

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

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## **PLATINUM WORLD PORTFOLIOS PLC**

An investment company with variable capital incorporated with limited liability in Ireland with registered number 546481 and established as an umbrella fund with segregated liability between Funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended.

### **PROSPECTUS FOR**

**PLATINUM WORLD PORTFOLIOS - INTERNATIONAL FUND  
PLATINUM WORLD PORTFOLIOS - ASIA FUND  
PLATINUM WORLD PORTFOLIOS - JAPAN FUND  
PLATINUM WORLD PORTFOLIOS - HEALTH SCIENCES FUND**

**DATED 19 October 2022**

**THIS DOCUMENT CONTAINS IMPORTANT INFORMATION ABOUT THE COMPANY AND THE FUNDS AND SHOULD BE READ CAREFULLY BEFORE INVESTING. IF YOU HAVE ANY QUESTIONS ABOUT THE CONTENTS OF THIS PROSPECTUS, YOU SHOULD CONSULT YOUR BANK MANAGER, LEGAL ADVISER, ACCOUNTANT OR OTHER FINANCIAL ADVISER.**

Certain terms used in this Prospectus are defined on pages 6 to 14 of this document.

#### **Central Bank Authorisation**

**The Company has been authorised by the Central Bank as a UCITS within the meaning of the UCITS Regulations. The authorisation of the Company is not an endorsement or guarantee of the Company or a Fund by the Central Bank nor is the Central Bank responsible for the contents of this Prospectus. Authorisation of the Company by the Central Bank does not constitute a warranty as to the performance of the Company or any Fund and the Central Bank shall not be liable for the performance or default of the Company or of any Fund.**

#### **Investment Risks**

There can be no assurance that each Fund will achieve its investment objective. **It should be appreciated that the value of Shares may go down as well as up. An investment in a Fund involves investment risks, including possible loss of the entire amount invested. An anti-dilution levy of up to 0.25% may be payable by an investor in a Fund on net subscriptions and/or redemptions, as such, an investment in a Fund should be regarded as a medium to long-term investment.** The capital return and income of a Fund are based on the capital appreciation and income on its investments less expenses incurred. Therefore, a Fund's return may be expected to fluctuate in response to changes in such capital appreciation or income. Subject to the conditions and within the limits from time to time laid down by the Central Bank, and except where otherwise stated in the investment objective and policies of a Fund, each Fund may engage in transactions in FDI, whether for efficient portfolio management purposes (i.e., hedging, reducing risks or costs, or increasing capital or income returns) or investment purposes.

#### **Restrictions on Sale of Shares**

The distribution of this Prospectus and the offering or purchase of the Shares may be restricted in certain jurisdictions. No persons receiving a copy of this Prospectus or the accompanying application form in any such jurisdiction may treat this Prospectus or such application form as constituting an invitation to them to subscribe for Shares, nor should they in any event use such application form, unless in the relevant jurisdiction such an invitation could lawfully be made to them and such application form could lawfully be used without compliance with any registration or other legal requirements. Accordingly, this Prospectus does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation. It is the responsibility of any persons in possession of this Prospectus and any persons wishing to apply for Shares pursuant to this Prospectus to inform themselves of, and to observe, all applicable laws and regulations of any relevant jurisdiction. Prospective applicants for Shares should inform themselves as to the legal requirements of so applying and any applicable exchange control regulations and taxes in the countries of their respective citizenship, residence, incorporation, or domicile.

The Directors may restrict the ownership of Shares in a Fund 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 Fund and the Company. Any person who is holding Shares in contravention of the restrictions set out in this Prospectus (or

any Supplemental Prospectus) or, by virtue of his holding, is in breach of the laws and regulations of any competent jurisdiction applicable to them or whose holding could, in the opinion of the Directors, cause the respective Fund, the Company or any Shareholder to incur any liability to taxation or to suffer any pecuniary disadvantage which any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the respective Fund, the Company, the Manager, the Investment Manager, the Depositary, the Administrator and the Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Fund. The Directors have the power under the Constitution to compulsorily redeem and/or cancel any Shares in a Fund held or beneficially owned in contravention of the restrictions imposed by them as described herein.

#### United Kingdom

The Company is categorised as a recognised collective investment scheme for the purposes of Section 264 of the Financial Services and Markets Act 2000 ("FSMA") of the UK. This Prospectus is distributed in the UK by or on behalf of the Directors and is approved by the Company, which is authorised and regulated by the Financial Conduct Authority ("FCA"), for the purposes of Section 21 of FSMA. Accordingly, shares may be marketed to the general public in the UK, pursuant to the terms of this Prospectus. The Company has established certain other share classes for each sub-fund that are described in the Prospectus, which are not being offered in the UK at this time.

It should be noted that the Company does not have a place of business in the UK. A UK investor who enters into an investment agreement to acquire shares in a Fund in response to this Prospectus may not have the right to cancel the agreement under any cancellation rules made by the FCA in the UK. The agreement will be binding upon acceptance of the application by the Fund. In addition most, if not all, of the protections provided by the UK regulatory structure will not apply. The rights of Shareholders in the Fund will not be protected by the investors' compensation scheme established in the UK. Any investor wishing to make a complaint regarding any aspect of the Fund or its operation may do so directly to the Company.

#### Cayman Islands

No invitation may be made to the public in the Cayman Islands to subscribe for the Shares.

#### Hong Kong

The Company is not authorised by the Securities and Futures Commission in Hong Kong pursuant to Section 104 of the Securities and Futures Ordinance of Hong Kong and a copy of this Prospectus has not been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies Ordinance of Hong Kong. This Prospectus must not, therefore, be circulated, distributed, or otherwise made available, and Shares may not be offered or sold, to persons in Hong Kong other than: (1) those whose ordinary business it is to buy or sell shares or debentures (whether as principal or as agent); or (2) in circumstances which would not constitute an offer to the public or any section thereof.

#### Japan

The Shares have not been and will not be registered under the Securities and Exchange Law of Japan and, accordingly, no Shares may be offered or sold, directly or indirectly, in Japan or to, or for the benefit, of any Japanese person or to others for reoffering or resale, directly or indirectly, in Japan or to any Japanese person except under circumstances which will result in compliance with all applicable laws, regulations, and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For this purpose, "Japanese person" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

#### Korea

The Shares have not been registered under the Securities and Exchange Act of Korea and none of the Shares may be offered, sold or delivered, directly or indirectly, or offered or sold to any person for reoffering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea.

#### US

The Shares have not been and will not be registered under the 1933 Act or the securities laws of any of the states of the US, nor is such registration contemplated. The Shares may not be offered, sold or delivered directly or indirectly in the US or to or for the account or benefit of any “US Person” except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable state laws. Any reoffer or resale of any of the Shares in the US or to US Persons may constitute a violation of US law.

The Shares are being offered outside the US pursuant to the exemption from registration under Regulation S under the 1933 Act. Each applicant for Shares will be required to certify whether it is a US Person.

The Company will not accept any subscriptions from investors that are employee benefit plans or entities whose assets constitute employee benefit plans (whether or not subject to the US Employee Retirement Income Securities Act of 1974, as amended (“ERISA”)) (together, “Benefit Plans”) if, after such subscription, the Shares held by Benefit Plans would be 25% or more of any class of Shares. If the Shares of any class held by Benefit Plans were to exceed this 25% limit, the Company’s assets would be considered plan assets under ERISA, which could result in adverse consequences to the Company, the Investment Manager and the fiduciaries of the Benefit Plans.

The Company will not be registered under the 1940 Act. Based on interpretations of the 1940 Act by the staff of the US Securities and Exchange Commission relating to foreign investment companies, if the Company has more than 100 beneficial owners of its Shares who are US Persons, it may become subject to certain requirements under the 1940 Act. To ensure that the number of holders of Shares who are US Persons is maintained, the Directors may compulsorily redeem Shares beneficially owned by US Persons.

Notwithstanding the foregoing prohibitions, the Company may arrange or permit the private placement in the US of a portion of the Shares under the exemption provided by Section 4(2) of the 1933 Act and Regulation D promulgated thereunder to a limited number of US Persons that are “accredited investors” as defined in Rule 501(a) of Regulation D under the 1933 Act and “qualified eligible persons” as defined in Rule 4.7 under the Commodity Exchange Act, under restrictions and other circumstances designed to preclude a distribution that would otherwise require registration of the Shares under the 1933 Act, cause the Company to become subject to the registration requirements of the 1940 Act or cause the assets of the Company to be “plan assets” for the purposes of ERISA, including presentation by such investors, prior to the delivery to them of Shares, of a letter containing specified representations and agreements.

#### Australia

This Prospectus does not constitute an offer of any Shares in Australia and has not been and will not be lodged with the Australian Securities and Investments Commission. Except where specifically authorised by the Company and subject to compliance with applicable Australian laws, none of the Shares may be offered, sold, transferred or delivered, directly or indirectly, in Australia or to any person or entity that is an Australian Resident.

Applicants will be required to certify whether they are Irish Residents or Ordinarily Resident in Ireland and may be required to confirm that they are not US Persons or Australian Residents.

#### Marketing Rules

Shares are offered only on the basis of the information contained in the current Prospectus and the latest audited annual accounts and any subsequent half-yearly report. Investors should note that the auditor’s report on the Company’s annual accounts is made only to the Company and the Shareholders as a body at the date of the auditor’s report.

Any further information or representation given or made by any dealer, salesman, or other person should be disregarded and accordingly should not be relied upon. Neither the delivery of this Prospectus nor the offer, issue, or sale of Shares shall, under any circumstances, constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date of this Prospectus. Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.

The Distributor of this Prospectus in some jurisdictions may require the translation of this Prospectus into other languages specified by the regulatory authorities of those jurisdictions provided that any such translation shall be a direct translation of the English text. In the event of any inconsistency or ambiguity in relation to the meaning of any word or phrase in translation, the English text shall prevail and all disputes as to the terms thereof shall be governed by, and construed in accordance with, the law of Ireland.

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

## **PLATINUM WORLD PORTFOLIOS PLC**

### **Board of Directors**

Stephen Menzies

Tony Mc Poland

Kevin Molony

### **Depository**

State Street Custodial Services (Ireland) Limited

78 Sir John Rogerson's Quay

Dublin 2

Ireland

### **Registered Office of the Company**

10 Earlsfort Terrace

Dublin 2

Ireland

### **Administrator**

State Street Fund Services (Ireland) Limited

78 Sir John Rogerson's Quay

Dublin 2

Ireland

### **Manager**

Carne Global Fund Managers (Ireland) Limited

2nd Floor, Block E

Iveagh Court

Harcourt Road

Dublin 2

Ireland

### **Legal Advisers in Ireland**

Arthur Cox

10 Earlsfort Terrace

Dublin 2

Ireland

### **Investment Manager and Distributor**

Platinum Investment Management Limited

Level 8, 7 Macquarie Place

Sydney NSW 2000

Australia

### **Auditor**

PricewaterhouseCoopers

Chartered Accountants & Registered Auditors

One Spencer Dock

North Wall Quay

Dublin 1

Ireland

### **Company Secretary**

Bradwell Limited

10 Earlsfort Terrace

Dublin 2

Ireland

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## **PLATINUM WORLD PORTFOLIOS PLC - SUMMARY**

### **Structure**

The Company is an umbrella fund with segregated liability between Funds established as an open-ended, variable capital investment company incorporated as a public limited company under the laws of Ireland. The Constitution provides for separate Funds, each representing interests in a separate and defined portfolio of assets and liabilities, which may be issued from time to time with the approval of the Central Bank.

### **Investment Objectives**

#### Platinum World Portfolios - International Fund

The investment objective of the Fund is to provide capital growth over the long-term, generally five (5) to seven (7) years, through investing 50% to 100% of its Net Asset Value (at the time of investment) in undervalued securities of companies located anywhere in the world.

#### Platinum World Portfolios - Asia Fund

The investment objective of the Fund is to provide capital growth over the long-term, generally five (5) to seven (7) years, through investing 50% to 100% of its Net Asset Value (at the time of investment) in undervalued securities of companies in the Asian Region.

#### Platinum World Portfolios - Japan Fund

The investment objective of the Fund is to provide capital growth over the long-term, generally five (5) to seven (7) years, through investing 50% to 100% of its Net Asset Value (at the time of investment) in undervalued securities of companies in the Japan Region.

#### Platinum World Portfolios- Health Sciences Fund

The investment objective of the Fund is to provide capital growth over the long-term, generally five (5) to seven (7) years, through investing 50% to 100% of its Net Asset Value (at the time of investment) in undervalued securities of companies related to the health care sector which may be located anywhere in the world.

### **Base Currency**

The Base Currency of each of the Funds is USD.

## Share Classes

The following Classes of Shares are available for the Platinum World Portfolios - International Fund, Platinum World Portfolios - Asia Fund and the Platinum World Portfolios- Japan Fund:

Class	Currency of Share Class	Minimum Initial Subscription	Minimum Subsequent Subscription	Minimum Holding	Investment Management Fee	Voluntary Cap on Total Fees & Expenses <sup>1</sup>	Distribution Policy	Voting Class
Class A	USD	US\$500,000	US\$25,000	US\$500,000	0.75% Base Fee plus 15% Performance Fee	1.00%	Accumulating	Yes
Class B	USD	US\$100,000	US\$25,000	US\$100,000	1.4% Base Fee	1.65%	Accumulating	Yes
Class C	USD	US\$500,000	US\$25,000	US\$500,000	0.75% Base Fee plus 15% Performance Fee	1.00%	Accumulating	No
Class D	USD	US\$100,000	US\$25,000	US\$100,000	1.4% Base Fee	1.65%	Accumulating	No
Class E	EUR	€400,000	€20,000	€400,000	0.75% Base Fee plus 15% Performance Fee	1.00%	Accumulating	Yes
Class F	EUR	€80,000	€20,000	€80,000	1.4% Base Fee	1.65%	Accumulating	Yes
Class G	GBP	£300,000	£20,000	£300,000	0.75% Base Fee plus 15% Performance Fee	1.00%	Accumulating	Yes
Class H	GBP	£60,000	£20,000	£60,000	1.4% Base Fee	1.65%	Accumulating	Yes
Class I	USD	US\$10,000,000	US\$100,000	US\$10,000,000	0.75% Base Fee plus 15% Performance Fee	1.00%	Accumulating	Yes

<sup>1</sup> The Investment Manager has currently undertaken to limit the total fees and expenses in a financial year (excluding Performance Fees, if applicable) attributable to each Class of a Fund to the relevant percentage (set out in this column) of the average daily Net Asset Value of the Fund attributable to that Class. The Investment Manager may terminate or modify any such voluntary undertaking at any time at its sole discretion upon 30 days' notice in writing to the Shareholders. Please see section entitled "Fees & Expenses" for further detail.

The following Classes of Shares are available for the Platinum World Portfolios – Health Sciences Fund:

Class	Currency of Share Class	Minimum Initial Subscription	Minimum Subsequent Subscription	Minimum Holding	Investment Management Fee	Voluntary Cap on Total Fees & Expenses <sup>1</sup>	Distribution Policy	Voting Class
Class A	USD	US\$500,000	US\$25,000	US\$500,000	0.75% Base Fee plus 15% Performance Fee	1.00%	Accumulating	Yes
Class B	USD	US\$100,000	US\$25,000	US\$100,000	1.4% Base Fee	1.65%	Accumulating	Yes
Class D	USD	US\$100,000	US\$25,000	US\$100,000	1.4% Base Fee	1.65%	Accumulating	No
Class E	EUR	€400,000	€20,000	€400,000	0.75% Base Fee plus 15% Performance Fee	1.00%	Accumulating	Yes
Class F	EUR	€80,000	€20,000	€80,000	1.4% Base Fee	1.65%	Accumulating	Yes
Class G	GBP	£300,000	£20,000	£300,000	0.75% Base Fee plus 15% Performance Fee	1.00%	Accumulating	Yes
Class H	GBP	£60,000	£20,000	£60,000	1.4% Base Fee	1.65%	Accumulating	Yes
Founders - Class A	USD	US\$1,000,000	US\$100,000	US\$1,000,000	0.50% Base Fee plus 15% Performance Fee	0.75%	Accumulating	Yes
Founders - Class B	USD	US\$1,000,000	US\$100,000	US\$1,000,000	0.95% Base Fee	1.20%	Accumulating	Yes
Founders - Class E	EUR	€800,000	€80,000	€800,000	0.50% Base Fee plus 15% Performance Fee	0.75%	Accumulating	Yes
Founders - Class F	EUR	€800,000	€80,000	€800,000	0.95% Base Fee	1.20%	Accumulating	Yes
Founders - Class G	GBP	£600,000	£60,000	£600,000	0.50% Base Fee plus 15% Performance Fee	0.75%	Accumulating	Yes
Founders - Class H	GBP	£600,000	£60,000	£600,000	0.95% Base Fee	1.20%	Accumulating	Yes

<sup>1</sup> The Investment Manager has currently undertaken to limit the total fees and expenses in a financial year (excluding Performance Fees, if applicable) attributable to each Class of the Fund to the relevant percentage (set out in this column) of the average daily Net Asset Value of the Fund attributable to that Class. The Investment Manager may terminate or modify any such voluntary undertaking at any time at its sole discretion upon 30 days' notice in writing to the Shareholders. Please see section entitled "Fees & Expenses" for further detail.

#### Founders Classes

Founders Classes are Share Classes which may be offered within the Platinum World Portfolios – Health Sciences Fund in order to encourage early investment into the Fund at a time when it is seeking to build or increase assets under management. These Founders Classes typically involve lower Investment Management Fees than would be charged in the equivalent standard Share Classes of the Fund.

The Founders Classes are open for investment by prospective investors and existing Shareholders until the earlier of:

- the total Net Asset Value of the Fund across the Founders Classes reaching US\$100,000,000 cumulatively or an equivalent amount in another currency, or any other amount as specifically determined by the Directors at their discretion and notified to Shareholders (the “**Investment Cap**”). Once the Founders Classes in the Fund, as of any Dealing Day, reach or exceed the Investment Cap, each of the Founders Classes in the Fund will be closed for subscription; or
- 19 April 2023, being the date ending six months from the date of this Prospectus (“**Expiration Date**”).

If the Investment Cap has not been reached by the Expiration Date, the Directors may, in their discretion, and upon prior notice to Shareholders, extend the period during which Founders Classes are available for subscription to either:

- Shareholders and prospective investors; or
- Shareholders only,

to the earlier of: (i) the date in which the Investment Cap has been met; or (ii) the Expiration Date, or any other date the Directors may determine at their discretion with prior notice to Shareholders.

Following the close of the Founders Classes, these Classes will remain closed for further subscriptions, except that in circumstances where the Directors determine it to be in the best interests of the Shareholders, the Founders Classes may, upon prior notice, to Shareholders be re-opened for further subscription by existing Shareholders and/or prospective investors, as appropriate.

### **Taxation**

As an investment undertaking within the meaning of Section 739B (1) of the TCA, the Company (and each of the Funds) is exempt from Irish tax on its income and gains and the Company (and the Funds) will not be required to account for any tax in respect of Shareholders who are not Irish Residents provided that the necessary signed declarations are in place.

### **Distributions**

The Directors do not intend to declare any distribution in respect of the Accumulating Share Classes of any Fund. In the case of the Accumulating Share Classes, net income and capital gains attributable to such Share Classes will be accumulated and reflected in the Net Asset Value per Share. The Company may issue Distributing Share Classes upon which the Directors intend to declare distributions. Distributions, if declared, will usually be declared in July each year and shall be payable from net income and realised capital gains net of realised and unrealised capital losses attributable to the relevant Class for the relevant period.

### **Fees and Expenses**

Investors’ attention is drawn to the details of the fees and expenses charged to the Funds set out on pages 66 to 74.

### **Dealing Days**

Shares may be subscribed for on a Dealing Day by sending an application form (in respect of initial subscriptions) or a subscription form (in respect of subsequent subscriptions), as appropriate, to the Administrator to arrive no later than the Trade Cut-Off Time. Each Business Day shall be a Dealing Day, except where the Net Asset Value determination has been temporarily suspended in the circumstances outlined on page 84.

Shares in the Funds may be redeemed on a Dealing Day by sending a redemption form to the Administrator to arrive no later than the Trade Cut-Off Time.

### **Investor Restrictions**

The Shares may not be offered or sold in any jurisdiction in which such offer or sale is not lawful or in which the person making such offer or sale is not qualified to do so or to anyone to whom it is unlawful to make such an offer

or sale. Shares may not be purchased or held by or for the account of any US Person or Australian Resident, except as otherwise provided in this Prospectus. Applicants and transferees will be required to certify whether or not they are Irish Residents or Ordinarily Resident in Ireland.

**Investment Risks**

An investment in a Fund involves investment risks, including possible loss of the amount invested. There can be no assurance that a Fund will achieve its investment objective. A more detailed description of certain investment risks relevant to investors in the Company is set out under “Investment Objectives and Policies of the Funds” and “Risk Factors” on pages 49 to 65.

## DEFINITIONS

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

<b>1933 Act</b>	US Securities Act of 1933 (as amended).
<b>1940 Act</b>	US Investment Company Act of 1940 (as amended).
<b>Absolute Return Hurdle</b>	<p>Where applicable to a Fund, the absolute return hurdle disclosed for a Fund for the purposes of calculating Performance Fees.</p> <p>In the case of the Platinum World Portfolios- Health Sciences Fund, the Fund has an absolute return hurdle of 6%.</p>
<b>Accumulating Share Classes</b>	Any Class of Shares that includes the term “Accumulating” in its name.
<b>Administrator</b>	State Street Fund Services (Ireland) Limited.
<b>Administration Agreement</b>	Amended and restated administration agreement dated 2 December 2020 between the Company, the Manager and the Administrator pursuant to which the latter was appointed administrator of the Company.
<b>ADRs</b>	American Depositary Receipts.
<b>Asian Region</b>	All countries that occupy the eastern part of the Eurasian landmass and its adjacent islands, except for Japan. The region is separated from Europe by the Ural Mountains. It includes the Russian Far East.
<b>AUD or Australian Dollar</b>	Australian Dollars, the lawful currency of Australia.
<b>Australian Resident</b>	A resident of Australia for Australian tax purposes.
<b>Australian Resident Entity</b>	<p>An entity that is, for Australian tax purposes:</p> <p>(i) an Australian Resident; or</p> <p>(ii) a “resident trust for CGT purposes”.</p>
<b>Base Currency</b>	The base currency of each Fund as specified in the sections entitled “Summary” and “Investment Objectives and Policies of the Funds”.
<b>Base Fee</b>	The base fee charged by the Investment Manager pursuant to the Investment Management Agreement as a fixed percentage of the Net Asset Value of each Fund attributable to the relevant Class per annum, as specified in the subsection entitled “Investment Management Fees” in Section 7 “Fees and Expenses”.



