the remuneration policy includes measures to ensure that all relevant conflicts of interest can be managed appropriately at all times.

Where the AIFM delegates investment management functions in respect of any Sub-Fund, it will, in accordance with the requirements of the ESMA Guidelines on sound remuneration policies under the AIFMD (ESMA/2013/232) ("**ESMA Remuneration Guidelines**"), ensure that;

- the entities to which investment management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the ESMA Remuneration Guidelines; or
- appropriate contractual arrangements are put in place so that there is no circumvention of the remuneration rules set out in the ESMA Remuneration Guidelines.

Details of the up-to-date remuneration policy of the AIFM, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits, are available on <https://www.lgtcp.com/en/regulatory-information/>. A paper copy of the AIFM's remuneration policy will be made available free of charge upon request.

## 7.10 FEE INCREASES

In accordance with the AIF Rulebook, any increase in the maximum Management Fee or Performance Fee will require the approval of the Shareholders by way of an ordinary resolution, unless there is no opportunity for Shareholders to redeem or otherwise exit the relevant Sub-Fund, in which case the approval of Shareholders by way of a special resolution will be required. In the event of an increase in the annual fee payable to the AIFM or the Investment Manager within the maximum fee disclosed in the relevant Supplement, a reasonable notification period must be provided by the Company to enable Shareholders redeem their Shares prior to the implementation of the increase.

## 7.11 DIRECTOR'S FEES

All current Directors, other than Kevin Mathews, are employees and/or directors of members of the LGT Group. No fees will be payable to any Director who is an employee or director of any member of the LGT Group. The Company may pay fees not exceeding EUR30,000, plus VAT, if any, per annum. No other remuneration will be payable by the Company to the Directors except for the out-of-pocket expenses reasonably incurred by them, in the performance of their duties. Shareholders shall be notified in advance of

any change to the fees payable to Directors. Directors' fees shall be payable semi-annually in arrears and shall be apportioned equally among the Sub-Funds.

## **7.12 COMPANY SECRETARY'S FEES**

The Company shall pay the Company Secretary an annual fee for acting as corporate secretary to the Company which shall be charged at normal commercial rates. The Company Secretary shall also be entitled to charge the Company for its reasonable properly vouched out-of-pocket expenses.

## **7.13 PRELIMINARY CHARGE**

Where provided in the relevant Supplement, a Preliminary Charge of up to 3% may be payable on the issue of Shares. The Directors reserve the right to reduce or waive any Preliminary Charge and may distinguish between applicants for Shares accordingly. The Preliminary Charge, if applicable, is payable to the AIFM which may in turn be paid in full or in part to any sub-distributors, introducing agents or intermediaries that may be appointed for and on behalf of the Company.

## **7.14 REDEMPTION CHARGE**

Where provided in the relevant Supplement, the Directors may levy a Redemption Charge not exceeding 3% of the Net Asset Value per Share. Details of the Redemption Charge, if any, shall be disclosed in the relevant Supplement.

Save where otherwise disclosed in the relevant Supplement, the Redemption Charge, if applied is payable to the relevant Sub-Fund. Any applicable Redemption Charge will be deducted from the redemption proceeds payable to the relevant Shareholder. In the event of a Redemption Charge being imposed, Shareholders will be notified of this in their contract note.

## **7.15 PAYING AGENT FEES**

The fees and expenses of Paying Agents appointed by the Company or the AIFM to the Company or a Sub-Fund or a particular Class, will be at normal commercial rates together with VAT, if any, thereon. Such fees and expenses will be borne by the Company, the Sub-Fund or the relevant Class in respect of which the Paying Agent has been appointed.

## **7.16 ALLOCATION OF FEES AND EXPENSES**

All fees, costs and expenses attributable to a Sub-Fund will be charged to the relevant Sub-Fund and within such Sub-Fund to the Classes in respect of which they were incurred. Where a fee or expense is not considered by the Directors to be attributable to any one Sub-Fund

or Class, the fee or expense will be borne by all Sub-Funds in proportion to the Net Asset Value of the relevant Sub-Fund or in a manner which the Directors deem to be fair and equitable to Shareholders. Where a fee or expense is not considered by the Directors to be attributable to any one Class within a Sub-Fund, the fee or expense will be borne by all Classes within the Sub-Fund in proportion to the Net Asset Value of the relevant Class or in a manner which the Directors deem to be fair and equitable to Shareholders. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees or expenses on an estimated figure for yearly or other periods in advance and accrue them in equal proportions over any period.

## 8 Risk Factors

An investment in the Shares entails risks. Investment should only be undertaken by investors capable of evaluating the risks of the investment including the risk of a loss of all of their investment. There is no guarantee that in any time period, particularly in the short term, a Sub-Fund's portfolio will achieve any capital growth or even maintain its current value. Prospective investors are advised that the value of Shares and the income from them may go down as well as up and, accordingly, an investor may not get back the full amount invested.

It should not be assumed that an investment in the Shares will be profitable or that the future performance of the Shares will equal the past performance of other investment vehicles managed by an investment manager and/or affiliates thereof. Prospective investors should carefully consider the risks involved including, but not limited to, those set forth below. The discussion of risk factors below does not purport to be a complete explanation of the risks involved in investing in the Company or any particular Sub-Fund.

An investment in an Open-Ended Fund with Limited Liquidity should be viewed as medium to long-term.

Different risks may apply to different Sub-Funds and/or Classes. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional advisers before making an application for Shares.

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

### 8.1 GENERAL

#### *Cross Liability for Other Sub-Funds*

While the provisions of the Companies Act provides for segregated liability between Sub-Funds, the Company may operate or have assets in countries other than Ireland which may not recognise the principle of segregation of liability between sub-funds and there is no guarantee that creditors in one Sub-Fund will not seek to enforce one Sub-Fund's obligations against another Sub-Fund. Furthermore, under the Companies Act, the assets of one Sub-Fund may be applied to discharge some, or all liabilities of another Sub-Fund on the grounds of fraud or misrepresentation. Accordingly, the assets of any Sub-Fund of the Company could potentially be exposed to the liabilities of the other Sub-Funds of the Company. In satisfaction of an obligation owed in relation to another Sub-Fund in a jurisdiction which would.

#### *Limitation of Liability of Shareholders*

The liability of Shareholders is limited to any unpaid amount on its Shares and all Shares in the Company will only be issued on a fully paid basis. However, under the Application Form and the Articles investors will be required to indemnify the Company and other parties as stated therein for certain matters including inter alia losses incurred as a result of the holding or acquisition of Shares by an Ineligible Applicant, losses arising as a result of an applicant for Shares failing to settle subscription monies by the relevant Subscription Payment Date, any liabilities arising due to any tax the Company is required to account for on an investor's behalf, including any penalties and interest thereon, any losses incurred as a result of a misrepresentation by an investor of any matters specified in the Application Form.

#### *Lack of Operating History*

Upon launch, each Sub-Fund is a newly formed entity and has no operating history upon which prospective investors can evaluate the likely performance of a Sub-Fund. The past investment performance of the AIFM, the Investment Manager or any of its affiliates, or entities with which it has been associated, may not be construed as an indication of the future results of an investment in the Sub-Fund. There can be no assurance that; (i) the Sub-Fund's investment policy will prove successful; or (ii) investors will not lose all or a portion of their investment in the Sub-Fund.

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

Legal and regulatory (including taxation) changes could adversely affect the Company. Regulation (including taxation) of investment vehicles such as the Company is still evolving and therefore subject to change. In addition, many governmental agencies, self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. The effect of any future legal or regulatory (including taxation) change on the Company is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders..

#### *Controlling Shareholder*

There is no restriction on the percentage of the Company's Shares that may be owned by one person or a number of connected persons. It is possible, therefore, that one person, including a person or entity related to the AIFM or, a collective investment scheme managed by the AIFM or its affiliates, may be a majority Shareholder in a Sub-Fund.

#### *Information Rights*

The Company may provide a Shareholder with historic performance or portfolio level holding information in respect of a particular Sub-Fund. This information will

be available to all Shareholders upon request but if not requested it may not be systematically obtained by all Shareholders in a Sub-Fund. As a result, a Shareholder that has received this information may be able to act on such additional information requested that other Shareholders may not systematically receive.

### **Operating Deficits**

The costs of operating a Sub-Fund (including the fees payable to the AIFM, the Investment Manager, a Sub-Investment Manager, an Investment Advisor, the Administrator, the Depositary and the organizational costs and expenses of the Company and the relevant Sub-Fund) could exceed its income, thereby requiring that the difference be paid out of a Sub-Fund's capital and reducing the Sub-Fund's investments and potential for profitability. Fees and expenses of a Sub-Fund will only be paid out of capital when the costs exceed the Sub-Fund's income. Similarly, the costs of operating any one of the Sub-Fund's underlying investments could exceed the income of such underlying investments, thereby requiring that the difference be paid out of the underlying investment's capital and reducing their assets and potential for profitability.

### **Capital Erosion Risk**

Shareholders should note that where a Sub-Fund or Class facilitates the payment of some or all of its distributions out of capital this may have the effect of eroding capital and the value of future returns in the Sub-Fund or Class could be diminished. The maximising of income will be achieved by foregoing the potential for future capital growth. On redemptions of holdings Shareholders may not receive back the full amount invested.

### **Service Provider Risk**

The Company is reliant upon the performance of third party service providers. In particular, the AIFM, the Investment Manager, the Depositary and the Administrator will be providing services which are integral to the operation of the Company. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, including in circumstances where the service provider has breached the terms of its contract, could have a materially detrimental impact upon the operations of the Company.

Absent a direct contractual relationship between the Shareholder and the service provider to the Company, a Shareholder will generally have no direct rights against the relevant service provider, and there are only limited circumstances in which the Shareholders can potentially bring a claim against the relevant service provider. Instead, the proper plaintiff in an action in respect of which a wrongdoing is alleged to have been committed against the Company by the relevant service provider is the Company.

### **Depositary Risk; Custody Risk**

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

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

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

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

The Depositary Agreement provides that, in the event that a Sub-Fund invests in markets where safe-keeping and/or settlement systems are not fully developed, the assets of the Sub-Fund which are traded in such markets and which have been entrusted to the Depositary or any sub-custodian(s), in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Depositary will have no



liability, to the extent permitted under AIFMD and the AIFMD Regulations.

### ***Reliance on the AIFM, the Investment Manager and Key Persons***

The Company will rely on the AIFM and the Investment Manager in formulating the investment strategies for each Sub-Fund and the performance of the Sub-Funds is substantially dependent on the continuation of agreements with the AIFM and the Investment Manager and the skills and services of their respective officers and employees. In the case of loss of service of the AIFM or the Investment Manager or any of its key personnel, as well as any significant interruption of the AIFM or the Investment Manager's business operations, or in the extreme case, the insolvency of the AIFM or the Investment Manager, a Sub-Fund may not find successor investment managers quickly and the new appointment may not be equivalent terms or of similar quality. Therefore, the occurrence of those events could cause a deterioration in a Sub-Fund's performance and investors may lose money in those circumstances.

The AIFM or the Investment Manager or its principals and employees are not required to devote substantially all their business time to the Company's business.

A Sub-Fund's investment activities depend upon the experience and expertise of the AIFM's and/or the Investment Manager's portfolio management team. The loss of the services of any or all of these individuals, or the termination of the Management Agreement or the Investment Management Agreement, could have a material adverse effect on the Company's operations.

### ***Operational Risk***

A Sub-Fund's investments may be adversely affected due to a failure in the operational process of the Company or its service providers. A Sub-Fund may be subject to losses arising from inadequate or failed internal controls, processes and systems, or from human error. While the Company seeks to minimize such events through controls and oversight, there may still be failures that could cause losses to a Sub-Fund.

The Company depends on the AIFM and the Investment Manager(s) appointed, to develop and implement appropriate systems for the investment activities of the relevant Sub-Fund. The AIFM and the Investment Manager(s) in turn rely extensively on computer programs and systems to trade, clear and settle transactions, to evaluate certain securities based on real-time trading information, to monitor its portfolios and net capital and to generate risk management and other reports that are critical to the oversight of the Sub-Funds investment activities. In addition, certain of the AIFM's or Investment Manager's systems interface with or depend on systems operated by third parties, market counterparties and other service providers and the AIFM or Investment Manager, as appropriate may not be in a

position to verify the risk or reliability of such third party systems. Those programs or systems may be subject to certain defects, failures or interruptions. Any such defect or failure could cause settlement of trades to fail, lead to inaccurate accounting, recording or processing of trades and cause inaccurate reports which may affect the AIFM or Investment Manager's ability to monitor their investment portfolios and the associated risks.

### ***Performance Fee Risk***

Where Performance Fees are payable by a Sub-Fund, these will be charged as set out in the relevant Supplement. A performance fee will increase in conjunction with any unrealised appreciation in a Sub-Fund as well as realised gains and as a result, performance fees may be paid on unrealised gains which may subsequently never be realised as positions may be closed out at a loss in a later period with a consequent reduction in the Net Asset Value per Share on a later Dealing Day. Further, payment of performance fees may create an incentive to the AIFM or the Investment Manager to select riskier or more speculative trades than would be the case is the absence of such fee arrangement.

### ***Fraud Risk***

None of the Company, the AIFM, the Investment Manager, the Administrator or the Depositary or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of or acting upon instructions from Shareholders, including but not limited to requests for redemptions of Shares, reasonably believed to be genuine, and shall not in any event be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorised or fraudulent instructions. The Administrator shall employ reasonable procedures to seek to establish that instructions are genuine and that the subscription, redemption and conversion procedures of the Company are adhered to, as appropriate. In the event that a Sub-Fund suffers a loss due to the payment of redemption monies to, for example, a fraudster who has successfully redeemed a Shareholder's holding or part thereof, the Net Asset Value of that Sub-Fund shall be reduced accordingly and in the absence of any negligence, fraud, or wilful default on the part of the AIFM, the Investment Manager, the Administrator or in the case of the Depositary its negligent or intentional failure to perform its obligations or its improper performance of them, the Company will not be compensated for any such loss which will therefore be absorbed by the Shareholders equally.

### ***Cyber Security Risk***

The Company and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not



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

The Company therefore remains subject to the risk that the procedures implemented by its service providers will be ineffective to protect the Company and the Sub-Funds fully from any such risks, particularly in light of the evolving nature of the threat to cyber security. The Company may therefore be exposed to risk of losses in circumstances where the relevant service provider may have no liability for any such losses suffered by the Company or a Sub-Fund.

### ***Epidemics and Other Health Risks***

Many countries have experienced outbreaks of infectious illnesses in recent decades, including swine flu, avian influenza, SARS and the 2019-nCoV (the "**Epidemics**"). Some of the Epidemics have resulted in numerous deaths and the imposition of both local and widespread quarantine measures, border closures and other travel restrictions, causing social unrest and commercial disruption on a global scale. The ongoing spread of the Epidemics has had, and will continue to have, a material adverse impact on local economies in the affected jurisdictions and also on the global economy, as cross border commercial activity and

market sentiment are increasingly impacted by the outbreak and government and other measures seeking to contain its spread. In addition to these developments having adverse consequences to the value of certain portfolio companies and other issuers in or through which a Sub-Fund may directly or indirectly invest, the operations of the AIFM, the Investment Manager or other service providers may be adversely impacted, including through quarantine measures and travel restrictions imposed on personnel or service providers based or temporarily located in affected countries, or any related health issues of such personnel or service providers. Any of the foregoing events could materially and adversely affect a Sub-Fund's ability to source, manage and divest its investments and its ability to fulfil its investment objectives.

### ***Changes in the UK Political Environment***

Changes in the UK political environment following the UK's decision by referendum to exit from the EU has led and is likely to lead to further political, legal, tax and economic uncertainty. This has already and is likely to continue to impact general economic conditions in the UK. The UK exit could adversely affect an investment manager's ability to access markets, make investments, attach and retain employees or enter into agreements (on its own behalf or on behalf of the Company or the Sub-Funds) or continue to work with non-UK counterparts and service providers, all of which could result in increased to the Company or the Sub-Funds. Where relevant, the UK exit from the EU may result in restrictions in a UK regulated distributor's ability to market the Company which could hamper the success of the Company. It may also result in volatility in Sub-Funds which have exposure to the UK financial markets or the UK currency. The decision by the UK to leave the EU may destabilise some or all of the other 27 members of the EU and / or the Eurozone which may also have a material adverse effect on the Company, its service providers and counterparties.

### ***Taxation***

Prospective investors and Shareholders should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions from the Company or any Sub-Fund. The requirement to pay such taxes will be according to the laws and practices of the country where the Shares are purchased, sold, held or redeemed and in the country of residence or nationality of the Shareholder and such laws and practices may change from time to time.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely. Prospective investors and Shareholders should consult their tax advisors with respect to their particular tax situations and the tax consequences of an investment in a particular Sub-Fund.

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

### ***Uncertain Tax Positions***

Prospective investors should be aware that tax laws and regulations are constantly changing and that they may be changed with retrospective effect. Moreover, the interpretation and application of tax laws and regulations by certain tax authorities may not be clear, consistent nor transparent. As a result of uncertainty relating to the Company's potential tax liabilities, including on any historical realised or unrealised gains, as well as liabilities that may arise as a result of investments made by the relevant Sub-Fund which have not reflected tax liabilities in their valuation, the Net Asset Value of the Sub-Funds on any Dealing Day may not accurately reflect such liabilities (including those that are imposed with retrospective effect). In addition, the Net Asset Value of the Sub-Funds on any Dealing Day may reflect an accrual for potential tax liabilities that may subsequently not be paid. Accounting standards may also change, creating an obligation for the Company to accrue for a potential tax liability that was not previously required to be accrued or in situations where the Company does not expect to be ultimately subject to such tax liability.

In the event that the Company subsequently determines to accrue for tax liabilities and/or is required to pay amounts relating to tax liabilities that had not previously been accrued and/or any Sub-Fund investments result in tax liabilities that were not reflected in their valuation (including historic investments), the amount of any such determination or payment will generally be allocated among the Shareholders of the applicable Sub-Fund at the time of such determination or payment, rather than when the income or transaction to which such taxes relate was earned or occurred. Moreover, in the event that the Company subsequently determines that an accrual for potential tax liabilities exceeds or will exceed the liability for such taxes, the benefit from any such determination will generally be allocated among the Shareholders of the applicable Sub-Fund at the time of such determination, rather than when the income or

transaction in respect of which such taxes were accrued was earned or occurred, and Shareholders who previously redeemed Shares of the Sub-Fund will not receive additional compensation or otherwise share such benefit. Shareholders will not be notified of any of the foregoing determinations or payments.

Shareholders that invest in Shares of a Sub-Fund at a time during which any liabilities for taxes are not accrued will invest in Shares of the Sub-Fund at a higher Net Asset Value than such Shareholders would have invested had such liabilities been accrued at the time of the applicable investment. In addition, the returns of the Sub-Fund may be considered to have been subject to an inadvertent leverage effect in that those additional assets would have been invested in accordance with the usual investment policy of the Sub-Fund. On the other hand, Shareholders that redeem Shares of a Sub-Fund at a time during which potential liabilities for taxes are accrued will redeem Shares of the Sub-Fund at a lower Net Asset Value than if such liabilities had not been accrued at the time of the applicable redemption. In that situation the Sub-Fund may also be considered to have been subject to an inadvertent underinvestment effect if that accrual of taxes is not subsequently paid.

## **8.2 FUND-OF-FUND SPECIFIC RISKS**

### ***Unregulated Underlying Funds***

The Sub-Fund's may invest in Underlying Funds which are unregulated and which may not provide a level of investor protection equivalent to schemes authorised by the Central Bank. A Sub-Fund may allocate a substantial portion of their assets to Third Party Funds. While it is the objective of the AIFM or the Investment Manager to invest according to the investment strategies, objectives and restrictions of each Sub-Fund, it is possible that the investment styles, investment returns, leverage, legal, operational, regulatory and other risks of Underlying Funds may differ (possibly materially) from those of the relevant Sub-Fund.

### ***Fund-of-Funds Valuation Risk***

A Sub-Fund which is a fund-of-funds may be subject to valuation risk due to the manner and timing of valuations of the relevant Underlying Funds' investments. Underlying Funds may be valued by fund administrators affiliated to the fund managers, or by the fund managers themselves, resulting in valuations which are not verified by an independent third party on a regular or timely basis. Accordingly, there is a risk that (i) the valuations of Sub-Funds may not reflect the true value of Underlying Fund holdings at a specific time which could result in significant losses or inaccurate pricing for these Sub-Funds and/or (ii) valuation may not be available on the Valuation Day for the Sub-Fund so that some or all of the assets of the Sub-Fund may be valued on an estimated basis and subject to revision through the annual audited statements. It is anticipated

that some of the Underlying Funds may employ valuation methods that may differ from the fair market value of such investments. As a result, the amount received by the Sub-Fund may differ from the fair market value of the pro rata share of the Sub-Fund's investment in an Underlying Fund. Redeeming Shareholders will not be entitled to participate in the increases from such undervaluation.

### ***Investment in Commitment Funds***

Capital calls from Underlying Funds which are established as Commitment Funds (which for the purposes of clarity may include Affiliated Funds) shall be managed by the Investment Manager. However, where there is a shortage of liquidity available to fund a capital call for a Sub-Fund's pro rata liability of the unfunded commitment to a Commitment Fund, the Investment Manager may need to raise capital through: (a) borrowing, which may incur fees; (b) liquidating investments by either redeeming or a sale on the secondary market, which may be at a fair market discount to the value of the assets. Where investments with higher liquidity in a Sub-Fund's investment portfolio are liquidated to generate cash to fund commitments, the Sub-Fund may be over-exposed to illiquid assets to the detriment of Shareholder who may be less able to redeem from the Sub-Fund. Where the Sub-Fund is unable to raise capital to satisfy any commitment calls received, the Sub-Fund may default which will have a material adverse impact on the Sub-Fund, including inter alia, forfeiture of interest, forced sale of interest at a discount, total loss of invested capital, or interest charges on late payment.

### ***Underlying Funds structured as Closed Ended or Open-ended with Limited Liquidity***

Underlying Funds which are closed-ended or have liquidity terms which differ from a Sub-Fund, may limit the AIFM's ability to liquidate portfolio investments in order to meet redemption requests. Additionally, Underlying Funds may establish additional classes of interests with different terms for other investors who may be invested in the Underlying Fund which may lead to investors with different rights and obligations.

### ***Underlying Funds structured as Evergreen Funds***

A Sub-Fund may invest in Underlying Funds which are 'evergreen' meaning they will continually make commitments to illiquid alternative asset classes. There may be a risk of a long redemption horizon where a side pocket is established. Additionally, the performance of such funds shall be applied equally to all investors, irrespective of when a Sub-Fund subscribed into the evergreen pooling vehicle and irrespective of the maturity of the evergreen pooling vehicle's investments at the time of subscription or redemption.

### ***Fund-of-Fund Concentration Risk***

Where a Sub-Fund's exposure to a Underlying Fund exceeds 50%, a Sub-Fund could be subject to significant losses given its exposure to such a large position, particularly where the value or performance of the Underlying Fund declines or is otherwise adversely affected, including default of Master Fund.

### ***Increased exposure to illiquid Asset Classes***

In order to provide liquidity to redeeming Shareholders, a Sub-Fund may redeem its investments which are more liquid and therefore may, over time, have a higher allocation to asset classes which are illiquid than otherwise intended. As a result, the Sub-Fund may be less liquid.

### ***Fees of Underlying Funds***

Underlying Funds can charge fees and expenses. These fees might or might not be based upon assets or upon profits or other performance measures and there are no restrictions on the fees and expenses a Sub-Fund may bear by investing in these Underlying Funds. The fees and expenses of the Underlying Funds will reduce (possibly materially) the returns of the Sub-Fund.

### ***Layering of Fees***

Where a Sub-Fund invests in Underlying Funds, fees may be payable at several levels, including at the level of the Sub-Fund, at the level of the Underlying Fund and in respect of any investments underlying the Underlying Fund. Underlying Funds which a Sub-Fund invests into may themselves be structured as fund-of-fund schemes and may therefore be subject to fees payable to funds in which they invest. This may limit the Sub-Fund's potential to profit from such investments and may result in losses.

### ***Fund of Fund Transparency Risk***

Investment in fund-of-funds can result in a lack of transparency in respect of the underlying investments held and therefore the ultimate investment exposure.

### ***Potential for Underlying Fund Firm Fraud or Misconduct***

When a Sub-Fund invests assets in an Underlying Fund the Sub-Fund does not have custody of the assets or control over its investment. Therefore, there is always the risk that the manager of the Underlying Fund could divert or abscond with the assets, fail to follow agreed upon investment strategies, provide false reports of operations or engage in other misconduct. Underlying Fund managers with whom the Sub-Funds invest may not have registered the securities of their underlying funds or their investment advisory operations under applicable securities laws.

### ***Changes in Underlying Funds and Allocations***

The Investment Manager of a Sub-Fund may from time to time select new or replacement underlying funds and change the percentage of a Sub-Fund's assets allocated to each such fund. These changes will be made in the discretion of the Investment Manager of the Sub-Fund, subject to the underlying funds' liquidity constraints. A Sub-Fund success depends to a great extent on its Investment Manager's ability to identify and allocate assets successfully among underlying funds.

### ***Investor Concentration and Composition in Underlying Funds***

An Underlying Fund may have a concentrated investor base where institutional type clients (such as pension funds, insurance companies or other collective investment schemes, including those which may be managed by AIFM affiliated entities), financial institutions or other types of investors hold a significant portion of the assets of an Underlying Fund. This exposes other shareholders in the Underlying Fund to certain risks. These risks include the risk that a large portion of the assets of an Underlying Fund may be redeemed on any day which could impact the overall viability of the Underlying Fund or could impact the ability of other investors, who have not submitted redemption requests on that day, to redeem from the Underlying Fund e.g. where it may be necessary to impose a redemption gate.

## **8.3 INVESTMENT-SPECIFIC RISKS**

### ***Active Investment Management***

Where disclosed in the relevant Supplement, a Sub-Fund's investments may be actively managed by the AIFM or the Investment Manager, based on the expertise of individual fund managers, who will have discretion (subject to the Sub-Fund's investment restrictions, investment policies and strategies) to invest the Sub-Fund's assets in investments that it considers will enable the Sub-Fund to achieve its investment objective. There is no guarantee that a Sub-Fund's investment objective will be achieved based on the investments selected.

### ***Availability of Investment Strategies***

Whilst it is the intention of the AIFM or the Investment Manager to implement investment strategies which are designed to achieve a Sub-Fund's investment objective, there is a risk that the AIFM or the Investment Manager may not be able to locate suitable investment opportunities in which to deploy all of a Sub-Fund's assets. Use of a Benchmark

A Sub-Fund's use of a benchmark may fall within the scope of the Benchmark Regulation. Subject to certain transitional and grandfathering arrangements, a Sub-

Fund will no longer be able to 'use' a benchmark within the meaning of the Benchmark Regulation which is provided by an EU index provider which is not registered or authorised pursuant to Article 34 of the Benchmark Regulation or which is provided by a non-EU index provider which has not been recognised, deemed equivalent or endorsed under the Benchmark Regulation. Furthermore, circumstances may arise where the benchmark used by a Sub-Fund materially changes or ceases to exist. In such circumstances, a Sub-Fund may therefore be required to identify a suitable alternative benchmark if available which may prove difficult or impossible. Failure to identify a suitable replacement benchmark may have an adverse impact on the relevant Sub-Fund, including in certain circumstances the ability of the AIFM or the Investment Manager to implement the investment strategy of the relevant Sub-Fund. Compliance with the Benchmark Regulation may also result in additional costs being borne by the relevant Sub-Fund.