<b>Benchmark Index</b>	<p>(i) in the case of Platinum World Portfolios - International Fund – the MSCI All Country World Net Index in US\$. The MSCI All Country World Net Index (Bloomberg ticker NDUEACWF) is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of developed and emerging markets. For further information, please see <a href="http://www.msci.com">www.msci.com</a>.</p> <p>(ii) in the case of Platinum World Portfolios - Asia Fund – the MSCI All Country Asia ex-Japan Net Index in US\$. The MSCI All Country Asia ex-Japan Net Index (Bloomberg ticker NDUECAXJ) is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance of Asia excluding Japan. For further information, please see <a href="http://www.msci.com">www.msci.com</a>.</p> <p>(iii) in the case of Platinum World Portfolios - Japan Fund – the MSCI Japan Net Index in US\$. The MSCI Japan Net Index (Bloomberg ticker NDDUJN) is a free float-adjusted market capitalisation weighted index that is designed to measure the equity market performance in Japan. For further information, please see <a href="http://www.msci.com">www.msci.com</a>.</p>
<b>Benchmarks Regulation</b>	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 or any amendment or replacements thereto for the time being in force.
<b>Business Day</b>	A day on which retail banks are open for business in Dublin, Ireland, unless otherwise determined by the Directors and notified in advance to Shareholders.
<b>Calculation Day</b>	The last day of the Calculation Period.
<b>Calculation Period</b>	An annual period ending on 30 June in each year or ending on the immediately preceding Dealing Day, where 30 June is not a Dealing Day. The first Calculation Period for a Share Class will be the period starting on the Dealing Day immediately following the close of the Initial Offer Period for that Share Class and ending on 30 June (or ending on the immediately preceding Dealing Day, where 30 June is not a Dealing Day) of the first full financial year thereafter, such that for the avoidance of doubt, the first Calculation Period for a new Share Class shall not be less than 12 months from the close of the Initial Offer Period for that Share Class.
<b>Central Bank</b>	Central Bank of Ireland or any successor regulatory authority with responsibility for the authorisation and supervision of the Company.
<b>Central Bank Act</b>	The Central Bank (Supervision and Enforcement) Act 2013, as such may be amended, supplemented or replaced from time to time.

<b>Central Bank Regulations</b>	The Central Bank (Supervision And Enforcement) Act 2013 (Section 48(1)) (Undertakings For Collective Investment In Transferable Securities) Regulations 2019 and any other notices, regulations and conditions issued by the Central Bank from time to time pursuant to the UCITS Regulations and/or the Central Bank Act, as such may be amended, supplemented or replaced from time to time.
<b>Class</b>	A class of Shares representing an interest in a Fund where specific features (including, without limitation, with respect to currency of denomination, hedging strategies, if any, applied to the currency of a particular Class, minimum subscription amount, minimum holding, fees and expenses, distribution policy and voting rights) may be applicable.
<b>Class A</b>	Class A USD (Accumulating) Shares in a Fund.
<b>Class B</b>	Class B USD (Accumulating) Shares in a Fund.
<b>Class C</b>	Class C USD (Accumulating) Shares in a Fund.
<b>Class D</b>	Class D USD (Accumulating) Shares in a Fund.
<b>Class E</b>	Class E EUR (Accumulating) Shares in a Fund.
<b>Class F</b>	Class F EUR (Accumulating) Shares in a Fund.
<b>Class G</b>	Class G GBP (Accumulating) Shares in a Fund.
<b>Class H</b>	Class H GBP (Accumulating) Shares in a Fund.
<b>Class I</b>	Class I USD (Accumulating) Shares in a Fund.
<b>CIS</b>	Collective investment schemes or collective investment undertakings.
<b>Companies Acts</b>	Companies Act 2014, as amended all enactments which are to be read as one with, or construed or read together as one with, the Companies Act 2014 and every statutory modification and re-enactment thereof for the time being in force.
<b>Company</b>	Platinum World Portfolios plc, an investment company with variable capital, incorporated in Ireland pursuant to the Companies Acts and the UCITS Regulations.
<b>Constitution</b>	The constitutional document of the Company, comprising the memorandum and articles of association of the Company.
<b>Currency Share Class</b>	A Class of Shares denominated in a currency other than the Base Currency of the relevant Fund.
<b>Dealing Day</b>	Each Business Day, or such other days in addition thereto or substitution thereof as determined by the Directors and notified in advance to Shareholders, on which the Shares of the Funds may be subscribed for or redeemed, provided that there shall be at least one Dealing Day per fortnight.
<b>Depository</b>	State Street Custodial Services (Ireland) Limited.

<b>Depository Agreement</b>	Amended and restated depository agreement dated 2 December 2020 between the Company, the Manager and the Depository pursuant to which the latter was appointed as depository of the Company.
<b>Directive</b>	Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS), as amended or any amendment or replacements thereto for the time being in force.
<b>Directors</b>	The directors of the Company and any duly constituted committee thereof.
<b>Distributing Share Classes</b>	Any Class of Shares that includes the term "Distributing" in its name.
<b>Distributor</b>	Platinum Investment Management Limited.
<b>EDRs</b>	European Depository Receipts.
<b>EEA</b>	European Economic Area.
<b>Emerging Market Countries or Emerging Market Country</b>	Any country that is categorised by the World Bank and the International Finance Corporation and United Nations as "developing" or is a country included in the International Finance Corporation Free Index or the Morgan Stanley Capital International Emerging Markets Index.
<b>€ or Euro or EUR</b>	The currency unit referred to in the Second Council Regulation (EC) no. 974/98 of 3 May 1998 on the introduction of the euro.
<b>EU</b>	European Union.
<b>FDI</b>	Financial derivative instruments, as referred to in the UCITS Regulations.
<b>Founders Classes</b>	the following Classes of Shares in the Platinum World Portfolios-Health Sciences Fund:  Founders - Class A Founders - Class B Founders - Class E Founders - Class F Founders - Class G Founders - Class H
<b>Founders - Class A</b>	Founders - Class A USD (Accumulating) Shares in the Platinum World Portfolios - Health Sciences Fund.
<b>Founders - Class B</b>	Founders Class B USD (Accumulating) Shares in the Platinum World Portfolios - Health Sciences Fund.
<b>Founders - Class E</b>	Founders Class E EUR (Accumulating) Shares in the Platinum World Portfolios - Health Sciences Fund.

<b>Founders - Class F</b>	Founders - Class F EUR (Accumulating) Shares in the Platinum World Portfolios - Health Sciences Fund.
<b>Founders - Class G</b>	Founders - Class G GBP (Accumulating) Shares in the Platinum World Portfolios - Health Sciences Fund.
<b>Founders - Class H</b>	Founders - Class H GBP (Accumulating) Shares in the Platinum World Portfolios - Health Sciences Fund.
<b>Fund or Funds</b>	Any sub-fund from time to time established by the Company, including any of the Funds that are the subject of this Prospectus or any Supplemental Prospectus, where appropriate.
<b>£ or Pound Sterling or GBP</b>	Great British Pounds, the lawful currency of the United Kingdom.
<b>GDRs</b>	Global Depository Receipts.
<b>Hurdle</b>	The Benchmark Index or Absolute Return Hurdle, as appropriate, used by a Fund for the purposes of calculating Performance Fees.
<b>Initial Offer Period</b>	The period determined by the Directors during which a class of Shares is first offered for subscription and which for the Share Classes of Platinum World Portfolios- Health Sciences Fund shall commence on 20 October 2022 and close on 19 April 2023 and for unlaunched share Classes of other Funds shall be extended to 19 April 2023, or such other dates as the Directors may determine.
<b>Initial Subscription Price per Share</b>	<p>The per Share price at which subscriptions for the Shares in a Fund can be made during the Initial Offer Period, being:</p> <p>Class A Shares ~ US\$10  Class B Shares ~ US\$10  Class C Shares ~ US\$10  Class D Shares ~ US\$10  Class E Shares ~ €8  Class F Shares ~ €8  Class G Shares ~ £6  Class H Shares ~ £6  Class I Shares ~ US\$10  Founders - Class A Shares ~ US\$10  Founders - Class B Shares ~ US\$10  Founders - Class E Shares ~ €8  Founders - Class F Shares ~ €8  Founders - Class G Shares ~ £6  Founders - Class H Shares ~ £6</p>
<b>Intermediary</b>	An intermediary within the meaning of Section 739B(1) of the TCA, being a person who (i) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons, or (ii) holds shares in an investment undertaking on behalf of other persons.

<b>Investor Monies</b>	Subscription monies received from, and redemption monies due to, investors in the Funds and dividend monies due to Shareholders.
<b>Investment Manager</b>	Platinum Investment Management Limited.
<b>Investment Management Agreement</b>	Agreement dated 2 December 2020 between the Company, the Manager and the Investment Manager.
<b>Investor Money Regulations</b>	The Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers as such may be amended, supplemented or replaced from time to time.
<b>Ireland</b>	The Republic of Ireland.
<b>Japan Region</b>	Japan and South Korea (the Republic of Korea).
<b>Manager</b>	Carne Global Fund Managers (Ireland) Limited.
<b>Management Agreement</b>	Agreement dated 2 December 2020 between the Company and the Manager.
<b>Markets in Financial Instruments Directive</b>	Council Directive 2004/39/EC of 21 April 2004 (as amended).
<b>Member State</b>	A member state of the EU.
<b>Minimum Holding</b>	<p>Class A Shares ~ US\$500,000  Class B Shares ~ US\$100,000  Class C Shares ~ US\$500,000  Class D Shares ~ US\$100,000  Class E Shares ~ €400,000  Class F Shares ~ €80,000  Class G Shares ~ £300,000  Class H Shares ~ £60,000  Class I Shares ~ US\$10,000,000  Founders - Class A Shares ~ US\$1,000,000  Founders - Class B Shares ~ US\$1,000,000  Founders - Class E Shares ~ €800,000  Founders - Class F Shares ~ €800,000  Founders - Class G Shares ~ £600,000  Founders - Class H Shares ~ £600,000</p> <p>or such other amount as the Directors, in consultation with the Manager, as appropriate, may determine.</p>
<b>Net Asset Value or NAV</b>	The Net Asset Value of the Company, or of a Fund or Class, as appropriate, calculated as described herein.
<b>Net Asset Value per Share</b>	In respect of any Shares, the Net Asset Value attributable to the Shares issued in respect of a Fund or Class, divided by the number of Shares in issue in respect of the Fund or Class, rounded to such number of decimal places as the Directors, in consultation with the Manager, may determine.

<b>OECD</b>	Organisation for Economic Co-Operation and Development.
<b>OTC</b>	Over-the-counter.
<b>Performance Fee</b>	The performance fee charged by the Investment Manager pursuant to the Investment Management Agreement in respect of certain Classes of Shares in a Fund as a percentage of the amount by which the Fund outperforms its Hurdle for the relevant period, as specified in the subsection entitled "Investment Management Fees" in Section 7 "Fees and Expenses".
<b>Platinum</b>	Platinum Investment Management Limited.
<b>Promoter</b>	Platinum Investment Management Limited.
<b>Recognised Clearing System</b>	Bank One NA, Depositary and Clearing Centre, Central Moneymarkets Office, Clearstream Banking AG, Clearstream Banking SA, CREST, Depositary Trust Company of New York, Euroclear, Monte Titoli SPA, Netherlands Centraal Instituut voor Giraal Effectenverkeer BV, National Securities Clearing System, Sicovam SA, SIS Sega Intersectle AG or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the TCA, by the Revenue Commissioners of Ireland as a recognised clearing system.
<b>Regulated Market</b>	Any stock exchange or regulated market in the EU or a stock exchange or regulated market, which is set forth in Schedule II to this Prospectus, or such other markets as the Directors may from time to time determine in accordance with the UCITS Regulations and as shall be specified in a supplement or addendum to this Prospectus.
<b>Relevant Declaration</b>	the declaration relevant to the Shareholder as set out in Schedule 2B of the TCA.
<b>Relevant Institution</b>	A credit institution authorised in the EEA; a credit institution authorised by a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia, or New Zealand.
<b>Relevant Period</b>	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>Securities Financing Transaction(s)</b>	Any of the following: a repurchase transaction, securities or commodities lending and securities or commodities borrowing, a buy-sell back transaction or sell-buy back transaction and a margin lending transaction.
<b>Securities Financing Transactions Regulation</b>	Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 as such may be amended, supplemented or replaced from time to time.

<b>Rule 144A Securities</b>	Securities which are: (i) issued with an undertaking to register with the US Securities and Exchange Commission within one year of issue; and (ii) are not illiquid, meaning that they may be realised by the Company within seven (7) days at the price, or approximately at the price, at which they are valued by the Company.
<b>Settlement Time</b>	The time by which funds representing subscription monies in respect of a subscription order must be received by the Company and shall be close of business (New York time) three (3) Business Days after the relevant Dealing Day or such other time agreed with the Administrator.
<b>Share or Shares</b>	Any class of Share or Shares in the Company or the Fund, as the context so requires.
<b>Shareholder</b>	A person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of a Fund or the Company.
<b>Subscriber Shares</b>	The initial share capital of 2 Shares of no par value subscribed for EUR 2.
<b>Stock Connect</b>	The program which aims to achieve mutual stock market access between mainland China and Hong Kong and includes: (i) the Shanghai-Hong Kong Stock Connect; and (ii) the Shenzhen-Hong Kong Stock Connect.
<b>Supplemental Prospectus</b>	Any supplemental prospectus issued by the Company in connection with a Fund from time to time, in accordance with the requirements of the Central Bank.
<b>Supranational Organisation</b>	An entity established or financially supported by the national governments of one or more countries to promote reconstruction or development. Examples of Supranational Entities include, among others, the International Bank for Construction and Development (more commonly known as The World Bank), the European Economic Community, the European Investment Bank, the Inter-Development Bank, and the Asian Development Bank.
<b>TCA</b>	The Taxes Consolidation Act, 1997, as amended
<b>Trade Cut-Off Time</b>	In the case of subscription, redemption and exchange orders, 3.00pm (Irish time) on the relevant Dealing Day.
<b>Transferable Securities</b>	Shares and other securities equivalent to shares, bonds and other debt instruments and any other negotiable securities which carry the right to acquire any such transferable securities by subscription or exchange, excluding techniques and instruments relating to transferable securities and money market instruments.
<b>UCITS</b>	An undertaking for collective investment in transferable securities established pursuant to the UCITS Regulations or, in the case of UCITS established in a Member State other than Ireland, the Directive.

<b>UCITS Regulations</b>	European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended or any amendment or replacements thereto for the time being in force.
<b>UCITS Rules</b>	The UCITS Regulations, Central Bank Regulations and any guidance, regulations and conditions issued by the Central Bank from time to time pursuant to the UCITS Regulations, Central Bank Regulations and/or the Central Bank Act regarding the regulation of undertakings for collective investment in transferable securities, as such may be amended, supplemented or replaced from time to time.
<b>UK</b>	United Kingdom of Great Britain and Northern Ireland.
<b>Umbrella Cash Account</b>	Any single umbrella cash account in the name of the Company.
<b>US</b>	United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction.
<b>US\$ or US Dollar or USD</b>	US Dollars, the lawful currency of the US.
<b>US Person</b>	A US person as defined in Regulation S under the 1933 Act.



## **1. THE COMPANY AND THE FUNDS**

The Company is an open-ended investment company with variable capital organised under the laws of Ireland as a public limited company pursuant to the Companies Acts and the UCITS Regulations. It was incorporated on 9 July 2014 under registration number 546481. Its sole object, as set out in Clause 2 of the Company's Constitution, is the collective investment in transferable securities and other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public and which operates on the basis of risk spreading.

The Company has appointed the Manager to act as the Manager of the Company pursuant to the Management Agreement. Please refer to the section entitled "Management and Administration" for further details in relation to the Manager.

The Company is organised in the form of an umbrella fund with segregated liability between the Funds. The Constitution provides that the Company may offer separate classes of Shares, each representing interests in a Fund, with each Fund comprising a separate and distinct portfolio of investments. The Company has obtained the approval of the Central Bank for the establishment of the Platinum World Portfolios - International Fund, Platinum World Portfolios - Asia Fund and Platinum World Portfolios - Japan Fund. Additional Funds may be established by the Company, in consultation with the Manager, with the prior approval of the Central Bank.

A Fund may consist of one or more Classes of Shares. Classes issued in respect of the Funds at the date of this Prospectus are listed on pages 2 and 3. Further Classes of Shares may be issued by the Company, in consultation with the Manager and on advance notification to, and in accordance with the requirements of, the Central Bank.

The Shares issued in each Fund will rank *pari passu* with each other in all respects provided that they may differ as to certain matters including, without limitation: currency of denomination, hedging strategies, if any, applied to the currency of a particular Class, distribution policy, the level of fees and expenses to be charged, subscription or redemption procedures, minimum subscription amount, minimum holding and voting rights.

The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of that Fund. A separate pool of assets will not be maintained for each Class within a Fund.

Each Fund is required to comply with the UCITS Regulations and conditions governing UCITS.

The assets of each Fund belong exclusively to it and will not be used to discharge (directly or indirectly) the liabilities of, or claims against, any other Fund, and will not be available for any such purpose.

## 2. INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS

Each Fund aims to achieve its investment objective, as set out below, while spreading investment risks through investment in transferable securities and liquid financial assets in accordance with the UCITS Regulations. The transferable securities and liquid financial assets in which each Fund may invest generally must be listed and/or traded on a Regulated Market (except that up to 10% of the Net Asset Value of a Fund may be invested in transferable securities and liquid financial assets which are not so listed and/or traded). The Regulated Markets on which a Fund's investments will be traded are set out in Schedule II.

The Funds may (at times) invest in CIS, subject to the limits set out in Schedule I and the limitations contained in Regulation 68 of the UCITS Regulations, subject to the limitations contained in the investment policy of that Fund. However, the Funds will not invest in each other.

The Funds may invest in FDI, such as futures, options and swap arrangements, which may be listed on a Regulated Market or dealt with OTC. Such instruments may be used for efficient portfolio management and/or investment purposes. Investors' attention is drawn to the details of the uses of FDI set out on pages 35 to 37. The Funds may also utilise transferable securities with embedded derivatives, such as equity warrants and convertible securities to gain exposure to an underlying security as a more efficient and cheaper alternative to direct investment in that security. The FDI and transferable securities embedding FDI that the Funds may invest in are disclosed in the investment policies for each Fund.

More details are set out below under "Investment Techniques and Instruments".

The Funds do not invest by reference to a benchmark or index.

### **The Investment Manager's Investment Methodology**

#### Introduction

The Investment Manager is an active manager focused on delivering superior long-term absolute returns (i.e. returns in absolute terms, rather than relative to any benchmark or index). It seeks to maximise each Fund's "Total Rate of Return", including reinvested net income/dividends, while minimising the risk of loss, over the long-term. "Total Rate of Return" means the percentage change in a Fund's Net Asset Value (if the Fund pays any dividends or distributions, reinvestment is assumed).

The Investment Manager's investment philosophy is centred on the belief that there are times when events of a transitory nature may have a disproportionate effect on a company's share price, be they positive or negative, causing it to deviate from its inherent trend line. Such events, in the Investment Manager's view, present potential investment opportunities if one is able to differentiate between the companies that have a sound business case but are facing temporary set-backs from those which have lesser potential or face fundamental problems.

The Investment Manager's style of investment management is focused on seeking out the neglected and overlooked parts of the market. Its core expertise is in identifying companies that have sound businesses and promising growth prospects but are temporarily out-of-favour with the market.

#### Investment Methodology and Process

To identify companies whose businesses and growth prospects are temporarily inappropriately valued by the market, the Investment Manager employs a thematic stock picking approach. The portfolio of a Fund is built through a process of individual stock selection (a "bottom-up" approach) rather than from any pre-determined asset allocation by macro-economic modelling (the so-called "top-down" model) or by reference to any index weightings (the so-called "benchmarking" model).

The Investment Manager applies both qualitative and quantitative analyses when selecting stock. Considerations in connection with each company typically include, but are not limited to:

- whether the company's business is competitive and sustainable;

- the quality of the company's management;
- the company's ownership structure;
- whether the company is financially sound;
- the company's price to earnings ratio, price to book ratio, and free cash flow; and
- whether the company is likely to generate free cash flow that will grow.

Such analyses are underpinned by observations and studies of broader socio-political and macroeconomic themes and trends.

The Investment Manager's investment process generally involves the following key elements:

- *Idea generation*

Generation of themes and ideas in the Investment Manager's investment process is eclectic in nature. Input from observations of the changing social and political landscape and the application of quantitative analyses are both regarded as an important part of the investment process.

The Investment Manager places great store on the cross-pollination of ideas and the view that increasingly more weight should be applied to the global context of a company's operations than purely regional considerations.

The Investment Manager's investment team is structured into several sector and/or regional teams which are supported by a team of quantitative analysts and dealers. The location, organisation structure, range of team meetings and internal infrastructure of the Investment Manager's investment team is designed to foster a collaborative open approach and to facilitate the free flow of information between analysts with different geographic and industry responsibilities. For example, the analysts who are primarily responsible for researching companies in the Asian Region and those who are focused on the financials sector may closely collaborate in their research efforts on financials stocks in the Asian Region.

- *Screens*

The Investment Manager uses various devices to make sense of the universe of stocks available. These include screening which allows for the selection of companies based on specific criteria (or "screens") across a databank of companies. This process allows the Investment Manager to undertake cross-comparative studies of companies in its investable universe, thereby drawing up short-lists for more intense study. For example, with respect to the Platinum World Portfolios - Asia Fund, initial screens may be applied to all companies in the Investment Manager's database that are classified as being in the Asian Region, and with respect to the Platinum World Portfolios - Japan Fund, the Investment Manager may start a selection process by applying screens to all companies in the Japan Region. In setting these screens, the Investment Manager may build on a hypothesis regarding social, political, or economic change. For example, a screen may seek to identify industry groups that are currently out of favour with investors.

- *Intensive research and peer scrutiny*

Once a company has been identified as a potential investment opportunity, it is then investigated by investment analysts in greater detail and depth, utilising a variety of resources, including material from the company itself and its competitors, reports from stockbroking analysts and industry material. Analysts are also often required to travel to visit the companies being studied as well as their competitors and suppliers.

The research and investigation process concludes with a detailed report being written. This is then subjected to the scrutiny of team members who meet to vigorously discuss and debate the merits of the case. The purpose of these meetings is to expose areas of concern and potential flaws in each investment proposal rather than to achieve a consensus. The final decision lies not with a committee, but solely between the analyst who is the promoter of the idea and the relevant portfolio manager.

The research report and/or investment review will include such matters as, for example, certain achievements expected from the company being proposed. These may vary considerably depending on the nature of company involved, but, among other things, tend to include sales and earnings targets. Failure to by the investee company to meet these targets would raise concern and, notwithstanding any price action, could result in the shares being sold. It is the Investment Manager's experience that when targets are met or exceeded, the share price tends to overshoot expectations. Flexibility in selling may allow for the market's tendency to overreact.

As a consequence of the process of assembling a Fund's portfolio from individual stock selections and the Investment Manager's approach of focusing on what it believes to be temporarily out-of-favour stocks, stocks are purchased when the Investment Manager believes they offer good value and the price is already depressed, which as a by-product may create an element of protection and produce a portfolio with below-average risk characteristics.

#### Portfolio construction

As a consequence of the Investment Manager's investment approach and process, each Fund's portfolio will be built up from a series of individual stock selections rather than from a pre-determined asset allocation. Investment weightings in a Fund's portfolio may vary considerably from the Benchmark Index that may be used by a Fund.