### ***Market Risk***

The investments of a Sub-Fund are subject to risks inherent in all investments. The value of holdings may fall as well as rise, sometimes rapidly and unpredictably. The price of investments will fluctuate and can decline in value due to factors affecting financial markets generally or particular industries, sectors, companies, countries or geographies represented in the portfolio, and reduce the value of a portfolio. The value of an investment may decline due to general market conditions which are not specifically related to particular investments, such as real or perceived adverse economic conditions, changes in the general outlook of macro-economic fundamentals, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular region, sector or industry, such as labour shortages or increased production costs and competitive conditions. Some investments may be less liquid and/or more volatile than others and therefore may involve greater risk.

A Sub-Fund's performance may be adversely affected by unfavourable markets and unstable economic conditions or other events, which may result in unanticipated losses that are beyond the control of the Sub-Fund.

### ***Political and Regulatory Risk***

The value of the assets of a Sub-Fund may be affected by domestic and international political developments, changes in social conditions, changes in government policies, taxation, restrictions on foreign investments and currency repatriation, the level of interest rates, currency fluctuations, fluctuations in both debt and equity capital markets, sovereign defaults, inflation and money supply deflation, and other developments in the legal, regulatory and political climate in the countries in which investments may be made, which may or may not



occur without prior notice. Any such changes or developments may affect the value and marketability of a Sub-Fund's investments.

### **Market Disruptions**

A Sub-Fund may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from such a disconnection is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. Such a disruption may also result in substantial losses to the Sub-Fund. Because market disruptions and losses in one sector can cause effects in other sectors; for example, during the 'credit crunch' of 2007-2008 many investment vehicles suffered heavy losses even though they were not necessarily heavily invested in credit-related investments. In addition, the outbreak of infectious illnesses, such as those listed in the 'Epidemics and Other Health Risks' risk factor above, may have negative consequences for Sub-Funds due to the global impact on both valuations of investments and the disruption to normal operational processes.

Some of the markets on which each Sub-Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which each Sub-Fund may liquidate positions to meet redemption requests or other funding requirements. Potential investors should also note that the securities of small capitalisation companies are less liquid and this may result in fluctuations in the price of the Shares of the relevant Sub-Fund. It may not always be possible for a Sub-Fund to execute a buy or sell order on exchanges at the desired price or to liquidate an open position due to market conditions including the operation of daily price fluctuation limits. If trading on an exchange is suspended or restricted, a Sub-Fund may not be able to execute trades or close out positions on terms which the AIFM believes are desirable. As a Sub-Fund may invest in unlisted securities, a lack of liquidity in such securities may impact upon the valuation of those securities.

### **Force Majeure**

The Company may be exposed to losses as a result of one or more force majeure events including, fire, disaster, riot, civil commotion, accident, outbreak of disease, epidemic, fire, flood, storm, rebellion, war, act of terrorism, government, monetary authority or military action or industrial dispute, strike or lock-out, computer error or failure, delay or breakdown in communications or electronic transmission systems, unavailability of market prices or suspension of dealing on relevant stock exchanges or any other cause or circumstance beyond the reasonable control of the Company, AIFM, the Investment Manager or the Administrator.

### **Currency Risk**

The Net Asset Value per Share will be computed in the Base Currency of the relevant Sub-Fund, whereas each Sub-Fund's investments may be acquired in a wide range of currencies. Accordingly, there is a currency exchange risk involved as a result of fluctuations in exchange rates between the Base Currency and such other currency in which a Sub-Fund is invested, which fluctuations may be substantial and may occur suddenly. Fluctuations in interest rates of the Base Currency or the currencies of the Sub-Fund's investments may affect and the real value of the Shares.

### **Class Currency Designation Risk**

A Class of Shares of a Sub-Fund may be designated in a currency other than the Base Currency of the Sub-Fund and/or the currencies in which the Sub-Fund's assets are denominated. Changes in the exchange rate between the Class Currency and Base Currency, or changes in the exchange rate between the Class Currency and the currencies in which the Sub-Fund's assets are denominated, may lead to a depreciation of the value of such Shares as expressed in the Class Currency. For Classes which are designated currency hedging Classes, the AIFM or the Investment Manager may try, but is not obliged, to mitigate this risk by undertaking currency hedging transactions in respect of the relevant Class. Investors should be aware that such hedging strategies may not completely eliminate exposure to such currency movements, and that there is no guarantee that hedging strategies will be successful. Investors should also be aware that such hedging strategies may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currencies in which the assets of the Sub-Fund are denominated. See the risk factor 'Hedging Risk' for further details.

### **Hedging Risk**

Hedging strategies in general are intended to limit or reduce investment risk, but they can also be expected to involve transaction costs and may inherently limit or reduce the potential for profit. The success of a hedging strategy will depend, in part, upon the AIFM or Investment Manager's ability to assess correctly the degree of correlation between the performance of the instruments used in the hedging strategy and the performance of the portfolio being hedged. Since the characteristics of many securities change as markets change or time passes, the success of the hedging strategy will also be subject to the AIFM's or Investment Manager's ability to continually re-calculate, re-adjust and re-execute hedges in an efficient and timely manner. While a Sub-Fund may enter into hedging transactions to seek to reduce risk, such transactions may result in a poorer overall performance for the Sub-Fund than if it had not engaged in such hedging transactions. For a variety of reasons, the AIFM or the Investment Manager may not seek to establish a perfect correlation between

the hedging instruments utilised and the portfolio being hedged. Such an imperfect correlation may prevent the Sub-Fund from achieving the intended hedge, or expose the Sub-Fund to risk of loss. The AIFM or Investment Manager may not hedge against a particular risk because it does not regard the probability of the risk occurring to be sufficiently high as to justify the cost of the hedge, or because it does not foresee the occurrence of the risk. The successful utilisation of hedging requires skills complementary to those needed in the selection of a Sub-Fund's portfolio holdings.

### **Concentration Risk**

Where specified in the relevant Supplement, a Sub-Fund may focus its investments from time to time on one or more geographic regions, countries, industries or economic sectors. To the extent that it does so, developments affecting investments in such regions or sectors will likely have a magnified effect on the Net Asset Value of the relevant Sub-Fund and total returns and may subject the Sub-Fund to greater risk of loss. Accordingly, the Sub-Fund could be considerably more volatile than a broad-based market index or other collective investment schemes funds that are diversified across a greater number of investments, regions, industries or sectors.

### **Portfolio Turnover**

When circumstances warrant, investments may be sold or unwound without regard to the length of time held. Active trading increases a Sub-Fund's rate of turnover, which may increase brokerage commissions paid and certain other transaction expenses. The costs related to increased portfolio turnover has the effect of reducing a Sub-Fund's investment return and the sale of securities by a Sub-Fund may result in the realization of taxable capital gains, including short term capital gains.

### **Settlement Risk**

Markets in different countries will have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions, thereby making it difficult to conduct such transactions. Delays in settlement could result in temporary periods when assets of a Sub-Fund remain uninvested and no return is earned thereon. The inability of a Sub-Fund to make intended purchases due to settlement problems could cause it to miss attractive investment opportunities. Inability to dispose of portfolio securities due to settlement problems could result in losses to a Sub-Fund due to subsequent declines in value of the portfolio security, or if it has entered into a contract to sell the security, it could result in the possible liability of the Sub-Fund to the purchaser.

### **Large Cash Positions**

A Sub-Fund may, in certain circumstances, hold a significant portion of its assets in cash or Cash Equivalents at the AIFM or Investment Manager's discretion. If a Sub-Fund holds a significant cash position for an extended period of time, its investment return may be adversely affected and on it may not achieve its investment objective.

### **Investments in Undervalued Securities**

A Sub-Fund may seek to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognised or acquired. While investments in undervalued securities offer the opportunity for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from a Sub-Fund's investments may not adequately compensate for the business and financial risks assumed. In addition, a Sub-Fund may be required to hold such securities for a substantial period of time before realising their anticipated value. During this period, a portion of the Sub-Fund's capital would be committed to the securities purchased, thus possibly preventing the Sub-Fund from investing in other opportunities.

### **Equity Risk**

Investing in equity securities, including FDI on such equity securities, may offer a higher rate of return than those investing in debt securities. However, the risks associated with investments in equity securities may also be higher, because the investment performance of equity securities depends upon factors which are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies. The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might suddenly and substantially decrease in value as a result in changes in a company's financial position and overall market and economic conditions.

### **Investment in Smaller Companies**

Investments in smaller companies may offer greater opportunities for capital appreciation than larger companies, but may be more vulnerable to adverse market developments than larger companies and therefore investment in these companies tend to be riskier than investments in larger companies. Small companies may have limited product lines, markets or financial resources and may be dependent on a limited management group. Furthermore, shares in smaller companies can be harder to buy and sell and tend to go up and down in value more often and by larger amounts, especially in the short term.



### **Investment in Fixed Income Securities Risk**

Where a Sub-Fund invests in fixed income securities, it will be subject to credit, liquidity and interest rate risks. The issuers of fixed income securities may default on their obligations whether due to insolvency, bankruptcy, fraud or other causes and their failure to make the scheduled payments could cause a Sub-Fund to suffer significant losses. Evaluating credit risk for fixed income securities involves uncertainty because credit rating agencies throughout the world have different standards, making comparison across countries difficult. The value of bonds and other fixed income securities usually rise and fall in response to changes in interest rates. Declining interest rates usually increases the value of existing debt instruments and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with longer durations or maturities and may also be greater for certain types of debt securities such as zero coupons and deferred interest bonds. During periods of rising interest rates, the average life of certain types of securities may be extended because of slower than expected principal payments. This may lock in a below-market interest rate, increase the security's duration and reduce the value of the security. Also, the market for fixed income securities is often inefficient and illiquid and it is likely that a major economic recession could disrupt severely the market for such securities and may have an adverse impact on the value of such securities. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such securities to repay principal and pay interest thereon and increase the incidence of default for such securities.

In addition to traditional fixed-rate securities, a Sub-Fund may invest in debt securities with variable or floating interest rates or dividend payments. Variable or floating rate securities bear rates of interest that are adjusted periodically according to certain formulae intended to reflect market rates of interest. These securities allow a Sub-Fund to participate in increases in interest rates through upwards adjustments of the coupon rates on such securities. However, during periods of increasing interest rates, changes in the coupon rates may lag behind the change in market rates or may have limits on the maximum increase in coupon rates. Alternatively, during periods of declining interest rates, the coupon rates on such securities readjust downward and this may result in a lower yield.

### **Commodity Risk**

Where specified in the relevant Supplement, a Sub-Fund may generate indirect exposure to commodities markets which may subject it to greater volatility than investments in traditional securities as commodity investments may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or factors affecting a particular industry or commodity, such as drought, floods, weather,

sanctions, tariffs and international economic, political and regulatory developments.

### **Accounting, Auditing and Financial Reporting Standards Risk**

Investors' attention is drawn to the fact that the accounting and financial reporting standards, practices and disclosure requirements applicable to some of the countries in whose markets the Sub-Funds may invest do not necessarily provide the same degree of protection and information to investors as would generally apply in more developed markets. The reliability of the trading and settlement systems in such markets and the liquidity of such markets may also not be equal to that available in more developed markets, which may result in delays in realising investments made by the Sub-Funds.

### **Valuation Risk**

Certain investments held by a Sub-Fund may be valued at the probable realisation value as determined in accordance with the valuation provisions set out in the section titled [Calculation of Net Asset Value](#). Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. Where an investment is valued using a probable realisation value, there is no guarantee that such prices will accurately reflect the price the relevant Sub-Fund will receive upon the sale of the investment and to the extent that a Sub-Fund sells an investment at a price lower than the price which has been used to value the investment, its Net Asset Value will be adversely affected. Sub-Funds may, for the purpose of efficient portfolio management, engage in FDI transactions in which case there can be no assurance that the valuation as determined in accordance with the provisions set out above reflects the exact amount at which the instrument may be 'closed out'. In addition there may be delays in obtaining values for such investments which may result in reliance on estimates in calculating the Net Asset Value.

The Company may consult the AIFM or the Investment Manager with respect to the valuation of unquoted investments. There is an inherent conflict of interest between the involvement of the AIFM in determining the valuation price of a Sub-Fund's investments and its other responsibilities and fee entitlement. The AIFM has put in place safeguards for the functionally independent performance of the valuation task, at team level, as required by AIFMD. Such safeguards include measures to prevent or restrain any person from exercising inappropriate influence over the way in which a person carries out valuation activities.

### **FDI Risk**

Where specified in the relevant Supplement, a Sub-Fund may invest in FDI for efficient portfolio management purposes, in order to hedge risks associated with its

portfolio and/or for investment purposes.. The market value of FDI can be more volatile than that of other investments and may be subject to various types of risks, including but not limited to, market risk, liquidity risk, credit risk, counterparty risk, legal risk and operations risk.

The prices of FDIs may be highly volatile. Price movements of forward contracts, futures contracts and other FDI are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, national and international political and economic events or changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, e.g. markets in currencies or interest rates. Such intervention often is intended directly to influence prices and may, together with other factors, cause markets to move rapidly in the same direction.

The use of FDI also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of investments being hedged, (2) imperfect correlation between the hedging instruments and the investments or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Sub-Fund's other investments, and (4) the possible absence of a liquid market for any particular instrument at any particular time.

### **OTC Market Risk**

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

OTC transactions are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Such trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. OTC counterparties are not required to continue to make markets in the underlyings and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Sub-Fund.

### **Total Return Swaps Risk**

Where specified in the relevant Supplement, a Sub-Fund may enter into Total Return Swaps. The relevant Sub-Fund will be subject to the credit risk of the counterparty to the Total Return Swap, as well as that of the issuer of the reference obligation. If there is a default by the counterparty to a swap contract a Sub-Fund will be limited to contractual remedies pursuant to the

agreements related to the transaction. There is no assurance that the swap contract counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the Sub-Fund will succeed in pursuing contractual remedies. A Sub-Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to swap contracts. The value of the index/reference asset underlying a Total Return Swap may differ to the value attributable to the total return swap held by a Sub-Fund due to various factors such as the costs incurred in relation to entering the Total Return Swap and differences in currency values and costs associated with hedged or unhedged share classes.

### **Short Selling**

Where specified in the relevant Supplement, a Sub-Fund may, by using certain FDI, hold short positions in particular investments, sectors or markets where the AIFM or an Investment Manager wishes to express a negative view in relation to those investments, sectors or markets. Where the Sub-Fund holds a short position, the value of the short position will rise as the market value of the position falls. Many or all of the trading strategies expected to be executed by the underlying investments of the Sub-Funds involve the execution of short sales, i.e. trading securities not owned by the underlying investments. While short sales may be useful under certain circumstances in the pursuit of potential profit opportunities and/or the mitigation of certain forms of risk, they may result in an unlimited loss of capital within a relatively short period of time under certain other circumstances.

Due to regulatory action taken by regulators around the world as a result of recent volatility in the global financial markets, taking short positions on certain investments and in respect of certain markets has been restricted. The levels of restriction vary across different jurisdictions and are subject to change in the short to medium term. These restrictions have made it difficult and in some cases impossible for numerous market participants either to continue to implement their investment strategies or to control the risk of their open positions. Accordingly, where relevant, the Investment Manager may not be in a position fully to express its negative views in relation to certain investments, companies, currencies, assets or sectors and the ability of the Investment Manager to fulfil the investment objective of a Sub-Fund may be constrained.

Regulation (EU) No 236/2012 on Short Selling and Certain Aspects of Credit Default Swaps (as supplemented by Commission Delegated Regulations 918/2012, 919/2012, 826/2012 and Commission Implementing Regulation 827/2012) (the "SSR") applies directly (i.e., without national implementation) in all member states of the EU. The SSR imposes certain private and public disclosure obligations on all natural or legal persons, irrespective of regulatory status,

located inside or outside the EU, that have net short positions (as calculated in accordance with the SSR) in EU listed shares and EU sovereign debt, which reach or fall below the specified thresholds. The SSR also contains prohibitions on uncovered short sales of EU listed shares and EU sovereign debt (a short sale is 'uncovered' unless the specified conditions under the SSR are met for such short sale). In addition, the SSR prohibits uncovered positions in CDS referencing EU sovereign debt issuers. National regulators, and in certain circumstances the European Securities and Markets Authority (ESMA), are able to take certain additional emergency measures (including complete bans on short-selling activities) if certain conditions are met. The SSR may prevent the portfolio manager of an underlying investment from fully expressing negative views in relation to EU listed shares and/or EU sovereign debt and may also restrict the ability of the such portfolio manager to hedge certain risks through EU sovereign CDS. Accordingly, the ability of such portfolio manager to implement the investment approach and to fulfil the investment objective of such underlying investment may be constrained. For the purposes of this disclosure, 'EU listed shares' means shares admitted to trading on a regulated market or multilateral-trading facility (as defined in MiFID II) in the EU, unless the principal trading venue (as determined by the relevant national regulator) for the relevant shares is located in a country outside the EU; and 'EU sovereign debt' means debt instruments issued by an EU sovereign issuer (which includes EU institutions, governments of EU member states and certain international institutions established by two or more EU member states).

### **International Investments**

The Sub-Funds and/or its underlying investments will invest in funds investing in a wide variety of markets and financial instruments, including some markets that may be considered emerging markets. It should be appreciated that special risks apply to such investments, including without limitation changes in exchange rates and exchange control regulations; devaluations or non-convertibility of foreign currencies; failures or disruptions in central banks, banking systems, markets or financial exchanges; changes in monetary policy, interest rates, or interest rate policies; political, social and economic instability; investment and repatriation restrictions; the expropriation of assets; default by sovereign, exchange member or corporate issuers on their financial obligations, and limited recourse for such defaults; the imposition of foreign taxes; and less liquid markets, less information, higher transaction costs, greater difficulty in enforcing contractual obligations, less uniform accounting and auditing standards, greater price volatility, and less government supervision of exchanges, brokers, market intermediaries, issuers, and other market participants than may be the case in a Shareholder's domestic jurisdiction.

### **Leverage and Borrowing**

The Sub-Funds may use borrowing for bridge financing and hedging activities. Additionally, the Sub-Funds to a certain degree and in particular the underlying investments intend to use borrowing instruments, including, in the case of some underlying investments, margin borrowing and other means that if such instruments were to decrease in value and under certain circumstances, could result in losses exceeding the assets of the Sub-Funds or the underlying investments, as the case may be. In addition to borrowing from securities brokers, dealers, banks or others, the underlying investments may use FDI to leverage capital, as discussed above. Leverage increases both the possibilities for profit and the risk of loss. Accordingly, any event which adversely affects the value of an investment could be magnified to the extent that leverage is utilized. The cumulative effect of the use of leverage with respect to any investments in a market that moves adversely to such investments could result in a substantial loss to the Company which would be greater than if the investments were not leveraged.

The Sub-Funds may employ leverage to manage cash flow reserves and additional subscriptions may be used to repay these borrowing obligations which may have adverse consequences for the Sub-Fund. Where leverage is used to satisfy Redemption Requests as a result of the Underlying Funds' illiquidity, this may result in a disproportionate amount of liquid investments being realised to satisfy such liabilities which may mean investors are over-exposed to investments with exposure to illiquid Alternative Asset Classes.

Borrowings (or in some cases guarantees of performance of obligations) will usually be from (and, in the case of guarantees, by) securities brokers and dealers, and will typically be secured by the securities and other assets of the underlying investments. Under certain circumstances, such a broker or dealer may demand an increase in the collateral that secures such obligations, and if the entity is unable to provide additional collateral, the broker or dealer could liquidate assets held in that entity's account to satisfy the entity's obligations. Liquidation in that manner could have extremely adverse consequences, including sales at disadvantageous times and prices.

### **Timing of Gains and Losses**

Some of a Sub-Fund's investments may be in securities that must be held for a significant period before the success or failure of the investment becomes apparent or any gains can be realized. The underlying investments of a Sub-Fund may be invested in such securities as well.

### **Difficulty of Locating Attractive Investments**

Identifying, completing and realizing gain on attractive investments is highly competitive and involves significant uncertainty and there is no guarantee that

the Sub-Funds or their underlying investments will secure suitable investments. The Sub-Funds or their underlying investments may compete for gaining access to attractive investments with other investors. The difficulty of finding suitable investments and the competition involved in securing such an investment may result in a failure to meet the investment objectives or strategies of the Sub-Fund.

### **Liquidity Risk**

A Sub-Fund or its underlying investments may invest in securities that, while they may or may not be publicly traded, may be relatively illiquid. A position may be a private placement, illiquid because the security is thinly traded or because an investment in a security is large in relation to the overall market for the security. Securities that are relatively liquid when acquired may become illiquid after the acquisition for many reasons, for example due to a company's market capitalization falling below the listing requirements of a stock exchange. The value assigned to illiquid securities (including thinly traded securities) and large blocks of securities for purposes of determining profits and losses may differ from the value the Company or the underlying investments are ultimately able to realize.

An inability to redeem securities may expose the Sub-Fund to losses it could have otherwise avoided if the Sub-Fund had been able to redeem such securities; and if a Shareholder that otherwise desires to redeem is required to remain indirectly invested in that security, the Shareholder may experience those losses as well. It may also cause the Sub-Fund to become unbalanced as it is forced to obtain liquidity from those securities which provide such liquidity, although the AIFM intends to mitigate this risk through the use of a Liquidating Side Pocket Class, where applicable and where deemed necessary.

For further information regarding the AIFM's liquidity management policy refer to the sub-section titled [Liquidity Policy](#).

### **OTC Counterparty Rating Downgrade Risk**

The Sub-Funds may enter into over-the-counter transactions and will only do so with those counterparties believed to be sufficiently creditworthy. In addition, pursuant to Irish regulatory requirements, the Sub-Funds will be required to refrain from entering into transactions which involve collateral arrangements with over-the-counter counterparties who do not meet minimum credit rating criteria set by the Central Bank. If an over-the-counter counterparty engaged in respect of a Sub-Fund, is subject to a credit rating downgrade, this could potentially have significant implications for the relevant Sub-Fund both from a commercial perspective and a regulatory perspective. A rating downgrade below the minimum regulatory levels set by the Central Bank could require the relevant Sub-Fund to refrain from entering into transactions with such

counterparty. The Investment Manager shall endeavour to monitor the rating of all over-the-counter counterparties engaged by the Sub-Funds on an ongoing basis to ensure such minimum credit ratings are maintained and that necessary steps are taken in the event of any counterparty being subject to a credit rating downgrade. However, it is possible that such counterparties could be subject to a credit rating downgrade in circumstances where this is not notified to the relevant Sub-Fund or identified by the Investment Manager in which case the relevant Sub-Fund may be in technical breach of the regulatory requirements regarding eligible over-the-counter counterparties. This regulatory risk is in addition to the commercial risk associated with continuing to engage (and possibly have exposure to) an over-the-counter counterparty with a lower credit rating. In addition, if the Investment Manager is required to take steps to exit positions with an over-the-counter counterparty subject to a credit rating downgrade, due to regulatory requirements or otherwise, this may result in positions being terminated on unfavourable terms or in unfavourable market conditions with the consequence of the relevant Sub-Fund suffering substantial losses. Regardless of the measures the Sub-Fund may implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that the relevant Sub-Fund will not sustain losses on the transactions as a result.

### **Risks Associated with Securities Financing Transactions**

Securities Financing Transactions create several risks, including counterparty risk if the counterparty to a Securities Financing Transaction defaults on its obligation to return assets equivalent to the ones provided to it by the relevant Sub-Fund and liquidity risk if the Sub-Fund is unable to liquidate collateral provided to it to cover a counterparty default.

### **Securities Lending**

Where a Sub-Fund enters into securities lending arrangements there are risks in the exposure to market movements if recourse has to be had to collateral, or if there is fraud or negligence on the part of the Depositary or lending agent. In addition, there is an operational risk associated with marking to market daily valuations and there are the potential stability risks of providers of collateral. The principal risk in securities lending arrangements is the insolvency of the borrower. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. A securities lending transaction will involve the receipt of collateral. However there is a risk that the value of the collateral provided may fall below the value of the securities transferred and the Sub-Fund may suffer loss as a result. In addition, a Sub-Fund may invest cash



collateral received under a securities lending arrangement, any such Sub-Fund will be exposed to the risks associated with such investments.

### **Repurchase Agreements**

Under a repurchase arrangement, a Sub-Fund retains the economic risks and rewards of the securities which it has sold to the counterparty and therefore is exposed to market risk in the event that it must repurchase such securities from the counterparty at the pre-determined price which is higher than the value of the securities.

### **Reverse Repurchase Agreements**

If a seller of securities to a Sub-Fund under a reverse repurchase agreement defaults on its obligation to repurchase the underlying securities, as a result of its bankruptcy or otherwise, the Sub-Fund will seek to dispose of such securities, which action could involve costs and/or delays. If the seller becomes insolvent and subject to a liquidation or reorganisation under bankruptcy or other laws, a Sub-Fund's ability to dispose of the underlying securities may be restricted. It is possible, in a bankruptcy or liquidation scenario that the Sub-Fund may not be able to substantiate its interest in the underlying securities. Furthermore, if a seller defaults on its obligation to repurchase securities under a reverse repurchase agreement, a Sub-Fund may suffer a loss to the extent that it is forced to liquidate its position in the market, and proceeds from the sale of the underlying securities are less than the repurchase price agreed to by the defaulting seller.

### **Risks Associated with Collateral Management**

Collateral or margin may be passed by the relevant Sub-Fund to a counterparty or broker in respect of OTC derivative transactions or Securities Financing Transactions. Assets deposited as collateral or margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy which may hinder or delay the return of collateral to the relevant Sub-Fund.

Where collateral is posted to a counterparty or broker by way of title transfer, the collateral may be re-used by such counterparty or broker for their own purpose, thus exposing the relevant Sub-Fund to additional risk.

Risks related to a counterparty's right of re-use of any collateral include that, upon the exercise of such right of re-use, such assets will no longer belong to the relevant Sub-Fund and the Sub-Fund will only have a contractual claim for the return of equivalent assets. In the event of the insolvency of a counterparty the Sub-Fund shall rank as an unsecured creditor and may not recover its assets from the counterparty. More broadly, assets subject to a right of re-use by a counterparty may form part of a complex chain of transactions over which

the Company or its delegates will not have any visibility or control.

### **Counterparty Risk – General**

A Sub-Fund will have a credit risk on the counterparties with which it trades. In the event of the insolvency, bankruptcy or default of any such counterparty the Sub-Fund bears the risk that the counterparty may not settle a transaction in accordance with market practice due to credit or liquidity problems of the counterparty, or due to the insolvency, fraud or regulatory sanction of the counterparty, thus causing the Sub-Fund to suffer a loss.

The AIFM or the Investment Manager on account of a Sub-Fund may enter into transactions with brokerage firms, broker-dealers and banks. These financial institutions, being a counterparty to the transactions, may also be issuers of other financial Instruments in which a Sub-Fund invests. The AIFM or the Investment Manager may have contractual remedies upon any default pursuant to the agreements related to the transactions, however, such remedies could be inadequate to the extent that the collateral or other assets available are insufficient.

Deposits of securities or cash with a custodian, bank or financial institution will also carry counterparty risk as the custodian or depository may be unable to perform their obligations due to credit-related and other events like insolvency or default by them. In these circumstances, a Sub-Fund may be required to exit certain transactions and may encounter difficulties with respect to court procedures in seeking recovery of the Sub-Fund's assets. Furthermore, in some custody, sub-custody or stock-lending arrangements, a Sub-Fund may not have a right to have specific assets returned to it, but rather, the Sub-Fund may only have an unsecured claim against the custodian or counterparty, in which case it may lose all or the greater part of the value of the relevant assets.

Where a Sub-Fund delivers collateral to its trading counterparties under the terms of its trading agreements with such parties, a counterparty may be over-collateralised and the Sub-Fund will, therefore, be exposed to the creditworthiness of such counterparties to the extent of the over-collateralisation. Collateral provided to a trading counterparty may be subject to counterparty risk. In addition, the Sub-Fund may from time to time have uncollateralised exposure to its trading counterparties in relation to its rights to receive securities and cash under contracts governing its trading positions. In the event of the insolvency of a trading counterparty, the Sub-Fund will rank as an unsecured creditor in relation to amounts equivalent to both any uncollateralised exposure to such trading counterparties and any such over collateralisation, and in such circumstances it is likely that the Sub-Fund will not be able to recover any debt in full, or at all.

## Execution of Orders

The Sub-Funds' trading strategies depend on an ability to establish and maintain an overall market position in a combination of financial instruments selected by the AIFM subject to the restrictions set out in the Supplement. A Sub-Fund's trading orders may not be executed in a timely and efficient manner due to various circumstances, including, without limitation, systems failures or human error attributable to the Sub-Fund, its brokers, agents or other service providers. In such event, the Sub-Fund might only be able to acquire some, but not all, of the components of such position, or if the overall position were to need adjustment, the Sub-Fund might not be able to make such adjustment. As a result, the Sub-Fund would not be able to achieve the market position selected by the AIFM, and might incur a loss in liquidating its position. In addition, the Sub-Fund may rely heavily on electronic execution systems, and such systems may be subject to failure, causing the interruption of trading orders made by the Sub-Fund.

## Quantitative and Systematic Trading Risk

The Investment Manager implements the Sub-Fund's investment objective through quantitative trading strategies. Quantitative trading strategies are highly complex, and, for their successful application, require relatively sophisticated mathematical calculations and complex computer programs. Some quantitative trading programs anticipate that many of their trades may be unprofitable, seeking to achieve overall profitability through recognizing major profits on a limited number of positions, while cutting losing positions quickly. These trading strategies depend upon various computer and telecommunications technologies and adequate liquidity in the markets traded. The successful execution of these strategies could be severely compromised by, among other things, a diminution in the liquidity of the markets traded, telecommunications failures, power loss and software-related 'system crashes'.

Many components of the Investment Manager's critical computer hardware and software may have flaws, may be leased rather than owned, or may be provided in whole or in part by another party. If these components fail or are inaccessible, the Investment Manager may not be able to recover promptly and the Sub-Fund may suffer material or total losses as a result.

There are periods when even an otherwise highly successful quantitative trading system incurs major losses due to external factors dominating the market, such as political events, natural catastrophes or acts of war or terrorism. The Investment Manager's models and trading strategies are particularly sensitive to external market factors. If the Investment Manager detects that unexpected factors are affecting the markets or that another market participant is 'gaming' the market or attempting to create unusual or unnatural market patterns, the Investment Manager may stop trading of

the related models, potentially causing the Sub-Fund to miss profit opportunities or lose money.

Transaction costs incurred by quantitative trading strategies may be significant. In addition, the difference between the expected price of a trade and the price at which a trade is executed, or 'slippage', may be significant and may result in losses. Due to the nature of their trading, quantitative trading firms may suffer material losses in a very short period of time.

## Model Risk

The Investment Manager relies heavily on quantitative models and information and data both developed by the Investment Manager and those supplied by third parties rather than granting trade-by-trade discretion to the Investment Manager's investment professionals. Models and data are used to construct sets of transactions and investments, to value investments or potential investments, to provide risk management insights and to assist in hedging the Sub-Fund's investments. Models and data are known to have errors, omissions, imperfections and malfunctions (collectively, "**System Events**").

The Investment Manager seeks to reduce the incidence and impact of System Events through a certain degree of internal testing and real-time monitoring, and the use of independent safeguards in the overall portfolio management system and often, in the software code itself. Despite such testing, monitoring and independent safeguards, System Events may result in, among other things, the execution of unanticipated trades, the failure to execute anticipated trades, delays to the execution of anticipated trades, the failure to properly allocate trades, the failure to properly gather and organize available data, the failure to take certain hedging or risk reducing actions and/or the taking of actions which increase certain risk(s)—all of which may have materially negative effects on the Sub-Fund and/or its returns.

The investment strategies of the Sub-Fund are highly reliant on the gathering, cleaning, culling and analysis of large amounts of data. Accordingly, models rely heavily on appropriate data inputs. However, it is not possible or practicable to factor all relevant, available data into forecasts and/or trading decisions of the models. The Investment Manager will use its discretion to determine what data to gather with respect to each investment strategy and what subset of that data the models take into account to produce forecasts that may have an impact on ultimate trading decisions. In addition, due to the automated nature of data gathering, the volume and depth of data available, the complexity and often manual nature of data cleaning, and the fact that the substantial majority of data comes from third-party sources, it is inevitable that not all desired and/or relevant data will be available to, or processed by, the Investment Manager at all times. If incorrect data is fed into even a well-founded model, it may lead to a System Event subjecting the Sub-Fund to



loss. Further, even if data is input correctly, 'model prices' anticipated by the data through the models may differ substantially from market prices, especially for securities with complex characteristics, such as derivatives.

Where incorrect or incomplete data is available, the Investment Manager may, and often will, continue to generate forecasts and make trading decisions based on the data available to it. Additionally, the Investment Manager may determine that certain available data, while potentially useful in generating forecasts and/or making trade decisions, is not cost effective to gather due to either the technology costs or third-party vendor costs and, in such cases, the Investment Manager will not utilize such data. Shareholders should be aware that there is no guarantee that any specific data or type of data will be utilized in generating forecasts or making trading decisions with respect to the models, nor is there any guarantee that the data actually utilized in generating forecasts or making trading decisions underlying the models will be the most accurate data available or free of errors. Shareholders should assume that the data set used in connection with the models is limited and should understand that the foregoing risks associated with gathering, cleaning, culling and analysing large amounts of data are an inherent part of investing in quantitative and systematic strategies.

When models and data prove to be incorrect, misleading or incomplete, any decisions made in reliance thereon will expose the Sub-Fund to risks. For example, by relying on models and data, the Investment Manager may be induced to buy certain investments at prices that are too high, to sell certain other investments at prices that are too low, or to miss favourable opportunities altogether. Similarly, any hedging based on faulty models and data may prove to be unsuccessful and, when determining the Net Asset Value of the Sub-Fund, any valuations of the Sub-Fund's investments that are based on valuation models may prove to be incorrect. In addition, models may incorrectly forecast future behaviour, leading to potential losses on a cash flow and/or a mark-to-market basis. Furthermore, in unforeseen or certain low-probability scenarios, often involving a market disruption of some kind, models may produce unexpected results which may or may not be System Events.

Errors in models and data are often extremely difficult to detect, and the difficulty of detecting System Events may be exacerbated by the lack of design documents or specifications. Regardless of how simple their detection appears in retrospect, some System Events will go undetected for long periods of time and some will never be detected. The degradation or impact caused by these System Events can compound over time. Finally, the Investment Manager will detect certain System Events that it chooses, in its sole discretion, not to address or fix, and the third-party software will lead to System Events known to the Investment Manager that it chooses, in its sole discretion, not to address or fix. The

Investment Manager believes that the testing and monitoring performed on its models will enable the Investment Manager to identify and address certain System Events by correcting the underlying issue(s) giving rise to the System Events or limiting the use of the models, generally or in a particular application. Shareholders should assume that System Events and their risks and impact are an inherent part of investing in quantitative and systematic strategies. Accordingly, the Investment Manager does not expect to disclose discovered System Events to the Sub-Fund or to Shareholders.

The Investment Manager utilizes third-party trade execution algorithms on behalf of the Sub-Fund. System Events related to these third-party systems are outside of the control of the Investment Manager. Furthermore, the Investment Manager may not be in a position to verify the risks or reliability of such third-party systems. Even if the Investment Manager's models and portfolio management system function correctly, the failure of a third-party management system could prevent orders from being disseminated in the proper manner. Accordingly, any such failure could result in large losses to the Sub-Fund. The Sub-Fund will bear the risks associated with the reliance on models and data including that the Sub-Fund will bear all losses related to System Events unless otherwise determined by the Investment Manager in accordance with its internal policies or as may be required by applicable law. As market dynamics shift over time, due to factors such as changed market conditions and participants, a previously highly successful model could become outdated or inaccurate, perhaps without the Investment Manager's recognizing that fact before substantial losses are incurred. There can be no assurance that the Investment Manager will be successful in developing and maintaining effective quantitative models.

### **Obsolescence Risk**

The Sub-Fund is unlikely to be successful in its quantitative and systematic trading strategies unless the assumptions underlying the models are realistic, and either remain realistic and relevant in the future or are adjusted to account for changes in the overall market environment. If these assumptions are inaccurate or become inaccurate and are not promptly adjusted, it is likely that profitable trading signals will not be generated. If and to the extent that the models do not reflect certain factors, and the Investment Manager does not successfully address such omission through its testing and evaluation and modify the models accordingly, this may result in major losses—all of which will be borne by the Sub-Fund. The Investment Manager will continue to test and evaluate models, which may lead to the models being modified from time to time. Additionally, the Investment Manager may add or remove models over time. Any modification of the models or strategies will not be subject to any requirement that Shareholders receive notice of the

change or that they consent to it. There can be no assurance as to the effects, positive or negative, of any modification to the models or strategies on the Sub-Fund's performance.

### ***Crowding/Convergence***

The ability of the Investment Manager to deliver returns that have a low correlation with global aggregate equity markets and other hedge funds depends on its ability to employ models that are simultaneously profitable and differentiated from those employed by other managers. To the extent that the Investment Manager is unable to develop sufficiently differentiated models, the Sub-Fund's investment objective may not be met, irrespective of whether the models are profitable in an absolute sense. In addition, to the extent that the models come to resemble those employed by other managers, there is an increased risk that a market disruption may negatively affect predictive models such as those employed by the Sub-Fund, as such a disruption could accelerate reductions in liquidity or rapid repricing due to simultaneous trading across a number of funds in the marketplace utilizing models, or similar quantitatively focused investment strategies.

### ***Importance of Market Judgment***

Although the Investment Manager will use quantitative models in evaluating the economic components of certain prospective trades, the Investment Manager's investment strategies are by no means wholly systematic; the market judgment and discretion of the Investment Manager's personnel are fundamental to the development and implementation of these strategies and could cause these strategies to fail.

## **8.4 COMPANY RISKS**

### ***Allocation of Shortfall Among Classes of a Sub-Fund***

The right of Shareholders of any Class to participate in the assets of the Company is limited to the assets (if any) of the relevant Sub-Fund and all the assets comprising a Sub-Fund will be available to meet all of the liabilities of the Sub-Fund, regardless of the different amounts stated to be payable on the separate Classes (as set out in the relevant Supplement).

For example, if on a winding-up of the Company, the amounts received by the Company (after payment of all fees, expenses and other liabilities which are to be borne by the relevant Sub-Fund) are insufficient to pay the full redemption amounts payable in respect of all Classes of Shares of the relevant Sub-Fund, each Class of Shares of the Sub-Fund will rank *pari passu* with each other Class of Shares of the relevant Sub-Fund, and the proceeds of the relevant Sub-Fund will be distributed equally amongst each Shareholder of that Sub-Fund *pro rata* to the amount paid up on the Shares held by each

Shareholder. The relevant Shareholders will have no further right of payment in respect of their Shares or any claim against any other Sub-Fund or any other assets of the Company.

This may mean that the overall return (taking account of any dividends already paid) to Shareholders who hold Shares paying dividends quarterly or more frequently may be higher than the overall return to Shareholders who hold Shares paying dividends annually and that the overall return to Shareholders who hold Shares paying dividends may be higher than the overall return to Shareholders who hold Shares paying no dividends.

In practice, cross liability between Classes is only likely to arise where the aggregate amounts payable in respect of any Class exceed the assets of the Sub-Fund notionally allocated to that Class, that is, those amounts (if any) received by the Company (after payment of all fees, expenses and other liabilities which are to be borne by such Sub-Fund) that are intended to fund payments in respect of such Class or are otherwise attributable to that Class. In these circumstances, the remaining assets of the Sub-Fund notionally allocated to any other Class of the same Sub-Fund may be available to meet such payments and may accordingly not be available to meet any amounts that otherwise would have been payable on such other Class.

### ***Broad Indemnification of AIFM, Distributor, Investment Advisor, the Investment Manager, Sub-Investment Manager, Administrator and Depositary***

The Management Agreement, the Distribution Agreement, the Investment Management Agreement, the Sub-Investment Management Agreement (if any), the Investment Advisory Agreement (if any), the Administration Agreement and the Depositary Agreement each contain provisions that may provide a broader indemnification of the AIFM, the Distributor, the Investment Advisor, the Investment Manager, the Sub-Investment Manager, the Administrator and the Depositary and their members, officers and employees against claims or lawsuits arising out of a Sub-Fund, or a Sub-Fund's activities than would apply in the absence of such provisions. In general, those persons and entities are to be held harmless from any claims, losses, damages and other types of liabilities arising out of their activities involving the Company, except to the extent those losses are finally determined by a court of competent jurisdiction to have resulted from an action or inaction constituting a violation of the standard of care set forth in the applicable agreement.

### ***Late Share Subscriptions and Redemptions***

Where requests for subscription or redemption are received late (i.e. after the relevant Subscription Deadline or Redemption Deadline), there will be a delay between the time of submission of the request and the

actual date of subscription or redemption. Such deferrals or delays may operate to decrease the number of Shares or the redemption amount to be received.

### ***Large Redemption Risk***

Substantial redemption requests by Shareholders in a concentrated period of time could require a Sub-Fund to liquidate certain of its investments more rapidly than would 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 AIFM or the Investment Manager to successfully implement the investment programme of a Sub-Fund and could negatively impact the value of Shares being redeemed and the value of Shares that remain in issue. Moreover, regardless of the time period over which substantial redemption requests are made, the resulting reduction in the Net Asset Value of a Sub-Fund could make it more difficult to generate a positive return or to recoup losses. Among other things, at lower asset sizes the Sub-Funds or its underlying investments may be less able to take advantage of particular investment opportunities. Any redemption by a large Shareholder could have an adverse impact on the remaining Shareholders in a Sub-Fund as their proportionate share of the fees and expenses could increase. Shareholders will not receive notification of substantial redemption requests received in respect of a Sub-Fund and therefore may not have the opportunity to redeem their Shares or portion thereof prior to or at the same time as the redeeming Shareholders. In addition, substantial redemptions may lead to the issuance of Liquidating Side Pocket Classes of Shares. While the use of Liquidating Side Pocket Classes mitigates the need for the Sub-Fund to raise cash to pay out redemption amounts, Liquidating Side Pocket Class interests reduce the Sub-Fund's exposure to the underlying investments pro-rata, which may be sub-optimal. Also, if the number of its Liquidating Side Pocket Classes outstanding becomes too large, the Sub-Fund may no longer be viable.

### ***Investor Concentration and Composition in a Sub-Fund***

The Sub-Funds may have a concentrated investor base where large investors (such as pension funds, insurance companies or other collective investment schemes, including those which may be managed by AIFM affiliated entities), financial institutions or other types of investors hold a significant portion of the assets of a Sub-Fund. This exposes other shareholders in the Sub-Fund to certain risks. These risks include the risk that a large portion of the assets of the Sub-Fund may be redeemed on any day which could impact the overall viability of the Sub-Fund or could impact the ability of other investors, who have not submitted redemption requests on that day, to redeem from the Sub-Fund e.g. where it may be necessary to impose a redemption gate. Fulfilling redemption requests which are a material

portion of the Sub-Fund's size, particularly in unfavourable market conditions, may encourage additional redemption requests which may result in a less concentrated number of Shareholders (therefore increasing the risk/probability of a material redemption event than if there was a more diversified Shareholder base) and which may impact performance (as the overall size and diversification of the investments held by the Sub-Fund may be negatively impacted).

### ***Negative Impact of Redemptions on Performance and Value***

In order to meet redemption requests, a Sub-Fund may have to liquidate (in whole or in part) underlying investments in unfavourable market conditions, which may decrease the value of the Shares held by Shareholders and which may decrease a Sub-Fund's performance. Further, a Sub-Fund may be obligated to fulfil redemption requests at a time when doing so would negatively impact the Sub-Fund's investment returns and decrease the Sub-Fund's ability to fulfil other redemption requests. Where the Sub-Fund's investment in certain Underlying Funds falls below a certain threshold, the manager of the Underlying Fund may require the Sub-Fund to liquidate the Sub-Fund's remaining investment in such Underlying Fund, which may result in the Sub-Fund losing the benefits and performance of such Underlying Fund.

### ***Realisation of Illiquid Investments held in Side Pockets or in Liquidation Side Pocket Classes***

The timing of Realisation Events and the value that is achieved by the AIFM in selling Illiquid Investments will depend to a large extent on the capacity of the AIFM to identify opportunities to sell Illiquid Investments within a reasonable time. Although it is intended that the AIFM will identify sufficient sale opportunities to return liquidity to the relevant Sub-Fund, there is no guarantee whatsoever that such liquidity will materialise, and if it does materialise, whether it will be at a price that the Directors in consultation with the AIFM determine as representative of the full value of the relevant Illiquid Investment. The Directors in consultation with the AIFM may determine that the appropriate course of action is to sell Illiquid Investments at a discounted price. The Directors in consultation with the AIFM may elect to sell Illiquid Investments on a secondary market for Side Pockets, if in fact a secondary market develops or by such other means as determined by the Directors in their discretion.

It is possible that a secondary market for Illiquid Investments held in Side Pockets might develop. Nonetheless, there may be a significant period of time before Illiquid Investments are sold, realised or otherwise disposed. The Directors, in consultation with the AIFM, may determine that it will require several years before Illiquid Investments are suitable for

realisation, even if a secondary market for Illiquid Investments held in Side Pockets does come into existence. Realisation of value from such Illiquid Investments held in Side Pockets will be difficult in the short term or may have to be made at a substantial discount compared to freely tradable investments.

For further information regarding the AIFM's liquidity management policy refer to the sub-section titled Liquidity Policy.

### **Unaudited Redemption Price**

Calculation and payment of a Shareholder's Redemption Proceeds will be based on an unaudited Net Asset Value per Share. Adjustments and revisions may be made to the Net Asset Value and/or Net Asset Value per Share following the year-end audit of a Sub-Fund or receipt of updated prices from underlying investments. Since no adjustments will be made to the proceeds paid to the redeeming Shareholder at the time the redeeming Shareholder receives Redemption Proceeds, the amount paid to the redeeming Shareholder may be higher or lower than it would have been using the audited Net Asset Value per Share and such differences may be deducted from the Shareholders Holdback proceeds. Such adjustments and revisions will also affect the non-redeeming Shareholders at the time that such adjustment or revision is made.

### **Estimated or Inaccurate Valuations and Delays in Reporting**

A Sub-Fund will not be able to assure the accuracy or timing of valuations received from portfolio investments (particularly illiquid portfolio investments). The valuations received from such portfolio investments will be estimates and subject to revision through the annual audited statements. It is expected that some of the portfolio investments will carry investments at cost or may employ another valuation method that may differ from the fair market value of such investments. As a result, the amount received by the Sub-Fund may differ from the fair market value of the pro rata share of the Sub-Fund's investment in that Underlying Fund. Redeeming Shareholders will not be entitled to participate in the increases from such undervaluation, but may be required to pay back the Sub-Fund in the case of over-valuations.

### **Income Risk**

For those Sub-Funds that do not intend to pay dividends or make other distributions, the Sub-Fund will reinvest substantially all of its income and gain. Cash that might otherwise be available for distribution will also be reduced by payment of the obligations of the Sub-Fund (including amounts payable to the AIFM, the Investment Manager, a Sub-Investment Manager or an Investment Advisor), payment of Company expenses and establishment of appropriate reserves.

### **Potential Compulsory Redemption**

The Company may, in accordance with the Articles, require a Shareholder to redeem or transfer all or a portion of his or her shares in such investment vehicle under certain circumstances. A compulsory redemption could result in adverse tax and/or economic consequences to that Shareholder. See the sub-section titled [Compulsory Redemption](#).

### **Operation of Subscription/Redemption Accounts**

The Company operates a Subscription/Redemption Account for each Sub-Fund. Monies in each Subscription/Redemption Account are deemed assets of the respective Sub-Fund and shall not have the protection of the Investor Money Regulations. There is a risk for investors to the extent that monies are held by the Company in the Subscription/Redemption Account for the account of a Sub-Fund at a point where that Sub-Fund becomes insolvent. In respect of any claim by an investor in relation to monies held in the Subscription/Redemption Account, the investor shall rank as an unsecured creditor of the relevant Sub-Fund.

### **Nominee Arrangement**

Where an investor chooses to invest in a Sub-Fund via a nominee arrangement, they should note that Shares acquired via such nominee will be registered in the name of that nominee and all rights in respect of those Shares will be exercisable against the Company only through the nominee. The Company will deal with the nominee as the registered Shareholder and the investor will need to ensure that it enters into an arrangement with the nominee under which the nominee agrees to forward all relevant information to the investor and to seek their instructions in relation to any matters affecting the Shares held by them. Neither the Company, the AIFM or the Administrator will have any liability for any failure by the nominee to exercise any rights attached to Shares in accordance with instructions issued by the underlying investors.

### **Own-Name/Nominee Investors**

Shareholders who do not invest in their own name (e.g. investing via a nominee or in the name of another party such as a custodian or bank) and who are grouped with other investors such that the individual investors on whose behalf the nominee/counterparty is acting cannot be discerned, the Redemption Restriction will apply to the entire group, including other investors, possibly to the Shareholder's detriment. Shareholders should ensure any party making an investment on behalf of the Shareholder has adequate policies and procedures to fairly allocate the Redemption Restriction to each Shareholder on whose behalf it invests in the Sub-Fund.

### ***Dilution***

Shareholders' exposure to certain Underlying Funds may be diluted by new or incoming Shareholders over time, including certain Affiliated Funds or interested parties or entities controlled, managed or sponsored by the AIFM or the Investment Manager or their affiliates. Likewise, Shareholders in a Sub-Fund may be diluted by other new or existing investors, which may also be entities which are established, managed or sponsored by the AIFM or the Investment Manager or their affiliates. Furthermore, capital from a subscribing investor may be partially used to fund existing investments (to supplement capital shortfalls, for example) or new investments.

### ***Investment by Intermediate Vehicles and/or Feeder Funds***

Certain intermediate vehicles or feeder funds that invest in the Sub-Funds of the Company may be operated independently from the Company, the AIFM, the Investment Manager or any of their affiliates. The underlying investors of such intermediate vehicles or feeder funds should note that they are not registered shareholders and therefore will have no rights vis-à-vis the relevant Sub-Fund of the Company. For the avoidance of doubt, all rights in respect of Shares in the Company are only exercisable by the registered Shareholder which in the above case will be the relevant intermediate vehicle or feeder fund.

### ***Handling of Mail***

Mail addressed to the Company and received at its registered office will be forwarded unopened to the Administrator to be dealt with. None of the Company, its directors, officers or service providers will bear any responsibility for any delay howsoever caused in mail reaching the Administrator.

### ***Systemic Risk***

Multiple counterparty risk may also arise through a default by one of several large institutions that are dependent on one another to meet their liquidity or operational needs, so that a default by one institution causes 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 the Sub-Fund interacts on a daily basis.

### ***Terrorist Action***

There is a risk of terrorist attacks on the United States and elsewhere causing significant loss of life and property damage and disruptions in global markets. Economic and diplomatic sanctions may be in place or imposed on certain states and military action may be commenced. The impact of such events is unclear, but

could have a material effect on general economic conditions and market liquidity.

### ***Risks relating to Crypto Currencies and Tokens***

Where provided for in the relevant Supplement, a Sub-Fund may generate, directly or indirectly (e.g. through the use of FDI or via investment in an Underlying Fund), exposure to crypto currencies and/or tokens through its underlying investments. However, for the avoidance of doubt, a Supplement may not provide for indirect exposure to crypto currencies and/or tokens via an Underlying Fund where this is deemed by the Investment Manager to be non-material to the portfolio of the relevant Sub-Fund. Crypto currencies and tokens are an evolving product and technology and an investment therein is subject to a variety of additional risks including technological, security and regulatory risks as well as associated uncertainties over their future existence, support and development. Crypto currencies and tokens may also experience unusual volatility. Any such investment is highly speculative and subject to the risk that the entirety or a material portion of such investment or its value may be lost.

### ***Anti-Dilution Levy***

Where disclosed in the relevant Supplement, the Directors may impose an Anti-Dilution Levy in order to reduce the impact of dealing costs incurred as a result of the purchase or sale of investments to a request for the issue or redemption of Shares.

As dilution is directly related to the inflows and outflows in respect of the relevant Sub-Fund or underlying fund, it is not possible to predict accurately whether dilution will occur at any point in time and consequently it is also not possible to predict accurately how frequently the Company will need to apply an Anti-Dilution Levy or an underlying fund Anti-Dilution Levy in order to mitigate the effects of dilution. Where applied, the Anti-Dilution Levy or the underlying fund Anti-Dilution Levy may vary according to the prevailing market conditions and the implementation of the valuation policy with respect to the determination of the Net Asset Value on a Valuation Day.

The Subscription Price or Redemption Price may be different from the Net Asset Value per Share due to an Anti-Dilution Levy or an underlying fund Anti-Dilution Levy being applied.

### ***Swing Pricing Risk***

Under certain circumstances and where provided in the Supplement relating to a Sub-Fund, the Net Asset Value per Share applicable to the Subscription Price/Redemption Price may be adjusted. The Swing Pricing methodology is described in the sub-section titled [Swing Pricing](#).



### ***Exempt Offering***

The Company offers shares on a continuing basis without registration under securities laws in many jurisdictions. While the Company intends to rely on exemptions from such registration that the Company is aware are available, there can be no assurance that factors such as the manner in which offers and sales are made, the scope of disclosure provided or changes in applicable law will not make such exemptions unavailable. A violation of securities registration requirements could result in the rescission of investors' purchases of shares at prices higher than the current value of those shares, potentially materially and adversely affecting the performance of the Company and its business.

### ***Investments in Unregulated Activity***

Investment transactions by a Sub-Fund or its underlying investments may not be regulated by the rules of any stock exchange, investment exchange or other regulatory body or authority. Due to the lack of rules and regulations governing reporting for these investments, there may be an increased possibility of fraud or bad faith on the part of the Company's transactional counterparties. In calculating the Net Asset Value of a Sub-Fund, the Administrator will be relying on estimates of the net asset value of such investments as reported by the administrator of such investments, which information will be supplied by the managers of such investments. Some of the investments made for a Sub-Fund or by an underlying investment may not be readily realizable and their marketability may be restricted, in particular because markets in those investments may be made only by the relevant fund manager, allowing redemptions only at specific times and dates and it may be difficult for the assets of a Sub-Fund or an underlying investment to be sold or realized. In addition, regulatory changes in the jurisdictions in which a Sub-Fund or its underlying investments are operated may affect the performance of a Sub-Fund.