The Investment Manager views the process of portfolio building as a layering process. At any time, there will be newly introduced ideas, others that have made an initial contribution and others that are starting to tire. Care is taken to understand the inter-relationship of stocks within a portfolio.

The Investment Manager's approach regarding portfolio constructions is to focus on undervalued securities. Not one specific approach is taken when determining whether a security is undervalued, but the Investment Manager's determination will include a review of the future profitability of a company relative to its current price. This assessment can include a range of accounting data, forward estimates, share prices and the relative attractiveness of peer companies to arrive at a judgment, which may include, but is not limited to, examining the market value of a company including or excluding debt relative to earnings, cash flows and/or net assets.

When undervalued stocks cannot be found, the Investment Manager may leave funds in cash. Therefore, after periods when the markets have performed strongly a Fund's portfolio may hold significant cash positions.

Likewise, when the Investment Manager's research reveals companies whose prospects are seen as overvalued, the Investment Manager may synthetically short sell such stocks through the use of FDI as a way of managing portfolio risk.

#### Sustainable Finance Disclosures Regulation

Pursuant to the EU Sustainable Finance Disclosures Regulation (2019/2088) on sustainability-related disclosures in the financial services sector ("SFDR"), the Manager is required to disclose the manner in which sustainability risks are integrated into the investment process and the results of the assessment of the likely impacts of sustainability risks on the returns of the Funds. A sustainability risk is defined in SFDR as an environmental, social or governance ("ESG") event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment.

The Manager, acting in respect of the Funds, through the Investment Manager as its delegate, integrates sustainability risks into the investment decisions made in respect of the Funds as set out below.

The Manager has acknowledged the Investment Manager's policy on the integration of sustainability risks in its investment process in respect of the Funds.

The Investment Manager is a fundamental equity investor and believes that private enterprise plays a central role in wealth creation and social advancement. It is also the Investment Manager's belief that value creation for

shareholders ought to be aligned with value creation for society at large. The Investment Manager invests with a long-term outlook (typically five years or more) and, as part-owners of the enterprises in which it invests, it is paramount to the Investment Manager that these enterprises maintain their social licence to operate. As such, the Investment Manager views social and environmental sustainability as well as sound corporate governance as being vital to a company's long-term viability, growth and profitability.

The Investment Manager's approach is focused on identifying companies whose intrinsic value is under-appreciated by the market due to temporary drawbacks or irrational market sentiments. Material ESG trends and factors can directly and indirectly impact on a company's financial performance and prospects.

To assess a company's true worth – the core of the Investment Manager's mission – a nuanced consideration of the company's operations and operating environment is essential, and the evaluation of material ESG issues and risks, like traditional financial and operational factors, is an integral part of this exercise.

The Investment Manager believes that incorporating ESG considerations into the investment process by employing a robust framework can lead to more informed and holistic investment decision-making and, ultimately, better investment outcomes for investors.

To this end, the Investment Manager has adopted a Responsible Investment Policy which affirms its commitment to responsible investing and outlines its approach to:

1. incorporating ESG considerations into its investment process. This is implemented through three key integration techniques:
  - applying exclusionary screens to restrict investment in specific sectors or companies (e.g. tobacco and military weapon makers);
  - generating investment ideas through the analysis of ESG trends and themes; and
  - integrating the analysis of ESG issues and factors into its fundamental stock research;
2. engagement with portfolio companies; and
3. proxy voting.

The ESG factors that the Investment Manager may examine in its integrated analysis are wide-ranging and depend on the industry concerned as well as the geographic location of the particular business. Some examples include, but are not limited to:

- Environmental – carbon footprint, resource depletion and waste management;
- Social – working conditions and industrial relations, community resettlement (e.g. by mining companies or real estate developers), product safety and cybersecurity;
- Governance – executive compensation, board independence and diversity, as well as having processes in place to prevent fraud and other malpractice.

These issues can have an impact on the environment and/or communities (including employees and consumers), but they also present regulatory, operational and economic risks to a company which may potentially have a material impact on its financial performance and hence investor returns.

More detail on the Investment Manager's approach to ESG can be found in its Statement Regarding Environmental, Social and Corporate Governance, available publicly on its website at [www.platinum.com.au](http://www.platinum.com.au).

Article 7(2) of SFDR also requires the Manager to determine and disclose whether it considers the principal adverse impacts of investment decisions on sustainability factors at the level of each Fund. The Manager, in conjunction with the Investment Manager, does not consider principal adverse impacts of investment decisions on sustainability factors at the level of each Fund at this time: (i) because it could not gather and/or measure all of the data on which it would be obliged by SFDR to report, or it could not do so systematically, consistently and at a reasonable cost to investors; (ii) due to the absence of finalised regulatory technical standards relating to this disclosure; and (iii) due to the size, nature and scale of the Funds. This position will be kept under review by the Manager and the Investment Manager.

#### Taxonomy Regulation

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the “Taxonomy Regulation”) establishes an EU-wide framework or criteria for environmentally sustainable economic activities in respect of six environmental objectives. The Taxonomy Regulation requires that any financial product which does not promote environmental characteristics (i.e. a financial product which is not subject to Article 8 (1) of SFDR) or which does not invest in an economic activity that contributes to an environmental objective or has a reduction of carbon emissions as its objective (i.e. a financial product which is not subject to Article 9(1), (2) or (3) of SFDR) must include a statement that the underlying investments of that financial product do not take into account the EU criteria for environmentally sustainable economic activities.

On the basis that each Fund is not a financial product which is subject to either Article 8 or Article 9 of SFDR, the following statement, which is in prescribed form, applies to each Fund and to its underlying investments: “The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities”.

#### Currency

International equity investments create an exposure to foreign currency fluctuations, which can change the value of the equity investments measured in a Fund’s Base Currency. A Fund may not necessarily hedge back into its Base Currency and the level of such hedging back will depend on the Investment Manager’s expectation of future movements in currency exchange rates.

The Investment Manager may seek to manage a Fund’s currency exposure using hedging techniques and instruments (such as forward foreign exchange contracts, swaps, ‘non-deliverable’ forward contracts and currency options) as well as cash foreign exchange trades.

More generally, as part of its investment process, the Investment Manager may also assess the indirect impact of currency on the companies that it intends to invest in and the potential for exchange rate movements to amplify or diminish Base Currency returns for a holding. The investment of cash holdings may also be undertaken with consideration of the potential impact of currency movements (as well as interest rate and credit risk considerations).

The Funds do not seek to undertake Share Class hedging in respect of the Currency Share Classes. This means that in the case of a Currency Share Class in a Fund, the Investment Manager will not seek to hedge these Share Classes’ exposure to changes in exchange rates between the Base Currency of the Fund and the currency in which the relevant Currency Share Class is denominated. As such, the Net Asset Value per Share and investment performance of a Currency Share Class as expressed in its denominated currency may be affected, positively or negatively, by changes in the value of the Base Currency relative to the value of the currency in which the relevant Currency Share Class is denominated. Currency conversion between the currency in which the relevant Currency Share Class is denominated and the Base Currency of the Fund will take place on subscriptions, redemptions, conversions and distributions at the prevailing exchange rates.

Please see the section entitled “Currency Transactions” for further information.

## **Warning**

The Funds are not suitable to investors who:

1. expect returns to mirror or better an index or benchmark at all times (the Investment Manager's investment process pays no heed to the weightings of recognised benchmarks or indices);
2. expect to make significant short-term gains (the minimum suggested investment horizon for each Fund is five (5) years or more); and/or
3. cannot tolerate that there may be substantial fluctuations in the value of the investment (equity markets are volatile and fluctuations will occur in the value of an investment in a Fund).

## **Adherence to Investment Objectives and Policies**

Any change in investment objectives and any material change in investment policies will be subject to approval by the majority of votes of Shareholders who are entitled to vote on the resolution passed at a general meeting or by all of the Shareholders who are entitled to vote on the resolution by way of a written resolution. In accordance with the Company's Constitution, Shareholders will be given twenty-one (21) days' notice (excluding the day of posting and the day of the meeting) of such general meeting. The notice shall specify the place, day, hour, and nature of business of such meeting, as well as the proposed effective date of any changes to the investment objectives and policies. In the event that a change in investment objectives and/or policies is approved by Shareholders, a reasonable notification period will be provided to Shareholders to enable them to redeem their Shares prior to the implementation of such a change.

## **The Platinum World Portfolios - International Fund**

### Investment Objective

The investment objective of the Fund is to provide capital growth over the long-term, generally five (5) to seven (7) years, through investing 50% to 100% of its Net Asset Value (at the time of investment) in undervalued securities of companies located anywhere in the world.

**Investors should note that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

### Investment Policies

No particular geographical limits have been laid down for the Fund by the Directors. The Fund may invest in excess of 20% of its Net Asset Value in Emerging Market Countries (including Russia).

The securities in which the Fund will invest will be listed or traded on a Regulated Market. The Fund may invest up to 10% of its Net Asset Value in securities that are not listed or traded on a Regulated Market.

The portfolio of the Fund is expected to comprise approximately 25 to 150 securities that the Investment Manager believes to be temporarily undervalued by the market, including securities from Emerging Market Countries.

The Fund seeks to achieve its investment objective by investing in asset classes including global equities and equity-related securities and cash. The equities and equity-related securities in which the Fund may invest shall include ordinary shares or common stock, ADRs, EDRs, GDRs, preferred shares, participation notes (the participation notes in which the Fund may invest will be transferable securities and will not contain embedded derivatives), warrants and convertible securities (the convertible securities in which the Fund may invest may contain embedded derivatives, and the Fund may be leveraged as a result, subject to the overall leverage limits set forth below). The types of convertible securities in which the Fund may invest are described below in the section entitled "Further Information on the Investments that may be held by the Funds". In gaining exposure to the types of instruments described herein or otherwise to pursue the investment objective and policies of the Fund, the Fund may invest in units or shares of other CIS within the meaning of Regulation 68(1)(e) of the UCITS Regulations provided the Fund's investment in any such collective investment schemes shall be less than 10% of the Net Asset Value of the Fund.

The Fund may have exposure to China A-Shares indirectly via investments in other CIS that invest primarily in China A-Shares, participation notes, equity-linked notes (the equity-linked notes in which the Fund may invest may contain embedded derivatives, and the Fund may be leveraged as a result, subject to the overall leverage limits set forth below) and similar financial instruments where the underlying assets consist of securities issued by companies quoted on Regulated Markets in China, and/or the performance of which is linked to the performance of securities issued by companies quoted on Regulated Markets in China. The Fund may also invest and have direct access to certain eligible China A-Shares via Stock Connect. Exposure to China A-Shares through Stock Connect will not be more than 25% of the Fund's Net Asset Value at the time of investment. See pages 43 to 58 for a description of certain investment risks specifically in connection with investing in China and investing through Stock Connect.

The Fund may employ FDI for investment purposes, to gain exposure to equities, bond futures (as detailed below), eligible financial indices and currencies, and/or for the purpose of efficient portfolio management including, for example, where the Investment Manager considers the use of such techniques and instruments to be economically appropriate in order to seek to reduce risk, reduce costs, generate additional capital or income for the Fund. The financial indices in which the Fund may invest will be comprised of eligible investments per the investment policies of the Fund, including equity indices and bond indices. The Fund may employ FDI to gain exposure to such eligible financial indices where direct purchase would not be possible or would be less efficient. The Fund may employ FDI to manage its currency exposure as described in more detail on page 20. A description of the FDI that the Fund may employ is included in the section within the "Investment Techniques and Instruments" section entitled "Types and Description of FDI" on pages 35 to 37.

The Fund may have exposure to bonds/debt securities through bond futures and convertible securities. However, such exposure will not exceed 10% of the Fund's Net Asset Value at the time of investment.

Subject to the Fund's overall leverage limitation stipulated below, the Fund may hold indirect short positions in permitted asset classes under the investment policies of the Fund through the use of FDI (primarily equity swap contracts), depending on the relative performance of the Fund's securities and the availability of attractive investment opportunities where the Investment Manager considers a security to be overvalued. The Investment Manager expects that in declining markets, the indirectly-held short positions will gain in value in the aggregate relative to the long positions. However, there can be no guarantee that this result will be achieved. The Fund will not directly short securities. The Fund's long positions may total up to 100% of the Fund's Net Asset Value. It is anticipated that the Fund's short positions will range between 0% and 50% of the Fund's Net Asset Value. In the event that the Fund uses FDI, including for the purpose of gaining indirect exposure to short positions, the Fund will be leveraged as a result, but such leverage will not exceed 100% of the Fund's Net Asset Value. For the purposes of compliance with the UCITS Regulations, the global exposure of the Fund will be measured using the commitment approach.

As a result of the Investment Manager's investment approach which focuses on identifying securities that are temporarily undervalued by the market, the Fund may, at times, hold a significant cash balance when undervalued securities cannot be found. The cash balance may be invested in cash securities and currency contracts. The cash securities in which the Fund may invest shall include cash and deposits (including with money market dealers and banks), bills of exchange, commercial paper, certificates of deposit and other money market instruments.

**Investors' attention is drawn to the difference between the nature of a deposit and the nature of an investment in the Fund. In particular, investors' attention is drawn to the risk that the principal invested in the Fund, in contrast to a deposit, may fluctuate.**

Investors' attention is drawn to the section entitled "Further Information on the Investments that may be held by the Funds" on page 30, which provides additional information on certain of the investments described above.

The Investment Manager may seek to manage the Fund's currency exposure using hedging techniques and instruments (such as foreign exchange forwards, swaps, "non-deliverable" forwards and currency options) and cash foreign exchange trades.

The Fund may borrow on a temporary basis up to 10% of its Net Asset Value. The Fund may acquire foreign currency



by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 103 of the UCITS Regulations, except to the extent that such foreign currency exceeds the value of a “back to back” deposit, provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding. In accordance with the provisions of the UCITS Regulations, the Fund may charge its assets as security for such borrowings.

To avoid potential Australian income tax consequences for the Fund, the Investment Manager will monitor the Fund's holdings in Australian Resident Entities and will be required by the Company's policy to dispose of the Fund's investments in an Australian Resident Entity if and when, in the Investment Manager's reasonable opinion, such investments would cause a potential Australian income tax liability for the Fund or the Company.

The Fund is actively managed. The Fund's portfolio is constructed in accordance with the Investment Manager's investment methodology as further described above. The Fund's portfolio of investments is built through a process of individual stock selection by the Investment Manager without reference to any benchmark or index and as such does not take into consideration the components or weightings of any particular benchmark or index.

The Fund does, however, use the Benchmark Index for reference purposes (including for the purposes of performance comparison and in the calculation of performance fees). Details of the Fund's performance relative to the Benchmark Index are available in the Fund's KIID and the Company's audited annual reports and unaudited half-yearly reports. Reference to the Benchmark Index in the KIID and the Company's audited annual reports and unaudited half-yearly reports is for illustrative purposes only.

The Base Currency of the Fund is USD.

#### Profile of Typical Investor

This Fund may be suited to you, if you:

- a) believe in the long-term wealth creation potential of share investments;
- b) wish to achieve investment diversification by accessing international share market opportunities; and
- c) accept that returns over the shorter term may fluctuate and that returns may even be negative.

#### **The Platinum World Portfolios - Asia Fund**

##### Investment Objective

The investment objective of the Fund is to provide capital growth over the long-term, generally five (5) to seven (7) years, through investing 50% to 100% of its Net Asset Value (at the time of investment) in undervalued securities of companies in the Asian Region.

**Investors should note that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

##### Investment Policies

The Directors have limited investments in securities by the Fund to securities of companies in the Asian Region. This includes securities of companies that are listed or traded on a Regulated Market in the Asian Region and securities of companies that are listed or traded on a Regulated Market outside the Asian Region, but whose business is predominantly conducted in or focused on the Asian Region. The Fund may invest up to 10% of its Net Asset Value in securities of companies in the Asian Region that are not listed or traded on a Regulated Market. Investors in the Fund might expect the portfolio of the Fund to contain listed companies based in: China, Hong Kong, Taiwan, Korea, Malaysia, Singapore, India, Thailand, Indonesia, Philippines, Sri Lanka, Pakistan and Vietnam. The Fund does not invest in Japan. The Fund may invest in excess of 20% of its Net Asset Value in Emerging Market Countries.

The portfolio of the Fund is expected to comprise approximately 25 to 150 securities of companies in the Asian Region that the Investment Manager believes to be temporarily undervalued by the market, including securities from Emerging Market Countries.

The Fund seeks to achieve its investment objective by investing in asset classes including equities and equity-related securities and cash. The equities and equity-related securities in which the Fund may invest shall include ordinary shares or common stock, ADRs, EDRs, GDRs, preferred shares, participation notes (the participation notes in which the Fund may invest will be transferable securities and will not contain embedded derivatives), warrants and convertible securities (the convertible securities in which the Fund may invest may contain embedded derivatives, and the Fund may be leveraged as a result, subject to the overall leverage limits set forth below). The types of convertible securities in which the Fund may invest are described below in the section entitled "Further Information on the Investments that may be held by the Funds". ADRs, EDRs and GDRs are sometimes used where the Asian companies invested in are listed or traded on a Regulated Market outside the Asian Region. In gaining exposure to the types of instruments described herein or otherwise to pursue the investment objective and policies of the Fund, the Fund may invest in units or shares of other CIS within the meaning of Regulation 68(1)(e) of the UCITS Regulations provided the Fund's investment in any such collective investment schemes shall be less than 10% of the Net Asset Value of the Fund.

The Fund may have exposure to China A-Shares indirectly via investments in other CIS that invest primarily in China A-Shares, participation notes, equity-linked notes (the equity-linked notes in which the Fund may invest may contain embedded derivatives, and the Fund may be leveraged as a result, subject to the overall leverage limits set forth below) and similar financial instruments where the underlying assets consist of securities issued by companies quoted on Regulated Markets in China, and/or the performance of which is linked to the performance of securities issued by companies quoted on Regulated Markets in China. The Fund may also invest and have direct access to certain eligible China A-Shares via Stock Connect. Exposure to China A-Shares through Stock Connect will not be more than 25% of the Fund's Net Asset Value at the time of investment. See pages 49 to 58 for a description of certain investment risks specifically in connection with investing in China and investing through Stock Connect.

The Fund may employ FDI for investment purposes, to gain exposure to equities, bond futures, (as detailed below), eligible financial indices and currencies, and/or for the purpose of efficient portfolio management including, for example, where the Investment Manager considers the use of such techniques and instruments to be economically appropriate in order to seek to reduce risk, reduce costs, generate additional capital or income for the Fund. The financial indices in which the Fund may invest will be comprised of eligible investments per the investment policies of the Fund, including equity indices and bond indices. The Fund may employ FDI to gain exposure to such eligible financial indices where direct purchase would not be possible or would be less efficient. The Fund may employ FDI to manage its currency exposure as described in more detail on page 20. A description of the FDI that the Fund may employ is included in the section within the "Investment Techniques and Instruments" section entitled "Types and Description of FDI" on pages 35 to 37.

The Fund may have exposure to bonds/debt securities through bond futures and convertible securities. However, such exposure will not exceed 10% of the Fund's Net Asset Value at the time of investment.

Subject to the Fund's overall leverage limitation stipulated below, the Fund may hold indirect short positions in permitted asset classes under the investment policies of the Fund through the use of FDI (primarily equity swap contracts), depending on the relative performance of the Fund's securities and the availability of attractive investment opportunities where the Investment Manager considers a security to be overvalued. The Investment Manager expects that in declining markets, the indirectly-held short positions will gain in value in the aggregate relative to the long positions. However, there can be no guarantee that this result will be achieved. The Fund will not directly short securities. The Fund's long positions may total up to 100% of the Fund's Net Asset Value. It is anticipated that the Fund's short positions will range between 0% and 50% of the Fund's Net Asset Value. In the event that the Fund uses FDI, including for the purpose of gaining indirect exposure to short positions, the Fund will be leveraged as a result, but such leverage will not

exceed 100% of the Fund's Net Asset Value. For the purposes of compliance with the UCITS Regulations, the global exposure of the Fund will be measured using the commitment approach.

As a result of the Investment Manager's investment approach which focuses on identifying securities that are temporarily undervalued by the market, the Fund may, at times, hold a significant cash balance when undervalued securities cannot be found. The cash balance may be invested in cash securities and currency contracts. The cash securities in which the Fund may invest shall include cash and deposits (including with money market dealers and banks), bills of exchange, commercial paper, certificates of deposit and other money market instruments.

**Investors' attention is drawn to the difference between the nature of a deposit and the nature of an investment in the Fund. In particular, investors' attention is drawn to the risk that the principal invested in the Fund, in contrast to a deposit, may fluctuate.**

Investors' attention is drawn to the section entitled "Further Information on the Investments that may be held by the Funds" on page 30, which provides additional information on certain of the investments described above.

The Investment Manager may seek to manage the Fund's currency exposure using hedging techniques and instruments (such as foreign exchange forwards, swaps, "non-deliverable" forwards and currency options) and cash foreign exchange trades.

The Fund may borrow on a temporary basis up to 10% of its Net Asset Value. The Fund may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 103 of the UCITS Regulations provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding. In accordance with the provisions of the UCITS Regulations, the Fund may charge its assets as security for such borrowings.

The Fund is actively managed. The Fund's portfolio is constructed in accordance with the Investment Manager's investment methodology as further described above. The Fund's portfolio of investments is built through a process of individual stock selection by the Investment Manager without reference to any benchmark or index and as such does not take into consideration the components or weightings of any particular benchmark or index.

The Fund does, however, use the Benchmark Index for reference purposes (including for the purposes of performance comparison and in the calculation of performance fees). Details of the Fund's performance relative to the Benchmark Index are available in the Fund's KIID and the Company's audited annual reports and unaudited half-yearly reports. Reference to the Benchmark Index in the KIID and the Company's audited annual reports and unaudited half-yearly reports is for illustrative purposes only.

The Base Currency of the Fund is USD.

#### Profile of Typical Investor

This Fund may be suited to you, if you:

- a) believe in the long-term wealth creation potential of share investments;
- b) wish to achieve investment diversification by accessing share market opportunities in the Asian Region; and
- c) accept that returns over the shorter term may fluctuate and that returns may even be negative.

### **The Platinum World Portfolios - Japan Fund**

#### Investment Objective

The investment objective of the Fund is to provide capital growth over the long-term, generally five (5) to seven (7) years, through investing 50% to 100% of its Net Asset Value (at the time of investment) in undervalued securities of companies in the Japan Region.

**Investors should note that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

#### Investment Policies

The Directors have limited investments in securities by the Fund to securities of companies in the Japan Region. This includes securities of companies that are listed or traded on a Regulated Market in the Japan Region and securities of companies that are listed or traded on a Regulated Market outside the Japan Region, but whose business is predominantly conducted in or focused on the Japan Region. The Fund may invest up to 10% of its Net Asset Value in securities of companies in the Japan Region that are not listed or traded on a Regulated Market. The Fund may invest up to 25% of its Net Asset Value (as the time of investment) in the securities of South Korean companies.

The portfolio of the Fund is expected to comprise approximately 25 to 150 securities of companies in the Japan Region that the Investment Manager believes to be temporarily undervalued by the market.

The Fund seeks to achieve its investment objective by investing in asset classes including equities and equity-related securities and cash. The equities and equity-related securities in which the Fund may invest shall include ordinary shares or common stock, ADRs, EDRs, GDRs, preferred shares, participation notes (the participation notes in which the Fund may invest will be transferable securities and will not contain embedded derivatives), warrants and convertible securities (the convertible securities in which the Fund may invest may contain embedded derivatives, and the Fund may be leveraged as a result, subject to the overall leverage limits set forth below). The types of convertible securities in which the Fund may invest are described below in the section entitled "Further Information on the Investments that may be held by the Funds". ADRs, EDRs and GDRs are sometimes used where the Japanese and South Korean companies invested in are listed or traded on a Regulated Market outside the Japan Region. In gaining exposure to the types of instruments described herein or otherwise to pursue the investment objective and policies of the Fund, the Fund may invest in units or shares of other CIS within the meaning of Regulation 68(1)(e) of the UCITS Regulations provided the Fund's investment in any such collective investment schemes shall be less than 10% of the Net Asset Value of the Fund.

The Fund may employ FDI for investment purposes, to gain exposure to equities, bond futures (as detailed below), eligible financial indices and currencies, and/or for the purpose of efficient portfolio management including, for example, where the Investment Manager considers the use of such techniques and instruments to be economically appropriate in order to seek to reduce risk, reduce costs, generate additional capital or income for the Fund. The financial indices in which the Fund may invest will be comprised of eligible investments per the investment policies of the Fund, including equity indices and bond indices. The Fund may employ FDI to gain exposure to such eligible financial indices where direct purchase would not be possible or would be less efficient. The Fund may employ FDI to manage its currency exposure as described in more detail on page 20. A description of the FDI that the Fund may employ is included in the section within the "Investment Techniques and Instruments" section entitled "Types and Description of FDI" on pages 35 to 37.

The Fund may have exposure to bonds/debt securities through bond futures and convertible securities. However, such exposure will not exceed 10% of the Fund's Net Asset Value at the time of investment.

Subject to the Fund's overall leverage limitation stipulated below, the Fund may hold indirect short positions in permitted asset classes under the investment policies of the Fund through the use of FDI (primarily equity swap contracts), depending on the relative performance of the Fund's securities and the availability of attractive investment opportunities where the Investment Manager considers a security to be overvalued. The Investment Manager expects that in declining markets, the indirectly-held short positions will gain in value in the aggregate relative to the long positions. However, there can be no guarantee that this result will be achieved. The Fund will not directly short securities. The Fund's long positions may total up to 100% of the Fund's Net Asset Value. It is anticipated that the Fund's short positions will range between 0% and 50% of the Fund's Net Asset Value. In the event that the Fund uses FDI, including for the purpose of gaining indirect exposure to short positions, the Fund will be leveraged as a result, but such leverage will not

exceed 100% of the Fund's Net Asset Value. For the purposes of compliance with the UCITS Regulations, the global exposure of the Fund will be measured using the commitment approach.

As a result of the Investment Manager's investment approach which focuses on identifying securities that are temporarily undervalued by the market, the Fund may, at times, hold a significant cash balance when undervalued securities cannot be found. The cash balance may be invested in cash securities and currency contracts. The cash securities in which the Fund may invest shall include cash and deposits (including with money market dealers and banks), bills of exchange, commercial paper, certificates of deposit and other money market instruments.

**Investors' attention is drawn to the difference between the nature of a deposit and the nature of an investment in the Fund. In particular, investors' attention is drawn to the risk that the principal invested in the Fund, in contrast to a deposit, may fluctuate.**

Investors' attention is drawn to the section entitled "Further Information on the Investments that may be held by the Funds" on page 30, which provides additional information on certain of the investments described above.

The Investment Manager may seek to manage the Fund's currency exposure using hedging techniques and instruments (such as foreign exchange forwards, swaps, "non-deliverable" forwards and currency options) and cash foreign exchange trades.

The Fund may borrow on a temporary basis up to 10% of its Net Asset Value. The Fund may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 103 of the UCITS Regulations provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding. In accordance with the provisions of the UCITS Regulations, the Fund may charge its assets as security for such borrowings.

The Fund is actively managed. The Fund's portfolio is constructed in accordance with the Investment Manager's investment methodology as further described above. The Fund's portfolio of investments is built through a process of individual stock selection by the Investment Manager without reference to any benchmark or index and as such does not take into consideration the components or weightings of any particular benchmark or index.

The Fund does, however, use the Benchmark Index for reference purposes (including for the purposes of performance comparison and in the calculation of performance fees). Details of the Fund's performance relative to the Benchmark Index are available in the Fund's KIID and the Company's audited annual reports and unaudited half-yearly reports. Reference to the Benchmark Index in the KIID and the Company's audited annual reports and unaudited half-yearly reports is for illustrative purposes only.

The Base Currency of the Fund is USD.

#### Profile of Typical Investor

This Fund may be suited to you, if you:

- a) believe in the long-term wealth creation potential of share investments;
- b) wish to achieve investment diversification by accessing share market opportunities in the Japan Region; and
- c) accept that returns over the shorter term may fluctuate and that returns may even be negative.

#### **The Platinum World Portfolios – Health Sciences Fund**

##### Investment Objective

The investment objective of the Fund is to provide capital growth over the long-term, generally five (5) to seven (7) years, through investing 50% to 100% of its Net Asset Value (at the time of investment) in undervalued securities of companies related to the health care sector which may be located anywhere in the world.

**Investors should note that an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

## Investment Policies

The Directors have limited investments in securities by the Fund to securities in the health care industry which may be located anywhere in the world. The health care industry includes (but is not limited to) biotechnology, pharmaceuticals, diagnostics, laboratory technologies, distributors of healthcare products, equipment and services, hospitals and nursing care, health insurance and information technology providers to such companies. The Fund may also invest in securities of companies engaged in early stage research and development of new drugs or treatments.

The Fund will invest in companies that derive or are expected to derive at least 50% of their turnover, revenue or profits from the health care sector. These may be companies which provide health care products and services to consumers or which provide products and services to the health care industry.

No particular geographical limits have been laid down for the Fund by the Directors. The Fund may invest in excess of 20% of its Net Asset Value in Emerging Market Countries (excluding securities traded on Russian markets).

The securities in which the Fund will invest will generally be listed or traded on a Regulated Market. The Fund may invest up to 10% of its Net Asset Value in securities that are not listed or traded on a Regulated Market.

The portfolio of the Fund is expected to comprise approximately 30 to 100 securities that the investment Manager believes to be temporarily undervalued by the market.

The Fund seeks to achieve its investment objective by investing in asset classes including equities and equity related securities and cash. The equities and equity-related securities in which the Fund may invest shall include ordinary shares or common stock, ADRs, EDRs, GDRs, preferred shares, participation notes (the participation notes in which the Fund may invest will be transferable securities and will not contain embedded derivatives) and warrants. The Fund's exposure to warrants will not exceed 10% of the Fund's Net Asset Value at the time of investment. The Fund may also invest in convertible securities (the convertible securities in which the Fund may invest may contain embedded derivatives, and the Fund may be leveraged as a result, subject to the overall leverage limits set forth below). The Fund's exposure to convertible securities will not exceed 10% of the Fund's Net Asset Value at the time of investment.

The Fund may invest and have direct access to certain eligible China A-Shares via Stock Connect. Exposure to China A-Shares through Stock Connect will not be more than 25% of the Fund's Net Asset Value at the time of investment.

The Fund may employ FDI for investment purposes, to gain exposure to equities, eligible financial indices and currencies, and/or for the purpose of efficient portfolio management including, for example, where the Investment Manager considers the use of such techniques and instruments to be economically appropriate in order to seek to reduce risk, reduce costs, generate additional capital or income for the Fund. The financial indices in which the Fund may invest will be comprised of eligible investments per the investment policies of the Fund, including equity indices. The Fund may employ FDI to gain exposure to such eligible financial indices where direct purchase would not be possible or would be less efficient. The Fund may employ FDI to manage its currency exposure as described in more detail on page 20. A description of the FDI that the Fund may employ is included in the section within the "Investment Techniques and Instruments" section entitled "Types and Description of FDI" on pages 35 to 37.

Subject to the Fund's overall leverage limitation stipulated below, the Fund may hold indirect short positions in permitted asset classes under the investment policies of the Fund through the use of FDI (primarily equity swap contracts and also equity options), depending on the relative performance of the Fund's securities and the availability of attractive investment opportunities where the Investment Manager considers a security to be overvalued. The Investment Manager expects that in declining markets, the indirectly-held short positions will gain in value in the aggregate relative to the long positions. However, there can be no guarantee that this result will be achieved. The Fund will not directly short securities. The Fund's long positions may total up to 100% of the Fund's Net Asset Value. It is anticipated that the Fund's short positions will range between 0% and 50% of the Fund's Net Asset Value. In the event that the Fund uses FDI, including for the purpose of gaining indirect exposure to short positions, the Fund will be leveraged as a result, but such leverage will not exceed 100% of the Fund's Net Asset Value. For the purposes of compliance with the UCITS Regulations, the global exposure of the Fund will be measured using the commitment approach.

As a result of the Investment Manager's investment approach which focuses on identifying securities that are temporarily undervalued by the market, the Fund may, at times, hold a significant cash balance when undervalued securities cannot be found. The cash balance may be invested in cash securities and currency contracts. The cash securities in which the Fund may invest shall include cash and deposits (including with money market dealers and banks), bills of exchange, commercial paper, certificates of deposit and other money market instruments.

**Investors' attention is drawn to the difference between the nature of a deposit and the nature of an investment in the Fund. In particular, investors' attention is drawn to the risk that the principal invested in the Fund, in contrast to a deposit, may fluctuate.**

Investors' attention is drawn to the section entitled "Further Information on the Investments that may be held by the Funds" on page 30, which provides additional information on certain of the investments described above.

The Investment Manager may seek to manage the Fund's currency exposure using hedging techniques and instruments (such as foreign exchange forwards, swaps, "non-deliverable" forwards and currency options) and cash foreign exchange trades.

The Fund may borrow on a temporary basis up to 10% of its Net Asset Value. The Fund may acquire foreign currency by means of a back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 103 of the UCITS Regulations provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding. In accordance with the provisions of the UCITS Regulations, the Fund may charge its assets as security for such borrowings.

The Fund is actively managed. The Fund's portfolio is constructed in accordance with the Investment Manager's investment methodology as further described above in the section titled "The Investment Manager's Investment Methodology". The Fund's portfolio of investments is built through a process of individual stock selection by the Investment Manager without reference to any benchmark or index and as such does not take into consideration the components or weightings of any particular benchmark or index.

The Fund uses an Absolute Return Hurdle for the purpose of calculating performance fees

The Base Currency of the Fund is USD.

#### Profile of Typical Investor

This Fund may be suited to you, if you:

- a) believe in the long-term wealth creation potential of share investments;
- b) wish to achieve investment diversification by accessing share market opportunities in the health care sector, located anywhere in the world; and
- c) accept that returns over the shorter term may fluctuate and that returns may even be negative.

#### **Further Information on the Investments that may be held by the Funds**

For each Fund, the information below regarding certain of the investments that may be held by the Funds is subject to the limitations set forth for the relevant Fund in the above description of the Fund's investment objective and policies.

#### **Equity Securities**

Equity securities include ordinary shares or common stocks, ADRs, EDRs, GDRs and preferred shares. For greater certainty, equity securities may include rights issued by a company that allows holders to subscribe for additional securities issued by that company.

## **Equity-Related Securities**

Equity-related securities include warrants or rights for the acquisition of stock of the same or of a different issuer, convertible securities that have conversion or exchange rights permitting the holder to convert or exchange the securities at a stated price within a specified period of time to a specified number of shares of common stock, and equity-linked notes or certificates whose value is linked to the performance of an equity security of an issuer other than the issuer of the note or certificate. A Fund may be leveraged as a result of investing in certain types of equity-related securities that are regarded as derivatives (e.g. warrants or rights) or as embedding derivatives (e.g. equity-linked notes), subject to the overall leverage limits set forth in the investment policies for the relevant Fund.

## **Depository Receipts**

Depository receipts include sponsored and unsponsored depository receipts that are or become available, including ADRs, EDRs and GDRs and other depository receipts. Depository receipts are typically issued by a financial institution ("depository") and evidence ownership interests in a security or a pool of securities ("underlying securities") that have been deposited with the depository. The depository for ADRs is typically a US financial institution and the underlying securities are issued by a non-US issuer. ADRs are publicly traded on exchanges or over-the-counter in the United States and are issued through "sponsored" or "unsponsored" arrangements. In a sponsored ADR arrangement, the non-US issuer assumes the obligation to pay some or all of the depository's transaction fees, whereas under an unsponsored arrangement, the non-US issuer assumes no obligation and the depository's transaction fees are paid by the ADR holders. In addition, less information is available in the United States about an unsponsored ADR than about a sponsored ADR, and the financial information about a company may not be as reliable for an unsponsored ADR as it is for a sponsored ADR. In the case of GDRs, the depository can be a non-US or a US financial institution and the underlying securities are issued by a non-US issuer. GDRs allow companies in Europe, Asia, the United States and Latin America to offer shares in many markets around the world, thus allowing them to raise capital in these markets, as opposed to just in their home market. The advantage of GDRs is that shares do not have to be bought through the issuing company's home exchange, which may be difficult and expensive, but can be bought on all major stock exchanges. In addition, the share price and all dividends are converted to the shareholder's home currency. As for other depository receipts, the depository may be a non-US or a US entity, and the underlying securities may have a non-US or a US issuer. For purposes of each Fund's investment policies, investments in depository receipts will be deemed to be investments in the underlying securities. Thus, a depository receipt representing ownership of common stock will be treated as common stock. Depository receipts purchased by a Fund may not necessarily be denominated in the same currency as the underlying securities into which they may be converted, in which case the Fund may be exposed to relative currency fluctuations.

## **Collective Investment Schemes**

A Fund may invest in CIS, as well as other open ended and listed closed-ended investment schemes, subject to the UCITS Regulations and the limitations contained in the investment policy of that Fund.

## **Convertible Securities**

Convertible securities are bonds, debentures, notes, preferred stock or other securities that can be converted into or exchanged for a prescribed amount of common stock of the same or different issuer within a particular period of time at a specified price or formula. Convertible bonds allow bond holders to convert their creditor position to that of an equity holder at an agreed price. Preferred shares can possess many different traits (see below), and some preferred shares may be converted into ordinary shares and are therefore convertible securities. Such convertible securities in which a Fund may invest may contain embedded derivatives and the Fund may be leveraged as a result, subject to the overall leverage limits set forth in the investment policies for the relevant Fund.

## **Money Market Instruments**



Each Fund may hold money market instruments, including commercial paper, bankers' acceptances, certificates of deposit and other short-term debt securities as ancillary liquid assets.

### **Non-Publicly Traded Securities**

Non-publicly traded securities are transferable securities that are neither listed nor traded on a Regulated Market, including privately placed securities. A Fund can invest no more than 10% of its net assets in such securities. A Fund's investments in such securities are subject to the risk that should the Fund desire to sell any of these securities when a ready buyer is not available at a price that the Fund deems representative of its value, the Fund's Net Asset Value could be adversely affected.

### **Participation Notes**

A participation note is a form of medium term note issued by a brokerage firm or other counterparty that provides the purchaser with (a) exposure to an individual equity or a basket or index of equities, or (b) exposure to the relative performance of these types of assets and may include the benefit of capital protection over the term. Participation notes are generally traded over-the counter. Participation notes are often used as a convenient means of investing in local securities (such as equity securities or securities with equity characteristics) by a foreign investor. In a participation note, the investor's principal investment may be guaranteed over the term or participation notes can be structured without a capital guarantee, in which case the investor's risk of loss is limited to the purchase price of the participation note. A participation note is typically exchangeable daily by a purchaser for cash equivalent to the economic value of the investment position embedded in the participation note.

### **Preferred Shares**

Preferred shares may pay dividends at a specific rate and generally have preference over common stock in the payment of dividends in a liquidation of assets but rank after debt securities. Unlike interest payments on debt securities, dividends on preferred shares are generally payable at the discretion of the board of directors of the issuer. The market prices of preferred shares are subject to changes in interest rates and are more sensitive to changes in the issuer's creditworthiness than are the prices of debt securities.

### **Rule 144A Securities**

Rule 144A securities are securities that are not registered under the 1933 Act, but that can be sold to qualified institutional buyers in accordance with Rule 144A under the 1933 Act.

### **Warrants**

A warrant is a security that gives the holder the right to purchase securities (usually equities) from the issuer at a specified price within a certain time frame. Warrants are issued and guaranteed by the company issuing the warrants. Warrants usually have a lifetime measured in years rather than months. Warrants may be used to increase or reduce equity market exposure.

### **Rights**

Rights give a Fund the right to buy shares of the same company at a specified price and in proportion to the Fund's existing holdings in that company.

### **3. DISTRIBUTION POLICY**

The Directors do not intend to declare any distribution in respect of the Accumulating Share Classes of any Fund. In the case of the Accumulating Share Classes, net income and capital gains attributable to such Share Classes will be accumulated and reflected in the Net Asset Value per Share.

The Company may issue Distributing Share Classes upon which the Directors intend to declare distributions. Distributions, if declared, will usually be declared in July each year and may, at the sole discretion of the Directors, be paid from a Fund's net income and realised capital gains net of realised and unrealised capital losses. Distributions will be automatically reinvested in additional Shares of the same class of the relevant Fund unless the Shareholder has specifically elected on the application form or subsequently notified the Administrator in writing of its requirement to be paid in cash sufficiently in advance of the declaration of the next distribution payment. Cash payments will be made by wire instructions to the account of the Shareholder specified in the application form or, in the case of joint holders, to the name of the first Shareholder appearing on the register within six (6) weeks of their declaration and in any event within four months of the year end. Any distribution which is unclaimed six (6) years from the date it became payable shall be forfeited and become the property of the relevant Fund.

#### **4. INVESTMENT RESTRICTIONS**

Each of the Fund's investments will be limited to investments permitted by the UCITS Regulations, as set out in Schedule I, as may be amended from time to time by the Central Bank.

The Investment Manager has agreed, under the terms of the Investment Management Agreement, to manage the Funds in compliance with such investment restrictions and has put in place control procedures with regard to the identification and, where appropriate, rectification of breaches in investment restrictions. The Investment Manager has agreed procedures regarding the notification of breaches in investment restrictions to the Depository.

If the UCITS Regulations are altered during the life of the Company or a Fund, the investment restrictions may be changed to take account of any such alterations, but any such changes shall be in accordance with the Central Bank's requirements and will be subject to approval by the majority of votes of Shareholders passed at a general meeting or by all of the Shareholders by way of a written resolution. Shareholders will be advised of such changes in the next succeeding annual or half-yearly report of the Company.

## **5. INVESTMENT TECHNIQUES AND INSTRUMENTS**

### **Transferable Securities**

Subject to the requirements of the Central Bank Regulations, and in accordance with each Fund's investment objective and policies, the Funds may invest in:

- shares in companies and other securities equivalent to shares in companies;
- bonds and other forms of securitised debt; and
- other negotiable instruments which carry the right to acquire any such transferable securities by subscription or exchange.

### **Efficient Portfolio Management**

Each Fund may employ FDI and repurchase/reverse repurchase agreements and stock lending for efficient portfolio management of the assets of the Fund under the conditions and within the limits set out in the Central Bank Regulations set out below. Efficient portfolio management means investment decisions involving transactions that are entered into for one or more of the following specific aims: (i) the reduction of risk; (ii) the reduction of cost; or (iii) the generation of additional capital or income for a Fund with an appropriate level of risk, taking into account the risk profile of the Fund.

The FDI which may be used for the purposes of hedging (whether against market movements, currency exchange or interest rate risks or otherwise) may include futures, options, swaps and forward foreign currency contracts. Performance may be strongly influenced by movements in currency rates because the Fund may have exposure to a particular currency that is different to the currency in which the securities held by that Fund are denominated. Each Fund may enter into interest rate, equity, index, currency, bond, total return and credit default swaps and futures and may also purchase and write call and put options on securities, indices, currency, bond futures and interest rate futures.

The use of these hedging strategies involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select a Fund's securities, (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption requests or other short-term obligations because of the percentage of a Fund's assets segregated to cover its obligations.

The Company employs a risk management process which enables it to accurately monitor, measure and manage the risks attached to FDI positions. FDI which have not been included in this risk management process will not be utilised until a revised risk management process incorporating those instruments has been prepared and submitted to the Central Bank.

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

For details in relation to the potential inherent risks of efficient portfolio management including counterparty risk and potential conflicts of interest, see the sections in this Prospectus entitled "Risk Factors" on pages 49 to 65 and "Conflicts of Interest" beginning on page 103.

### **Types and Description of FDI**

Subject to the conditions and within the limits from time to time laid down by the Central Bank, and except where otherwise stated in the investment objective and policies of a Fund, each Fund may engage in transactions in FDI,

whether for efficient portfolio management purposes (i.e., hedging, reducing risks or costs, or increasing capital or income returns) or investment purposes.

A description of the FDI that may be used by the Funds for investment purposes and/or for efficient portfolio management is set out below:

#### Forward Foreign Currency Contracts

A currency forward is a form of OTC derivative that obliges one party to purchase a currency from another party at a fixed future date for a price and currency specified in the terms of the contract. Initiating a position in a forward does not require any financial outlay and so allows for leveraged positions to be taken. Forward foreign currency contracts may be used to increase or reduce exposure to currency price movements.

A non-deliverable forward currency exchange contract (a “non-deliverable forward”) is a cash-settled contract on a thinly traded or non-convertible currency. The latter currency is specified against a freely convertible, major currency, and the contract is for a fixed amount of the non-convertible currency, on a specified due date, and at an agreed forward rate. At maturity, the daily reference rate is compared with the agreed forward rate, and the difference must be paid in the convertible currency on the value date.

#### Futures

Futures in which a Fund may invest may include interest rate, equity, index, currency and bond futures. Futures may be used to increase or reduce interest rate, bond, currency, index or equity market exposure.

Futures are a standardised form of exchange traded forward designed to simplify trading and to provide increased liquidity. They differ from forwards in that they have standardised terms, and are marked to market at the end of each trading day. Margin payments may be used to settle daily movements, and funds must retain sufficient liquidity to meet their margin requirements according to regulations governing likely future movements of the market.

The value of index futures remains in one-to-one correlation with the underlying assets. Settlement can be effected either in cash or stock according to contractual terms. As with all futures contracts, index futures may be used to improve or introduce increased liquidity, to take either long or short positions, to take positions in baskets of stocks (i.e. indices) and to introduce leverage by taking an exposure without the need for initial contractual outlay. Subject to complying with the requirements of the Central Bank, a Fund may invest in index futures based on specific stock market indices or other market indices. For example, a Fund may seek to gain exposure to the US equity market by investing in a futures contract based on the value of the S&P 500 Index. A Fund may also invest in index futures to seek to gain exposure to a specific segment of the market (for example, small-cap stocks) or a particular industry sector.

#### Options

Options in which a Fund may invest may include interest rate, equity, index and currency options.