### ***Tax Audits***

The Company and each Sub-Fund may be audited by a competent tax authority. An income tax audit may result in an increased tax liability of a Sub-Fund, including with respect to years when an investor was not a Shareholder of such Sub-Fund, which could reduce the Net Asset Value of such Sub-Fund or the Company and affect the return of all Shareholders.

### ***Compliance with U.S. Reporting and Withholding Requirements***

The United States and Ireland have entered into an intergovernmental agreement to implement FATCA (the "IGA"). Under the IGA, an entity classified as a Foreign Financial Institution (an "FFI") that is treated as resident in Ireland is expected to provide the Irish tax authorities with certain information on Shareholders. The IGA

provides for the automatic reporting and exchange of information in relation to accounts held in Irish 'financial institutions' by U.S. persons, and the reciprocal exchange of information regarding U.S. financial accounts held by Irish residents. Although the final implementing Irish legislation has yet to be finalised, the Company expects to be treated as an FFI and provided it complies with the requirements of the IGA and the Irish legislation, it should not be subject to FATCA withholding on any payments it receives and may not be subject to withholding on payments which it makes.

Although the Company will attempt to satisfy any obligations imposed on it to avoid the imposition of the FATCA withholding tax, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of the FATCA regime, the value of the Shares held by all Shareholders may be materially affected. All Shareholders should consult with their own tax advisors regarding the possible implications of FATCA on an investment in the Company.

## **8.5 RISK FACTORS NOT EXHAUSTIVE**

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



## 9 Taxation

The following statements on taxation are with regard to the law and practice in force in Ireland at the date of this document and does not constitute legal or tax advice to Shareholders or prospective investors. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely, as the basis for and rates of taxation can fluctuate.

The Directors recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from holding of Shares in the Company and any investment returns from those Shares.

The following statements have been drafted on the assumption that the Company is not, and does not intend to be, an Irish Real Estate Fund (“**IREF**”) (as defined in Section 739K of the TCA). An investment undertaking or sub-fund of an investment undertaking in which 25% or more of the value of the assets at the end of the immediately preceding accounting period is derived from Irish real estate (or related assets), or an investment undertaking or sub-fund of an investment undertaking the main purpose of which, or one of the main purposes of which, is to acquire such assets will constitute an IREF and will be subject to specific tax rules.

If the Company is deemed to be an IREF there may be additional withholding tax arising on certain events, including distributions to Shareholders. In addition, purchasers of Shares may be obliged to withhold tax on the transfer of Shares and the Company will have additional certification and tax reporting obligations.

### 9.1 IRELAND

#### 9.1.1 Taxation of the Company

The Directors have been advised that the Company is an investment undertaking within the meaning of section 739B of the Taxes Act and therefore is not chargeable to Irish tax on its relevant income or relevant gains so long as the Company is resident for tax purposes in Ireland. The Company will be resident for tax purposes in Ireland if it is centrally managed and controlled in Ireland. It is intended that the Directors of the Company will conduct the affairs of the Company in a manner that will allow for this.

Notwithstanding the above, a charge to tax may arise for the Company in respect of Shareholders on the happening of a Chargeable Event in the Company.

A “**Chargeable Event**” includes:

- (a) any payment to a Shareholder by the Company in respect of their Shares;

- (b) any transfer, cancellation or redemption of Shares; and
- (c) any deemed disposal by a Shareholder of their Shares at the end of a Relevant Period (a “**Deemed Disposal**”).

A Chargeable Event does not include:

- (a) any transaction in relation to Shares held in a recognised clearing system;
- (b) any exchange by a Shareholder effected by way of a bargain made at arms’ length by the Company, of Shares in the Company for other Shares in the Company;
- (c) certain transfers of Shares between spouses or civil partners and former spouses; or former civil partners;
- (d) an exchange of Shares arising on a qualifying amalgamation or reconstruction of the Company with another Irish investment undertaking; or
- (e) the cancellation of Shares in the Company arising from an exchange in relation to a scheme of amalgamation (as defined in section 739HA Taxes Act).

On the happening of a Chargeable Event, the Company shall be entitled to deduct the appropriate amount of tax on any payment made to a Shareholder in respect of the Chargeable Event. On the occurrence of a Chargeable Event where no payment is made by the Company to the Shareholder, the Company may appropriate or cancel the required number of Shares to meet the tax liability.

Where the Chargeable Event is a Deemed Disposal and the value of Shares held by Irish Resident Shareholders in the Company is less than 10% of the total value of Shares in the Company (or a sub-fund) and the Company has made an election to the Revenue Commissioners to report annually certain details for each Irish Resident Shareholder, the Company will not be required to deduct the appropriate tax and the Irish Resident Shareholder (and not the Company) must pay the tax on the Deemed Disposal on a self-assessment basis. Credit is available against appropriate tax relating to the Chargeable Event for appropriate tax paid by the Company or the Shareholder on any previous Deemed Disposal. On the eventual disposal by the Shareholder of the Shares, a refund of any unutilised credit will be payable.

#### 9.1.2 Taxation of Shareholders

**Non-Irish Resident Shareholders.** Non-Irish Resident Shareholders will not be chargeable to Irish tax on the happening of a Chargeable Event provided that either:

- (a) the Company is in possession of a completed Relevant Declaration to the effect that the Shareholder is not an Irish Resident, or

- (b) the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide a Relevant Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn by the Revenue Commissioners.

If the Company is not in possession of a Relevant Declaration or the Company is in possession of information which would reasonably suggest that the Relevant Declaration is not or is no longer materially correct, the Company must deduct tax on the happening of a Chargeable Event in relation to such Shareholder. The tax deducted will generally not be refunded.

Intermediaries acting on behalf of non-Irish Resident Shareholders can claim the same exemption on behalf of the Shareholders for whom they are acting. The Intermediary must complete a Relevant Declaration that it is acting on behalf of a non-Irish Resident Shareholder.

A non-Irish Resident corporate Shareholder which holds Shares directly or indirectly by or for a trading branch or agency of the Shareholder in Ireland, will be liable for Irish corporation tax on income from the Shares or gains made on the disposal of the Shares.

**Exempt Irish Shareholders.** The Company is not required to deduct tax in respect of an Exempt Irish Shareholder so long as the Company is in possession of a completed Relevant Declaration from those persons and the Company has no reason to believe that the Relevant Declaration is materially incorrect. The Exempt Irish Shareholder must notify the Company if it ceases to be an Exempt Irish Shareholder. Exempt Irish Shareholders in respect of whom the Company is not in possession of a Relevant Declaration will be treated by the Company as if they are not Exempt Irish Shareholders.

While the Company is not required to deduct tax in respect of Exempt Irish Shareholders, those Shareholders may themselves be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares depending on their circumstances. It is the obligation of the Exempt Irish Shareholder to account for such tax to the Revenue Commissioners.

**Irish Resident Shareholders.** Irish Resident Shareholders (who are not Exempt Irish Shareholders) will be liable to tax on the happening of a Chargeable Event. Tax at the rate of 41% will be deducted by the Company on payments made to the Shareholder in relation to the Shares or on the sale, transfer, Deemed Disposal (subject to the 10% threshold outlined above), cancellation or redemption of Shares or the making of any other payment in respect of the Shares.

An Irish Resident Shareholder who is not a company and is not an Exempt Irish Shareholder will not be liable to any further income or capital gains tax in respect of any sale, transfer, Deemed Disposal, cancellation, or redemption of Shares or the making of any other payment in respect of their Shares.

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

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

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

Where a currency gain is made by an Irish Resident Shareholder on the disposal of Shares, that Shareholder may be liable to capital gains tax in respect of any chargeable gain made on the disposal.

**Personal Portfolio Investment Undertaking.** An investment undertaking will be considered to be a personal portfolio investment undertaking (PPIU) in relation to a specific Irish Resident Shareholder where that Irish Resident Shareholder can influence the selection of some or all of the property of the undertaking. The undertaking will only be a PPIU in respect of those Irish Resident Shareholders who can influence the selection. A gain arising on a chargeable event in relation to a PPIU will be taxed at the rate of 60%. An undertaking will not be considered to be a PPIU where certain conditions are complied with as set out in section 739BA of the Taxes Act.

**Stamp Duty.** On the basis that the Company qualifies as an investment undertaking within the meaning of

section 739B of the Taxes Act, no Irish stamp duty will be payable on the subscription, transfer or redemption of Shares. The stamp duty implications for subscriptions for Shares or transfer or redemption of Shares in specie should be considered on a case by case basis.

### 9.1.3 Capital Acquisitions Tax

The disposal of Shares may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that no Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Shares provided that:

- (a) at the date of the disposition the transferor of the Shares is neither domiciled nor ordinarily resident in Ireland, and, at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and
- (b) the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date.

### 9.1.4 Other Tax Matters

The income and capital gains received by the Company from securities issued in countries other than Ireland or assets located in countries other than Ireland may be subject to taxes including withholding tax in the countries where such income and gains arise. The Company may not be able to benefit from reduced rates of withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries. The Directors will have sole discretion as to whether the Company will apply for such benefits and may decide not to apply for such benefits if they determine that it may be administratively burdensome, cost prohibitive or otherwise impractical.

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

### 9.1.5 Automatic Exchange of Information

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

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

## 9.2 FATCA

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

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

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

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

## 9.3 OECD COMMON REPORTING STANDARD

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

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

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

investors resident or established in jurisdictions which are party to CRS arrangements.

The Company, or the Administrator acting on behalf of the Company, will request and obtain certain information in relation to the tax residence of its Shareholders or 'account holders' for CRS purposes and (where applicable) will request information in relation to the beneficial owners of any such account holders. The Company, or a person appointed by the Company, will report the information required to the Revenue Commissioners by 30 June in the year following the year of assessment for which a return is due. The Revenue Commissioners will share the appropriate information with the relevant tax authorities in participating jurisdictions.

#### 9.4 DAC6 DISCLOSURE REQUIREMENTS FOR REPORTABLE CROSS-BORDER TAX ARRANGEMENTS

On 25 June 2018, Council Directive (EU) 2018/822 ("DAC6") introduced rules regarding the mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements.

DAC6 imposes mandatory reporting requirements on EU-based intermediaries who design, market, organise, make available for implementation or manage the implementation of potentially aggressive cross-border tax-planning schemes. It also covers persons who provide aid, assistance or advice in relation to potentially aggressive cross-border tax-planning schemes, where they can be reasonably expected to know that they have performed that function. If the intermediary is located outside the EU or is bound by legal professional privilege, the obligation to report may pass to the taxpayer. DAC6 was required to be transposed by each member state by the end of 2019 with the measures taking effect from 1 July 2020. In addition, arrangements implemented between 25 June 2018 and 30 June 2020 are also subject to the reporting requirements.

Intermediaries and/or taxpayers will be required to report any reportable cross-border arrangements within 30 days from the earliest of:

- (a) The day after the arrangement is made available for implementation;
- (b) The day after the arrangement is ready for implementation; or
- (c) When the first step in the implementation of the arrangement was taken.

Under the provisions of DAC6, the first reports were required by 31 August 2020. However, as a result of the COVID-19 pandemic, the EU Council approved a deferral of the reporting requirements. It was up to individual EU member states to determine whether to

avail of the option to defer. Ireland chose to defer reporting. Further to the deferral, in Ireland the reporting deadline for reportable cross-border arrangements implemented between 25 June 2018 and 30 June 2020 was 28 February 2021 and the 30 day period for arrangements implemented after 1 July 2020 commenced from 1 January 2021.

The transactions contemplated under this prospectus may fall within the scope of mandatory disclosure rules under DAC6 or equivalent local law provisions and thus may qualify as reportable cross-border arrangements within the meaning of such provisions. If that were the case, any person that falls within the definition of an 'intermediary' with respect to the Company may have to report certain transactions entered into by the Company to the relevant EU tax authority.

#### 9.5 CERTAIN IRISH TAX DEFINITIONS

**Residence – Company.** A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

**Residence – Individual.** The Irish tax year operates on a calendar year basis. An individual will be regarded as being resident in Ireland for a tax year if that individual:

- (a) spends 183 days or more in Ireland in that tax year; or
- (b) has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that tax year together with the number of days spent in Ireland in the preceding tax year.

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

**Ordinary Residence – Individual.** The term 'ordinary residence', as distinct from 'residence', relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in 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 that individual is not resident in Ireland. Thus, an individual who is resident and ordinarily resident in Ireland in 2020 will remain

ordinarily resident in Ireland until the end of the tax year 2023.

## 9.6 UNITED STATES TAXATION CONSIDERATIONS

The following is a summary of certain aspects of U.S. federal income taxation of the Company and each Sub-Fund that should be considered by a prospective investor.

This summary is based on the U.S. federal income tax laws, regulations, administrative rulings and judicial decisions in effect or available on the date of this Prospectus. No assurance can be given that administrative, judicial or legislative changes will not occur that would make the statements herein incorrect or incomplete. This summary does not discuss all of the tax consequences that may be relevant to a particular investor or to certain investors subject to special treatment under the U.S. federal income tax laws. In addition, this summary does not address the U.S. federal income tax considerations applicable to an investment in a Sub-Fund by persons other than U.S. Persons. Each prospective investor should consult its own tax advisors regarding the U.S. federal income tax consequences of an investment in a Sub-Fund.

### 9.6.1 The Company and each Sub-Fund

The treatment of entities with segregated sub-funds such as the Company is not entirely clear for U.S. federal income tax purposes. Such entities may be treated as a single entity for such purposes or each Sub-Fund could be treated as a separate entity for such purposes. The Company intends to treat each Sub-Fund as a separate entity for U.S. federal income tax purposes, although there is no assurance that the Internal Revenue Service (the “IRS”) will agree with this treatment. The remainder of this discussion assumes that each Sub-Fund will be treated as a separate entity for U.S. federal income tax purposes.

Each Sub-Fund intends to be classified as a corporation for U.S. federal income tax purposes. As a foreign corporation, a Sub-Fund generally will not be subject to U.S. federal income taxation on income or gain realized by it from trading and investment activities, provided that such Sub-Fund is not engaged in, or deemed to be engaged in, a U.S. trade or business to which such income or gain is treated as effectively connected. A Sub-Fund should not be considered to be so engaged, so long as (i) such Sub-Fund is not considered a dealer in stocks, securities or commodities and does not regularly offer to enter into, assume, offset, assign, or otherwise terminate positions in derivatives with customers, (ii) such Sub-Fund’s U.S. business activities (if any) consists solely of investing in and/or trading stocks or securities, commodities of a kind customarily dealt in on an organized commodity exchange (in transactions of a kind customarily consummated at such place) and

derivatives for its own account, (iii) any entity in which such Sub-Fund invests that is classified as a disregarded entity, partnership or trust for U.S. federal income tax purposes is not engaged in, or deemed to be engaged in, a U.S. trade or business, and (iv) such Sub-Fund does not dispose of a ‘United States real property interest’ as defined in Section 897 of the Code. Each Sub-Fund generally intends to conduct its affairs in a manner that meets such requirements. However, because a Sub-Fund cannot give complete assurance that it will not be treated as conducting a trade or business within the United States, it should be noted that if a Sub-Fund were engaged in, or deemed to be engaged in, a U.S. trade or business in any year, such Sub-Fund (but not any of its Shareholders) would be required to file a U.S. federal income tax return for such year and pay tax on its income and gain that is effectively connected with such U.S. trade or business at the U.S. corporate tax rate. In addition, such Sub-Fund generally would be required to pay a branch profits tax equal to 30% of the earnings and profits of such U.S. trade or business that are not reinvested therein.

A Sub-Fund also will be subject to a 30% U.S. withholding tax on the gross amount of (i) any U.S. source interest income that falls outside the portfolio interest exemption and other available exceptions to withholding tax, (ii) any U.S. source dividend income or dividend equivalent payments, and (iii) any other U.S. source fixed or determinable annual or periodical gains, profits or income, in each case to the extent such amounts are not effectively connected with a U.S. trade or business. For these purposes, interest will generally qualify for the portfolio interest exemption if it is paid on an obligation that is in registered form, provided that such Sub-Fund provides certain required certifications, or in certain other circumstances. However, interest on an obligation will not qualify for the portfolio interest exemption if (i) such Sub-Fund is considered a 10-percent shareholder of the issuer of the obligation, (ii) such Sub-Fund is a controlled foreign corporation and is considered to be a related person with respect to the issuer of the obligation or (iii) such interest is determined by reference to certain financial information of the issuer of the obligation (e.g., the issuer’s receipts, sales, income or profits) or is otherwise considered to be contingent interest.

### 9.6.2 Non-U.S. Shareholders

Shareholders that are non-U.S. resident individuals or non-U.S. corporations generally should not be subject to U.S. federal income taxation on income or gain realized from the sale, exchange, or redemption of Shares held as a capital asset unless such income or gain is otherwise effectively connected with a U.S. trade or business or, in the case of gain realized by a non-resident alien individual, such individual is present in the United States for 183 days or more during a taxable year and certain other conditions are met.



### 9.6.3 U.S. Tax-Exempt Shareholders

Income or gain realized on an investment in the a Sub-Fund by a U.S. tax-exempt Shareholder generally should not be taxable as unrelated business taxable income, provided that such Shareholder does not incur acquisition indebtedness in connection with its purchase of Shares.

### 9.6.4 Passive Foreign Investment Company Rules

Assuming each Sub-Fund is respected as a separate entity for U.S. federal income tax purposes, each Sub-Fund is expected to be a passive foreign investment company (“**PFIC**”) for U.S. federal income tax purposes. In general, if a U.S. Person that is not tax-exempt acquires Shares in a Sub-Fund (a “**U.S. Investor**”) and does not make a timely QEF election as described below, then the U.S. Investor will be required to report under the PFIC rules any gain on a disposition of its Shares and any distributions out of such Sub-Fund’s current or accumulated earnings and profits as ordinary income rather than capital gain or qualified dividend income and to compute the tax liability on such gain and certain excess distributions received from such Sub-Fund as if the items had been earned ratably over each day in the U.S. Investor’s holding period for the Shares and, for amounts allocated to prior taxable years, had been subject to the highest ordinary income tax rate for each such taxable year, regardless of the rate otherwise applicable to the U.S. Investor. Such U.S. Investor will also be liable for an additional tax equal to an interest charge on the tax liability attributable to amounts allocated to prior years as if such liability had actually been due in each such prior year.

A U.S. Investor may desire to make an election to treat a Sub-Fund as a qualified electing fund (“**QEF**”) with respect to such U.S. Investor in order to avoid the application of the foregoing rules. Generally, a QEF election should be made with the filing of a U.S. Investor’s U.S. federal income tax return for the first taxable year for which it holds Shares. If a timely QEF election is made, an electing U.S. Investor will be required to include in gross income for each taxable year such U.S. Investor’s pro rata share of such Sub-Fund’s ordinary earnings, and as long-term capital gain such U.S. Investor’s pro rata share of such Sub-Fund’s net capital gain, if any, whether or not distributed, assuming that such Sub-Fund does not constitute a controlled foreign corporation (“**CFC**”) with respect to which the U.S. Investor is treated as a ‘10% U.S. Shareholder’ as discussed further below. Thus, an electing U.S. Investor may recognize income in a taxable year in amounts significantly greater than the distributions received from such Sub-Fund in such taxable year. Moreover, a U.S. Investor will not be entitled to take into account net losses of such Sub-Fund. In general, a U.S. Investor that makes a timely QEF election will recognize gain or loss upon the sale, exchange, redemption or retirement of

Shares equal to the difference between the amount realized and such U.S. Investor’s adjusted tax basis in the Shares. A U.S. investor’s adjusted tax basis in its Shares will be increased by any amounts included in its gross income under the QEF provisions and decreased by any distributions to it of such amounts, which distributed amounts generally will be treated as distributions that are not dividends. In certain cases in which a QEF does not distribute all of its earnings in a taxable year, U.S. Investors may also be permitted to elect to defer payment of some or all of the taxes on the QEF’s income, subject to an interest charge on the deferred amount. Each Sub-Fund will provide, upon request, all information and documentation that a U.S. Investor making a QEF election is required to obtain for U.S. federal income tax purposes (e.g., a ‘PFIC Annual Information Statement’ as described in U.S. Treasury regulations). U.S. Investors should carefully consider whether to make a QEF election with respect to a Sub-Fund and the potential adverse consequences of not making such an election.

Generally, if a Sub-Fund is both a CFC and a PFIC, each U.S. Investor that is a 10% U.S. Shareholder (as defined below) will be subject to the CFC rules described below and will not be subject to the PFIC rules. Each prospective investor should consult its tax advisor about the possible application of the PFIC and CFC rules to its particular situation.

### 9.6.5 Controlled Foreign Corporation Rules

A Sub-Fund may be classified as a CFC for U.S. federal income tax purposes. In general, a non-U.S. corporation will be a CFC if more than 50% of the shares of the corporation, measured by reference to combined voting power or value, is held, directly, indirectly or constructively, by 10% U.S. Shareholders. A ‘10% U.S. Shareholder’ for this purpose is any U.S. person that owns, directly, indirectly or constructively, 10% or more of the combined voting power of all classes of shares of a corporation or 10% or more of the total value of all classes of shares of a corporation. Assuming each Sub-Fund is respected as a separate entity for U.S. federal income tax purposes, if more than 50% of a Sub-Fund (determined with respect to aggregate value or aggregate voting power) is held (directly, indirectly or constructively) by 10% U.S. Shareholders, such Sub-Fund will be treated as a CFC. In such circumstances, any U.S. Investor that is a 10% U.S. Shareholder generally will be subject to the CFC rules rather than the PFIC rules described above.

If a Sub-Fund were a CFC, a 10% U.S. Shareholder of such Sub-Fund will be required, subject to certain exceptions, to include in gross income, as ordinary income, at the end of the taxable year of such Sub-Fund an amount equal to that person’s pro rata share of the subpart F income of such Sub-Fund. Among other items, and subject to certain exceptions, subpart F income includes interest, gains from the sale of securities, and



income from certain transactions with related parties. It is likely that, if a Sub-Fund were to constitute a CFC, all or substantially all of its income will be subpart F income. Under the CFC rules, a 10% U.S. Shareholder will not be entitled to take into account net losses of such Sub-Fund.

As a result of the uncertainties regarding the U.S. federal income tax consequences to U.S. Investors owning Shares in a Sub-Fund and the complexity of the foregoing rules, each U.S. Investor is urged to consult its own tax advisor regarding the U.S. federal income tax consequences of the U.S. Investor's investment in a Sub-Fund.

### 9.6.6 Reporting Requirements for U.S. Shareholders

U.S. Shareholders may be required to comply with various information reporting obligations with respect to their investment in a Sub-Fund. For example, U.S. Shareholders may be obligated to file Forms 926, 5471, 8621, 8938, 8990 or 8992 with the IRS, or Financial Crimes Enforcement Network (FinCEN) Form 114 (Report of Foreign Bank and Financial Accounts) with the U.S. Treasury Department. These forms may require disclosures regarding the filing U.S. Shareholder, other Shareholders and such Sub-Fund. Neither the Company nor each Sub-Fund has committed to provide all of the information concerning such Sub-Fund or its Shareholders necessary to complete such forms. Failure to properly file such forms, if required, may result in the imposition of substantial penalties and an extension of the statute of limitations for the assessment of U.S. federal income tax. U.S. Shareholders are urged to consult their own legal advisors regarding these potential reporting obligations and any other potential reporting obligations that may arise from an investment in a Sub-Fund.

### 9.6.7 Compliance with FATCA

FATCA generally imposes a 30% withholding tax on certain payments to non-U.S. financial institutions (including investment entities) of U.S. source income unless the non-U.S. financial institution discloses to the IRS the name, address and taxpayer identification number of certain U.S. persons that hold, directly or indirectly, an account with the non-U.S. financial institution, as well as certain other information relating to any such account. The United States and Ireland have entered into the IGA, which modifies the foregoing requirements with respect to Irish financial institutions but generally requires similar information to be disclosed to the Irish government and ultimately to the IRS. The Company and each Sub-Fund intend to comply with any obligations imposed on them under FATCA and the IGA to avoid the imposition on them of any withholding tax under FATCA, but there can be no assurances that they will be successful in this regard. Refer to the section titled [FATCA](#).

**THE U.S. TAX AND OTHER MATTERS DESCRIBED IN THIS PROSPECTUS DO NOT CONSTITUTE, AND SHOULD NOT BE CONSIDERED AS, LEGAL OR TAX ADVICE TO PROSPECTIVE INVESTORS. PROSPECTIVE INVESTORS SHOULD CONSULT LEGAL AND TAX ADVISORS TO DETERMINE THE POSSIBLE TAX OR OTHER CONSEQUENCES OF PURCHASING, HOLDING AND REDEEMING SHARES.**

## 9.7 OTHER TAX JURISDICTIONS

The tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. Therefore, the Directors strongly recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the Company and any investment returns from those Shares. It is the Director's intention to manage the affairs of the Company so that it does not become resident outside of Ireland for tax purposes.

## 10 General Information

### 10.1 SHARE CAPITAL

The Articles provide that the authorised share capital of the Company is 3 Management Shares of €1 each and 500,000,000 Shares of no par value. The Management Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the consideration paid therefor but do not otherwise entitle them to participate in the assets of the Company. There are no pre-emption rights attaching to the Shares in the Company. Pursuant to the Articles, the Directors have the power to allot shares in the capital of the Company on such terms and in such manner as they may think fit.

### 10.2 VOTING RIGHTS AND WRITTEN RESOLUTIONS

The following rules relating to voting rights apply;

- (a) Shareholders who hold a fraction of a Share may not exercise any voting rights.
- (b) Votes may be given either personally or by proxy. Every Shareholder entitled to attend and vote at a general meeting may appoint a proxy to attend, speak and vote on his behalf.
- (c) On a show of hands every Shareholder, who is present in person or by proxy at a meeting of Shareholders, shall have one vote and the holder of Management Shares who is present in person or by proxy at a meeting of Shareholders shall have one vote in respect of all of its Management Shares;
- (d) On a poll, every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of Management Shares present in person or by proxy shall be entitled to one vote in respect of all of the Management Shares held by him;
- (e) Where there is an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or deciding vote.
- (f) Where there are joint Shareholders, the vote of the senior who tenders a vote, whether in person or by proxy, in respect of such Share shall be accepted to the exclusion of the votes of the other joint Shareholders and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the Shares.
- (g) A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction (whether in the State or elsewhere) in matters concerning mental disorder, may vote,

whether on a show of hands or on a poll, by his committee, receiver, guardian or other person in the nature of a committee, receiver, guardian or other persons may vote by proxy on a show of hands or on a poll, provided that such evidence as the Directors may require of the authority of the persons claiming to vote shall have been deposited at the Office not less than forty eight hours before the time for holding the meeting or adjourned meeting at which such person claims to vote.

- (h) A resolution in writing signed by all the Shareholders for the time being entitled to attend and vote on such resolution at a general meeting (or being bodies corporate by their duly appointed representatives) shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and may consist of several instruments in the like form each executed by or on behalf of one or more Shareholders.

The rights attached to the Shares may, whether or not the Company or any Sub-Fund is being wound up, be varied or abrogated with the consent in writing of holders of three-quarters of the issued Shares of the relevant Class or Sub-Fund or, with the sanction of a special resolution passed at a separate general meeting of the holders of the Shares of the Class or of the relevant Sub-Fund.