An option is a form of derivative that represents a contract sold by one party (option writer) to another party (option holder). The contract offers the buyer the right, but not the obligation, to buy (call) or sell (put) a security or other financial asset at an agreed-upon price (the strike price) during a certain period of time or on a specific date (exercise date). Initiating a position in an option requires a small premium to be paid by the buyer. There is minimal financial outlay and so allows for leveraged positions to be taken. Options may be used to increase or reduce currency, interest rate, index or equity market exposure.

Unlike exchange-traded options, which are standardised with respect to the underlying instrument, expiration date, contract size, and strike price, the terms of OTC options generally are established through negotiation with the other party to the option contract. While this type of arrangement allows a Fund great flexibility to tailor the option to its needs, OTC options generally involve greater risk than exchange-traded options, which are guaranteed by clearing organisations of the exchanges where they are traded.

## Swaps

Swaps in which a Fund may invest may include equity, index, interest rate, currency, total return and credit default swaps.

A swap is a form of OTC derivative in which counterparties exchange cash flows of one party's financial instrument for those of the other party's financial instrument. The benefits in question depend on the type of financial instruments involved, e.g. interest rate swap, currency swap, total return swap and credit default swap. Specifically, two counterparties agree to exchange one stream of cash flows against another stream. These streams are called the *legs* of the swap. The swap agreement defines the dates when the cash flows are to be paid and the way they are accrued and calculated. Usually at the time when the contract is initiated, at least one of these series of cash flows is determined by a random or uncertain variable such as a floating interest rate, foreign exchange rate or equity price. The cash flows are calculated over a notional principal amount. Swaps may be used to increase or reduce currency, interest rate or equity market exposure.

Total return swaps are agreements whereby one party agrees to pay a stream of payments based on an agreed rate, which can be fixed or variable, in exchange for payments based on the total economic return of the asset or assets underlying the swap over the life of the swap contract, which includes the income generated by the underlying assets and any capital appreciation on the underlying assets. Through the swap the Fund may take a long or short position in the underlying asset(s) (e.g. equities or indices) and which may comprise a single security or a basket of securities. Exposure through the swap closely replicates the economics of physical shorting (in the case of short positions) or physical ownership (in the case of long positions), but in the latter case without the voting or beneficial ownership rights of direct physical ownership in the underlying assets.

A Fund may be either the buyer or seller in a credit default swap transaction. The "buyer" in a credit default contract is obligated to pay the "seller" a periodic stream of payments over the term of the contract provided that no event of default has occurred on an underlying reference obligation which typically involves the obligation of a third party to make payments. If a Fund is a buyer and no event of default occurs, the Fund will lose its investment and recover nothing. On the other hand, if the Fund is a buyer and an event of default does occur, the Fund (the buyer) will receive the full notional value of the reference obligation. Conversely, if the Fund is a seller, it will receive a fixed rate of income from the buyer throughout the term of the swap contract provided that there is no default event on the underlying reference obligation. If an event of default occurs, the Fund (the seller) must pay the buyer the full notional value, or "par value", of the reference obligation.

## Convertible Securities, Equity-Related Securities, Rights and Warrants

Please see the section entitled "Further Information on the Investments that may be held by the Funds" on page 30 for further information in relation to these securities.

## **Repurchase Agreements, Reverse Repurchase Agreements and Stock Lending Arrangements**

Repurchase agreements and reverse repurchase agreements are a form of short-term borrowing for dealers in government securities. The dealer sells the government securities to investors, usually on an overnight basis, and buys them back the following day. For the party selling the security (and agreeing to repurchase it in the future) it is a repo; for the party on the other end of the transaction, (buying the security and agreeing to sell in the future) it is a reverse repurchase agreement.

Stock lending agreements are the act of loaning a stock, derivative, other security to an investor or firm. Securities lending requires the borrower to put up collateral, whether cash, security or a letter of credit. When a security is loaned, the title and the ownership are also transferred to the borrower.

Repurchase agreements, reverse repurchase agreements, and stock lending arrangements may be used for efficient portfolio management.

## **Borrowing**

The Funds may borrow on a temporary basis to no more than 10% of its Net Asset Value. The Funds may acquire foreign currency by means of back-to-back loan agreement. Foreign currency obtained in this manner is not classified as borrowings for the purposes of the borrowing restriction contained in Regulation 103 of the UCITS Regulations, provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding. However, where foreign currency borrowings exceed the value of back-to-back deposit, any excess is regarded as borrowing for the purposes of Regulation 103 of the UCITS Regulations and the Central Bank Regulations.

## **Permitted Investment in FDI and Efficient Portfolio Management Techniques**

1. A Fund may invest in FDI provided that:

- (a) the relevant reference items or indices consist of one or more of the following: instruments referred to in Regulation 68(1)(a) – (f) and (h) of the UCITS Regulations including financial instruments having one or several characteristics of those assets; financial indices; interest rates; foreign exchange rates or currencies;
- (b) the FDI do not expose the Fund to risks which it could not otherwise assume (e.g. gain exposure to an instrument/issuer/currency to which the Fund cannot have a direct exposure);
- (c) the FDI do not cause the Fund to diverge from its investment objectives; and
- (d) the reference in 1(a) above to financial indices shall be understood as a reference to indices which fulfil the following criteria and the provisions of the UCITS Rules:
  - (i) they are sufficiently diversified, in that the following criteria are fulfilled:
    - (A) the index is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
    - (B) where the index is composed of assets referred to in Regulation 68(1) of the UCITS Regulations, its composition is at least diversified in accordance with Regulation 71 of the UCITS Regulations;
    - (C) where the index is composed of assets other than those referred to in Regulation 68(1) of the UCITS Regulations, it is diversified in a way which is equivalent to that provided for in Regulation 71(1) of the UCITS Regulations;
  - (ii) they represent an adequate benchmark for the market to which they refer, in that the following criteria are fulfilled:
    - (A) the index measures the performance of a representative group of underlyings in a relevant and appropriate way;
    - (B) the index is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers following criteria which are publicly available;
    - (C) the underlyings are sufficiently liquid, which allows users to replicate the index, if necessary;
  - (iii) they are published in an appropriate manner, in that the following criteria are fulfilled:

- (A) their publication process relies on sound procedures to collect prices and to calculate and to subsequently publish the index value, including pricing procedures for components where a market price is not available;
- (B) material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.

Where the composition of assets which are used as underlyings by FDI does not fulfil the criteria set out in (a), (b) or (c) above, those FDI shall, where they comply with the criteria set out in Regulation 68(1)(g) of the UCITS Regulations, be regarded as FDI on a combination of the assets referred to in Regulation 68(1)(g)(i) of the UCITS Regulations, excluding financial indices; and

- (e) where a Fund enters into a total return swap or invests in other FDI with similar characteristics, the assets held by the Fund must comply with Regulations 70, 71, 72, 73 and 74 of the UCITS Regulations.

#### Credit derivatives

#### 2. Credit derivatives are permitted where:

- (a) they allow the transfer of the credit risk of an asset as referred to in paragraph 1(a) above, independently from the other risks associated with that asset;
- (b) they do not result in the delivery or in the transfer, including in the form of cash, of assets other than those referred to in Regulations 68(1) and (2) of the UCITS Regulations;
- (c) they comply with the criteria for OTC FDI set out in paragraph 4 below; and
- (d) their risks are adequately captured by the risk management process of the Fund, and by its internal control mechanisms in the case of risks of asymmetry of information between the Fund and the counterparty to the credit derivative resulting from potential access of the counterparty to non-public information on firms the assets of which are used as underlyings by credit derivatives. The Fund must undertake the risk assessment with the highest care when the counterparty to the FDI is a related party of the Fund or the credit risk issuer.

#### 3. FDI must be dealt in on a market which is regulated, operates regularly, is recognised and is open to the public in a Member State or non-Member State. Restrictions in respect of individual stock exchanges and markets may be imposed by the Central Bank on a case by case basis.

#### 4. Notwithstanding paragraph 3, a Fund may invest in OTC FDI provided that:

- (a) the counterparty is: (a) a credit institution listed in Regulation 7 of the Central Bank Regulations; (b) an investment firm authorised in accordance with the Markets in Financial Instruments Directive; (c) a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve; or (d) such other categories of counterparties as permitted by the Central Bank;
- (b) where a counterparty within sub-paragraphs (b) or (c) of paragraph (i) above: (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the responsible person in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) of this paragraph (ii) this shall result in a new credit assessment being conducted of the counterparty by the responsible person without delay. In the case of subsequent novation of the OTC FDI contract, the counterparty must be one of: (i) the entities



set out above or; (ii) a central counterparty ("CCP") authorised, or recognised by ESMA, under Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories ("EMIR") or, pending recognition by ESMA under Article 25 of EMIR, an entity classified as a derivatives clearing organisation by the Commodity Futures Trading Commission or a clearing agency by the SEC (both CCP);

- (c) risk exposure to the counterparty does not exceed the limits set out in Regulation 70(1)(c) of the UCITS Regulations. In this regard the Fund shall calculate the exposure using the positive mark-to-market value of the OTC derivative contract with that counterparty. The Fund may net the derivative positions with the same counterparty, provided that the Fund is able to legally enforce netting arrangements with the counterparty. Netting is only permissible with respect to OTC derivative instruments with the same counterparty and not in relation to any other exposures the Fund may have with the same counterparty. The Fund may take account of collateral received by the Fund in order to reduce the exposure to the counterparty, provided that the collateral meets with the requirements specified in paragraphs (3), (4), (5), (6), (7), (8), (9) and (10) of Regulation 24 of the Central Bank Regulations; and
  - (d) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Fund's initiative;
5. Risk exposure to an OTC FDI counterparty may be reduced where the counterparty will provide the Fund with collateral. The Fund may disregard the counterparty risk on condition that the value of the collateral, valued at market price and taking into account appropriate discounts, exceeds the value of the amount exposed to risk at any given time.
  6. Collateral received must at all times meet with the requirements set out below.
  7. Collateral passed to an OTC FDI counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in Regulation 70(1)(c) of the UCITS Regulations. Collateral passed may be taken into account on a net basis only if the Fund is able to legally enforce netting arrangements with this counterparty.

#### Calculation of issuer concentration risk and counterparty exposure risk

8. A Fund using the commitment approach must ensure that its global exposure does not exceed its total Net Asset Value. The commitment approach calculates leverage by measuring the market value of the underlying exposures of derivatives relative to the relevant Fund's Net Asset Value. The Fund may not therefore be leveraged in excess of 100% of its Net Asset Value.
9. Each Fund must calculate issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations on the basis of the underlying exposure created through the use of FDI pursuant to the commitment approach.
10. The risk exposures to a counterparty arising from OTC FDI transactions and efficient portfolio management techniques must be combined when calculating the OTC counterparty limit as referred to in Regulation 70(1)(c) of the UCITS Regulations.
11. A Fund must calculate exposure arising from initial margin posted to, and variation margin receivable from, a broker relating to exchange-traded or OTC FDI, which is not protected by client money rules or other similar arrangements to protect the Fund against the insolvency of the broker, within the OTC FDI counterparty limit referred to in Regulation 70(1)(c) of the UCITS Regulations.
12. The calculation of issuer concentration limits as referred to in Regulation 70 of the UCITS Regulations must take account of any net exposure to a counterparty generated through a stock lending or repurchase

agreement. Net exposure refers to the amount receivable by a Fund less any collateral provided by the Fund. Exposures created through the reinvestment of collateral must also be taken into account in the issuer concentration calculations.

13. When calculating exposures for the purposes of Regulation 70 of the UCITS Regulations, a Fund must establish whether its exposure is to an OTC counterparty, a broker or a clearing house.
14. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities, money market instruments or collective investment schemes when combined, where relevant, with positions resulting from direct investments, may not exceed the investment limits set out in Regulations 70 and 73 of the UCITS Regulations. When calculating issuer-concentration risk, the FDI (including embedded FDI) must be looked through in determining the resultant position exposure. This position exposure must be taken into account in the issuer concentration calculations. Issuer concentration must be calculated using the commitment approach when appropriate or the maximum potential loss as a result of default by the issuer if more conservative. It must also be calculated by all Funds, regardless of whether they use VaR for global exposure purposes. This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Regulation 71(1) of the UCITS Regulations.
15. A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in the UCITS Regulations and which contain a component which fulfils the following criteria:
  - (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand-alone FDI;
  - (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
  - (c) it has a significant impact on the risk profile and pricing of the transferable security or money market instrument.
16. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed to be a separate financial instrument.

#### Cover requirements

17. A Fund must, at any given time, be capable of meeting all its payment and delivery obligations incurred by transactions involving FDI.
18. Monitoring of FDI transactions to ensure they are adequately covered must form part of the risk management process of the Fund.
19. A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a Fund must be covered as follows:
  - (a) in the case of FDI which automatically, or at the discretion of the Fund, are cash settled, a Fund must hold, at all times, liquid assets which are sufficient to cover the exposure; and
  - (i) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by a Fund. Alternatively a Fund may cover the exposure with sufficient liquid assets where:

- (A) the underlying assets consists of highly liquid fixed income securities; and/or
- (B) the Fund considers that the exposure can be adequately covered without the need to hold the underlying assets, the specific FDI are addressed in the risk management process, which is described below, and details are provided in the Prospectus.

#### Risk management process and reporting

20. A Fund must provide the Central Bank with details of its proposed risk management process vis-à-vis its FDI activity. The initial filing is required to include information in relation to:
- (a) permitted types of FDI, including embedded FDI in transferable securities and money market instruments;
  - (b) details of the underlying risks;
  - (c) relevant quantitative limits and how these will be monitored and enforced; and
  - (d) methods for estimating risks.

Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments and/or associated activities objected to by the Central Bank may not be made.

21. The Company must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must include information which reflects a true and fair view of the types of FDI used by the Funds, the underlying risks, the quantitative units and the methods used to estimate those risks, must be submitted with the annual report of the Company. The Company must, at the request of the Central Bank, provide this report at any time.
22. A Fund may employ techniques and instruments relating to transferable securities and money market instruments subject to the UCITS Regulations and to conditions imposed by the Central Bank. The use of these techniques and instruments should be in line with the best interests of the Fund.
23. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management shall be understood as a reference to techniques and instruments which fulfil the following criteria:
- (a) they are economically appropriate in that they are realised in a cost-effective way;
  - (b) they are entered into for one or more of the following specific aims:
    - (i) reduction of risk;
    - (ii) reduction of cost;
    - (iii) generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in Regulation 70 and 71 of the UCITS Regulations;
  - (c) their risks are adequately captured by the risk management process of the Fund, and
  - (d) they cannot result in a change to the Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in its sales documents.

#### Repurchase agreements, reverse repurchase agreements and securities lending

24. Repurchase/reverse repurchase agreements and securities lending ("efficient portfolio management techniques") may only be effected in accordance with normal market practice.

25. All assets received by a Fund in the context of efficient portfolio management techniques should be considered as collateral and should comply with the criteria set down in paragraph 26 below.
26. Collateral must at all times meet with the following criteria:
- (a) liquidity: collateral received other than cash should be highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the UCITS Regulations;
  - (b) valuation: collateral that is received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
  - (c) issuer credit quality: collateral received should be of high quality. The Fund shall ensure that:
    - (i) where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the responsible person in the credit assessment process; and
    - (ii) where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the issuer by the Fund without delay;
  - (d) correlation: collateral received should be issued by an entity that is independent from the counterparty. There should be a reasonable ground for the Fund to expect that it would not display a high correlation with the performance of the counterparty;
  - (e) diversification (asset concentration):
    - (i) subject to sub-paragraph (ii) below, collateral received should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer; and
    - (ii) It is intended that a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. The Fund should receive securities from at least six different issues, but securities from any single issue should not account for more than 30% of the Fund's Net Asset Value. The Member States, local authorities, third countries, or public international bodies or issuing or guaranteeing securities which the Fund is able to accept as collateral for more than 20% of its Net Asset Value shall be drawn from the following list:
 

OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, IMF, Euratom, The Asian Development Bank, ECB, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, EU, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National

Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC; and

- (f) immediately available: collateral received should be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty.
- 27. Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process of the Fund.
  - 28. Collateral received on a title transfer basis should be held by the Depositary. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision and which is unrelated and unconnected to the provider of the collateral.
  - 29. Non-cash collateral cannot be sold, pledged or re-invested.
  - 30. Cash collateral may not be invested other than in the following:
    - (a) deposits with a credit institution referred to in Regulation 7 of the Central Bank Regulations;
    - (b) high-quality government bonds;
    - (c) reverse repurchase agreements provided the transactions are with a credit institution referred to Regulation 7 of the Central Bank Regulations and the Fund is able to recall at any time the full amount of cash on an accrued basis; or
    - (d) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).
  - 31. Invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or connected to the counterparty.
  - 32. A Fund receiving collateral for at least 30% of its assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:
    - (a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
    - (b) empirical approach to impact assessment, including back-testing of liquidity risk estimates;
    - (c) reporting frequency and limit/loss tolerance threshold/s; and
    - (d) mitigation actions to reduce loss including haircut policy and gap risk protection.
  - 33. A Fund should have in place a clear haircut policy adapted for each class of assets received as collateral. When devising the haircut policy, a Fund should take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with paragraph 32. This policy should be documented and should justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.
  - 34. Where a counterparty to a repurchase or a securities lending agreement which has been entered into by a Fund: (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the responsible person in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in sub-paragraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Fund without delay.

35. A Fund should ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.
36. A Fund that enters into a reverse repurchase agreement should ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value of the Fund.
37. A Fund that enters into a repurchase agreement should ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.
38. Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 of the UCITS Regulations respectively.
39. A Fund should disclose in the prospectus the policy regarding direct and indirect operational costs/fees arising from efficient portfolio management techniques that may be deducted from the revenue delivered to the Fund. These costs and fees should not include hidden revenue. The Fund should disclose the identity of the entity(ies) to which the direct and indirect costs and fees are paid and indicate if these are related parties to the management company or the trustee.
40. All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, should be returned to the Fund.

Except where otherwise stated in the investment objective and policies of a Fund, each Fund may engage in repurchase and reverse repurchase contracts and stock lending arrangements for efficient portfolio management purposes (i.e., hedging, reducing risks or costs, or increasing capital or income returns).

The policy that will be applied to collateral arising from over-the-counter FDI transactions or efficient portfolio management techniques relating to a Fund is to adhere to the requirements set out in the “Investment Techniques and Instruments” section herein. This sets out the permitted types of collateral, level of collateral required and haircut policy and, in the case of cash collateral, the re-investment policy prescribed by the Central Bank pursuant to the UCITS Regulations. The categories of collateral which may be received by the Funds include cash and non-cash assets such as equities, debt securities and money market instruments. From time to time and subject to the requirements set out in “Investment Techniques and Instruments” section herein, the policy on levels of collateral required and haircuts may be adjusted, at the discretion of the Investment Manager, where this is determined to be appropriate in the context of the specific counterparty, the characteristics of the asset received as collateral, market conditions or other circumstances. The haircuts applied (if any) by the Investment Manager are adapted for each class of assets received as collateral, taking into account the characteristics of the assets such as the credit standing and/or the price volatility, as well as the outcome of any stress tests performed in accordance with the requirements in the “Investment Techniques and Instruments” section herein. Each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets should be justified on the basis of this policy. The level of collateral put in place will change from time to time and will be dependent on a number of factors, for example, the Central Bank counterparty risk requirements and the requirements for collateral under any agreements with counterparties.

If cash collateral received by a Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund. For further details see the sections in this Prospectus entitled “Risk Factors” and “Conflicts of Interest”.

Direct and indirect operational costs and fees arising from the efficient portfolio management techniques of stock lending, repurchase and reverse repurchase arrangements may be deducted from the revenue delivered to the Fund (for example, as a result of revenue sharing arrangements). These costs and fees will not include hidden revenue. All the revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Fund. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the Company or the Depositary. The revenues arising from such efficient portfolio management techniques for the relevant reporting period, together with the direct and indirect operational costs and fees incurred and the identity of the counterparty(ies) to these efficient portfolio management techniques, will be disclosed in the annual and half-yearly reports of the Company.

If a Fund invests in total return swaps or other FDI with the same characteristics, the underlying asset or index may be comprised of equity or debt securities, money market instruments or other eligible investments which are consistent with the investment objective and policies of the Fund as set out in the section entitled “Investment Objectives and Policies of the Fund”. The counterparties to such transactions are typically banks, investment firms, broker-dealers, collective investment schemes or other financial institutions or intermediaries. The risk of the counterparty defaulting on its obligations under the total return swap and its effect on investor returns are described in the sections of this Prospectus entitled “Risk Factors”. The counterparties to total return swaps entered into by the Fund will not assume any discretion over the composition or management of the Fund’s investment portfolio or over the underlying of the FDI and the counterparty’s approval is not required in relation to any portfolio transactions by the Fund.

#### **Securities Financing Transactions Regulation**

Each Fund may enter into the following transactions:

- (i) total return swaps;
- (ii) repurchase agreements;
- (iii) reverse repurchase agreements; and
- (iv) securities lending arrangements.

Each Fund may enter into total return swaps for investment purposes and for efficient portfolio management purposes, and enter into other types of Securities Financing Transactions for efficient portfolio management purposes only. In this context, efficient portfolio management purposes include: the reduction of risk, the reduction of cost and the generation of additional capital or income for the Fund with a level of risk that is consistent with the risk profile of the Fund.

If a Fund invests in total return swaps or Securities Financing Transactions, the relevant asset or index may be comprised of equity or debt securities, money market instruments or other eligible investments which are consistent with the investment objective and policies of the Fund. Subject to the investment restrictions laid down by the Central Bank as set out in the “Permitted Investment in FDI and Efficient Portfolio Management Techniques” section, and also any investment restrictions set out in the section entitled “Investment Objective and Policies of the Fund”, each Fund can invest a maximum of 10% in Securities Financing Transactions. It is anticipated that each Fund will generally invest in the range of 0 – 10% of its Net Asset Value in total return swaps and Securities Financing Transactions.

A Fund shall only enter into total return swaps and Securities Financing Transactions with counterparties that satisfy the criteria (including those relating to legal status, country of origin and minimum credit rating) as set out in the “Permitted Investment in FDI and Efficient Portfolio Management Techniques” section and adopted by the Investment Manager.

The categories of collateral which may be received by a Fund are set out in the “Permitted Investment in FDI and Efficient Portfolio Management Techniques” section and includes cash and non-cash assets such as equities, debt

securities and money market instruments. Collateral received by the Fund will be valued in accordance with the valuation methodology set out under the section entitled "Determination of Net Asset Value". Collateral received by the Fund will be marked-to-market daily and daily variation margins will be used.

Where a Fund receives collateral as a result of entering into total return swaps or Securities Financing Transactions, there is a risk that the collateral held by the Fund may decline in value or become illiquid. In addition, there can also be no assurance that the liquidation of any collateral provided to the Fund to secure a counterparty's obligations under a total return swap or Securities Financing Transaction would satisfy the counterparty's obligations in the event of a default by the counterparty. Where the Fund provides collateral as a result of entering into total return swaps or Securities Financing Transactions, it is exposed to the risk that the counterparty will be unable or unwilling to honour its obligations to return the collateral provided.

For a summary of certain other risks applicable to total return swaps and Securities Financing Transactions, see the sections entitled "Derivatives Risk and Counterparty Risk", "Risk of Utilising Swaps and Counterparty Risk" and "Securities Lending Risk".

A Fund may provide certain of its assets as collateral to counterparties in connection with total return swaps and Securities Financing Transactions. If the Fund has over-collateralised (i.e., provided excess collateral to the counterparty) in respect of such transactions, it may be an unsecured creditor in respect of such excess collateral in the event of the counterparty's insolvency. If the Depositary or its sub-custodian or a third party holds collateral on behalf of the Fund, the Fund may be an unsecured creditor in the event of the insolvency of such entity.

There are legal risks involved in entering into total return swaps or Securities Financing Transactions which may result in loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

Subject to the restrictions laid down by the Central Bank as set out in the "Permitted Investment in FDI and Efficient Portfolio Management Techniques" section, the Fund may re-invest cash collateral that it receives. If cash collateral received by the Fund is re-invested, the Fund is exposed to the risk of loss on that investment. Should such a loss occur, the value of the collateral will be reduced and the Fund will have less protection if the counterparty defaults. The risks associated with the re-investment of cash collateral are substantially the same as the risks which apply to the other investments of the Fund.

Direct and indirect operational costs and fees arising from total return swaps or Securities Financing Transactions may be deducted from the revenue delivered to the Fund (e.g., as a result of revenue sharing arrangements). All the revenues arising from such efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Fund. The entities to which direct and indirect costs and fees may be paid include banks, investment firms, broker-dealers, securities lending agents or other financial institutions or intermediaries and may be related parties to the Investment Manager or the Depositary.

### **Currency Transactions**

Currency hedging is a technique that may be used to reduce the risk that arises from the change in price of one currency against another. Essentially, the structure of a currency hedging process would attempt to compensate for any shifts in the relative value of the currency type utilised in the investment scheme. The hope is that by minimising the exposure of the investor to unfavourable shifts in the money market, a reasonable return on the investment will be achieved even if the currency involved takes a fall. While currency hedging may be effective in an attempt to protect asset trading in longer term investment allocations, it is costly (transaction and operational costs may be high), may detract from performance and may not fully protect for downside fluctuation. To seek to limit the potential adverse impact of a contrary trend in the foreign exchange markets, the Investment Manager may seek to hedge the currency risk between the underlying investment and the Base Currency of a Fund using hedging techniques and instruments such as forward foreign exchange contracts, swaps, 'non-deliverable' forward contracts and currency options. A Fund may not necessarily hedge back into its Base Currency and the level of such hedging



back will depend on the Investment Manager's expectation of future movements in currency exchange rates. The Investment Manager may also seek to manage or establish a Fund's currency exposure through FDIs (such as forward foreign exchange contracts, swaps, 'non-deliverable' forward contracts and currency options) as well as cash foreign exchange trades.

In the case of the Class E EUR (Accumulating) Shares, Class F EUR (Accumulating) Shares, Class G GBP (Accumulating) Shares and Class H GBP (Accumulating) Shares in a Fund, the Investment Manager will not hedge these Share Classes' exposure to changes in exchange rates between the Base Currency and the currency in which the relevant Currency Share Class is denominated. As such, the Net Asset Value per Share and investment performance of a Currency Share Class as expressed in its denominated currency may be affected, positively or negatively, by changes in the value of the Base Currency relative to the value of the currency in which the relevant Currency Share Class is denominated. Currency conversion between the currency in which the relevant Currency Share Class is denominated and the Base Currency of the Fund will take place on subscriptions, redemptions, conversions and distributions at prevailing exchange rates determined by the Administrator.

## **6. RISK FACTORS**

Prospective investors should give careful consideration to the risk factors set out below, which are not exhaustive, in evaluating the merits and suitability of an investment in the Funds. Prospective investors should be aware that an investment in a Fund may be exposed to risks, including those of an exceptional nature, from time to time.

An investment in the Funds involves certain risks relating to the investment strategies to be utilised by the Investment Manager. The performance of the Funds will reflect the volatility in the Funds' underlying investments. Investors' attention is drawn to the description of the instruments set out in the section entitled "Investment Objectives and Policies of the Funds".

### **Investment Risk**

There can be no assurance that the Funds will achieve their investment objective. Past performance of the Company or a Fund should not be relied upon as an indicator of future performance. The value of Shares may rise or fall, as the capital value of the securities in which a Fund invests may fluctuate. The investment income of a Fund is based on the income earned on the securities it holds, less expenses incurred. Therefore, the Funds' investment income may be expected to fluctuate in response to changes in such expenses or income.

### **Market Risk**

Market risk is the risk that all or a majority of the securities in a certain market – like the stock market – will decline in value because of factors such as economic conditions, future expectations, or investor confidence.

Index swaps or index futures are subject to the same market risks as the investment market or sector that the index represents. Depending on the actual movements of the index and how well the portfolio manager forecasts those movements, a Fund could experience a higher or lower return than anticipated.

Some of the Regulated Markets in which a Fund may invest may be less well-regulated than those in developed markets and may prove to be illiquid, insufficiently liquid or highly volatile from time to time. This may affect the price at which a Fund may liquidate positions to meet redemption requests or other funding requirements.

### **Exchange Control and Repatriation Risk**

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

### **Investments in the Securities of Issuers in China and Emerging Market Countries**

The Funds may invest in securities of companies domiciled in or conducting their principal business activities in emerging markets. Investing in emerging markets poses certain risks, some of which are set out below:

#### Economic & Political Factors

Investments in securities of issuers located in Emerging Market Countries involve special considerations and risks, including the risks associated with high rates of inflation and interest with respect to the various economies, the limited liquidity and relatively small market capitalisation of the securities markets in Emerging Market Countries, relatively higher price volatility, large amounts of external debt and political, economic and social uncertainties, including the possible imposition of exchange controls or other non-US governmental laws or restrictions which may affect investment opportunities. In addition, with respect to certain Emerging Market Countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability, or diplomatic developments that could affect investments in those countries. Moreover, individual Emerging Market economies may differ favourably or unfavourably from the economies of developed nations in such respects as growth of gross national product, rates of inflation, capital investment, resources, self-sufficiency, and the balance of payments position.

Certain emerging market investments may also be subject to non-US withholding taxes. These and other factors may affect the value of a Fund's shares.

The economies of some Emerging Market Countries have experienced considerable difficulties in the past. Although in certain cases there have been significant improvements in recent years, many such economies continue to experience significant problems, including high inflation and interest rates. Inflation and rapid fluctuations in interest rates have had and may continue to have very negative effects on the economies and securities markets of certain Emerging Market Countries. The development of certain emerging market economies and securities markets will require continued economic and fiscal discipline, which has been lacking at times in the past, as well as stable political and social conditions. Recovery may also be influenced by international economic conditions, particularly those in the US and by world prices for oil and other commodities. There is no assurance that economic initiatives will be successful. Certain of the risks associated with international investments and investing in smaller capital markets are heightened for investments in Emerging Market Countries. For example, some of the currencies of Emerging Market Countries have experienced steady devaluations relative to the US Dollar, and major adjustments have been made in certain of such currencies periodically. In addition, governments of certain Emerging Market Countries have exercised and continue to exercise substantial influence over many aspects of the private sector. In certain cases, the government owns or controls many companies, including the largest in the country. Accordingly, government actions in the future could have a significant effect on economic conditions in such countries, which could affect private sector companies and the value of securities in a Fund's portfolio.

#### Brexit Risk

On 31 January 2020, the UK formally left the EU ("Brexit"). Under the terms of the withdrawal agreement concluded between the UK and the EU, a transition period will run until 31 December 2020, during which time the UK will continue to benefit from and be bound by many EU laws. Although it is possible that this transition period could be extended, such an extension currently seems unlikely. The terms of the UK's future relationship with the EU are uncertain and will depend on how the UK and the EU re-negotiate their relationship following Brexit. Given this uncertainty, it is difficult to predict how the UK's withdrawal from the EU will be implemented and what the economic, tax, fiscal, legal, regulatory and other implications will be for the asset management industry and the broader European and global financial markets more generally.

Currency volatility resulting from this uncertainty may mean that the returns and investments are adversely affected by market movements, potential decline in the value of the British Pound and/or Euro, and any downgrading of the UK's sovereign credit rating. This may also make it more difficult, or more expensive, for the Funds to execute prudent currency hedging policies.

This uncertainty may have an adverse effect on the economy generally and on the ability of the relevant Funds and their investments to execute their respective strategies and to receive attractive returns, and may also result in increased costs to the relevant Funds.

The future application of EU-based legislation to the asset management industry in the UK will depend on the agreed future relationship and the actions of the UK government and it is possible there will be more divergence between UK and EU regulations post-Brexit, limiting what cross-border activities can take place. This may possibly affect the Company's ability to market the Funds to UK investors in the medium to longer term. However, the Company has availed of the temporary permissions regime, which will allow the Company to continue to use its passport to market the Funds into the UK, while they seek authorisation from the UK regulators.

#### Market Liquidity & Volatility

The securities markets in Emerging Market Countries are substantially smaller, less liquid, and more volatile than the major securities markets in the US and Europe. A limited number of issuers in most, if not all, securities markets in Emerging Market Countries may represent a disproportionately large percentage of market capitalisation and trading volume. Such markets may, in certain cases, be characterised by relatively few market makers, participants

in the market being mostly institutional investors including insurance companies, banks, other financial institutions, and investment companies. The combination of price volatility and the less liquid nature of securities markets in Emerging Market Countries may, in certain cases, affect a Fund's ability to acquire or dispose of securities at the price and time it wishes to do so, and consequently may have an adverse impact on the investment performance of the Fund.

#### Force Majeure Events

Each of the Manager, Administrator, Depository, Investment Manager, and other service providers to the Company and their delegates may be affected by force majeure events (i.e., events beyond the control of the party claiming that the event has occurred, including, without limitation, acts of God, fire, flood, earthquakes, outbreaks of an infectious disease, pandemic or any other serious public health concern, war, terrorism and labour strikes, major plant breakdowns, pipeline or electricity line ruptures, failure of technology, defective design and construction, accidents, demographic changes, government macroeconomic policies and social instability). Some force majeure events may adversely affect the ability of any such parties to perform their obligations to the Company until they are able to remedy the force majeure event. While it is expected that such service providers will implement contingency plans for addressing force majeure events it is possible that such force majeure events exceed the assumptions of such plans.

Certain force majeure events (such as war or an outbreak of an infectious disease) may also have a broader negative impact on the world economy and international business activity generally, or in any of the countries in which a Fund may invest specifically. The spread of an infectious disease or similar public health threat could reduce consumer demand or economic output, impact on the market value of investments, result in market closures, travel restrictions or quarantines, and generally have a significant impact on the world economy and disrupt markets. The nature and extent of the impact of such events is difficult to predict but they may adversely affect the return on each Fund and its investments. Market disruptions or closures may result in the Administrator being unable to accurately value the assets of a Fund, or in the event of high levels of redemption, the Company and/or the Manager may use certain liquidity management tools permitted by the Central Bank, including deferred redemptions (detailed further in the section entitled "Redemption Requests"), the implementation of fair value pricing (detailed further in the sections entitled "Fair Value Pricing Risks" and "Determination of Net Asset Value") or temporary suspension of a Fund (detailed further in the section entitled "Temporary Suspension of Valuation of the Shares and of Sales and Redemptions").

#### Information Standards

In addition to their smaller size, lesser liquidity and greater volatility, securities markets in Emerging Market Countries are less developed than the securities markets in the US and Europe with respect to disclosure, reporting, and regulatory standards. There is less publicly available information about the issuers of securities in these markets than is regularly published by issuers in the US and in Europe. Further, corporate laws regarding fiduciary responsibility and protection of stockholders may be considerably less developed than those in the US and Europe. Emerging Market issuers may not be subject to the same accounting, auditing and financial reporting standards as US and European companies. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently under the accounting standards applicable in an Emerging Market Country from international accounting standards. Inflation accounting rules in some Emerging Market Countries require, for companies that keep accounting records in the local currency for both tax and accounting purposes, that certain assets and liabilities be restated on the company's balance sheet in order to reflect the high rates of inflation to which those companies are subject. Inflation accounting may indirectly generate losses or profits for certain companies in Emerging Market Countries. Thus, statements and reported earnings may differ from those of companies in other countries, including the US and Europe.

### Custodial Risks

As the Company may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Company which are traded in such markets and which have been entrusted to sub-custodians may be exposed to risk in circumstances whereby the Depositary would have no liability. The Depositary has a sub-custodial network in certain Emerging Market Countries. The Company has agreed that it will not invest in securities issued or corporations located in Emerging Market Countries until the Depositary is satisfied that it has sub-custodial arrangements in place in respect of such countries. However, there is no guarantee that any arrangements made, or agreements entered into, between the Depositary and any sub-custodian will be upheld by a court of any Emerging Market Country or that any judgment obtained by the Depositary or the Company against any such sub-custodian in a court of any competent jurisdiction will be enforced by a court of any Emerging Market Country.

### Equity Market Risks

Investments in equity securities offer the potential for substantial capital appreciation. However, such investments also involve risks, including issuer, industry, market, and general economic related risks. Although the Investment Manager will attempt to reduce these risks by utilising various techniques described herein, adverse developments or perceived adverse developments in one or more of these areas could cause a substantial decline in the value of equity securities owned by a Fund.

### Custody and Settlement Risk

As a Fund may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Funds which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks in circumstances where by the Depositary will have no liability. Such markets include, among others, Indonesia, Korea and India, and such risks include: (i) a non-true delivery versus payment settlement; (ii) a physical market, and as a consequence the circulation of forged securities; (iii) poor information in regards to corporate actions; (iv) registration process that impacts the availability of the securities; (v) lack of appropriate legal/fiscal infrastructure advices; and (vi) lack of compensation/risk fund with the relevant central depository. Furthermore, even when a Fund settles trades with counterparties on a delivery-versus-payment basis, it may still be exposed to credit risk to parties with whom it trades.

Certain markets in Central and Eastern Europe present specific risks in relation to the settlement and safekeeping of securities. These risks result from the fact that physical securities may not exist in certain countries (such as Russia); as a consequence, the ownership of securities is evidenced only on the issuer's register of shareholders. Each issuer is responsible for the appointment of its own registrar. In the case of Russia, this results in a broad geographic distribution of several thousand registrars across Russia. Russia's Federal Commission for Securities and Capital Markets (the "Commission") has defined the responsibilities for registrar activities, including what constitutes evidence of ownership and transfer procedures. However, difficulties in enforcing the Commission's regulations mean that the potential for loss or error still remains and there is no guarantee that the registrars will act according to the applicable laws and regulations. Widely accepted industry practices are still in the process of being established. When registration occurs, the registrar produces an extract of the register of shareholders as at that particular point in time. Ownership of shares is evidenced by the records of the registrar, but not by the possession of an extract of the register of shareholders. The extract is only evidence that registration has taken place. It is not negotiable and has no intrinsic value. In addition, a registrar will typically not accept an extract as evidence of ownership of shares and is not obligated to notify the Depositary, or its local agents in Russia, if or when it amends the register of shareholders. As a consequence of this Russian securities are not on physical deposit with the Depositary or its local agents in Russia. Therefore, neither the Depositary nor its local agents in Russia can be considered as performing a physical safekeeping or custody function in the traditional sense. The registrars are neither agents of, nor responsible to, the Depositary or its local agents in Russia. Investments in securities listed or traded in Russia will only be made in equity and/or fixed income securities that are listed or

traded on level 1 or level 2 of the RTS stock exchange or MICEX. The Depositary's liability extends to its unjustifiable failure to perform its obligations or its improper performance of them and does not extend to losses due to the liquidation, bankruptcy, negligence or wilful default of any registrar. In the event of such losses the relevant Fund will have to pursue its rights directly against the issuer and/or its appointed registrar. A change occurred in the custody arrangements applicable to certain Russian securities on 1 April 2013. The holding of many Russian securities by investors such as a Fund are no longer evidenced by a direct entry on the issuer's register of shareholders. Instead, the ownership of, and settlement of transactions in, those Russian securities have been moved to a central securities depositary, the National Settlement Depositary ("NSD"). The Depositary or its local agent in Russia is a participant on the NSD. The NSD in turn is reflected as the nominee holder of the securities on the register of the relevant issuer. Therefore, while this is intended to introduce a centralised and regulated system for recording of the ownership of, and settlement of transactions in, Russian securities, it does not eliminate all of the risks associated with the registrar system outlined above. The aforesaid risks in relation to safekeeping of securities in Russia may exist, in a similar manner, in other Central and Eastern European countries in which a Fund may invest.

#### Russia/Ukraine Conflict.

As a result of political and military actions undertaken by Russia in Ukraine, the governments of multiple jurisdictions, including the EU and the U.S., have instituted sanctions against certain Russian officials and institutions. These sanctions, and any additional sanctions or other intergovernmental actions that may be undertaken against Russia in the future, may result in the devaluation of the Russian currency, a downgrade in the country's credit rating, and a decline in the value and liquidity of Russian securities. Such actions have resulted and could in the future result in a freeze of Russian securities, and may impair the ability of a Fund to buy, sell, receive, or deliver those securities. Countermeasures by the Russian government could involve the seizure of U.S. and/or European residents' assets, and any such actions are likely to impair the value and liquidity of such assets. Any or all of these potential results could have an adverse/recessionary effect on Russia's economy. Significant uncertainty remains in the market regarding the ramifications of these developments, and the range and potential implications of possible political, regulatory, economic and market outcomes are difficult to predict. All of these factors could have a negative effect on performance, particularly if a Fund has significant direct or indirect exposure to Russia.

#### Investing in China

Investing in China subjects the Fund to a higher level of market risk than investments in other developed countries. This is due to, among other things, greater market volatility, lower trading volume, political and economic instability, settlement risk, greater risk of market shut down and more governmental limitations on foreign investment than those typically found in other developed markets.

Investments in China are currently subject to certain additional risks, particularly regarding the ability to deal in securities in China. Dealing in certain Chinese securities is restricted to licensed investors and the ability of the investor to repatriate its capital invested in those securities may be limited at times. As a result, the Company may choose to gain exposure to Chinese securities indirectly and may be unable to gain full exposure to the Chinese markets. The Renminbi is subject to foreign exchange restrictions and is not a freely convertible currency.

Under Chinese regulations, foreign investors can access the "A" share market by obtaining a Qualified Foreign Institutional Investor ("QFII") licence or through institutions that have obtained a QFII licence and investment quota in China. The Funds do not have QFII status, but may have exposure to the China A-Share market indirectly, including via investment in other collective investment schemes that invest in China A-Shares, participation notes, equity-linked notes, similar financial instruments and derivative instruments where the underlying assets consists of securities issued by companies quoted on Regulated Markets in China, and/or the performance of which is linked to the performance of securities issued by companies quoted on Regulated Markets in China. In such instances, the managers or issuers of such schemes, notes or instruments may possess QFII licences and investment quotas,

if these schemes do not possess a QFII licence the relevant broker's QFII quota will be utilised. Actions of the relevant manager or issuer which violate QFII regulations could result in the revocation of, or other regulatory action against, the relevant QFII licence as a whole, and may impact on the Fund's exposure to Chinese securities as the relevant scheme, note or instrument may be required to dispose its holdings in Chinese securities.

In addition, for Funds that invest indirectly a significant part of their assets in Chinese issuers, changes in applicable rules and regulations, including QFII repatriation restrictions, may indirectly prevent timely sales or redemptions of such assets, which could in turn lead to a suspension of dealings in those Funds. A Fund may also be indirectly impacted by the rules and restrictions under the QFII regime (including rules on investment restrictions, minimum investment holding periods, and repatriation of principal and profits), illiquidity of the A-share market, and/or delay or disruption in execution of trades or in settlement of trades, which may consequently have an adverse impact on the investment performance of the Fund.

Certain Funds may have an indirect exposure to China A-Shares through investing in other collective investment schemes and other financial instruments that invest in or are linked to the performance of China A-Shares. Under Chinese rules, the issuers of such schemes and other instruments may not be required to make provisions for Chinese tax, although they may be subject to a withholding tax on capital gains derived from the disposal of China A-Shares, which tax would indirectly be borne by the Funds. At present, only part of the Net Asset Value of certain Funds may be invested indirectly in China A-Shares, so the potential impact of the imposition of capital gains tax to the Funds is considered not significant by the Directors. No tax provision has been made at present in respect of such capital gains tax liability of the Funds. In the event that the rules in China change and that provisions are required to be made (whether retrospectively or not) by the issuers of such schemes and instruments, the ensuing provisions may reduce the valuation of the Funds' investment in such schemes and instruments.

#### Risks Associated with Stock Connect

Certain Funds may invest in China A-Shares via Stock Connect. The Shanghai-Hong Kong Stock Connect comprises a "Northbound" Shanghai Trading Link and a "Southbound" Hong Kong Trading Link. Similarly, the Shenzhen-Hong Kong Stock Connect comprises a "Northbound" Shenzhen Trading Link and a "Southbound" Hong Kong Trading Link. Under the Northbound Shanghai Trading Link and Northbound Shenzhen Trading Link, Hong Kong and overseas investors through Hong Kong brokers may be able to trade certain eligible China A-Shares listed on the Shanghai Stock Exchange ("SSE") and Shenzhen Stock Exchange ("SZSE") respectively.

In addition to the risks associated with investing in China above, investing through Stock Connect is also subject to the following additional risks:

#### *Quota Limitations*

Stock Connect is subject to quota limitations. In particular, Stock Connect is subject to a daily quota measuring total purchases and sales of securities via Stock Connect (the "Daily Quota") which does not belong to the relevant Fund and can only be utilized on a first-come-first-serve basis. Once the Daily Quota is exceeded, buy orders will be rejected (although investors will be permitted to sell their cross-boundary securities regardless of the Daily Quota balance). Therefore, quota limitations may restrict the Fund's ability to invest in China A-Shares through Stock Connect on a timely basis, and the Fund may not be able to effectively pursue its investment strategies.

#### *Suspension Risk*

Each of the SSE, the SZSE and the Stock Exchange of Hong Kong Limited ("SEHK") have the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant local regulator would be sought before a suspension of Northbound trading is triggered. Where a suspension in the Northbound trading through Stock Connect is effected, the Fund's ability to access the China A-Share market will be adversely affected.

### *Differences in Trading Day*

Stock Connect will only operate on days when both the relevant Chinese markets (i.e. SSE and/or SZSE) and Hong Kong markets are open for trading and when banks in the relevant markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the relevant Chinese market but Hong Kong or overseas investors (such as the Fund) cannot carry out any China A-Share trading. The Fund may be subject to a risk of price fluctuations in China A-Shares during the time when Stock Connect is not trading as a result.

### *Operational Risk*

Stock Connect provides a new channel for investors from Hong Kong and overseas to access the China A-Share market directly.

Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in Stock Connect subject to meeting certain information technology capability, risk management and other requirements as may be specified by the SSE or SZSE (as appropriate), the SEHK and/or the relevant clearing house.