The rights attaching to the Shares shall not be deemed to be varied by any of the following:

- (a) the creation, allotment or issue of any further Shares ranking *pari passu* with Shares already in issue;
- (b) the liquidation of the Company or of any Sub-Fund and distribution of its assets to its members in accordance with their rights or the vesting of assets in trustees for its members in specie.

### 10.3 CLOSURE OF SUB-FUNDS OR CLASSES

The Directors may, in their sole and absolute discretion, determine to close any Sub-Fund or Class in any of the following circumstances;

- (a) If the Directors determine at their discretion that it is impracticable or inadvisable for a Sub-Fund or Class to continue to operate for any reason;
- (b) If a decision has been taken to wind-up the Company;
- (c) If at any time the Net Asset Value of the Sub-Fund falls below the Minimum Sub-Fund Size;
- (d) If at any time the Net Asset Value of the Class falls below the Minimum Share Class Size; or

- (e) If there are no Shares in issue in the relevant Sub-Fund or Class.

Where the Directors so determine to close a Sub-Fund or Class, they shall compulsorily redeem all of the Shares in issue in the relevant Sub-Fund or Class as at the proposed closure date and may suspend the future issuance of Shares in the relevant Sub-Fund or Class.

The Directors shall give notice of termination of a Sub-Fund or Class to the relevant Shareholders in and by such notice fix the date at which such termination is to take effect, which date shall be for such period after the service of such notice as the Directors shall in their sole and absolute discretion determine.

In such circumstances all of the Shareholders of the Sub-Fund or Class will be deemed to have had requested that their Shares be redeemed by the Directors on the termination date selected by the Directors and otherwise in accordance with the redemption procedures set out in this Prospectus.

Where a Sub-Fund or Class is to be closed, the Directors may instruct the AIFM or the Investment Manager to commence the realisation of all the assets then comprised in the relevant Sub-Fund or Class (which realisation shall be carried out and completed in such manner and within such period as the Directors think advisable acting in the best interests of Shareholders of the relevant Sub-Fund or Class).

The Directors may resolve in their absolute discretion to retain sufficient assets prior to closing or terminating the relevant Sub-Fund or Class in order to cover the costs associated with the closure of the Sub-Fund or Class or the liquidation of the Company and a 'liquidation expense' may be accrued for and included in the final NAV determined for the closing Sub-Fund or Class.

The decision of the Directors to close a Sub-Fund or Class shall be final and binding on all parties concerned but the Directors shall be under no liability on account of any failure to close a Sub-Fund or Class.

Where a decision has been taken by the Directors to close a Sub-Fund or Class and all Shares have been compulsorily redeemed by the Company, the Company may be unable in practice to make a disbursement of assets due to one or more Shareholders. This may give rise to the presence of unclaimed assets which will be dealt with as described in the sub-section titled [Unclaimed Assets](#).

## 10.4 MERGERS AND AMALGAMATIONS

The Directors shall have the power to propose and implement a reconstruction and/or amalgamation of the Company or any Sub-Fund or Sub-Funds on such terms and conditions as are approved by the Directors subject to the following conditions:

- (a) that the prior approval of the Central Bank has been obtained; and
- (b) that the Shareholders in the relevant Sub-Fund or Sub-Funds have been circulated with particulars of the scheme of reconstruction and/or amalgamation in a form approved by the Directors and a special resolution of the Shareholders in the relevant Sub-Fund or Sub-Funds has been passed approving the said scheme.

The relevant scheme of reconstruction and/or amalgamation shall take effect upon such conditions being satisfied or upon such later date as the scheme may provide or as the Directors may determine whereupon the terms of such scheme shall be binding upon all the Shareholders and the Directors shall have the power to and shall do all such acts and things as may be necessary for the implementation thereof.

## 10.5 WINDING UP OF THE COMPANY

If the Directors decide that in their absolute discretion it is in the best interests of Shareholders to wind up the Company, the Company Secretary shall forthwith at the Directors' request, convene an extraordinary general meeting of the Company to consider a proposal to appoint a liquidator to wind up the Company.

The liquidator, on appointment, will firstly apply the assets of the Company in satisfaction of creditors' claims as he deems appropriate and in accordance with the Companies Act. The assets of the Company will then be distributed amongst the Shareholders. The assets available for distribution amongst the Shareholders shall be applied as follows:

- (a) Firstly, in the payment to the Shareholders of a sum in the Base Currency or Class Currency, as appropriate, or in any other currency selected by the liquidator, as nearly as possible equal (at a rate of exchange determined by the liquidator) to the value of the Shares held by such Shareholders as at the date of commencement of winding up.
- (b) Secondly, in the payment to the holders of the Management Shares of sums up to the nominal amount paid up thereon out of the general assets of the Company not comprised within any Sub-Funds provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Sub-Funds.
- (c) Thirdly, in the payment to the Shareholders of each Class or Sub-Fund of any balance then remaining in the relevant Sub-Fund, such payment being made in proportion to the number of Shares of the relevant Class or Sub-Fund held.
- (d) Fourthly, any balance then remaining and not attributable to any Sub-Fund or Class shall be apportioned between the Sub-Funds and Classes

pro-rata to the net asset value of each Sub-Fund or Class immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that Sub-Fund or Class held by them.

The liquidator may with the authority of a special resolution of the Company divide among the members (pro rata to the value of their respective shareholdings in the Company) in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the Company to a company or collective investment scheme (the **"Transferee Company"**) on terms that members in the Company shall receive from the Transferee Company shares or units in the Transferee Company of equivalent value to their shareholdings in the Company.

## 10.6 WINDFALL PAYMENTS

In the event that a Sub-Fund receives a settlement, tax reclaim, class action award or other ad-hoc or windfall payment (not being payments arising as reimbursements due to errors or breaches by the Company or its service providers listed in the section titled [Directory](#)) (each, a 'payment'), unless otherwise determined by the Directors, the payment shall be deemed to be for the benefit of the relevant Sub-Fund as a whole at the date of receipt of such payment rather than for the benefit for any particular group of Shareholders. It is therefore possible that those investors who were invested in the relevant Sub-Fund at the time of the underlying event from which the payment arose, or when the relevant Sub-Fund incurred costs relating to the event from which the payment arose, may not benefit from the payment if they have redeemed prior to the date of receipt of the payment.

In the event that a payment is received following the closure of a Sub-Fund, such payments shall, at the discretion of the Directors or the AIFM, be made to (i) the Shareholder(s) on the register for the relevant Sub-Fund on the final Dealing Day on which Shares are redeemed; (ii) such other Shareholders as determined by or on behalf of the Directors from time to time; or (iii) as otherwise determined by the Directors or the AIFM.

Where the payment amount received after a Sub-Fund has closed represents a de minimus amount of as determined by the Directors in their discretion or where the cost of dispatching, transmitting, effecting or otherwise making such payments exceed such payment amount, these monies may be paid for the benefit of the Company as a whole or as otherwise determined by the Directors from time to time or paid to a charitable foundation to be determined by the Directors.

## 10.7 UNCLAIMED ASSETS

In some circumstances (for example on a Sub-Fund termination, a winding up or a compulsory redemption) the Company may be unable in practice to make a disbursement of assets due to one or more Shareholders.

Notwithstanding anything herein to the contrary, once all reasonable measures to make the disbursement have been taken, the Directors may in their discretion consider that any claims of the Shareholders in respect of any such assets whether in the form of unclaimed dividends, unpaid redemption proceeds or otherwise and any obligations of the Company in connection therewith shall be extinguished and any such amounts may be retained by the relevant Sub-Fund for the benefit of the other Shareholders or paid to a charitable foundation to be determined by the Directors. The foregoing may apply subject to a de minimus level to be reasonably determined by the Directors in their discretion or without qualification on the basis of the Company seeking to meet its anti-money laundering obligations under Irish law.

## 10.8 REPORTS AND ACCOUNTS

The Company will prepare an annual report and audited accounts as of 31 December in each year. The annual report and audited accounts of the Company will be published within four months after the conclusion of each Accounting Period. If a particular Sub-Fund or Class of a particular Sub-Fund is listed, the annual report will also be circulated to Euronext Dublin within six months of the end of the relevant Accounting Period.

A paper copy of the most recent financial statements will be made available to Shareholders and prospective investors on request and free of charge. The Directors may send such reports and accounts electronically to Shareholders in accordance with the requirements of the Central Bank.

The accounts of the Company will be prepared in accordance with International Financial Reporting Standards ("**IFRS**").

## 10.9 NOTIFICATION OF PRICES AND PERFORMANCE DATA

Except where the determination of the Net Asset Value of a Sub-Fund has been temporarily suspended in the circumstance described in the sub-section titled [Suspension of Calculation of Net Asset Value](#), the Net Asset Value per Share for each Sub-Fund or Class of Shares (and the issue price and Redemption Price of each Class of Shares) will be available on [www.lgtcp.com/en/regulatory-information/](http://www.lgtcp.com/en/regulatory-information/) and will be updated following each Valuation Day. Access may be restricted and it is not an invitation to subscribe for purchase, convert, sell or redeem Shares. In addition, the Net Asset Value per Share for each Sub-Fund or Class (and the issue price and Redemption Price of each Class of Shares) may be obtained free of charge from, and will be available at the registered office of the Company during normal business hours.

The historical performance of each Sub-Fund will be available on <http://www.lgtcp.com/en/regulatory-information/> to prospective investors before they invest in the Company.

## 10.10 PERIODIC AND REGULAR DISCLOSURE TO SHAREHOLDERS BY THE AIFM

The AIFM will periodically (and on at least an annual basis) make available to Shareholders the following information, which shall be available by contacting the AIFM at its registered office as set out in the section titled [Directory](#):

- (a) If applicable, the percentage of Sub-Fund assets which are subject to special arrangements arising from their illiquid nature and an overview of any arrangements in place (including any changes thereto) in relation to liquidity, including whether such arrangements relate to side pockets, gates or other similar arrangements, the valuation methodology applied to assets which are subject to such arrangements and how management and performance fees apply to these assets.
- (b) if applicable and as required under AIFMD, information on any changes to the AIFM's liquidity management systems and procedures for the Company; the terms under which redemptions are permitted and circumstances determining when management discretion applies; and any voting or other restrictions exercisable.
- (c) the current risk profile of each Sub-Fund and the risk management systems employed by the AIFM to manage those risks, including:
  - 1) measures to assess the sensitivity of the Sub-Funds' portfolios to the most relevant risks to which the Sub-Funds are or could be exposed;

- 2) if risk limits set by the AIFM have been or are likely to be exceeded and where these risk limits have been exceeded, a description of the circumstances and the remedial measures taken;
  - 3) any change to the risk management systems employed by the AIFM and the anticipated impact of the change on the Sub-Funds and the Shareholders.
- (d) the total amount of leverage actually employed by each Sub-Fund calculated in accordance with the gross and commitment methods as required under AIFMD.
  - (e) if applicable and as required under AIFMD, information on changes to the maximum level of leverage which the AIFM may employ on behalf of the relevant Sub-Fund as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangements.

The AIFM shall include the following information in the quarterly reports to Shareholders:

- (a) if applicable the total amount of leverage employed by the Sub-Funds calculated in accordance with the gross and commitment methods as required under AIFMD;
- (b) if applicable and as required under AIFMD, information on changes to the maximum level of leverage which the AIFM may employ on behalf of the Sub-Funds as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangements;

The AIFM shall provide immediate notification to Shareholders where it activates gates, side pockets or similar special arrangements or where it decides to suspend redemptions.

Shareholders may, upon request, be entitled to receive additional information, confirmations and disclosures in relation to the Company.

## 10.11 SPECIAL ARRANGEMENTS AND FAIR TREATMENT OF SHAREHOLDERS

The AIFM shall ensure that its decision-making procedures and its organisational structure promote the fair treatment of Shareholders in the Company. Any preferential treatment provided to one or more Shareholders should not result in an overall material disadvantage to other Shareholders in the relevant Sub-Fund.

The Directors or the AIFM reserve the right from time to time to waive any requirements relating to the Minimum Initial Subscription Amount (which in any case will not be less than the Regulatory Minimum Subscription) and the Minimum Holding Amount and may also establish dedicated Classes for investors, as and when they



determine, at their reasonable discretion. In addition, the Directors are permitted to aggregate investments received from multiple registered Shareholders which are managed or controlled by the same entity for the purpose of calculating the Minimum Initial Subscription Amount (subject to each investment being not less than the Regulatory Minimum Subscription) and the Minimum Holding Amount.

The Directors or the AIFM may, upon request from individual applicants or Shareholders, provide confirmation letters in relation to the Company interpreting or clarifying inter alia the provisions of this Prospectus, the Articles and the general policies of the Company, the AIFM or its affiliates or acknowledging the statutory provisions applicable to individual Shareholders (e.g. regulatory restrictions or statutory immunity and venue of Shareholders). Each Shareholder shall be entitled to request any such confirmations (to the extent applicable) to be included in a confirmation letter addressed to such Shareholder.

The above arrangements are permitted at the discretion of the Directors or the AIFM but are typically granted in respect of applicants with direct or indirect commercial or fee arrangements (such as but not limited to managed accounts, dedicated Classes, separate (i) advisory, (ii) intermediary or (iii) distribution arrangements, etc.) with the AIFM or its affiliates.

## 10.12 ADDITIONAL INFORMATION

The AIFM may, at its discretion, provide additional fund valuation and/or reporting information to certain Shareholders (subject to certain terms and conditions). Such additional fund valuation and/or reporting information will be made available to all Shareholders, on request, and should be used for information purposes only.

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

## 10.13 MATERIAL CONTRACTS

**Management Agreement.** Pursuant to the Management Agreement the AIFM will provide discretionary investment management services and the AIFMD managerial functions to the Company and the Sub-Funds. Further details regarding the appointment

of the AIFM to the Company are set out in the sub-section titled [The AIFM](#). The AIFM may be entitled to receive the fees described in the sub-section titled [Service Provider Fees](#). The appointment of the AIFM in respect of a particular Sub-Fund may be terminated by either party giving to the other not less than ninety (90) calendar days' notice in writing, unless the relevant Sub-Fund is closed-ended. The Management Agreement may be terminated immediately in certain circumstances set out in the Management Agreement including the insolvency of a party (or upon the happening of a like event). The Management Agreement provides for the Company to indemnify the AIFM, its officers, employees, delegates, servants and agents in the absence of the recklessness, wilful default, bad faith, fraud or negligence on the part of the AIFM, its officers, agents or employees.

**Distribution Agreement.** Pursuant to the Distribution Agreement the Distributor will provide distribution services to the Company and the Sub-Funds. The fees payable to the Distributor shall be paid by the Company out of the Management Fee, as described in the section titled [Remuneration](#) in the Distribution Agreement, and as disclosed in the relevant Supplement. The appointment of the Distributor may be terminated by either party giving to the other not less than ninety (90) calendar days' notice in writing. The Distribution Agreement may be terminated immediately in certain circumstances set out in the Distribution Agreement including the insolvency of a party (or upon the happening of a like event).

The Distribution Agreement provides for the Company to indemnify the Distributor or its officers, employees, delegates, servants or agents in the absence of the recklessness, wilful default, bad faith, fraud or negligence.

**Administration Agreement.** Pursuant to the Administration Agreement, the Administrator will provide certain administrative and registrar services to the Company. Details of the services provided by the Administrator pursuant to the Administration Agreement are summarised in the sub-section titled [Administrator](#).

The Administrator will be entitled to receive fees as described in the section titled [Service Provider Fees](#). The Administration Agreement may be terminated by either party giving not less than 90 calendar days prior written notice to the other party. The Administration Agreement may also be terminated forthwith by either party giving notice to the other party in certain circumstances as set out in the Administration Agreement including upon the insolvency of a party. The Company has agreed to indemnify the Administrator from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgements, suits, costs, expenses or disbursements of any kind or nature other than those resulting from negligence, wilful default, fraud or bad faith on the part



of the Administrator, which may be imposed on, incurred or asserted against the Administrator as a direct result of the Administrator's performance of its obligations or duties under the Administration Agreement.

**Depository Agreement.** Pursuant to the Depository Agreement, the Depository has been retained by the Company to perform safekeeping and fiduciary services on behalf of the Company and the Sub-Funds. The duties of the Depository together with an overview of the liability provisions applicable to the Depository as set out in the Depository Agreement are summarised in the section titled [Depository](#).

The Depository will be entitled to receive a fee as described in the sub-section titled [Service Provider Fees](#). The Depository Agreement may be terminated by either party on giving not less than 90 days' prior written notice to the other party. The Depository Agreement may also be terminated by either party forthwith in certain circumstances set out in the agreement including upon the insolvency of a party (or upon the happening of a like event) provided however that the Depository shall continue to act as depository until a successor depository approved by the Central Bank is appointed to the Company or until the Company's regulatory authorisation in Ireland is revoked. The Depository Agreement provides that the Company and the Sub-Funds shall indemnify and keep the Depository (and each of its directors, officers, employees and agents) indemnified and held harmless from and against all liabilities, costs, losses, claims, demands, damages and expenses (including legal and professional expenses), actions or proceedings of any nature which may be brought against, suffered, incurred or sustained by the Depository and arising from the performance by the Depository of its obligations under the Depository Agreement otherwise than as a result of the Depository's negligent or intentional failure to properly fulfil its obligations under the Depository Agreement and/or pursuant to the AIFMD Regulations.

**Investment Management Agreement.** Pursuant to the Investment Management Agreement the Investment Manager provides investment management services to the AIFM in respect of the Sub-Funds. The appointment of the Investment Manager in respect of the Sub-Funds may be terminated by either party giving to the other not less than ninety (90) calendar days' notice in writing. The Investment Management Agreement may be terminated immediately in certain circumstances set out in the Investment Management Agreement, including the insolvency of a party (or upon the happening of a like event).

The Investment Management Agreement provides for the AIFM to indemnify the Investment Manager or its officers, employees, delegates, servants or agents in the absence of the recklessness, wilful default, bad faith, fraud or negligence of the Investment Manager, its officers, agents or employees.

Please refer to each Supplement for details of relevant material contracts (if any) in respect of a Sub-Fund.

In addition to the above, the Company or the AIFM may enter into additional contracts with Paying Agents as may be required in connection with an offer of Shares into a particular jurisdiction from time to time. The provision of such services shall be on arm's length commercial terms for the Company for which fees shall be charged at normal commercial rates and expenses are to be reimbursed.

## 10.14 NOTICES TO SHAREHOLDERS

Any notice or other document required to be served upon or sent to a Shareholder shall be deemed to have been duly given if delivered by hand, sent electronically or by post to or left at his address as appearing on the register of members and in the case of joint Shareholders if so done upon or to the first named on the register of members.

Means of Dispatch	Deemed Received
Delivery by hand (personally)	The day of delivery or next following working day if delivered outside usual business hours.
Post	24 hours after posting. In proving such service, it shall be sufficient to prove that the letter containing the notice or other document was properly addressed, stamped and posted.
By courier	24 hours after sending.
Subject to such Shareholder's consent to electronic communications, by email or other electronic means	12 hours after sending.
Subject to such Shareholder's consent to the use of a website, by publication of an electronic record of it on a website and notification of such publication (which shall include the address of the website and the place of the website)	12 hours after it has been published.

where the document may be found)	
Publication	The day of publication in a daily newspaper or other medium circulating in the country or countries where Shares are marketed.
Via exchange	The day on which the announcement or publication is released by the relevant exchange.

Service of a notice or document on the first named of several joint Shareholders shall be deemed an effective service on himself and the other joint Shareholders.

Any notice or document sent electronically or by post to or left at the registered address of a Shareholder shall notwithstanding that such Shareholder be then dead or bankrupt and whether or not the Company or the Administrator has notice of his death or bankruptcy be deemed to have been duly served or sent and such service shall be deemed a sufficient service on or receipt by all persons interested (whether jointly with or as claiming through or under him) in the Shares concerned.

Any certificate or notice or other document which is sent electronically or by post to or left at the registered address of the Shareholder named therein or dispatched by the Company or the Administrator in accordance with his instructions shall be so sent, left or dispatched at the risk of such Shareholder.

Any notice in writing or other document in writing required to be served upon or sent to the Company shall be deemed to have been duly given if sent by post to the registered office of the Company or left at the registered office of the Company.

## 10.15 ACCESS TO DOCUMENTS

Copies of the following documents may be obtained from the Company and inspected free of charge at the registered office of the Company during usual business hours on any Business Day at the address shown in the section titled [Directory](#) and at the offices of LGT Capital Partners (Ireland) Limited:

- (a) the Articles; and
- (b) Once published, the latest annual and semi-annual reports relating to the Company.

Copies of this Prospectus and the up-to-date PRIIPS KIDs (if applicable) may be obtained by Shareholders on <https://www.lgtcp.com/en/regulatory-information/> or such other website as may be notified to Shareholders in advance from time to time.

To the extent not captured in this Prospectus or in the event such details have changed and have not been reflected in a revised version of this Prospectus, up-to-date information will be provided to Shareholders on request, free of charge regarding:

- the identity of the Depositary and a description of its duties and of conflicts of interest that may arise; and
- a description of any safe-keeping functions delegated by the Depositary, a list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation.

## 10.16 INDEMNITIES AND INSURANCE

The Articles provide that, subject to the provisions of and insofar as may be permitted by the Companies Act, every Director, secretary or servant of the Company shall be indemnified by the Company against all costs, losses and expenses which any such officer or servant may incur or sustain by reason of any contract entered into, or act or thing done by him as such officer or servant. Such indemnity shall not extend to any of the foregoing sustained or incurred as a result of any fraud, negligence or wilful default by him in relation to the Company and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Shareholders over all other claims.

The Directors have the power to purchase and maintain for the benefit of any persons who are or were at any time Directors, secretary or other officer of the Company insurance against any liability incurred by such persons in respect of any act or omission in the execution or discharge of their duties or in the exercise of their powers. The Directors may, upon such terms and conditions as they determine, grant any service provider or other person or entity an indemnity out of the assets of the relevant Sub-Fund.

Further information relating to indemnities granted by the Company to certain service providers is set out in the sub-section titled [Material Contracts](#).

## 10.17 SEGREGATION OF LIABILITY

- (a) Notwithstanding any statutory provision or rule of law to the contrary, any liability incurred on behalf of or attributable to any Sub-Fund shall be discharged solely out of the assets of that Sub-Fund, and no Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply nor be obliged to apply the assets of any such Sub-Fund in satisfaction of any liability incurred on behalf of or attributable to any other Sub-Fund.
- (b) The assets allocated to a Sub-Fund shall be applied solely in respect of the Shares of such Sub-Fund

and no Shareholder relating to such Sub-Fund shall have any claim or right to any asset allocated to any other Sub-Fund.

- (c) Any asset or sum recovered by the Company by any means whatsoever or wheresoever shall, after the deduction or payment of any costs of recovery, be applied to the Sub-Fund affected. In the event that assets attributable to a Sub-Fund are taken in execution of a liability not attributable to that Sub-Fund, and in so far as such assets or compensation in respect hereof cannot otherwise be restored to that Sub-Fund, the Directors with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to the Sub-Fund affected and transfer or pay from the assets of the Sub-Fund or Sub-Funds to which the liability was attributable, in priority to all other claims against such Sub-Fund or Sub-Funds, assets or sums sufficient to restore to the Sub-Fund affected, the value of the assets or sums lost to it.
- (d) The Company may sue and be sued in respect of a particular Sub-Fund and may exercise the same rights of set-off, if any, as between its Sub-Funds as apply at law in respect of companies and the property of a Sub-Fund is subject to orders of the Irish courts as it would have been if the Sub-Fund were a separate legal person.
- (e) In any proceedings brought by any Shareholder of a particular Sub-Fund, any liability of the Company to such Shareholder in respect of such proceeding can only be settled out of the assets of the Sub-Fund corresponding to such Shares without recourse in respect of such liability or any allocation of such liability to any other Sub-Fund of the Company.
- (f) A Sub-Fund may be wound up pursuant to the provisions of the Companies Act and in such event the provisions reflected in this section shall apply mutatis mutandis in respect of that Sub-Fund.

Nothing in this section shall prevent the application of any enactment or rule of law which would require the application of the assets of any Sub-Fund in discharge of some or all of the liabilities of any other Sub-Fund on the grounds of fraud or misrepresentation and, in particular, by reason of the application of the relevant sections of the Companies Act.

## 10.18 CONFIDENTIALITY

In the course of its investment business, the Company typically enters into agreements in which it, among others, agrees to keep strictly confidential any information it receives. As a result, improper use or disclosure of any information to Shareholders of the Company, via reports or otherwise, could have a material adverse effect upon the Company and/or its investments, the AIFM or the Investment Manager. Pursuant to the terms of the Application Form,

Shareholders are required to keep confidential and not to duplicate or furnish copies of the Articles, this Prospectus or the Application Form (without the prior written consent of the AIFM) to any party other than its investment and tax advisors, accountants and legal counsel.

In addition, Shareholders may, upon request, be provided with other additional information including fund valuation and/or reporting information or portfolio holdings and portfolio-related information in respect of the Company or its Sub-Funds. Shareholders should keep confidential and not disclose such information, without prior written consent of the AIFM, to any person (other than to its affiliates, employees, auditors, legal counsel, professional advisors, provided that such recipient does not, directly or indirectly, compete with the business of the Company, the AIFM or the Investment Manager and their investments and agree to be bound by the same confidentiality) unless any such information (i) has become generally available to the public other than through the breach of this clause, (ii) to the extent necessary in order to comply with any law, order, regulation, ruling or other governmental request applicable to the Shareholder, (iii) any such information that constitutes the 'tax treatment' or 'tax structure' of the Company for US federal income tax purposes, provided that such information shall not include identifying information regarding the Company or its investments and any performance information relating to the Company.

Shareholders should immediately notify the AIFM in the event it is or otherwise becomes subject to any such law, rule or regulation that requires the disclosure of any information of the Company. Such Shareholder should treat any and all information received from any of the Company, the AIFM or the Investment Manager as trade secret or equivalent. Each Shareholder who receives a request for public disclosure of any information provided to such Shareholder by any of the Company, the AIFM or the Investment Manager should (i) promptly notify the AIFM of such disclosure request and promptly provide the AIFM with a copy of such disclosure request or a detailed summary of the information being requested, (ii) inform the AIFM of the timing for responding to such disclosure request and (iii) consult with the AIFM regarding the response to such disclosure request to the extent that such disclosure is legally permissible.

To the extent the Directors, the AIFM or the Investment Manager believe that a Shareholder will not be able to ensure the confidential treatment of information the Company, the AIFM or the Investment Manager may restrict the information provided to such Shareholder to the extent deemed meaningful to protect their interests and may require such Shareholder to return all information already received provided that such Shareholder shall have the right to retain information on a confidential basis to the extent that the retention of

such information is required by law, rule, regulation or internal policy including the rules of a professional body, governmental agency or for audit purposes.