The launch of Stock Connect was premised on relevant trading and clearing rules and systems having been finalised, all regulatory approvals having been granted, market participants having had sufficient opportunity to configure and adapt their operational and technical systems. However, it should be appreciated that the securities regimes and legal systems of the Chinese and Hong Kong markets differ significantly and in order for Stock Connect to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the “connectivity” in the Stock Connect program requires routing of orders across the border between the People’s Republic of China (“PRC”) and Hong Kong. New information technology systems were developed and set up by the SEHK and participants on that exchange (“Exchange Participants”), i.e. a new order routing system (“China Stock Connect System”) to which Exchange Participants have connected. These new systems of the SEHK and Exchange Participants have been operational only since 2014 and there is no assurance that these systems will continue to function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through the program could be disrupted. The Fund’s ability to access the China A-Share market (and hence to pursue its investment strategy) will be adversely affected.

### *Nominee Arrangements in Holding China A-Shares*

The Hong Kong Securities Clearing Company Limited (“HKSCC”), a wholly-owned subsidiary of the Hong Kong Exchanges and Clearing Limited (“HKEx”), is the “nominee holder” of SSE securities and SZSE securities acquired by Hong Kong and overseas investors, including the Funds, through Stock Connect. The China Securities Regulatory Commission (“CSRC”) Stock Connect rules expressly provide that investors enjoy the rights and benefits of the securities acquired through Stock Connect in accordance with applicable laws. However, the courts in the PRC may consider that any nominee or custodian as registered holder of SSE securities and SZSE securities would have full ownership thereof, and that even if the concept of beneficial owner is recognised under PRC law those securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently, the Fund and the Depositary cannot ensure that the Fund’s ownership of these securities or title thereto is assured in all circumstances.

Under the rules of the Central Clearing and Settlement System operated by HKSCC for the clearing of securities listed or traded on SEHK (“CCASS”), HKSCC as nominee holder shall have no obligation to take any legal action or court proceeding to enforce any rights on behalf of the investors in respect of the securities in the PRC or elsewhere. Therefore, although the relevant Fund’s ownership may be ultimately recognised, the Fund may suffer difficulties or delays in enforcing their rights in China A-Shares.



To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary and the Fund will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Fund suffers losses resulting from the performance or insolvency of HKSCC.

#### *Restrictions on Selling Imposed by Front-End Monitoring*

PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE or SZSE (as appropriate) will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Share sell orders of its Exchange Participants (i.e. the stock brokers) to ensure there is no over-selling. To facilitate investors whose SSE securities or SZSE securities (as applicable) are maintained with custodians to sell their SSE securities or SZSE securities (as applicable) without having to pre-deliver the SSE securities or SZSE securities (as applicable) from their custodians to their executing brokers, an Enhanced Pre-trade Checking Model<sup>1</sup> (or “SPSA Model”) was introduced with effect from 30 March 2015. Under the SPSA Model, an investor whose SSE securities or SZSE securities (as applicable) are maintained with a custodian that is, under the rules and operational procedures of HKSCC, as amended from time to time, registered and admitted to participate in CCASS as a “Direct Clearing Participant” or a “General Clearing Participant” (collectively, a “Custodian Participant”) or a non-Exchange Participant General Clearing Participant (“non-EP GCP”), can request such Custodian Participant or non-EP GCP to open a special segregated account (“SPSA”) in CCASS to maintain its holdings in SSE securities and/or SZSE securities (as applicable). Each SPSA will be assigned a unique investor identification number (“Investor ID”) by CCASS. The investor may designate at most 20 Exchange Participants as executing brokers which are authorised to use its Investor ID to execute sell orders in SSE Securities on its behalf. The SPSA Model, unlike the Existing Pre-trade Checking Model<sup>2</sup>, allows pre-trade checking to be done without the investor transferring its SSE securities or SZSE securities (as applicable) from its custodian to its selling Exchange Participant (i.e. designated broker) before the market opens on the day of selling (“trading day”). Under the SPSA Model, an investor will only need to transfer these securities from its SPSA to its designated broker's account after execution and not before placing the sell order.

With effect from 20 November 2017, the HKSCC launched real time delivery versus payment (“RDVP”) enhancements to the CCASS for settlement instructions on Stock Connect. RDVP is a settlement procedure in which the buyer's payment for securities is due at the time of delivery. RDVP stipulates that cash payments must be made prior to/simultaneously with the delivery of SSE securities or SZSE securities (as applicable). The roll out of RDVP under Stock Connect is intended to address counterparty risk exposure and is to be used in conjunction with the SPSA Model. Where RDVP is used under the SPSA Model, the Depositary may determine that it is appropriate to deal with brokers outside its custody network. Where RDVP is not used then an integrated broker-custodian model will be required.

The Funds intend to work with the Depositary to utilise the SPSA Model (including the operational enhancements under RDVP), under which the Funds will be able to sell their China A-Shares through Stock Connect without having to pre-deliver the securities from the Depositary to the Funds' executing brokers.

However, if the SPSA Model ceases to be available to the Funds for any reason at any time, the Funds will need to operate under the Existing Pre-trade Checking Model. Under the Existing Pre-trade Checking Model, if the Fund desires to sell certain SSE securities or SZSE securities (as applicable) that it holds, it must transfer those securities

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<sup>1</sup> A mechanism introduced by the regulators under Stock Connect which allows pre-trade checking to be done without the investor transferring its SSE securities or SZSE securities (as applicable) from its custodian to its selling Exchange Participant (i.e. the designated broker) before the market opens on the day of selling.

<sup>2</sup> A mechanism adopted by the regulators under the Stock Connect designed to ensure that Exchange Participants will have a sufficient sellable quantity of SSE securities or SZSE securities (as applicable) when placing sell orders and to prevent investors from day trading and overselling SSE securities or SZSE securities (as applicable) by requiring investors who use custodians to transfer their SSE securities or SZSE securities (as applicable) from their custodians to the selling Exchange Participants (i.e. the brokers) before the market opens on the day of selling.

to the respective accounts of its brokers before the market opens on the trading day. If it fails to meet this deadline, it will not be able to sell those securities on the trading day. Because of this requirement, if the Fund is unable to utilise the SPSA Model and must rely on the Existing Pre-trade Checking Model, the Fund may not be able to dispose of holdings of these securities in a timely manner.

#### *Recalling of Eligible Stocks*

When a stock is recalled from the scope of eligible stocks for trading via Stock Connect, the stock can only be sold but is restricted from being bought. This may affect the investment portfolio or strategies of the Fund, for example, when the Investment Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

#### *Clearing and Settlement Risk*

The HKSCC and China Securities Depository and Clearing Corporation Limited ("ChinaClear") have established the clearing links and each has become a participant of each other to facilitate clearing and settlement of cross-boundary trades through Stock Connect. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, ChinaClear operates a comprehensive network of clearing, settlement and stock holding infrastructure. ChinaClear has established a risk management framework and measures that are approved and supervised by the CSRC. The chances of ChinaClear default are considered to be remote.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

#### *No Protection by investor compensation fund*

Investment in SSE securities and SZSE securities through the Stock Connect program is conducted through brokers, and is subject to the risks of default by such brokers in discharging their obligations.

In particular, the Fund's investments through Northbound trading under Stock Connect are not covered by the Hong Kong Investor Compensation Fund or any other investor compensation fund. Therefore the Fund is exposed to the risks of default of the brokers it engages in its trading in China A-Shares through Stock Connect.

#### *Trading Costs*

In addition to paying trading fees and stamp duties in connection with China A-Share trading, the Fund may be subject to new portfolio fees, dividend withholding tax and tax concerned with income arising from stock transfers which are yet to be determined by the relevant authorities.

#### *Regulatory Risk*

Stock Connect is novel in nature, and is be subject to regulations promulgated by regulatory authorities (the CSRC and Hong Kong's Securities and Futures Commission ("SFC")) and implementation rules made by the stock exchanges (the SSE, SZSE and SEHK) and the clearing houses (ChinaClear and HKSCC). Further, new regulations may be promulgated from time to time by relevant regulators, including the SFC and the CSRC, in connection with operations and cross-border legal enforcement with respect to cross-border trades under Stock Connect.

It should be noted that the regulations establishing and governing the operation of Stock Connect are novel and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. Stock Connect infrastructure has not yet been fully tested and may not operate as described in all circumstances. There can be no assurance that Stock Connect will not be abolished. The Fund, which may invest in the PRC markets through Stock Connect, may be adversely affected as a result of such changes.

### **Legal Infrastructure Risk**

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

### **Fair Value Pricing Risk**

Details of the method of calculation of the Net Asset Value per Share of a Fund are set out in the section of the Prospectus entitled “Determination of Net Asset Value” below. When a Fund uses fair value pricing, it may take into account any factors it deems appropriate. A Fund may determine fair value based upon developments related to a specific security, current valuations of foreign stock indices (as reflected in US futures markets), and/or US sector or broader stock market indices. The price of securities used by a Fund to calculate its NAV may differ from quoted or published prices for the same securities. Fair value pricing may involve subjective judgments and it is possible that the fair value determined for a security is materially different than the value that could be realised upon the sale of that security.

The Funds anticipate using fair value pricing for securities primarily traded on US exchanges only under very limited circumstances, such as the early closing of the exchange on which a security is traded or suspension of trading in the security. A Fund may use fair value pricing more frequently for securities traded primarily in non-US markets because, among other things, most foreign markets close well before the Fund values its securities at close of the New York Stock Exchange. The earlier close of these foreign markets gives rise to the possibility that significant events, including broad market moves, may have occurred in the interim. To account for this, a Fund may frequently value many foreign equity securities using fair value prices based on third-party vendor modelling tools to the extent available.

### **Risks Associated with Supranational Organisations**

Supranational Organisations are entities designated or supported by governments or governmental entities to promote economic development, and include, among others, the Asian Development Bank, the European Community, the European Investment Bank, the Inter-American Development Bank, the International Monetary Fund, the United Nations, the International Bank for Reconstruction and Development (“World Bank”), and the European Bank for Reconstruction and Development. These organisations have no taxing authority and are dependent upon their members for payments of interest and principal. Moreover, the lending activities of such supra-national entities are limited to a percentage of their total capital (including “callable capital”) contributed by members at an entity’s call, reserves and net income.

### **Portfolio Currency Risk**

A Fund’s portfolio may hold active investment positions that are denominated in currencies other than its Base Currency and therefore will be exposed to currency exchange risk. For example, changes in exchange rates between currencies or the conversion from one currency to another may cause the value of a Fund’s investments to diminish or increase. Currency exchange rates may fluctuate over short periods of time. They generally are determined by supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors. Currency exchange

rates can be affected unpredictably by intervention (or the failure to intervene) by governments or central banks, or by currency controls or political developments. A Fund may engage in non-Base Currency transactions in order to hedge against currency fluctuations between its underlying investments and its Base Currency. If the currency in which a security is denominated appreciates against the Fund's Base Currency, the Base Currency value of the security will increase. Conversely, a decline in the exchange rate of the currency would adversely affect the value of the security expressed in the Base Currency of the Fund. A Fund's hedging transactions, while potentially reducing the currency risks to which the Fund would otherwise be exposed, involve certain other risks, including the risk of a default by a counterparty.

### **Share Class Currency Risk**

Shares in a Currency Share Class will be denominated in a currency other than the Base Currency of the relevant Fund. As such, changes in the exchange rate between the Base Currency and the currency in which such Currency Share Class is denominated may, positively or negatively, impact on the Net Asset Value per Share and investment performance of a Currency Share Class as expressed in its denominated currency. Currency conversion between the currency in which the relevant Currency Share Class is denominated and the Base Currency of the relevant Fund will take place on subscriptions, redemptions, conversions and distributions at prevailing exchange rates.

### **Risks Associated With Non-Publicly Traded and Rule 144A Securities**

Non-publicly traded and Rule 144A Securities may involve a high degree of business and financial risk and may result in substantial losses. These securities may be less liquid than publicly traded securities, and a Fund may take longer to liquidate these positions than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realised from these sales could be less than those originally paid by a Fund. Further, companies whose securities are not publicly traded may not be subject to the disclosure and other investor protection requirements that would be applicable if their securities were publicly traded. A Fund's investment in illiquid securities is subject to the risk that should the Fund desire to sell any of these securities when a ready buyer is not available at a price that is deemed to be representative of their value, the Net Asset Value of the Fund could be adversely affected.

The high yield secondary market is particularly susceptible to liquidity problems when institutional investors, such as mutual funds and certain other financial institutions, temporarily stop buying bonds for regulatory, financial, or other reasons.

### **Derivatives Risk and Counterparty Risk**

Derivatives, in general, involve special risks and costs and may result in losses to the Funds. The successful use of derivatives requires sophisticated management, and a Fund will depend on the ability of the Fund's Investment Manager to analyse and manage derivatives transactions. The prices of derivatives may move in unexpected ways, especially in abnormal market conditions. In addition, correlation between the particular derivative and an asset or liability of a Fund may prove not to be what the Fund's Investment Manager expected. Some derivatives are "leveraged" and therefore may magnify or otherwise increase investment losses to the Fund although a Fund may not be leveraged in any way through the use of derivative instruments.

Other risks arise from the potential inability to terminate or sell derivatives positions. A liquid secondary market may not always exist for the Funds' derivatives positions at any time. In fact, many OTC instruments will not be liquid and may not be able to be "closed out" when desired. OTC instruments such as swap transactions also involve the risk that the other party will not meet its securities to the Funds. The participants in OTC markets are typically not subject to credit evaluation and regulatory oversight as are members of "exchange based" markets, and there is no clearing corporation which guarantees the payment of required amounts. This exposes the Funds to risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus

causing the relevant Fund to suffer a loss. Derivatives also involve legal risk, the risk of loss due to the unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

### **Risk of Utilising Options**

Because option premiums paid or received by a Fund will be small in relation to the market value of the investment underlying the options, trading in options could cause the Fund's Net Asset Value to be subject to more frequent and wider fluctuations than would be the case if the Fund did not utilise options.

Upon the exercise of a put option written by a Fund, the Fund may suffer a loss equal to the difference between the price at which the Fund is required to purchase the underlying asset and its market value at the time of the option exercise, less the premium received for writing the option. Upon the exercise of a call option written by a Fund, the Fund may suffer a loss equal to the excess of the market value of the asset at the time of the option's exercise over the price at which the Fund is obliged to sell the asset, less the premium received for writing the option.

No assurance can be given that the Funds will be able to effect closing transactions at a time when they wish to do so. If a Fund cannot enter into a closing transaction, the Fund may be required to hold assets that it might otherwise have sold, in which case it would continue to be at market risk on such assets and could have higher transaction costs, including brokerage commissions. In addition, options that are not exchange traded will subject a Fund to risks relating to its counterparty, such as the counterparty's bankruptcy, insolvency, or refusal to honour its contractual obligations.

The Funds are prohibited from writing uncovered options.

### **Risk of Utilising Swaps and Counterparty Risk**

Payments under a swap contract may be made at the conclusion of the contract or periodically during its term. If there is a default by the counterparty to a swap contract, a Fund will be limited to contractual remedies pursuant to the agreements related to the transaction. There is no assurance that swap contract counterparties will be able to meet their obligations pursuant to swap contracts or that, in the event of default, the Fund will succeed in pursuing contractual remedies. The Fund thus assumes the risk that it may be delayed in or prevented from obtaining payments owed to it pursuant to swap contracts.

In addition, because swap contracts are individually negotiated and ordinarily non-transferable, there also may be circumstances in which it would be impossible for a Fund to close out its obligations under the swap contract. Under such circumstances, a Fund might be able to negotiate another swap contract with a different counterparty to offset the risk associated with the first swap contract. Unless a Fund is able to negotiate such an offsetting swap contract, however, it could be subject to continued adverse developments, even after the Investment Manager has determined that it would be prudent to close out or offset the first swap contract.

The use of swaps involves risks different from and potentially greater than those associated with ordinary portfolio securities transactions. If the Investment Manager is incorrect in its expectations of market values or interest rates the investment performance of a Fund would be less favourable than it would have been if this efficient portfolio management technique were not used. If the Fund is delayed in or prevented from obtaining payments owed to it pursuant to swap contracts this could negatively impact the value of a Shareholder's Shares.

### **European Market Infrastructure Regulation ("EMIR")**

A Fund may enter into OTC derivative contracts. EMIR establishes certain requirements for OTC derivatives contracts including mandatory clearing obligations (and margin posting obligations for OTC derivatives not subject to clearing), bilateral risk management requirements and reporting requirements. Although not all the regulatory technical standards specifying the risk-management procedures, including the levels and type of collateral and segregation arrangements, required to give effect to EMIR have been finalised and it is therefore not possible to be

definitive, investors should be aware that certain provisions of EMIR impose obligations on the Sub-Funds in relation to its transaction of OTC derivative contracts.

The potential implications of EMIR for the Funds include, without limitation, the following:

1. clearing obligation: certain standardised OTC derivative transactions will be subject to mandatory clearing through a central counterparty (a "CCP"). Clearing derivatives through a CCP may result in additional costs and may be on less favourable terms than would be the case if such derivative was not required to be centrally cleared;
2. risk mitigation techniques: for those of its OTC derivatives which are not subject to central clearing, the Sub-Funds will be required to put in place risk mitigation requirements, which include the collateralisation of all OTC derivatives. These risk mitigation requirements may increase the cost of the Sub-Funds pursuing their investment strategies (or hedging risks arising from their investment strategies); and
3. reporting obligations: each of the Funds' derivative transactions must be reported to a trade depository or ESMA. This reporting obligation may increase the costs to the Funds of utilising derivatives.

EMIR was amended as part of the European Commission's REFIT programme and the amending regulations Regulation 834/2019 ("EMIR REFIT") entered into force on 28 May 2019 and applied from 17 June 2019. EMIR REFIT introduced certain key obligations relating to clearing, reporting and risk-mitigation (margining). Although EMIR REFIT allows for certain clearing exemptions and provides for thresholds below which no reporting is required, there can be no assurance as to whether the investments described herein made by the Fund will be affected by EMIR REFIT or any change thereto or review thereof.

#### **Taxation Risk**

Prospective investors' attention is drawn to the taxation risks associated with investing in the Funds. Please see "Taxation" below for additional information.

#### **Withholding and Other Tax Considerations**

Interest, dividend and other income realised by a Fund, capital gains realised on the sale of securities and other incidental income of a Fund may be subject to withholding and/or other taxes levied by the jurisdiction in which the income is sourced or deemed to be sourced for tax purposes. It is impossible to predict the rate or amount of such tax the relevant Fund will pay since the amount of the assets to be invested in various countries and the ability of the relevant Fund to reduce such taxes are not known.

#### **Risk of U.S. Withholding Tax**

The Company (and each Fund) will be required to comply (or be deemed compliant) with extensive U.S. reporting and withholding requirements (known as "FATCA") designed to inform the U.S. Department of the Treasury of U.S.-owned foreign investment accounts. Failure to comply (or be deemed compliant) with these requirements will subject the Company (and each Fund) to U.S. withholding taxes on certain U.S.-sourced income and gains. Alternatively, pursuant to an intergovernmental agreement between the United States and Ireland, the Company (and each Fund) may be deemed compliant, and therefore not subject to the withholding tax, if it identifies and reports U.S. Reportable Account information directly to the Revenue Commissioners of Ireland (the "Revenue Commissioners"). Shareholders may be requested to provide additional information to the Company in the Company's application form to enable the Company (and each Fund) to satisfy these obligations. Failure to provide requested information may subject a Shareholder to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory repurchase, transfer or other termination of the Shareholder's interest in its Shares. Detailed guidance as to the mechanics and scope of this new reporting and withholding regime is continuing to develop. There can be no assurance as to the timing or impact of any such guidance on future operations of the Company (and each Fund). The administrative cost of compliance with FATCA may cause the

operating expenses of the Company (and each Fund) to increase, thereby reducing returns to investors. FATCA may also require the Company (and each Fund) to provide to the U.S. Internal Revenue Service private and confidential information relating to certain investors. Please see the section entitled “Taxation – United States Taxation - Foreign Account Tax Compliance Act” for more information.

#### **Subscription Default Risk**

Each Fund will bear the risk of subscription default. For the purposes of efficient portfolio management, the Investment Manager may purchase securities or utilise efficient portfolio management techniques and instruments on the basis that settlement will be received on the relevant settlement date. In the event that such settlement monies are not received by a Fund on or by the relevant settlement date, the Fund may have to sell such purchased securities or close out its position under such efficient portfolio management techniques, which could result in a loss to the Fund notwithstanding that a subscriber who defaults in settling a subscription payment may be liable to the Fund for any such loss.

#### **Risks Associated with delays in providing complete Customer Due Diligence**

Investors should note that there is a risk that any delay in providing a signed copy of the application form and all documents required in connection with the obligations to prevent money laundering and terrorist financing to the Administrator may result in Shares not being issued on a particular Dealing Day.

#### **Excessive Trading Risk**

Prospective investors’ attention is drawn to the risks associated with excessive trading. Please see “Excessive Trading” below for additional information.

#### **Initial Public Offer Risk**

The Funds may invest in IPOs. Companies involved in IPOs generally have limited operating histories, and prospects for future profitability are uncertain. Prices of IPOs may also be unstable because of the absence of a prior public market, the small number of shares available for trading, and limited investor information.

#### **Market Capitalisation Risk**

The securities of small-to-medium-sized (by market capitalisation) companies, or financial instruments related to such securities, may have a more limited market than the securities of larger companies. Accordingly, it may be more difficult to effect sales of such securities at an advantageous time or without a substantial drop in price than securities of a company with a large market capitalisation and broad trading market. In addition, securities of small-to-medium-sized companies may have greater price volatility as they are generally more vulnerable to adverse market factors such as unfavourable economic reports.

#### **Umbrella Structure of the Company and Cross-Liability Risk**

Each Fund will be responsible for paying its fees and expenses regardless of the level of its profitability. The Company is an umbrella fund with segregated liability between Funds and under Irish law the Company generally will not be liable as a whole to third parties and there generally will not be the potential for cross-liability between the Funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the Company in the courts of another jurisdiction, the segregated nature of the Funds would necessarily be upheld.

#### **Risks Associated with Umbrella Cash Accounts**

The Umbrella Cash Account will operate in respect of the Company rather than a relevant Fund and the segregation of Investor Monies from the liabilities of Funds other than the relevant Fund to which the Investor Monies relate is dependent upon, among other things, the correct recording of the assets and liabilities attributable to individual Funds by or on behalf of the Company.

In the event of an insolvency of the Fund, there is no guarantee that the Fund will have sufficient monies to pay unsecured creditors (including the investors entitled to Investor Monies) in full.

Monies attributable to other Funds within the Company will also be held in the Umbrella Cash Accounts. In the event of the insolvency of a Fund (an "Insolvent Fund"), the recovery of any amounts to which another Fund (the "Beneficiary Fund") is entitled, but which may have transferred in error to the Insolvent Fund as a result of the operation of the Umbrella Cash Account, will be subject to applicable law and the operational procedures for the Umbrella Cash Account. There may be delays in effecting, and/or disputes as to the recovery of, such amounts, and the Insolvent Fund may have insufficient funds to repay amounts due to the Beneficiary Fund.