#### **10.19 SIDLEY AUSTIN LEGAL DISCLAIMER**

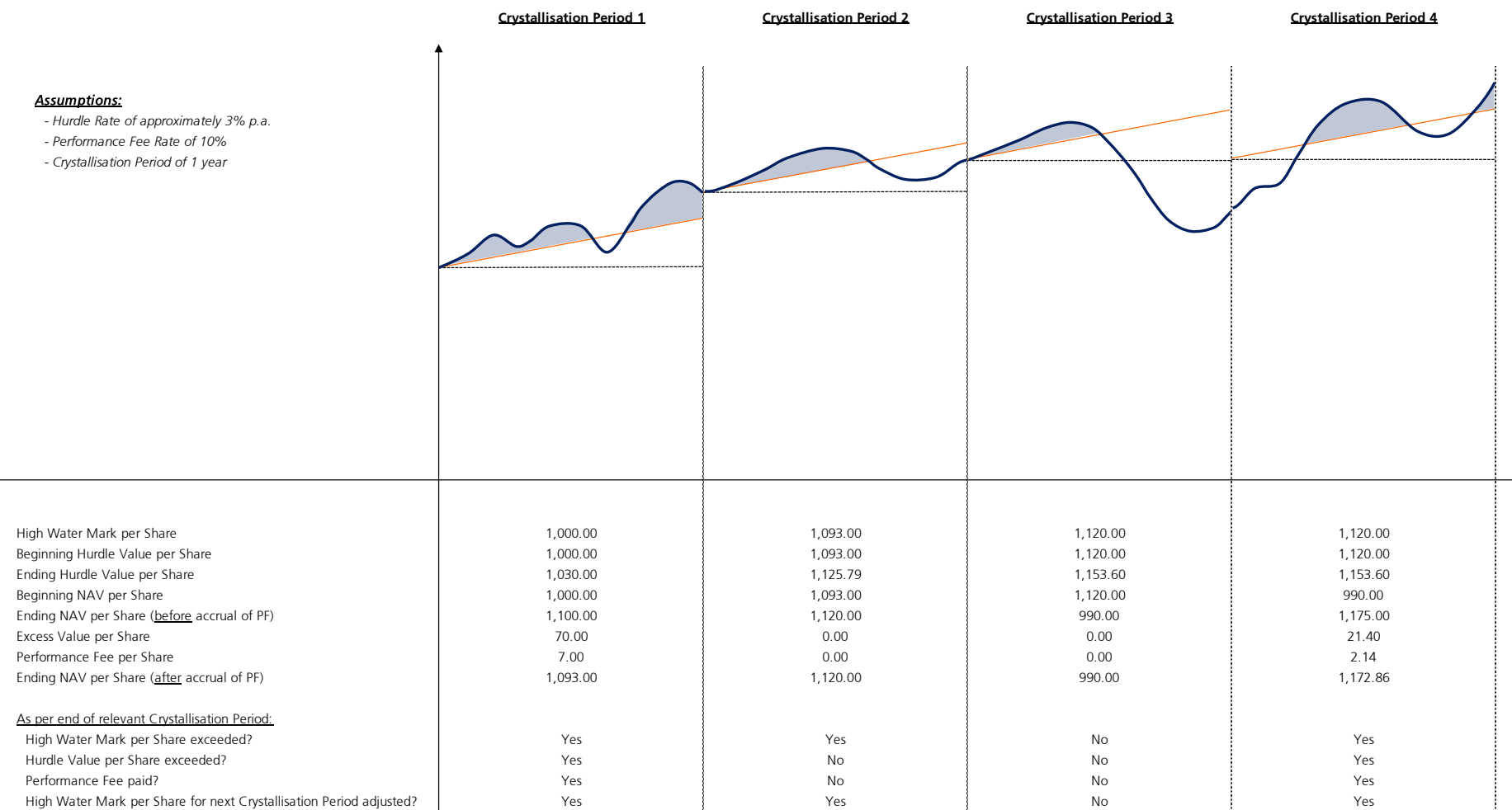
Sidley Austin LLP, New York, served as U.S. legal counsel to the AIFM in connection with the review of this Prospectus, but only with respect to U.S. regulatory and U.S. federal income tax matters. Sidley Austin LLP may continue to serve in such capacity in the future, but has not assumed any obligation to update this Prospectus with respect to such matters. Sidley Austin LLP may advise the AIFM in matters relating to the operation of the Company on an ongoing basis. Sidley Austin LLP does not represent and has not represented the prospective investors or the Company in the course of the organization of the Company, the negotiation of its business terms, the offering of the Interests or in respect of its ongoing operations. Prospective investors must recognize that, as they have had no representation in the organization process, the terms of the Company relating to themselves and the Shares have not been negotiated at arm's length.

Sidley Austin LLP's engagement by the AIFM in respect of the Company is limited to the specific matters as to which it is consulted by the AIFM and, therefore, there may exist facts or circumstances which could have a bearing on the Company's (or the AIFM's) financial condition or operations with respect to which Sidley Austin LLP has not been consulted and for which Sidley Austin LLP expressly disclaims any responsibility. More specifically, Sidley Austin LLP does not undertake to monitor the compliance of the AIFM and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does it monitor compliance with applicable laws.

In reviewing the U.S. regulatory sections of this Prospectus, Sidley Austin LLP relied upon information furnished to it by the Company and/or the AIFM, and did not investigate or verify the accuracy and completeness of information set forth herein concerning the AIFM, the Company's service providers and their affiliates and personnel.

## Appendix 1 – Performance Fee Worked Example

This example is for illustrative purposes only and does not reflect actual or expected performance of any Sub-Fund. All values are rounded to 2 decimal places.





# Supplement

LGT Dynamic Protection Sub-Fund

This Supplement may not be distributed unless accompanied by, and must be read in conjunction with, the Prospectus for Crown A GENERIX plc



# 1 Introduction

This Supplement, dated 02 November 2023, contains specific information in relation to LGT Dynamic Protection Sub-Fund (the “**Sub-Fund**”), a sub-fund of Crown A GENERIX plc.

This Supplement forms part of, and may not be distributed (other than to prior recipients of the Prospectus of the Company, dated 02 November 2023, as may be amended from time to time), unless accompanied by, and must be read in conjunction with, the Prospectus.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

# 2 General

<b>Type of Sub-Fund</b>	This Sub-Fund shall be open-ended.
<b>Base Currency</b>	Means US Dollars. Classes of the Sub-Fund may be denominated in currencies different from the Base Currency as set out in <a href="#">Section 8</a> .
<b>Business Day</b>	Means any day on which banks are not closed for business in Ireland, Switzerland or the United States.
<b>Minimum Sub-Fund Size</b>	Means USD 50,000,000, or such lower amount as the Directors or the AIFM may determine in their sole discretion.
<b>Minimum Share Class Size</b>	Means USD 5,000,000, or such lower amount as the Directors or the AIFM may determine in their sole discretion.
<b>Dividend Policy</b>	The Company does not currently intend to make any dividend payments in respect any of the Classes of the Sub-Fund.
<b>Specific Risk Factors</b>	General risk factors are outlined in the section of the Prospectus titled <a href="#">Risk Factors</a> . Investors in the Sub-Fund are drawn in particular to the following specific risk factors: ‘Quantitative and Systematic Trading Risk’, ‘Model Risk’ and ‘Obsolescence Risk’.

### 3 Investment management

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**Investment Objective** The Investment Objective of the Sub-Fund is to generate capital gains primarily in phases of elevated uncertainty across financial markets while preserving capital under normal market conditions.

The performance of the Sub-Fund may vary substantially on a monthly, quarterly and annual basis. There can be no assurance that the Sub-Fund will achieve its Investment Objective.

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**Investment Focus** The Sub-Fund may target either a long or short exposure to the following asset classes:

- (a) equities (may include large cap, mid cap or small cap, and may be listed or unlisted);
- (b) corporate and government bonds (of at least investment grade, may be fixed or floating, and may be listed or unlisted);
- (c) interest rates;
- (d) currencies; and
- (e) commodities;

the (“**Target Asset Classes**”).

The Sub-Fund may target exposure to changes in the price of the Target Asset Classes (e.g. by taking a short exposure to equities when it is expected that the price of such equities will fall), or the Sub-Fund may target exposure to the mathematical derivatives of such price changes (such as the volatility, variance, correlation or dispersion of the prices of the Target Asset Classes). For example, the Sub-Fund may enter into an FDI with a counterparty and take an exposure, not on whether the price of an asset will go down, but on whether the volatility of the movement in the price of the asset will be higher at a point in time in the future.

The Sub-Fund shall employ leverage via the use of FDIs. The use of leverage shall at all times comply with the provisions outlined in [Section 4](#).

The Sub-Fund does not pursue a specific geographical or sectoral focus.

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**Permitted Investments & Techniques**

The Sub-Fund may gain exposure to the Target Asset Classes either:

- (a) by direct investment in various underlying securities such as equities and bonds;
- (b) indirectly through the use of FDI; or
- (c) indirectly by way of investment into other collective investment schemes which themselves provide exposure to the Target Asset Classes (such collective investment schemes may be regulated or unregulated).

The Sub-Fund is permitted to utilise the following FDIs. FDIs used may be exchange-traded or over-the-counter:

- (a) futures and options;
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- (b) swaps (including equity swaps; interest rate swaps; exchange rate swaps; cross currency swaps; credit default swaps; total return swaps; volatility, variance, correlation and dispersions swaps; portfolio swaps and basket swaps); and
  - (c) forwards.

Details relating to each of these FDIs are set out in the section of the Prospectus titled [Financial Derivative Instruments](#).

The Sub-Fund may hold a portion of its assets in cash and Cash Equivalents in appropriate circumstances. Such circumstances may include, but are not limited to, where market conditions require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses and/or in order to support derivatives exposure.

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## Investment Strategy

The Sub-Fund will seek to achieve its Investment Objective by pursuing a rules-based, systematic investment approach. This approach relies on data and a variety of statistical and other mathematical models and techniques to drive the investment decision making process.

The Sub-Fund's investment strategy is built upon of a variety of trading algorithms which are proprietary to the Investment Manager, each of which has been designed and developed via a process of rigorous empirical research and analysis. This approach requires coding the Investment Manager's fundamental understanding of the economic forces, risk transfer mechanisms and behavioural biases that drive asset returns into explicit computer-based trading algorithms in order to overcome the cognitive limitations of discretionary traders and alleviate the shortcomings of human decision-making, especially in high-stress situations.

Key to the Investment Manager's approach is the notion of liquidity and diversification:

- (a) liquidity allows for cost-efficient and rapid adjustment to the Sub-Fund's exposures to be made based on signals generated by the various trading algorithms; while
- (b) diversification seeks to balance risk across various trading algorithms investing in a range of Target Asset Classes. In doing so, the Investment Manager seeks to improve the overall risk-adjusted returns of the Sub-Fund and minimize the dependency on any one particular trading algorithm or Target Asset Class.

The trading algorithms available to the Sub-Fund have been designed to generate gains across either a specific or a variety of Target Asset Classes during times of equity market stress while seeking to preserve capital during benign market conditions. Examples of underlying strategies which may be pursued by the Sub-Fund's trading algorithms include (but are not limited to):

- (a) Tactical equity trading: taking a short (long) exposure in global equities during times of stressed (benign) equity market conditions;
  - (b) Long volatility trading: taking a long (neutral) exposure in volatility or related FDI during times of stressed (benign) equity market conditions;
  - (c) 'Safe-haven' assets trading: taking a long (neutral) exposure in defensive assets like certain high-rated sovereign bonds, money market instruments and currencies which typically benefit from a 'flight to quality' during times of stressed (benign) equity market conditions; and
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- (d) Precious metals trading: taking a long (neutral) exposure in various precious metals which typically act as a store of wealth during times of stressed (benign) equity market conditions.

Prior to being implemented, each trading algorithm is assessed for the robustness of its parameters and respective performance across a variety of market conditions, its risk profile (independently and in the context of the Sub-Fund's overall portfolio) and finally for operational and transaction cost considerations.

The Sub-Fund's investment strategy involves dynamically adjusting its exposure to, and reliance on, specific trading algorithms in response to ever-changing market conditions.

The Investment Manager may from time to time revise the trading algorithms it relies on and introduce new trading algorithms based on a process of continuous review, research and development.

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### **Investment Restrictions**

In addition to those restrictions outlined in, and in accordance with the provisions of, the section of the Prospectus titled [Investment Restrictions](#), the Sub-Fund will also observe the following investment restrictions at all times:

- (a) The Sub-Fund will not invest directly in physical commodities. Where deliverable commodity FDI are traded by the Sub-Fund, the Investment Manager has put in place processes and controls to ensure that such contracts are rolled prior to expiry so as to avoid the Sub-Fund taking or making physical commodity settlement;
- (b) The Sub-Fund will not directly invest more than 10% of its Net Asset Value into equity or corporate debt securities issued by the same body;
- (c) The Sub-Fund will not invest, in aggregate, more than 10% of its Net Asset Value into other collective investment schemes; and
- (d) The Sub-Fund will not engage in the uncovered sale of any investments.

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### **Total Return Swaps**

The Sub-Fund may utilise total return swaps.

The gross notional exposure of total return swaps is expected to range between 0% and 1,000% of Net Asset Value, with an expected maximum gross notional exposure of 2,000% of Net Asset Value. The Sub-Fund's actual maximum exposure to total return swaps may exceed this amount.

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### **Repurchase and Reverse Repurchase Agreements**

The Sub-Fund will not utilise repurchase agreements or reverse repurchase agreements.

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### **Securities Lending**

The Sub-Fund will not engage in securities lending transactions.

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### **Portfolio Hedging**

The Investment Manager may partially or fully hedge foreign currency exposures of the Sub-Fund's investment portfolio via the use of FDIs. The Investment Manager is not obliged, however, to hedge these exposures.

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See the section of the Prospectus titled [Portfolio-Level Currency Hedging](#) for further information.

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#### **Class Hedging**

Where applicable as outlined in [Section 8](#), the Investment Manager shall seek to hedge the Base Currency exposure of a Class back to the Class Currency via the use of FDI.

See the sections of the Prospectus titled [Share Class Currency Hedging](#) for further information.

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#### **Principle Adverse Impacts**

Notwithstanding that the Investment Manager integrates the consideration of Sustainability Risks into the investment decision-making process, the Investment Manager, in its capacity as the delegate of the AIFM, is not required to and therefore elects not to consider the principal adverse impacts of its investment decisions in respect of the Sub-Fund on Sustainability Factors for the purposes of SFDR.

For further information on how the Investment Manager addresses principal adverse impacts refer to the Investment Manager's website [www.lgtcp.com](http://www.lgtcp.com).

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#### **Taxonomy Regulation**

The Taxonomy Regulation is a piece of directly effective EU legislation that is applicable to the Sub-Fund. Its purpose is to establish a framework to facilitate sustainable investment. It sets out harmonised criteria for determining whether an economic activity qualifies as environmentally sustainable and outlines a range of disclosure obligations to enhance transparency and to provide for objective comparison of financial products regarding the proportion of their investments that contribute to environmentally sustainable economic activities.

For the purpose of the Taxonomy Regulation, the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

For further details on the Sub-Fund's approach to sustainability in accordance with SFDR, please refer to the section of the Prospectus titled [Integration of ESG](#).

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## **4 Risk management, leverage & borrowing**

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#### **General**

The Sub-Fund will be managed in accordance with the principles of spreading investment risk.

The Sub-Fund's investment portfolio is subject at all times to a strict risk management framework maintained by the Investment Manager designed to contain losses. This risk management framework enables the Investment Manager to assess the exposure of the Sub-Fund to, inter alia, (i) market, (ii) liquidity, (iii) counterparty and (iv) operational risks which are relevant to and material for the Sub-Fund.

The Sub-Fund's investment portfolio, as a consequence of pursuing the Investment Objective, may change dynamically day-on-day depending on prevailing market conditions. Due to the nature of the Sub-Fund's investment decision-making processes, however, the

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Sub-Fund's investment portfolio is generally highly diversified across Target Asset Classes and geographic and other sectors thereof.

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### **Leverage**

The leverage of the Sub-Fund is calculated using the 'sum of notionals' of the FDI held by the Sub-Fund.

The Sub-Fund may utilise leverage up to a maximum of:

- (a) 7,500% of Net Asset Value at any time when measured using the 'gross' methodology as set out in the AIFMD Regulations; or
- (b) 7,500% of Net Asset Value at any time when using the 'commitment' methodology as set out in the AIFMD Regulations.

The relatively high level of leverage expressed above is mainly driven by short-term interest rate instruments traded by the Sub-Fund. Short duration exposure, combined with the low volatility of near-term interest rates, leads to an extremely low level of volatility of these instruments. This low volatility therefore requires large notional positions in order for the Sub-Fund to achieve a meaningful economic exposure to this asset class. The 'sum of notionals' approach does not permit the netting of long and short exposure to interest rate instruments of similar duration, nor does it permit a duration adjustment to be made to better compare the true economic exposure of the Sub-Fund to underlying interest rates of different maturities. Both of these adjustments, commonly used when assessing economic exposure, would significantly lower the apparent leverage of the Sub-Fund as compared to the 'sum of notionals' methodology.

To further put the above figures into context, under normal market conditions the net long or net short exposure to most Target Asset Classes is expected to range between +/- 100% of Net Asset Value. However, net exposure to interest rates (short-term and longer dated collectively) is expected to be such that a joint and parallel shift of underlying interest rate curves by 1 basis point is expected to have at most a 50 bps impact on Net Asset Value of the Sub-Fund. This collective impact is comparable to a +/- 500% of Net Asset Value exposure to 10-year maturity government bonds.

### **Value at Risk (VaR)**

The global exposure of the Sub-Fund is measured and controlled daily using an empirical absolute Value-at-Risk ("**VaR**") methodology.

The Sub-Fund's VaR shall not exceed 10% of the Net Asset Value of the Sub-Fund on the basis of a 1-day holding period at a confidence level of 99%.

### **Borrowing**

In accordance with the provisions set out in the section of the Prospectus titled [Borrowing, Leverage and Rehypothecation of Assets](#) the Sub-Fund may borrow up to 10% of its latest available Net Asset Value (whether final or estimated).

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## 5 Share dealing

<b>Investor Eligibility</b>	Particular investor eligibility requirements in respect each Class (if any) are outlined in <a href="#">Section 8</a> . The Directors or the AIFM may amend or waive such eligibility requirements in their sole discretion.
<b>Issue of Contract Notes</b>	Shareholders will generally receive a contract note on the first (1 <sup>st</sup> ) Business Day following the relevant Subscription Day or Redemption Day.
<b>Initial Subscription Day</b>	As defined in <a href="#">Section 8</a> in respect of each Class. The Directors or the AIFM may amend or extend the Initial Subscription Day.
<b>Initial Subscription Price</b>	As defined in <a href="#">Section 8</a> in respect of each Class.
<b>Subscription Day</b>	Means every Business Day, and/or such other day or days as the Directors or the AIFM may determine and notify to Shareholders.
<b>Subscription Deadline</b>	<p>Means;</p> <ul style="list-style-type: none"> <li>(a) in respect of Class A only, not later than 11:00 am (Irish time) on the second (2<sup>nd</sup>) Business Day preceding the relevant Subscription Day; and</li> <li>(b) in respect of all other Classes, not later than 11:00 am (Irish time) on the third (3<sup>rd</sup>) Business Day preceding the relevant Subscription Day.</li> </ul> <p>The Directors or the AIFM may waive the Subscription Deadline in their sole discretion.</p>
<b>Minimum Initial Subscription Amount</b>	As defined in <a href="#">Section 8</a> in respect of each Class. The Directors or the AIFM may waive the Minimum Initial Subscription Amount in their sole discretion.
<b>Minimum Holding Amount</b>	As defined in <a href="#">Section 8</a> in respect of each Class. The Directors or the AIFM may waive the Minimum Holding Amount in their sole discretion.
<b>Subscription Payment Date</b>	<p>Means not later than on the first (1<sup>st</sup>) Business Day following the relevant Subscription Day, or such later day as the Directors or the AIFM may determine in their sole discretion.</p> <p>Further conditions and requirements regarding subscription payment settlements, including situations where the Sub-Fund may require earlier payment of subscription monies, may be outlined in the Application Form.</p>

<b>Redemption Day</b>	Means every Business Day, and/or such other day or days as the Directors or the AIFM may determine and notify to Shareholders.
<b>Redemption Deadline</b>	Means; <ul style="list-style-type: none"> <li>(a) in respect of Class A only, not later than 11:00 am (Irish time) on the second (2<sup>nd</sup>) Business Day preceding the relevant Redemption Day; and</li> <li>(b) in respect of all other Classes, not later than 11:00 am (Irish time) on the third (3<sup>rd</sup>) Business Day preceding the relevant Redemption Day.</li> </ul> <p>The Directors or the AIFM may waive the Redemption Deadline in their sole discretion.</p>
<b>Limitations on Redemptions</b>	Means 10% of the latest available Net Asset Value of the Sub-Fund, whether final or estimated, on that Redemption Day. See the section of the Prospectus titled <a href="#">Limitations on Redemptions</a> for further information.
<b>Redemption Payment Date</b>	Means generally up to one (1) Business Day following the relevant Redemption Day.

## 6 Valuation

<b>Swing Pricing</b>	Not applicable for this Sub-Fund.
<b>Swing Factor</b>	Not applicable for this Sub-Fund.
<b>Anti-Dilution Levy</b>	Not applicable for this Sub-Fund.
<b>Valuation Day</b>	Means the Business Day immediately preceding each Subscription Day or Redemption Day, and/or such other day or days as the Directors or the AIFM may determine and notify to Shareholders.

## 7 Fees & expenses

<b>Establishment Expenses &amp; Out of Pocket Expenses</b>	Establishment expenses associated with the Sub-Fund have been fully amortised.
<b>Management Fee</b>	The per annum Management Fee Rate applicable to each Class is outlined in <a href="#">Section 8</a> .
<b>Performance Fee</b>	<p>The following definitions shall apply in respect of each Class for which a Performance Fee is applicable:</p> <p><b>"Performance Fee Rate"</b> is as outlined in respect of each Class in <a href="#">Section 8</a>.</p> <p><b>"Crystallisation Period"</b> means each calendar year. The first Crystallisation Period shall commence on the Initial Subscription Day and end on the final Valuation Day falling in the same calendar year.</p> <p><b>"Hurdle Rate"</b> is as outlined in respect of each Class in <a href="#">Section 8</a>. The Directors may, in their sole discretion, replace the Hurdle Rate with a comparable measure provided prior written notice is given to Shareholders.</p>
<b>Performance Fee Equalisation</b>	Where applicable in respect of a Class as outlined in <a href="#">Section 8</a> , if a Shareholder subscribes for Shares at a time when the Net Asset Value per Share does not equal the relevant Hurdle Value per Share, certain adjustments may be made to reduce inequities that could otherwise result between Shareholders or to the AIFM.
<b>Fees Paid to Affiliates</b>	<p>In respect of any investments made by the Sub-Fund into investment vehicles managed by; (i) the AIFM, (ii) the Investment Manager or (iii) an associated or related company of the AIFM or the Investment Manager (the <b>"Affiliated Parties"</b>):</p> <ul style="list-style-type: none"> <li>(a) Any commission or management, advisory, performance or distribution fees received by the Affiliated Parties in connection with such investments, not being fees or commissions payable by the Affiliated Parties to their unaffiliated delegate(s), must be paid into the assets of the Sub-Fund or otherwise waived; and</li> <li>(b) The Affiliated Parties will waive any preliminary charge, redemption charge or exchange charge that would otherwise be payable in connection with such investments.</li> </ul>
<b>Retrocession Payments</b>	When permitted in respect of a particular Class as outlined in <a href="#">Section 8</a> , the AIFM or the Investment Manager may, in their sole discretion, pay any of their portion of the Management Fee to any party in any manner whatsoever, whether by way of retrocession payment, rebate, distribution fee or otherwise.
<b>Preliminary Charge</b>	A Preliminary Charge of at maximum 3% of the Net Asset Value per Share may be charged by the Company for payment to the Distributor on the issue of Shares. All or part of such

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Preliminary Charge may, at the discretion of the Distributor, be retained by the Distributor, paid to intermediaries or given to applicants in the form of extra Shares.

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**Redemption Charge**      None.

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**Administration Fees**      The Administrator shall be entitled to receive out of the assets of the Sub-Fund an annual fee which will not exceed 0.04% of the Net Asset Value of the Sub-Fund (plus VAT, if any), accrued and calculated on each Valuation Day and payable monthly in arrears, subject to a minimum annual fee of US\$20,000 (plus VAT, if any, thereon).

Where there are in excess of 2 share classes, an additional \$3,000 per annum per additional share classes will be charged to the Sub-Fund.

The Administrator shall also be compensated out of the assets of the Sub-Fund for other services, including inter alia, data feed provision services, performance fee equalisation calculation services and shareholder services, all of which shall be at normal commercial rates together with VAT, if any, thereon. Shareholder services are charged on a 'per transaction' basis.

Further information on the Administrator fees can be obtained by investors from the AIFM upon request. Administrator fees in respect of each Accounting Period will be disclosed in the financial statements of the Company.

The Administrator shall also be entitled to be repaid out of the assets of the Sub-Fund all of its out-of-pocket expenses incurred by it in the performance of its duties pursuant to or in connection with the Administration Agreement, together with VAT, if any, thereon.

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**Depositary Fees**      The Depositary shall be entitled to receive out of the assets of the Sub-Fund an annual trustee fee which will not exceed 0.015% of the Net Asset Value of the Sub-Fund (plus VAT, if any) accrued and calculated on each Valuation Day and payable monthly in arrears subject to a minimum of \$10,000 per annum.

The Depositary will also be entitled to be repaid out of the asset of the Sub-Fund in respect of, inter alia, custody fees in respect of fund of fund assets, safe-keeping fees and expenses of any sub-custodian, cash-flow monitoring and cash processing fees and transaction charges, all of which shall be at normal commercial rates together with VAT, if any, thereon.

Further information on the Depositary fees can be obtained by investors from the AIFM upon request. Depositary fees in respect of each Accounting Period will be disclosed in the financial statements of the Company.

The Depositary is entitled to be reimbursed any out-of-pocket expenses reasonably incurred by it on behalf of the Sub-Fund.

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## 8 Classes of the Sub-Fund

Classes open to all Qualifying Investors:

Share Class	Class Currency	Class Hedging	Investor Eligibility <sup>1</sup>	Initial Subscription Price <sup>2</sup>	Initial Subscription Day	Min. Initial Subscription Amount <sup>2</sup>	Minimum Holding Amount <sup>2</sup>	Management Fee Rate	Performance Fee Rate	Hurdle Rate <sup>3</sup>	Equalisation Policy	Retrocession Payments
Class L	USD	Not Applicable	^	1,000	3 <sup>rd</sup> Nov 2023	125,000	125,000	1.00%	10%	SOFRRATE	Not Applicable	Permitted
Class P	EUR	Applicable	^	1,000	3 <sup>rd</sup> Nov 2023	100,000	100,000	1.00%	10%	ESTRON	Not Applicable	Permitted
Class T	CHF	Applicable	^	1,000	3 <sup>rd</sup> Nov 2023	125,000	125,000	1.00%	10%	SSARON	Not Applicable	Permitted

Classes open only to Qualifying Investors who are also institutional investors:

Share Class	Class Currency	Class Hedging	Investor Eligibility <sup>1</sup>	Initial Subscription Price <sup>2</sup>	Initial Subscription Day	Min. Initial Subscription Amount <sup>2</sup>	Minimum Holding Amount <sup>2</sup>	Management Fee Rate	Performance Fee Rate	Hurdle Rate <sup>3</sup>	Equalisation Policy	Retrocession Payments
Class J	USD	Not Applicable	#	Launched	Launched	1,000,000	1,000,000	0.75%	10%	SOFRRATE	Applicable	Permitted
Class K	USD	Not Applicable	#	Launched	Launched	1,000,000	1,000,000	1.00%	None	Not Applicable	Not Applicable	Permitted
Class N	EUR	Applicable	#	1,000	3 <sup>rd</sup> Nov 2023	1,000,000	1,000,000	0.75%	10%	ESTRON	Applicable	Permitted
Class O	EUR	Applicable	#	1,000	3 <sup>rd</sup> Nov 2023	1,000,000	1,000,000	1.00%	None	Not Applicable	Not Applicable	Permitted
Class R	CHF	Applicable	#	1,000	3 <sup>rd</sup> Nov 2023	1,000,000	1,000,000	0.75%	10%	SSARON	Applicable	Permitted

Share Class	Class Currency	Class Hedging	Investor Eligibility <sup>1</sup>	Initial Subscription Price <sup>2</sup>	Initial Subscription Day	Min. Initial Subscription Amount <sup>2</sup>	Minimum Holding Amount <sup>2</sup>	Management Fee Rate	Performance Fee Rate	Hurdle Rate <sup>3</sup>	Equalisation Policy	Retrocession Payments
Class S	CHF	Applicable	#	1,000	3 <sup>rd</sup> Nov 2023	1,000,000	1,000,000	1.00%	None	Not Applicable	Not Applicable	Permitted
Class V	JPY	Applicable	#	Launched	Launched	100,000,000	100,000,000	1.00%	None	Not Applicable	Not Applicable	Permitted

Classes open only to specific groups of Qualifying Investors:

Share Class	Class Currency	Class Hedging	Investor Eligibility <sup>1</sup>	Initial Subscription Price <sup>2</sup>	Initial Subscription Day	Min. Initial Subscription Amount <sup>2</sup>	Minimum Holding Amount <sup>2</sup>	Management Fee Rate	Performance Fee Rate	Hurdle Rate <sup>3</sup>	Equalisation Policy	Retrocession Payments
Class A	USD	Not Applicable	\$	Launched	Launched	125,000	125,000	0.00%	None	Not Applicable	Not Applicable	Not Permitted
Class M	USD	Not Applicable	%	1,000	3 <sup>rd</sup> Nov 2023	125,000	125,000	0.75%	10%	SOFRRATE	Not Applicable	Not Permitted
Class Q	EUR	Applicable	%	Launched	Launched	100,000	100,000	0.75%	10%	ESTRON	Not Applicable	Not Permitted
Class U	CHF	Applicable	%	1,000	3 <sup>rd</sup> Nov 2023	125,000	125,000	0.75%	10%	SSARON	Not Applicable	Not Permitted

Classes open only to Qualifying Investors who invested on or prior to 31<sup>st</sup> Dec, 2021:

Share Class	Class Currency	Class Hedging	Investor Eligibility <sup>1</sup>	Initial Subscription Price <sup>2</sup>	Initial Subscription Day	Min. Initial Subscription Amount <sup>2</sup>	Minimum Holding Amount <sup>2</sup>	Management Fee Rate	Performance Fee Rate	Hurdle Rate <sup>3</sup>	Equalisation Policy	Retrocession Payments
Class B	USD	Not Applicable	&	Launched	Launched	1,000,000	1,000,000	0.50%	15%	0%	Not Applicable	Permitted



Share Class	Class Currency	Class Hedging	Investor Eligibility <sup>1</sup>	Initial Subscription Price <sup>2</sup>	Initial Subscription Day	Min. Initial Subscription Amount <sup>2</sup>	Minimum Holding Amount <sup>2</sup>	Management Fee Rate	Performance Fee Rate	Hurdle Rate <sup>3</sup>	Equalisation Policy	Retrocession Payments
Class H	USD	Not Applicable	&	Launched	Launched	1,000,000	1,000,000	0.75%	None	Not Applicable	Not Applicable	Permitted
Class D	EUR	Applicable	&	Launched	Launched	1,000,000	1,000,000	0.50%	15%	0%	Not Applicable	Permitted
Class I	CHF	Applicable	&	Launched	Launched	1,000,000	1,000,000	0.75%	None	Not Applicable	Not Applicable	Permitted

<sup>1</sup> For the avoidance of doubt, any applicable eligibility criteria is applied in accordance with the sub-section of the Prospectus titled [Special Arrangements and Fair Treatment of Shareholders](#):

<sup>^</sup> This Class shall be open to investment by all Qualifying Investors.

<sup>§</sup> The Class shall only be open for investment by (i) institutional investors where an asset management agreement, an investment advisory agreement, a co-operation agreement or similar agreement with an LGT Group company is in existence, or there is distribution of fund products or fund-related products and certificates promoted by the LGT Group; (ii) any and all companies in which the LGT Group Foundation has a direct or indirect interest for its own account; and (iii) any and all employees of a LGT Group company.

<sup>#</sup> The Class shall only be open for investment by institutional investors and foundations with charitable purpose or non-profit status according to private-law in their country of incorporation domicile. Institutional investors include in particular both domestic and foreign:

- companies subject to financial markets and insurance supervision (banks, etc);
- institutions operating private or public-law occupational pension plans, including those of supranational organisations (pension funds, investment foundations, vested benefits foundations, banking foundations, etc);
- institutions operating private or public-law pension schemes, including those of supranational organisations;
- collective investment schemes established under any jurisdiction and any legal form;
- holding, investment or financial services companies or operating companies with professional treasury if investing for their own account;
- single or multi-family offices with professional treasury; or
- national, local or supranational entities established under public-law of any description.

<sup>%</sup> The Class shall only be open for investment by: (i) clients of banks located in the United Kingdom, Northern Ireland and the Netherlands; (ii) clients of LGT Group companies after signing a client services agreement; (iii) clients that have entered into a cooperation agreement with an LGT Group company; or (iv) clients that have entered into advisory or discretionary management agreements with banks or asset management companies non-affiliated with LGT Group.

<sup>&</sup> This Class is soft closed for new investment and is only available to investors who subscribed on or before 31st December, 2021.

<sup>2</sup> Denominated in Class Currency, and in the case of the Minimum Initial Subscription Amount, subject to the regulatory minimum subscription amount of EUR 100,000..

<sup>3</sup> Bloomberg codes. 'SOFRRATE' = Secured Overnight Financing Rate, 'ESTRON' = Euro Short Term Overnight Rate, 'SSARON' = Swiss Average Rate Overnight, 'MUTKCALM' = Tokyo Overnight Average Rate. The Directors may, in their sole discretion, replace the Hurdle Rate with a comparable measure, provided prior written notice is given to Shareholders.









# Supplement

LGT Risk Premia Sub-Fund

This Supplement may not be distributed unless accompanied by, and must be read in conjunction with, the Prospectus for Crown A GENERIX plc

# 1 Introduction

This Supplement, dated 02 November 2023, contains specific information in relation to LGT Risk Premia Sub-Fund (the “**Sub-Fund**”), a sub-fund of Crown A GENERIX plc.

This Supplement forms part of, and may not be distributed (other than to prior recipients of the Prospectus of the Company, dated 02 November 2023, as may be amended from time to time (the “**Prospectus**”)), unless accompanied by, and must be read in conjunction with, the Prospectus.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

# 2 General

<b>Type of Sub-Fund</b>	This Sub-Fund shall be open-ended.
<b>Base Currency</b>	Means US Dollars. Classes of the Sub-Fund may be denominated in currencies different from the Base Currency as set out in <a href="#">Section 8</a> .
<b>Business Day</b>	Means any day on which banks are not closed for business in Ireland, Switzerland or the United States.
<b>Minimum Sub-Fund Size</b>	Means USD 50,000,000, or such lower amount as the Directors or the AIFM may determine in their sole discretion.
<b>Minimum Share Class Size</b>	Means USD 5,000,000, or such lower amount as the Directors or the AIFM may determine in their sole discretion.
<b>Dividend Policy</b>	The Company does not currently intend to make any dividend payments in respect any of the Classes of the Sub-Fund.
<b>Specific Risk Factors</b>	General risk factors are outlined in the section of the Prospectus titled <a href="#">Risk Factors</a> . Investors in the Sub-Fund are drawn in particular to the following specific risk factors: ‘Quantitative and Systematic Trading Risk’, ‘Model Risk’ and ‘Obsolescence Risk’.

### 3 Investment management

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**Investment Objective** The investment objective of the Sub-Fund is to generate long-term capital appreciation with principles designed to minimize the risk of capital loss.

The performance of the Sub-Fund may vary substantially on a monthly, quarterly and annual basis. There can be no assurance that the Sub-Fund will achieve its Investment Objective.

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**Investment Focus** The Sub-Fund may target either a long or short exposure to the following asset classes:

- (a) equities (may include large cap, mid cap or small cap, and may be listed or unlisted);
- (b) corporate and government bonds (of at least investment grade, may be fixed or floating, and may be listed or unlisted);
- (c) interest rates;
- (d) currencies and cryptocurrencies; and
- (e) commodities,

the (“**Target Asset Classes**”).

The Sub-Fund may target exposure to changes in the price of the Target Asset Classes (e.g. by taking a short exposure to equities when it is expected that the price of such equities will fall), or the Sub-Fund may target exposure to the mathematical derivatives of such price changes (such as the volatility, variance, correlation or dispersion of the prices of the Target Asset Classes). For example, the Sub-Fund may enter into an FDI with a counterparty and take an exposure, not on whether the price of an asset will go down, but on whether the volatility of the movement in the price of the asset will be higher at a point in time in the future.

The Sub-Fund shall employ leverage via the use of FDIs. The use of leverage shall at all times comply with the provisions outlined in [Section 4](#).

The Sub-Fund does not pursue a specific geographical or sectoral focus.

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**Permitted Investments & Techniques** The Sub-Fund may gain exposure to the Target Asset Classes either:

- (a) by direct investment in various underlying securities such as equities and bonds;
- (b) indirectly through the use of FDI; or
- (c) indirectly by way of investment into other collective investment schemes which themselves provide exposure to the Target Asset Classes (such collective investment schemes may be regulated or unregulated).

The Sub-Fund is permitted to utilise the following FDIs. FDIs used may be exchange-traded or over-the-counter:

- (a) futures and options;

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- (b) swaps (including equity swaps; interest rate swaps; exchange rate swaps; cross currency swaps; credit default swaps; total return swaps; volatility, variance, correlation and dispersions swaps; portfolio swaps and basket swaps); and
  - (c) forwards.

Details relating to each of these FDIs are set out in the section of the Prospectus titled [Financial Derivative Instruments](#).

The Sub-Fund may hold a portion of its assets in cash and Cash Equivalents in appropriate circumstances. Such circumstances may include, but are not limited to, where market conditions require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses and/or in order to support derivatives exposure.

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## Investment Strategy

The Sub-Fund will seek to achieve its Investment Objective by pursuing a rules-based, systematic investment approach. This approach relies on data and a variety of statistical and other mathematical models and techniques to drive the investment decision making process.

The Sub-Fund's investment strategy is built upon of a variety of trading algorithms which are proprietary to the Investment Manager, each of which has been designed and developed via a process of rigorous empirical research and analysis. This approach requires coding the Investment Manager's fundamental understanding of the economic forces, risk transfer mechanisms and behavioural biases that drive asset returns into explicit computer-based trading algorithms in order to overcome the cognitive limitations of discretionary traders and alleviate the shortcomings of human decision-making, especially in high-stress situations.

Key to the Investment Manager's approach is the notion of liquidity and diversification:

- (a) liquidity allows for cost-efficient and rapid adjustment to the Sub-Fund's exposures to be made based on signals generated by the various trading algorithms; while
- (b) diversification seeks to balance risk across various trading algorithms investing in a range of Target Asset Classes. In doing so, the Investment Manager seeks to improve the overall risk-adjusted returns of the Sub-Fund and minimize the dependency on any one particular trading algorithm or Target Asset Class.

The trading algorithms available to the Sub-Fund have been designed to generate gains across a variety of Target Asset Classes and can be broadly categorized as belonging to an 'alternative risk premia' philosophy. The trading algorithms seek to harvest persistent and explainable returns streams which are associated with non-standard risk factors beyond general market risk. Examples of underlying strategies which may be pursued by these trading algorithms include (but are not limited to):

- (a) Value: the tendency for relatively cheap assets to generally outperform relatively more expensive ones;
- (b) Carry: the tendency for higher-yielding assets to generally provide higher returns than lower-yielding assets; and
- (c) Momentum: the tendency for an asset's recent relative performance to generally continue in the near future.

Prior to being implemented, each trading algorithm is assessed for the robustness of its parameters and respective performance across a variety of market conditions, its risk profile

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(independently and in the context of the Sub-Fund's overall portfolio) and finally for operational and transaction cost considerations.

The Sub-Fund's investment strategy involves dynamically adjusting its exposure to, and reliance on, specific trading algorithms in response to ever-changing market conditions.

The Investment Manager may from time to time revise the trading algorithms it relies on and introduce new trading algorithms based on a process of continuous review, research and development.

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### **Investment Restrictions**

In addition to those restrictions outlined in, and in accordance with the provisions of, the section of the Prospectus titled [Investment Restrictions](#), the Sub-Fund will also observe the following investment restrictions at all times:

- (a) The Sub-Fund will not invest directly in physical commodities. Where deliverable commodity FDI are traded by the Sub-Fund, the Investment Manager has put in place processes and controls to ensure that such contracts are rolled prior to expiry so as to avoid the Sub-Fund taking or making physical commodity settlement;
- (b) The Sub-Fund will not directly invest more than 10% of its Net Asset Value into equity or corporate debt securities issued by the same body;
- (c) The Sub-Fund will not invest, in aggregate, more than 10% of its Net Asset Value into other collective investment schemes;
- (d) The Sub-Fund will not engage in the uncovered sale of any investments; and
- (e) The Sub-Fund's investments in cryptocurrency:
  - 1) are not, in aggregate, expected to exceed 1% of Net Asset Value on a gross notional exposure basis; and
  - 2) shall only be made indirectly either via FDI or collective investment schemes which themselves invest in cryptocurrencies.

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### **Total Return Swaps**

The Sub-Fund may utilise total return swaps.

The gross notional exposure of total return swaps is expected to range between 0% and 1,000% of Net Asset Value, with an expected maximum gross notional exposure of 2,000% of Net Asset Value. The Sub-Fund's actual maximum exposure to total return swaps may exceed this amount.

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### **Repurchase and Reverse Repurchase Agreements**

The Sub-Fund will not utilise repurchase agreements or reverse repurchase agreements.

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### **Securities Lending**

The Sub-Fund will not engage in securities lending transactions.

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### **Portfolio Hedging**

The Investment Manager may partially or fully hedge foreign currency exposures of the Sub-Fund's investment portfolio via the use of FDIs. The Investment Manager is not obliged, however, to hedge these exposures.

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See the section of the Prospectus titled [Portfolio-Level Currency Hedging](#) for further information.

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#### **Class Hedging**

Where applicable as outlined in [Section 8](#), the Investment Manager shall seek to hedge the Base Currency exposure of a Class back to the Class Currency via the use of FDI.

See the sections of the Prospectus titled [Share Class Currency Hedging](#) for further information.

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#### **Principle Adverse Impacts**

Notwithstanding that the Investment Manager integrates the consideration of Sustainability Risks into the investment decision-making process, the Investment Manager, in its capacity as the delegate of the AIFM, is not required to and therefore elects not to consider the principal adverse impacts of its investment decisions in respect of the Sub-Fund on Sustainability Factors for the purposes of SFDR.

For further information on how the Investment Manager addresses principal adverse impacts refer to the Investment Manager's website [www.lgtcp.com](http://www.lgtcp.com).

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#### **Taxonomy Regulation**

The Taxonomy Regulation is a piece of directly effective EU legislation that is applicable to the Sub-Fund. Its purpose is to establish a framework to facilitate sustainable investment. It sets out harmonised criteria for determining whether an economic activity qualifies as environmentally sustainable and outlines a range of disclosure obligations to enhance transparency and to provide for objective comparison of financial products regarding the proportion of their investments that contribute to environmentally sustainable economic activities.

For the purpose of the Taxonomy Regulation, the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

For further details on the Sub-Fund's approach to sustainability in accordance with SFDR, please refer to the section of the Prospectus titled [Integration of ESG](#).

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## **4 Risk management, leverage & borrowing**

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#### **General**

The Sub-Fund will be managed in accordance with the principles of spreading investment risk.

The Sub-Fund's investment portfolio is subject at all times to a strict risk management framework maintained by the Investment Manager designed to contain losses. This risk management framework enables the Investment Manager to assess the exposure of the Sub-Fund to, inter alia, (i) market, (ii) liquidity, (iii) counterparty and (iv) operational risks which are relevant to and material for the Sub-Fund.

The Sub-Fund's investment portfolio, as a consequence of pursuing the Investment Objective, may change dynamically day-on-day depending on prevailing market conditions. Due to the nature of the Sub-Fund's investment decision-making processes, however, the

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Sub-Fund's investment portfolio is generally highly diversified across Target Asset Classes and geographic and other sectors thereof.

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### **Leverage**

The leverage of the Sub-Fund is calculated using the 'sum of notionals' of the FDI held by the Sub-Fund.

The Sub-Fund may utilise leverage up to a maximum of:

- (a) 5,000% of Net Asset Value at any time when measured using the 'gross' methodology as set out in the AIFMD Regulations; or
- (b) 5,000% of Net Asset Value at any time when using the 'commitment' methodology as set out in the AIFMD Regulations.

The relatively high level of leverage expressed above is mainly driven by short-term interest rate instruments traded by the Sub-Fund. Short duration exposure, combined with the low volatility of near-term interest rates, leads to an extremely low level of volatility of these instruments. This low volatility therefore requires large notional positions in order for the Sub-Fund to achieve a meaningful economic exposure to this asset class. The 'sum of notionals' approach does not permit the netting of long and short exposure to interest rate instruments of similar duration, nor does it permit a duration adjustment to be made to better compare the true economic exposure of the Sub-Fund to underlying interest rates of different maturities. Both of these adjustments, commonly used when assessing economic exposure, would significantly lower the apparent leverage of the Sub-Fund as compared to the 'sum of notionals' methodology.

To further put the above figures into context, under normal market conditions the net long or net short exposure to most Target Asset Classes is expected to range between +/- 100% of Net Asset Value. However, net exposure to interest rates (short-term and longer dated collectively) is expected to be such that a joint and parallel shift of underlying interest rate curves by 1 basis point is expected to have at most a 50 bps impact on Net Asset Value of the Sub-Fund. This collective impact is comparable to a +/- 500% of Net Asset Value exposure to 10-year maturity government bonds.

### **Value at Risk (VaR)**

The global exposure of the Sub-Fund is measured and controlled daily using an empirical absolute Value-at-Risk ("**VaR**") methodology. The Sub-Fund's VaR shall not exceed 5% of the Net Asset Value of the Sub-Fund on the basis of a 1-day holding period at a confidence level of 99%.

### **Borrowing**

In accordance with the provisions set out in the section of the Prospectus titled [Borrowing, Leverage and Rehypothecation of Assets](#) the Sub-Fund may borrow up to 10% of its latest available Net Asset Value (whether final or estimated).

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## 5 Share dealing

<b>Investor Eligibility</b>	Particular Investor eligibility requirements in respect each Class (if any) are outlined in <a href="#">Section 8</a> . The Directors or the AIFM may amend or waive such eligibility requirements in their sole discretion.
<b>Issue of Contract Notes</b>	Shareholders will generally receive a contract note on the first (1 <sup>st</sup> ) Business Day following the relevant Subscription Day or Redemption Day.
<b>Initial Subscription Day</b>	As defined in <a href="#">Section 8</a> in respect of each Class. The Directors or the AIFM may amend or extend the Initial Subscription Day.
<b>Initial Subscription Price</b>	As defined in <a href="#">Section 8</a> in respect of each Class.
<b>Subscription Day</b>	Means every Business Day, and/or such other day or days as the Directors or the AIFM may determine and notify to Shareholders.
<b>Subscription Deadline</b>	<p>Means;</p> <ul style="list-style-type: none"> <li>(a) in respect of Class A only, not later than 11:00 am (Irish time) on the second (2<sup>nd</sup>) Business Day preceding the relevant Subscription Day; and</li> <li>(b) in respect of all other Classes, not later than 11:00 am (Irish time) on the third (3<sup>rd</sup>) Business Day preceding the relevant Subscription Day.</li> </ul> <p>The Directors or the AIFM may waive the Subscription Deadline in their sole discretion.</p>
<b>Minimum Initial Subscription Amount</b>	As defined in <a href="#">Section 8</a> in respect of each Class. The Directors or the AIFM may waive the Minimum Initial Subscription Amount in their sole discretion.
<b>Minimum Holding Amount</b>	As defined in <a href="#">Section 8</a> in respect of each Class. The Directors or the AIFM may waive the Minimum Holding Amount in their sole discretion.
<b>Subscription Payment Date</b>	<p>Means not later than on the first (1<sup>st</sup>) Business Day following the relevant Subscription Day, or such later day as the Directors or the AIFM may determine in their sole discretion.</p> <p>Further conditions and requirements regarding subscription payment settlements, including situations where the Sub-Fund may require earlier payment of subscription monies, may be outlined in the Application Form.</p>

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<b>Redemption Day</b>	Means every Business Day, and/or such other day or days as the Directors or the AIFM may determine and notify to Shareholders.
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<b>Redemption Deadline</b>	Means; <ul style="list-style-type: none"> <li>(a) in respect of Class A only, not later than 11:00 am (Irish time) on the second (2<sup>nd</sup>) Business Day preceding the relevant Redemption Day; and</li> <li>(b) in respect of all other Classes, not later than 11:00 am (Irish time) on the third (3<sup>rd</sup>) Business Day preceding the relevant Redemption Day.</li> </ul> <p>The Directors or the AIFM may waive the Redemption Deadline in their sole discretion.</p>
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<b>Limitations on Redemptions</b>	Means 10% of the latest available Net Asset Value of the Sub-Fund, whether final or estimated, on that Redemption Day. See the section of the Prospectus titled <a href="#">Limitations on Redemptions</a> for further information.
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<b>Redemption Payment Date</b>	Means generally within five (5) Business Days following the relevant Redemption Day.
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## 6 Valuation

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<b>Swing Pricing</b>	Not applicable for this Sub-Fund.
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<b>Swing Factor</b>	Not applicable for this Sub-Fund.
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<b>Anti-Dilution Levy</b>	Not applicable for this Sub-Fund.
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<b>Valuation Day</b>	Means the Business Day immediately preceding each Subscription Day or Redemption Day, and/or such other day or days as the Directors or the AIFM may determine and notify to Shareholders.
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## 7 Fees & expenses

<b>Establishment Expenses &amp; Out of Pocket Expenses</b>	Establishment expenses associated with the Sub-Fund have been fully amortised.
<b>Management Fee</b>	The per annum Management Fee Rate applicable to each Class is outlined in <a href="#">Section 8</a> .
<b>Performance Fee</b>	<p>The following definitions shall apply in respect of each Class for which a Performance Fee is applicable:</p> <p><b>"Performance Fee Rate"</b> is as outlined in respect of each Class in <a href="#">Section 8</a>.</p> <p><b>"Crystallisation Period"</b> means each calendar year. The first Crystallisation Period shall commence on the Initial Subscription Day and end on the final Valuation Day falling in the same calendar year.</p> <p><b>"Hurdle Rate"</b> is as outlined in respect of each Class in <a href="#">Section 8</a>. The Directors may, in their sole discretion, replace the Hurdle Rate with a comparable measure provided prior written notice is given to Shareholders.</p>
<b>Performance Fee Equalisation</b>	Where applicable in respect of a Class as outlined in <a href="#">Section 8</a> , if a Shareholder subscribes for Shares at a time when the Net Asset Value per Share does not equal the relevant Hurdle Value per Share, certain adjustments may be made to reduce inequities that could otherwise result between Shareholders or to the AIFM.
<b>Fees Paid to Affiliates</b>	<p>In respect of any investments made by the Sub-Fund into investment vehicles managed by; (i) the AIFM, (ii) the Investment Manager or (iii) an associated or related company of the AIFM or the Investment Manager (the <b>"Affiliated Parties"</b>):</p> <ul style="list-style-type: none"> <li>(a) Any commission or management, advisory, performance or distribution fees received by the Affiliated Parties in connection with such investments, not being fees or commissions payable by the Affiliated Parties to their unaffiliated delegate(s), must be paid into the assets of the Sub-Fund or otherwise waived; and</li> <li>(b) The Affiliated Parties will waive any preliminary charge, redemption charge or exchange charge that would otherwise be payable in connection with such investments.</li> </ul>
<b>Retrocession Payments</b>	When permitted in respect of a particular Class as outlined in <a href="#">Section 8</a> , the AIFM or the Investment Manager may, in their sole discretion, pay any of their portion of the Management Fee to any party in any manner whatsoever, whether by way of retrocession payment, rebate, distribution fee or otherwise.
<b>Preliminary Charge</b>	A Preliminary Charge of at maximum 3% of the Net Asset Value per Share may be charged by the Company for payment to the Distributor on the issue of Shares. All or part of such



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Preliminary Charge may, at the discretion of the Distributor, be retained by the Distributor, paid to intermediaries or given to applicants in the form of extra Shares.

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**Redemption Charge**      None.

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**Administration Fees**      The Administrator shall be entitled to receive out of the assets of the Sub-Fund an annual fee which will not exceed 0.04% of the Net Asset Value of the Sub-Fund (plus VAT, if any), accrued and calculated on each Valuation Day and payable monthly in arrears, subject to a minimum annual fee of US\$20,000 (plus VAT, if any, thereon).

Where there are in excess of 2 share classes, an additional \$3,000 per annum per additional share classes will be charged to the Sub-Fund.

The Administrator shall also be compensated out of the assets of the Sub-Fund for other services, including inter alia, data feed provision services, performance fee equalisation calculation services and shareholder services, all of which shall be at normal commercial rates together with VAT, if any, thereon. Shareholder services are charged on a 'per transaction' basis.

Further information on the Administrator fees can be obtained by investors from the AIFM upon request. Administrator fees in respect of each Accounting Period will be disclosed in the financial statements of the Company.

The Administrator shall also be entitled to be repaid out of the assets of the Sub-Fund all of its out-of-pocket expenses incurred by it in the performance of its duties pursuant to or in connection with the Administration Agreement, together with VAT, if any, thereon.

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**Depositary Fees**      The Depositary shall be entitled to receive out of the assets of the Sub-Fund an annual trustee fee which will not exceed 0.015% of the Net Asset Value of the Sub-Fund (plus VAT, if any) accrued and calculated on each Valuation Day and payable monthly in arrears subject to a minimum of \$10,000 per annum.

The Depositary will also be entitled to be repaid out of the asset of the Sub-Fund in respect of, inter alia, custody fees in respect of fund of fund assets, safe-keeping fees and expenses of any sub-custodian, cash-flow monitoring and cash processing fees and transaction charges, all of which shall be at normal commercial rates together with VAT, if any, thereon.

Further information on the Depositary fees can be obtained by investors from the AIFM upon request. Depositary fees in respect of each Accounting Period will be disclosed in the financial statements of the Company.

The Depositary is entitled to be reimbursed any out-of-pocket expenses reasonably incurred by it on behalf of the Sub-Fund.

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## 8 Classes of the Sub-Fund

Share Class	Class Currency	Class Hedging	Investor Eligibility <sup>1</sup>	Initial Subscription Price <sup>2</sup>	Initial Subscription Day	Min. Initial Subscription Amount <sup>2</sup>	Minimum Holding Amount <sup>2</sup>	Management Fee Rate	Performance Fee Rate	Hurdle Rate <sup>3</sup>	Equalisation Policy	Retrocession Payments
Class A	USD	Not Applicable	\$	Launched	Launched	125,000	125,000	0.00%	None	Not Applicable	Not Applicable	Permitted
Class C	USD	Not Applicable	#	1,000	3 <sup>rd</sup> November, 2023	125,000	125,000	0.60%	10%	SOFRRATE	Applicable	Permitted
Class D	USD	Not Applicable	#	1,000	3 <sup>rd</sup> November, 2023	125,000	125,000	1.10%	None	Not Applicable	Not Applicable	Permitted

<sup>1</sup> For the avoidance of doubt, any applicable eligibility criteria is applied in accordance with the sub-section of the Prospectus titled [Special Arrangements and Fair Treatment of Shareholders](#):

<sup>5</sup> The Class shall only be open for investment by (i) institutional investors where an asset management agreement, an investment advisory agreement, a co-operation agreement or similar agreement with an LGT Group company is in existence, or there is distribution of fund products or fund-related products and certificates promoted by the LGT Group; (ii) any and all companies in which the LGT Group Foundation has a direct or indirect interest for its own account; and (iii) any and all employees of a LGT Group company.

<sup>#</sup> The Class shall only be open for investment by institutional investors and foundations with charitable purpose or non-profit status according to private-law in their country of incorporation domicile. Institutional investors include in particular both domestic and foreign:

- companies subject to financial markets and insurance supervision (banks, etc);
- institutions operating private or public-law occupational pension plans, including those of supranational organisations (pension funds, investment foundations, vested benefits foundations, banking foundations, etc);
- institutions operating private or public-law pension schemes, including those of supranational organisations;
- collective investment schemes established under any jurisdiction and any legal form;
- holding, investment or financial services companies or operating companies with professional treasury if investing for their own account;
- single or multi-family offices with professional treasury; or
- national, local or supranational entities established under public-law of any description.

<sup>2</sup> Denominated in Class Currency, and in the case of the Minimum Initial Subscription Amount, subject to the regulatory minimum subscription amount of EUR 100,000.

<sup>3</sup> Bloomberg codes. 'SOFRRATE' = Secured Overnight Financing Rate. The Directors may, in their sole discretion, replace the Hurdle Rate with a comparable measure, provided prior written notice is given to Shareholders.







# Supplement

## LGT Crown Systematic Trading Sub-Fund

This Supplement may not be distributed unless accompanied by, and must be read in conjunction with, the Prospectus for Crown A GENERIX plc.

## 1 Introduction

This Supplement, dated 23 February 2024, contains specific information in relation to LGT Crown Systematic Trading Sub-Fund (the “**Sub-Fund**”), a sub-fund of Crown A GENERIX plc.

This Supplement forms part of, and may not be distributed (other than to prior recipients of the Prospectus of the Company, dated 02 November 2023, as may be amended from time to time (the “**Prospectus**”)), unless accompanied by, and must be read in conjunction with, the Prospectus.

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement.

## 2 General

<b>Type of Sub-Fund</b>	This Sub-Fund shall be open-ended.
<b>Base Currency</b>	Means US Dollars. Classes of the Sub-Fund may be denominated in currencies different from the Base Currency as set out in <a href="#">Section 8</a> .
<b>Business Day</b>	Means any day on which banks are not closed for business in Ireland, Switzerland or the United States.
<b>Minimum Sub-Fund Size</b>	Means USD 50,000,000, or such lower amount as the Directors or the AIFM may determine in their sole discretion.
<b>Minimum Share Class Size</b>	Means USD 5,000,000, or such lower amount as the Directors or the AIFM may determine in their sole discretion.
<b>Distribution Policy</b>	The distribution policy, and where applicable intended distribution date(s), of each Class is set out in Section 8. Distributions will generally be paid to Shareholders in respect of a distribution date in accordance with the Redemption Payment Date as if the Redemption Day was the distribution date. For further information on the distribution policy and a description of the characteristics of accumulating and distributing Shares refer to the sub-section of the Prospectus titled Dividend Policy.
<b>Specific Risk Factors</b>	General risk factors are outlined in the section of the Prospectus titled <a href="#">Risk Factors</a> . Investors in the Sub-Fund are drawn in particular to the following specific risk factors: ‘Quantitative and Systematic Trading Risk’, ‘Model Risk’, ‘Obsolescence Risk’ and ‘Fund of Funds Risk’.

### 3 Investment management

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**Investment Objective** The Investment Objective of the Sub-Fund is to achieve long-term capital appreciation, regardless of market conditions, while simultaneously seeking to preserve capital.

The performance of the Sub-Fund may vary substantially on a monthly, quarterly and annual basis. There can be no assurance that the Sub-Fund will achieve its Investment Objective.

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**Investment Focus** The Sub-Fund will seek to achieve the Investment Objective by investing primarily into Underlying Funds that pursue 'best in class' systematic and quantitative investment management techniques and approaches across a highly diverse range of global markets – including, but not limited to;

- (a) equities (may include large cap, mid cap or small cap, and may be listed or unlisted);
- (b) corporate and government bonds (of at least investment grade, may be fixed or floating, and may be listed or unlisted);
- (c) interest rates;
- (d) currencies and cryptocurrencies; and
- (e) commodities;

the ("**Target Asset Classes**").

The Sub-Fund is unconstrained in relation to specific investment strategies and approaches it can target within the systematic and quantitative investment universe, and may have exposure to Underlying Funds which pursue the following investment strategies;

- (a) quantitative macro;
- (b) quantitative equity;
- (c) trend-following;
- (d) short-term trading;
- (e) equity risk premia; and
- (f) other quantitative and discretionary investment strategies.

The Sub-Fund may also pursue discretionary overlay strategies implemented with the aim of managing the overall risk profile of the Sub-Fund in line with the investment objective as well as taking advantage of tactical opportunities.

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**Permitted Investments & Techniques**

The Sub-Fund will predominately gain exposure to the Target Asset Classes indirectly by investing in Underlying Funds which themselves then trade the Target Asset Classes directly.

The Sub-Fund is permitted to utilise the following FDIs for hedging and overlay purposes. FDIs used may be exchange-traded or over-the-counter:

- (a) futures and options;
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- (b) swaps (including equity swaps; interest rate swaps; exchange rate swaps; cross currency swaps; credit default swaps; total return swaps; volatility, variance, correlation and dispersions swaps; portfolio swaps and basket swaps); and
  - (c) forwards.

Details relating to each of these FDIs are set out in the section of the Prospectus titled [Financial Derivative Instruments](#).

The Sub-Fund may hold a portion of its assets in cash and Cash Equivalents in appropriate circumstances. Such circumstances may include, but are not limited to, where market conditions require a defensive investment strategy, the holding of cash on deposit pending reinvestment, the holding of cash in order to meet redemptions and payment of expenses and/or in order to support derivatives exposure.

The management of the Sub-Fund's cash may also include investing into money market funds which may be Affiliated Funds.

Investors should note that a defensive movement into cash and Cash Equivalents will not be considered a breach of the Investment Restrictions. The Investment Manager will at all times have the power and complete discretion to liquidate Underlying Funds and other investments in favour of cash and Cash Equivalents, regardless of the Investment Restrictions.

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### Investment Strategy

In selecting Underlying Funds for investment, the Investment Manager pursues a research driven investment approach that relies on the expertise and experience of the Investment Manager and its ability to access, evaluate and select talented alternative investment managers worldwide. In this respect manager selection, including on-going monitoring of selected managers, is considered to be the key element in the investment process.

Manager selection relies on qualitative and quantitative due diligence. This includes due diligence on the investment professionals involved in implementing investment strategies as well as the broader organisation, the characteristics and drivers of historical performance including peer group analysis, the structure of target investment vehicles and their terms, and finally due diligence of service providers.

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### Underlying Funds

Means both:

- (a) Affiliated Funds; and
- (b) Third-Party Funds.

Underlying Funds may be structured as investment trusts, investment companies with variable or fixed capital, unit trusts, limited partnerships or other comingled investment vehicles.

Underlying Funds may be fund of funds or direct trading funds and may be regulated or unregulated; listed or unlisted; open ended, open ended with limited liquidity or closed ended and highly diverse in terms investment managers and investment approaches, strategies and techniques employed.

Underlying Funds may be located in any jurisdiction globally, however, will be domiciled principally in jurisdictions such as (but not limited to) the Cayman Islands, Ireland, Luxembourg and the British Virgin Islands.

Underlying Funds can use a wide variety of techniques to implement their respective strategies and generate returns including, but not limited to, investment in cash securities, taking long or short positions in derivatives instruments such as futures, forwards, swaps

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(cleared and OTC) and options, and the use of leverage and other forms of financing such as repos, stock lending, etc.

Underlying Funds may themselves, or by virtue of their underlying investments, have limited liquidity and may offer liquidity terms which are different to those offered at the level of the Sub-Fund. Certain Underlying Funds may operate unconditional or waivable 'lock-ups'. Such investments may have lower liquidity than investment funds that do not operate lock-ups. In the majority of cases such lock-up periods are not expected to exceed two years in duration, but may in some cases be longer. Such lock-ups may be unconditional or may be waivable on the payment of an early redemption penalty fee. Such early redemption penalty fees are usually in the order of 3-5% of the investment made, but in exceptional circumstances may be higher. Overall this reduced liquidity may potentially reduce the liquidity of the Sub-Fund.

#### **Investment Restrictions**

In addition to those restrictions outlined in, and in accordance with the provisions of, the section of the Prospectus titled [Investment Restrictions](#), the Sub-Fund will also observe the following investment restrictions at all times:

- (a) The Sub-Fund shall hold at least three (3) Underlying Funds, provided the Net Asset Value of the Sub-Fund is above US\$30,000,000;
- (b) The Sub-Fund will not invest directly in physical commodities;
- (c) The Sub-Fund will not invest into closed-ended funds if this is likely to impact on the ability of the Sub-Fund to meet permitted redemption requests; and
- (d) The Sub-Fund's investments in cryptocurrency:
  - 1) are not, in aggregate, expected to exceed 1% of Net Asset Value on a gross notional exposure basis; and
  - 2) shall only be made indirectly either via FDI or Underlying Funds which themselves invest in cryptocurrencies.

#### **Total Return Swaps**

The Sub-Fund will not utilise total return swaps. Total return swaps may be utilised by Underlying Funds held by the Sub-Fund.

#### **Repurchase and Reverse Repurchase Agreements**

The Sub-Fund will not utilise repurchase agreements or reverse repurchase agreements. Repurchase agreements or reverse repurchase agreements may be utilised by Underlying Funds held by the Sub-Fund.

#### **Securities Lending**

The Sub-Fund will not engage in securities lending transactions. Securities lending transactions may be utilised by Underlying Funds held by the Sub-Fund.

#### **Portfolio Hedging**

The Investment Manager may partially or fully hedge foreign currency exposures of the Sub-Fund's investment portfolio via the use of FDIs. The Investment Manager is not obliged, however, to hedge these exposures.

See the section of the Prospectus titled [Portfolio-Level Currency Hedging](#) for further information.

**Class Hedging**

Where applicable as outlined in [Section 8](#), the Investment Manager shall seek to hedge the Base Currency exposure of a Class back to the Class Currency via the use of FDI.

See the sections of the Prospectus titled [Share Class Currency Hedging](#) for further information.

**Principle Adverse Impacts**

Notwithstanding that the Investment Manager integrates the consideration of Sustainability Risks into the investment decision-making process, the Investment Manager, in its capacity as the delegate of the AIFM, is not required to and therefore elects not to consider the principal adverse impacts of its investment decisions in respect of the Sub-Fund on Sustainability Factors for the purposes of SFDR.

For further information on how the Investment Manager addresses principal adverse impacts refer to the Investment Manager's website [www.lgtcp.com](http://www.lgtcp.com).

**Taxonomy Regulation**

The Taxonomy Regulation is a piece of directly effective EU legislation that is applicable to the Sub-Fund. Its purpose is to establish a framework to facilitate sustainable investment. It sets out harmonised criteria for determining whether an economic activity qualifies as environmentally sustainable and outlines a range of disclosure obligations to enhance transparency and to provide for objective comparison of financial products regarding the proportion of their investments that contribute to environmentally sustainable economic activities.

For the purpose of the Taxonomy Regulation, the investments underlying the Sub-Fund do not take into account the EU criteria for environmentally sustainable economic activities.

For further details on the Sub-Fund's approach to sustainability in accordance with SFDR, please refer to the section of the Prospectus titled [Integration of ESG](#).

## 4 Risk management, leverage & borrowing

**General**

The Sub-Fund will be managed in accordance with the principles of spreading investment risk.

The Sub-Fund's investment portfolio is subject at all times to a strict risk management framework maintained by the Investment Manager designed to contain losses. This risk management framework enables the Investment Manager to assess the exposure of the Sub-Fund to, inter alia, (i) market, (ii) liquidity, (iii) counterparty and (iv) operational risks which are relevant to and material for the Sub-Fund.

**Leverage**

The leverage of the Sub-Fund is calculated using the 'sum of notionals' of the FDI held by the Sub-Fund.

The Sub-Fund may utilise leverage up to a maximum of:

- (a) 200% of Net Asset Value at any time when measured using the 'gross' methodology as set out in the AIFMD Regulations; or

- (b) 200% of Net Asset Value at any time when using the 'commitment' methodology as set out in the AIFMD Regulations.

The above leverage amounts do not cover any leverage which might be used directly by Underlying Funds held by the Sub-Fund.

### **Borrowing**

In accordance with the provisions set out in the section of the Prospectus titled [Borrowing, Leverage and Rehypotheccation of Assets](#) the Sub-Fund may borrow up to 30% of its latest available Net Asset Value (whether final or estimated).

## 5 Share dealing

### **Investor Eligibility**

Particular Investor eligibility requirements in respect each Class (if any) are outlined in [Section 8](#). The Directors or the AIFM may amend or waive such eligibility requirements in their sole discretion.

### **Issue of Contract Notes**

Shareholders will generally receive a contract note within twenty five (25) Business Days following the relevant Subscription Day or Redemption Day.

### **Initial Subscription Day**

As defined in [Section 8](#) in respect of each Class. The Directors or the AIFM may amend or extend the Initial Subscription Day.

### **Initial Subscription Price**

As defined in [Section 8](#) in respect of each Class.

### **Subscription Day**

Means the first (1<sup>st</sup>) Business Day following each Valuation Day, and/or such other day or days as the Directors or the AIFM may determine and notify to Shareholders.

### **Subscription Deadline**

Means, with respect to each Subscription Day, not later than 11:00 am (Irish time) on the second (2<sup>nd</sup>) Business Day preceding the relevant Subscription Day. The Directors or the AIFM may waive the Subscription Deadline in their sole discretion.

### **Minimum Initial Subscription Amount**

As defined in [Section 8](#) in respect of each Class. The Directors or the AIFM may waive the Minimum Initial Subscription Amount in their sole discretion.

### **Minimum Holding Amount**

As defined in [Section 8](#) in respect of each Class. The Directors or the AIFM may waive the Minimum Holding Amount in their sole discretion.

<b>Subscription Payment Date</b>	Means not later than on the second (2 <sup>nd</sup> ) Business Day preceding the relevant Subscription Day, or such later day as the Directors or the AIFM may determine in their sole discretion.
<b>Redemption Day</b>	Means the first (1 <sup>st</sup> ) Business Day following each Valuation Day, and/or such other day or days as the Directors or the AIFM may determine and notify to Shareholders.
<b>Redemption Deadline</b>	<p>Means, with respect to each Redemption Day:</p> <ul style="list-style-type: none"> <li>(a) in respect of all Classes, not later than 11:00 am (Irish time) on the thirty-fifth (35<sup>th</sup>) calendar day preceding the relevant Redemption Day (the <b>"Standard Redemption Deadline"</b>); and</li> <li>(b) additionally in respect of Class IM only, not later than 11:00 am (Irish time) on the second (2<sup>nd</sup>) Business Day preceding the relevant Redemption Day (the <b>"Short Notice Redemption Deadline"</b>).</li> </ul> <p>The Directors or the AIFM may waive the Standard Redemption Deadline or the Short Notice Redemption Deadline in their sole discretion.</p>
<b>Limitations on Redemptions</b>	<ul style="list-style-type: none"> <li>(a) If gross redemption requests (being the sum of all redemption requests received in respect of a particular Redemption Day) received by the Standard Redemption Deadline (the <b>"Standard Redemption Requests"</b>) exceed 20% of the latest available Net Asset Value of the Sub-Fund (whether final or estimate); or</li> <li>(b) if net redemption requests in respect of Class IM Shares (being the sum of all redemption requests for Class IM Shares net of the sum of all subscriptions for Class IM Shares received in respect of a particular Dealing Day) received after the Standard Redemption Deadline but by the Short Notice Redemption Deadline (the <b>"Short Notice Redemption Requests"</b>) exceed 5% of the latest available Net Asset Value of Class IM (whether final or estimate); or</li> <li>(c) if the sum of Standard Redemption Requests and Short Notice Redemption Requests in respect of a particular Redemption Day exceed 20% of the latest available Net Asset Value of the Sub-Fund (whether final or estimate) (the <b>"Combined Redemption Restriction"</b>);</li> </ul> <p>then the Directors or the AIFM may, in their sole discretion, decide to limit the amount of Standard Redemption Requests or Short Notice Redemption Requests available for redemption on that Redemption Day to an amount which would result in the aforementioned redemption restrictions (a)-(c) not being exceeded.</p> <p>In the event that the Combined Redemption Restriction would be exceeded on a particular Redemption Day, Standard Redemption Requests will be satisfied in priority over Short Notice Redemption Requests.</p> <p>Any redemptions that are deferred in accordance with the above will be managed in accordance with the provisions outlined in the sub-section of the Prospectus titled <a href="#">Limitations on Redemptions</a>, provided that deferred Standard Redemption Requests are always treated in priority over Short Notice Redemption Requests.</p> <p>See the sub-section of the Prospectus titled <a href="#">Limitations on Redemptions</a> for further information.</p>

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<b>Redemption Payment Date</b>	Means generally up to twenty-five (25) Business Days following the relevant Redemption Day.
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## 6 Valuation

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<b>Swing Pricing</b>	Not applicable for this Sub-Fund.
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<b>Swing Factor</b>	Not applicable for this Sub-Fund.
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<b>Anti-Dilution Levy</b>	Not applicable for this Sub-Fund.
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<b>Valuation Day</b>	Means the final calendar day of each month, and/or such other day or days as the Directors or the AIFM may determine and notify to Shareholders.
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## 7 Fees & expenses

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<b>Establishment Expenses &amp; Out of Pocket Expenses</b>	Establishment expenses associated with the Sub-Fund have been fully amortised.
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<b>Management Fee</b>	The per annum Management Fee Rate applicable to each Class is outlined in <a href="#">Section 8</a> .
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<b>Performance Fee</b>	The following definitions shall apply in respect of each Class for which a Performance Fee is applicable:
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“**Performance Fee Rate**” is as outlined in respect of each Class in [Section 8](#).

“**Crystallisation Period**” means each calendar year. The first Crystallisation Period shall commence on the Initial Subscription Day and end on the final Valuation Day falling in the same calendar year.

“**Hurdle Rate**” is as outlined in respect of each Class in [Section 8](#). The Directors may, in their sole discretion, replace the Hurdle Rate with a comparable measure provided prior written notice is given to Shareholders.

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<b>Performance Fee Equalisation</b>	Where applicable in respect of a Class as outlined in <a href="#">Section 8</a> , if a Shareholder subscribes for Shares at a time when the Net Asset Value per Share does not equal the relevant Hurdle
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Value per Share, certain adjustments may be made to reduce inequities that could otherwise result between Shareholders or to the AIFM.

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#### **Fees of Underlying Funds**

The fees and costs charged by Underlying Funds generally include investment management or advisory fees (that typically range between 0% and 3% per annum calculated on the amount invested) and performance fees (that typically range between 0% and 30% of the returns generated above a hurdle that may be as low as zero) payable to underlying investment managers or advisors of the Underlying Funds, as well as operational fees such as administration fees, custody fees and audit fees.

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#### **Fees Paid to Affiliates**

In respect of any investments made by the Sub-Fund into investment vehicles managed by; (i) the AIFM, (ii) the Investment Manager or (iii) an associated or related company of the AIFM or the Investment Manager (the “**Affiliated Parties**”):

- (a) Any commission or management, advisory, performance or distribution fees received by the Affiliated Parties in connection with such investments, not being fees or commissions payable by the Affiliated Parties to their unaffiliated delegate(s), must be paid into the assets of the Sub-Fund or otherwise waived; and
  - (b) The Affiliated Parties will waive any preliminary charge, redemption charge or exchange charge that would otherwise be payable in connection with such investments.
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#### **Retrocession Payments**

When permitted in respect of a particular Class as outlined in [Section 8](#), the AIFM or the Investment Manager may, in their sole discretion, pay any of their portion of the Management Fee to any party in any manner whatsoever, whether by way of retrocession payment, rebate, distribution fee or otherwise.

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#### **Preliminary Charge**

A Preliminary Charge of at maximum 3% of the Net Asset Value per Share may be charged by the Company for payment to the Distributor on the issue of Shares. All or part of such Preliminary Charge may, at the discretion of the Distributor, be retained by the Distributor, paid to intermediaries or given to applicants in the form of extra Shares.

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#### **Redemption Charge**

None.

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#### **Administration Fees**

The Administrator shall be entitled to receive out of the assets of the Sub-Fund an annual fee which will not exceed 0.04% of the Net Asset Value of the Sub-Fund (plus VAT, if any), accrued and calculated on each Valuation Day and payable monthly in arrears, subject to a minimum annual fee of US\$20,000 (plus VAT, if any, thereon).

Where there are in excess of 2 share classes, an additional \$3,000 per annum per additional share classes will be charged to the Sub-Fund.

The Administrator shall also be compensated out of the assets of the Sub-Fund for other services, including inter alia, data feed provision services, performance fee equalisation calculation services and shareholder services, all of which shall be at normal commercial rates together with VAT, if any, thereon. Shareholder services are charged on a ‘per transaction’ basis.

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Further information on the Administrator fees can be obtained by investors from the AIFM upon request. Administrator fees in respect of each Accounting Period will be disclosed in the financial statements of the Company.

The Administrator shall also be entitled to be repaid out of the assets of the Sub-Fund all of its out-of-pocket expenses incurred by it in the performance of its duties pursuant to or in connection with the Administration Agreement, together with VAT, if any, thereon.

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#### **Depositary Fees**

The Depositary shall be entitled to receive out of the assets of the Sub-Fund an annual trustee fee which will not exceed 0.015% of the Net Asset Value of the Sub-Fund (plus VAT, if any) accrued and calculated on each Valuation Day and payable monthly in arrears subject to a minimum of \$10,000 per annum.

The Depositary will also be entitled to be repaid out of the asset of the Sub-Fund in respect of, inter alia, custody fees in respect of fund of fund assets, safe-keeping fees and expenses of any sub-custodian, cash-flow monitoring and cash processing fees and transaction charges, all of which shall be at normal commercial rates together with VAT, if any, thereon.

Further information on the Depositary fees can be obtained by investors from the AIFM upon request. Depositary fees in respect of each Accounting Period will be disclosed in the financial statements of the Company.

The Depositary is entitled to be reimbursed any out-of-pocket expenses reasonably incurred by it on behalf of the Sub-Fund.

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## 8 Classes of the Sub-Fund

Share Class	Class Currency	Class Hedging	Distribution Policy <sup>1</sup>	Investor Eligibility <sup>2</sup>	Initial Subscription Price <sup>3</sup>	Initial Subscription Day	Min. Initial Subscription Amount <sup>3</sup>	Minimum Holding Amount <sup>3</sup>	Management Fee Rate	Performance Fee Rate	Hurdle Rate <sup>4</sup>	Equalisation Policy	Retrocession Payments
Class IM	USD	Not Applicable	Accumulating	\$	Launched	Launched	125,000	125,000	0.00%	None	Not Applicable	Not Applicable	Permitted
Class A	USD	Not Applicable	Accumulating	\$	Launched	Launched	125,000	125,000	0.00%	None	Not Applicable	Not Applicable	Permitted
Class E	USD	Not Applicable	Accumulating	%	Launched	Launched	125,000	125,000	0.75%	5%	SOFRRATE	Not Applicable	Not Permitted
Class C	USD	Not Applicable	Accumulating	#	Launched	Launched	1,000,000	1,000,000	0.75%	5%	SOFRRATE	Applicable	Permitted
Class D	AUD	Applicable	Accumulating	#	Launched	Launched	1,000,000	1,000,000	0.75%	5%	RBATCTR:IND	Applicable	Permitted
Class F	JPY	Applicable	Distributing (Dec)	#	Launched	Launched	100,000,000	100,000,000	0.75%	5%	MUTKCALM	Applicable	Permitted
Class G	EUR	Applicable	Accumulating	#	Launched	Launched	25,000,000	25,000,000	0.60%	5%	ESTRON	Applicable	Permitted
Class H	USD	Not Applicable	Accumulating	#	1,000	1 <sup>st</sup> Mar 2024	25,000,000	25,000,000	0.60%	5%	SOFRRATE	Not Applicable	Not Permitted

<sup>1</sup> Distributions (where applicable) are generally declared as falling on the Valuation Day(s) for the month(s) in parenthesis.

<sup>2</sup> For the avoidance of doubt, any applicable eligibility criteria is applied in accordance with the sub-section of the Prospectus titled [Special Arrangements and Fair Treatment of Shareholders](#):

§ The Class shall only be open for investment by (i) institutional investors where an asset management agreement, an investment advisory agreement, a co-operation agreement or similar agreement with an LGT Group company is in existence, or there is distribution of fund products or fund-related products and certificates promoted by the LGT Group; (ii) any and all companies in which the LGT Group Foundation has a direct or indirect interest for its own account; and (iii) any and all employees of a LGT Group company.

# The Class shall only be open for investment by institutional investors and foundations with charitable purpose or non-profit status according to private-law in their country of incorporation domicile. Institutional investors include in particular both domestic and foreign:

- companies subject to financial markets and insurance supervision (banks, etc);
- institutions operating private or public-law occupational pension plans, including those of supranational organisations (pension funds, investment foundations, vested benefits foundations, banking foundations, etc);
- institutions operating private or public-law pension schemes, including those of supranational organisations;
- collective investment schemes established under any jurisdiction and any legal form;
- holding, investment or financial services companies or operating companies with professional treasury if investing for their own account;
- single or multi-family offices with professional treasury; or
- national, local or supranational entities established under public-law of any description.

% The Class shall only be open for investment by: (i) clients of banks located in the United Kingdom, Northern Ireland and the Netherlands; (ii) clients of LGT Group companies after signing a client services agreement; (iii) clients that have entered into a cooperation agreement with an LGT Group company; or (iv) clients that have entered into advisory or discretionary management agreements with banks or asset management companies non-affiliated with LGT Group.

<sup>3</sup> Denominated in Class Currency, and in the case of the Minimum Initial Subscription Amount, subject to the regulatory minimum subscription amount of EUR 100,000.

<sup>4</sup> Bloomberg codes. 'SOFRRATE' = Secured Overnight Financing Rate, 'RBATCTR:IND' = Australia RBA Cash Rate Target, 'MUTKCALM' = Tokyo Overnight Average Rate, 'ESTRON' = Euro Shot Term Overnight Rate. The Directors may, in their sole discretion, replace the Hurdle Rate with a comparable measure, provided prior written notice is given to Shareholders.