In the event that an investor fails to provide the subscription monies within the timeframe stipulated in the Prospectus, the investor may be required to indemnify the Fund against the liabilities that may be incurred by it. The Company may cancel any Shares that have been issued to the investor and charge the investor interest and other expenses incurred by the relevant Fund. In the event that the Company is unable to recoup such amounts from the defaulting investor, the relevant Fund may incur losses or expenses in anticipation of receiving such amounts, for which the relevant Fund, and consequently its Shareholders, may be liable.

It is not expected that any interest will be paid on the amounts held in the Umbrella Cash Account. Any interest earned on the monies in the Umbrella Cash Account will be for the benefit of the relevant Fund and will be allocated to the Fund on a periodic basis for the benefit of the Shareholders at the time of the allocation.

The Central Bank's guidance on umbrella cash accounts is new and untested and, as a result, may be subject to change and further clarification. Therefore, the structure of any Umbrella Cash Account maintained by the Company may differ materially from that outlined in this Prospectus.

### **Securities Lending Risk**

Although not a principal investment strategy, a Fund may engage in securities lending. A Fund may lend its portfolio securities to broker-dealers and banks in order to generate additional income for the Fund. In the event of bankruptcy or other default of a borrower of portfolio securities, a Fund could experience both delays in liquidating the loan collateral or recovering the loaned securities and losses including (a) possible decline in the value of the collateral or in the value of the securities loaned during the period which the Fund seeks to enforce its rights thereto, (b) possible sub-normal levels of income and lack of access to income during this period, and (c) expenses of enforcing its rights. In an effort to reduce these risks, the Investment Manager will monitor the creditworthiness of the firms to which a Fund lends securities.

### **Redemption and Liquidity Risk**

Liquidity risk is the risk that a position in the portfolio of a Fund cannot be sold, liquidated or closed at limited cost in an adequately short time frame and that the ability of the Fund to meet redemption requests is thereby compromised. Large redemptions of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets.

### **Risks Associated with the Payment of a Performance Fee**

The Investment Manager is entitled to receive a Performance Fee in respect of certain classes of Shares in certain Funds. A Fund's valuation may include both realised and unrealised gains and a Performance Fee may be paid on unrealised gains which may not subsequently be realised. Due to the way in which the Performance Fee is calculated, (as described in the section entitled "Investment Management Fee"), a shareholder may incur a Performance Fee even though ultimately such shareholder does not receive a positive return.

### **Benchmarks Regulation**

The Benchmarks Regulations came into effect on 1 January 2018. The Benchmarks Regulations prohibits the use of indices provided by benchmark administrators, other than in accordance with the Benchmark Regulations. These



benchmark administrators were required to apply for authorisation or registration as an administrator under the Benchmark Regulations no later than 1 January 2020.

As at the date of this Prospectus, the MSCI Limited has registered on the ESMA register of benchmark administrators. There are currently no other benchmark administrators providing indices to the Funds.

The Company maintains a benchmark replacement plan to set out the actions which the Company would take in the event that a benchmark used by a Fund materially changes or ceases to be provided (the "Benchmarks Regulation Policy"). As at the date of this Prospectus, the Funds may use a Benchmark Index or Absolute Return Hurdle for the purposes of calculating Performance Fees. Actions taken by a Fund that uses a Benchmark Index on foot of the Benchmarks Regulation Policy may result in changes to the Benchmark Index used as the basis for the calculation of the Performance Fee. Any such changes will be implemented in accordance with the requirements of the Central Bank and the terms of this Prospectus as appropriate.

### **Cyber Security and Identity Theft**

Information and technology systems relied upon by the Company, a Fund, the Company's service providers (including, but not limited to, the auditors, Manager, Investment Manager, Depositary and Administrator) and/or the issuers of securities in which a Fund invests may be vulnerable to damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorised persons and security breaches, usage errors by their respective professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes. Although the parties noted above have implemented measures to manage risks relating to these types of events, if these systems are compromised, become inoperable for extended periods of time or cease to function properly, significant investment may be required to fix or replace them. The failure of these systems and/or of disaster recovery plans for any reason could cause significant interruptions in the operations of the Company, a Fund, a service provider and/or the issuer of a security in which a Fund invests and may result in a failure to maintain the security, confidentiality or privacy of sensitive data, including personal information relating to Shareholders (and the beneficial owners of Shareholders). Such a failure could also harm the Company's, a Fund's, a service provider's and/or an issuer's reputation, subject such entity and its affiliates to legal claims and otherwise affect their business and financial performance.

### **Securitisation Regulation**

On 17 January 2018 the Securitisation Regulation (Regulation EU 2017/2402) (the "Securitisation Regulation") came into force and became applicable across the EU from 1 January 2019. The Securitisation Regulation replaced the existing sector-specific approach to securitisation regulation with a new set of rules that apply to all European securitisations. UCITS such as the Company are within scope of the Securitisation Regulation.

The definition of "securitisation" is intended to capture any transaction or scheme where the credit risk associated with an exposure or a pool of exposures is tranching. Essentially, the definition includes any investment with tranches or classes where payments in the transaction or scheme are dependent on the performance of the exposure or of the pool of exposures and the participation in losses differs between the tranches during the life of the transaction or scheme.

Institutional investors such as a Fund must ensure that the originator, sponsor or original lender of a securitisation retains at least a 5% net economic interest in the securitisation. These rules mean that the Investment Manager will need to conduct due diligence before an investment is made in a securitisation position and continue to perform due diligence during the period the investment continues in a securitisation. This direct approach is intended to complement the existing due diligence requirements on institutional investors to verify before investing whether or not the securitising entity has retained risk. As a consequence, this direct approach requires securitising entities established in the EU to retain risk even if the investors are located outside of the EU and are not institutional investors. The UCITS Directive has been amended to include a new provision stating that where UCITS are

exposed to securitisation positions which do not meet the requirements of the Securitisation Regulation, the UCITS shall “in the best interests of the investors in the relevant UCITS, act and take corrective action”.

The Securitisation Regulation applies to securitisations the securities of which are issued on or after 1 January 2019 or which create new securitisation positions on or after that date. Pre-existing securitisations will be required to continue to apply the rules in place immediately prior to the effective date of the Securitisation Regulation unless new securities are issued or new positions created.

### **ESG and Sustainability Risk**

The Manager, acting in respect of the Funds through the Investment Manager as its delegate, integrates sustainability risks into the investment decisions made in respect of the Funds. The Manager has acknowledged the Investment Manager’s policy on the integration of sustainability risks in its investment process. A sustainability risk is an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. A summary of the Investment Manager’s policy can be found in the section titled “*The Investment Manager’s Investment Methodology - Sustainable Finance Disclosures Regulation*” on page 18 of this Prospectus.

As part of its broader risk assessment for each Fund, the Investment Manager will consider the potential sustainability risks arising from the Fund’s investments to help determine their likely impact on the performance of the Fund. These risks are monitored on an ongoing basis as part of the Investment Manager’s active portfolio management strategy.

The likely impacts of sustainability risks on the returns of each Fund will depend on each Fund’s exposure to such investments and the materiality of the sustainability risks. The likelihood of sustainability risks arising in respect of each Fund should be mitigated by the Investment Manager’s approach to integrating sustainability risks in its investment decision-making and the applicable Fund’s investment policy. However, there is no guarantee that these measures will mitigate or prevent sustainability risks materialising in respect of a Fund.

The likely impact on the return of a Fund from an actual or potential material decline in the value of an investment due to an ESG event or condition will vary and depend on several factors including, but not limited to, the type, extent, complexity and duration of the event or condition, prevailing market conditions and the existence of any mitigating factors.

The data used to determine whether companies are managed and behave responsibly may be provided by third-party sources and is based on backward-looking analysis. The subjective nature of non-financial criteria means a wide variety of outcomes are possible. The data may not adequately address material sustainability factors. The analysis is also dependent on companies disclosing relevant data and the availability of this data can be limited. These limitations are mitigated through the use of a variety of data sources and the Investment Manager’s own in-house research.

## 7. FEES AND EXPENSES

### Establishment Expenses

All expenses relating to the establishment of the Company shall be borne by the Investment Manager.

### Operating Expenses and Fees

Each Fund shall pay all of its expenses and its allocable share of any expenses incurred by the Company out of the Fund's assets. These expenses may include the costs of: (i) maintaining the Company and the relevant Fund and registering the Company, the relevant Fund, and the Shares with any governmental or regulatory authority or with any stock exchange; (ii) management, administration, custodial, and related services; (iii) preparation, printing, and posting of prospectuses, sales literature and reports to Shareholders, the Central Bank and other governmental agencies; (iv) marketing expenses; (v) taxes; (vi) commissions and brokerage fees; (vii) expenses incurred in connection with the acquisition and disposal of the assets of the Company; (viii) auditing, tax, and legal fees (including expenses arising in respect of legal or administrative proceedings); (ix) insurance premiums; (x) fees of paying agents, distributors, local representatives and similar agents, such fees to be charged at normal commercial rates; and (xi) other operating expenses.

### Voluntary Cap on Total Expenses and Fees

The Investment Manager has voluntarily undertaken to reduce or waive all or a portion of its investment management fee or to make other arrangements to reduce the fees and expenses of a Fund to the extent necessary to ensure that the total fees and expenses in a financial year (excluding Performance Fees) do not exceed such expense limits as the Investment Manager may, by notice to Shareholders, voluntarily declare to be effective. However, the Investment Manager may terminate or modify any such voluntary agreement at any time at its sole discretion upon thirty (30) days' notice in writing to the Shareholders.

The Investment Manager has currently undertaken to limit the total fees and expenses in a financial year (excluding Performance Fees, if applicable) attributable to each Class of a Fund to the following percentage of the average daily Net Asset Value of the Fund attributable to that Class:

Table 7-1: Voluntary Cap on Total Expenses and Fees (excluding Performance Fees)

Fund	Class A	Class B	Class C	Class D	Class E	Class F	Class G	Class H	Class I
<b>Platinum World Portfolios - International Fund</b>	1.00% *	1.65%	1.00% *	1.65%	1.00% *	1.65%	1.00% *	1.65%	1.00%
<b>Platinum World Portfolios - Asia Fund</b>	1.00%*	1.65%	1.00%*	1.65%	1.00%*	1.65%	1.00%*	1.65%	1.00%
<b>Platinum World Portfolios - Japan Fund</b>	1.00%*	1.65%	1.00%*	1.65%	1.00%*	1.65%	1.00%*	1.65%	1.00%

<b>Fund</b>	<b>Class A</b>	<b>Class B</b>	<b>Class D</b>	<b>Class E</b>	<b>Class F</b>	<b>Class G</b>	<b>Class H</b>	<b>Founders Class A</b>
<b>Platinum World Portfolios - Health Sciences Fund</b>	1.00%*	1.65%	1.65%	1.00%*	1.65%	1.00%*	1.65%	0.75%*
	<b>Founders - Class B</b>	<b>Founders - Class E</b>	<b>Founders - Class F</b>	<b>Founders - Class G</b>	<b>Founders - Class H</b>			
	1.2%	0.75%*	1.2%	0.75%*	1.2%			

\* Any Performance Fee (as defined below) that may be payable to the Investment Manager is not included in the cap on total expenses and fees. Performance Fees are charged at 15% of the amount by which a Fund outperforms its Hurdle for the relevant period (after deduction of the Base Fee but before the deduction of any accrued Performance Fee). See below for further details on the calculation of Performance Fees.

Table 7-1 above represents, as a percentage of the Net Asset Value attributable to each Class of Shares within the Fund, the maximum amount that can be paid out of the Fund to cover fees and expenses in a financial year, excluding the Performance Fees, if any, that may be payable to the Investment Manager, but including any Base Fees and out-of-pocket expenses payable to the Investment Manager, as well as any fees and expenses payable to the Manager, the Depositary and the Administrator.

The Investment Manager may terminate or modify any such voluntary undertaking at any time at its sole discretion upon thirty (30) days' notice in writing to the Shareholders.

#### Investment Management Fee

Under the Investment Management Agreement, the Company will pay to the Investment Manager an investment management fee consisting of:

- a Base Fee; and
- a Performance Fee.

The applicable Base Fee (as a fixed percentage of the Net Asset Value of each Fund attributable to the relevant Class) and Performance Fee (as a percentage of the amount by which the Fund outperforms its Hurdle for the relevant period) in respect of each Share Class is displayed in Table 7-2 below.

The Investment Manager may determine to waive its right to take the full amount of investment management fees to which it is entitled on any particular day or days. The Investment Manager may exercise its discretion to do this without prejudice to its entitlement to take the full amount of the investment management fee accruing on any future days.

Table 7-2: Investment Management Base Fee and Performance Fee

<b>Fund</b>	<b>Share Class A</b>		<b>Share Class B</b>		<b>Share Class C</b>		<b>Share Class D</b>	
	Base Fee (%)	Performance Fee (%)	Base Fee (%)	Performance Fee (%)	Base Fee (%)	Performance Fee (%)	Base Fee (%)	Performance Fee (%)
Platinum World Portfolios - International Fund	0.75	15	1.4	Nil	0.75	15	1.4	Nil
Platinum World Portfolios - Asia Fund	0.75	15	1.4	Nil	0.75	15	1.4	Nil
Platinum World Portfolios - Japan Fund	0.75	15	1.4	Nil	0.75	15	1.4	Nil
Platinum World Portfolios - Health Sciences Fund	0.75	15	1.4	Nil	N/A	N/A	1.4	Nil
<b>Fund</b>	<b>Share Class E</b>		<b>Share Class F</b>		<b>Share Class G</b>		<b>Share Class H</b>	
	Base Fee (%)	Performance Fee (%)	Base Fee (%)	Performance Fee (%)	Base Fee (%)	Performance Fee (%)	Base Fee (%)	Performance Fee (%)
Platinum World Portfolios - International Fund	0.75	15	1.4	Nil	0.75	15	1.4	Nil
Platinum World Portfolios - Asia Fund	0.75	15	1.4	Nil	0.75	15	1.4	Nil
Platinum World Portfolios - Japan Fund	0.75	15	1.4	Nil	0.75	15	1.4	Nil
Platinum World Portfolios - Health Sciences Fund	0.75	15	1.4	Nil	0.75	15	1.4	Nil
<b>Fund</b>	<b>Share Class I</b>		<b>Founders - Class A</b>		<b>Founders - Class B</b>		<b>Founders - Class E</b>	
	Base Fee (%)	Performance Fee (%)	Base Fee (%)	Performance Fee (%)	Base Fee (%)	Performance Fee (%)	Base Fee (%)	Performance Fee (%)
Platinum World Portfolios - International Fund	0.75	15	N/A	N/A	N/A	N/A	N/A	N/A
Platinum World Portfolios - Asia Fund	0.75	15	N/A	N/A	N/A	N/A	N/A	N/A
Platinum World Portfolios - Japan Fund	0.75	15	N/A	N/A	N/A	N/A	N/A	N/A
Platinum World Portfolios - Health Sciences Fund	N/A	N/A	0.5	15	0.95	Nil	0.5	15
<b>Fund</b>	<b>Founders - Class F</b>		<b>Founders - Class G</b>		<b>Founders - Class H</b>			
	Base Fee (%)	Performance Fee (%)	Base Fee (%)	Performance Fee (%)	Base Fee (%)	Performance Fee (%)		
Platinum World Portfolios - International Fund	N/A	N/A	N/A	N/A	N/A	N/A		
Platinum World Portfolios - Asia Fund	N/A	N/A	N/A	N/A	N/A	N/A		
Platinum World Portfolios - Japan Fund	N/A	N/A	N/A	N/A	N/A	N/A		
Platinum World Portfolios - Health Sciences Fund	0.95	Nil	0.5	15	0.95	Nil		

\* Reference to "N/A" in the table above means this Share Class is not available for the Fund.

- *Base Fee*

The Base Fee is a fixed percentage (as listed in Table 7-2 above) of the Net Asset Value of each Fund attributable to the relevant Class per annum accrued on each Dealing Day and paid monthly in arrears.

- *Performance Fee*

The Investment Manager will be entitled to receive a Performance Fee out of the assets of the Fund in respect of certain Classes as listed in Table 7.2 above. The Performance Fee is 15% of the amount by which a Fund outperforms its Hurdle, for the relevant period (after deduction of the Base Fee but before the deduction of any accrued Performance Fee).

If the return on the Fund in any year is less than its Hurdle, the difference for that year will be carried forward and applied against the subsequent year's return for the Fund for the purpose of calculating a Performance Fee. The shortfall will be carried forward until a Performance Fee becomes payable. No Performance Fee can be paid unless all prior underperformance has been clawed back.

The Performance Fee will be calculated and accrue on each Dealing Day. The Performance Fee is calculated for each Calculation Period on the Calculation Day and will normally be payable to the Investment Manager in arrears within fourteen (14) days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be included in the redemption price and will be payable to the Investment Manager within fourteen (14) days after the date of redemption as though the date of redemption was the end of the Calculation Period. If a shortfall (underperformance) was carried forward to a Calculation Period ("Current Calculation Period") from the preceding Calculation Period and a redemption of Shares occurs during the Current Calculation Period, the shortfall (underperformance) will be applied on a pro-rata basis against any Performance Fee that may otherwise be payable in respect of those Shares redeemed.

If Shares in a Performance Fee Class are issued to a Shareholder during a Calculation Period, the subscription price per Share as at the relevant Dealing Day will include a proportionate share of any Performance Fee that has been accrued in the Net Asset Value for the relevant Class as a result of any outperformance generated by the Class prior to the issue of those Shares. Where Shares in a Performance Fee Class are issued on a Dealing Day, any such Performance Fee accrual in the Net Asset Value for that Class will be adjusted on the next Dealing Day following the issuance of the Shares, by an amount equivalent to the accrued Performance Fee that was included in the subscription price for those issued Shares.

Due to the way in which the Performance Fee is calculated, a Performance Fee may become payable for a given Calculation Period even if a Fund experiences a negative return (in an absolute sense) for that Calculation Period. The calculation of the Performance Fee is performed by the Administrator and verified by the Depositary and as such is not open to the possibility of manipulation. Once a Performance Fee is paid, the Performance Fee accrual in the Net Asset Value per Share of the relevant Share Class will be reset to zero.

The initial Net Asset Value per Share for the purposes of calculating the Performance Fee will be the Initial Subscription Price per Share. For the purposes of calculating the Performance Fee, the Net Asset Value per Share will be calculated without accounting for the Performance Fee payable in respect of the relevant Calculation Period. The Base Currency of each Fund is US\$. In calculating the Performance Fee, foreign exchange spot rates will be used for non-US\$ denominated share classes.

Where a Performance Fee is payable by the Fund, this fee will be based on net realised and net unrealised gains and losses as at the end of each Calculation Period. As a result, the Performance Fee may be payable on unrealised gains which may subsequently never be realised.

The Board of Directors shall ensure that the accrual represents fairly and accurately the Performance Fee liability that may eventually be payable by the Fund or Share Class to the Investment Manager.

Performance fee example for Platinum World Portfolios - International Fund, Platinum World Portfolios - Asia Fund and Platinum World Portfolios - Japan Fund

The table below provides a worked example of the annual Performance Fee payable assuming five different levels of Fund returns relative to the Hurdle return, over five consecutive Calculation Periods. Fund returns are after deduction of the Base Fee but before deduction of any accrued Performance Fee. This example is illustrative only and actual results may differ from the calculations provided below. The example assumes an investment balance of US\$1,000,000 at the start of the first Calculation Period i.e. on 1 July, that there were no redemptions during the relevant Calculation Periods, that no shortfall (underperformance) was carried forward to the first Calculation Period and that the Performance Fee is calculated at the end of each Calculation Period only i.e. not accrued on each Dealing Day during a Calculation Period. Numbers in the table are subject to rounding to the nearest whole number.

<b>Calculation Period</b>	<b>Investment balance at start of Calculation Period</b>	<b>Fund's return</b>	<b>Investment balance at end of Calculation Period (before any Performance Fee)</b>	<b>Hurdle return</b>	<b>Excess return</b>	<b>Calculation of Performance Fee / (shortfall*)</b>	<b>Performance Fee / (shortfall*)</b>
Yr 1 – 1 July to 30 June	US\$1,000,000	+ 24%	US\$1,240,000	+ 6%	18%	15% x 18% x US\$1,000,000	US\$27,000
Yr 2 – 1 July to 30 June	US\$1,213,000	- 1%	US\$1,200,870	- 6%	5%	15% x 5% x US\$1,213,000	US\$9,098
Yr 3 – 1 July to 30 June	US\$1,191,773	+ 5%	US\$1,251,361	+ 8%	-3%	15% x (- 3%) x US\$1,191,773	(US\$5,363*)
Yr 4 – 1 July to 30 June	US\$1,251,361	+ 8%	US\$1,351,470	+ 7%	1%	(15% x 1% x US\$1,251,361) – shortfall of US\$5,363	(US\$3,486*)
Yr 5 – 1 July to 30 June	US\$1,351,470	+ 13%	US\$1,527,161	+ 10%	3%	(15% x 3% x US\$1,351,470) – shortfall of US\$3,486	US\$2,596

The next table provides a worked example of the Performance Fee payable to the Investment Manager when an investor partially redeems Shares during a Calculation Period. Fund returns are after deduction of the Base Fee but before deduction of any accrued Performance Fee. This example is illustrative only and actual results may differ from the calculations provided below. It assumes an investment balance of US\$1,000,000 at the start of the Calculation Period i.e. on 1 July, of which US\$275,000 is subsequently redeemed during the Calculation Period on 31 October, that no shortfall (underperformance) was carried forward from the prior Calculation Period, and that the Performance Fee is calculated at the end of each Calculation Period only i.e. not accrued on each Dealing Day during a Calculation Period. Numbers in the table are subject to rounding to the nearest whole number.

Calculation Period	Investment balance at start of Calculation Period	Fund's return	Investment balance at end of Calculation Period (before any Performance Fee)	Redemption	Hurdle return	Excess return	Calculation of Performance Fee / (shortfall*)	Performance Fee / (shortfall*)
1 July to 31 October	US\$1,000,000	+ 10%	US\$1,100,000	US\$275,000	+ 6%	4%	15% x 4% x US\$1,000,000 x 25%	US\$1,500 (included in redemption price)
1 July to 30 June	US\$825,000	+ 5% i.e. down by 5% since 31 October	US\$783,750	US\$0	+ 6%	-1%	15% x (-1%) x US\$1,000,000 x 75%	(US\$1,125*)

\* If the Fund's return in a given Calculation Period is less than that of the Hurdle, the shortfall (underperformance) for that Calculation Period will be carried forward and deducted from any Performance Fee payable for the subsequent Calculation Period. Any shortfall (underperformance) will continue to be carried forward to subsequent Calculation Periods until a Performance Fee becomes payable. No Performance Fee can be paid for a Calculation Period until all prior underperformance has been clawed back.

#### Performance fee example for Platinum World Portfolios - Health Sciences Fund

The table below provides a worked example of the annual Performance Fee payable assuming five different levels of Fund returns relative to the Hurdle return, over five consecutive Calculation Periods. Fund returns are after deduction of the Base Fee but before deduction of any accrued Performance Fee. This example is illustrative only and actual results may differ from the calculations provided below. The example assumes an investment balance of US\$1,000,000 at the start of the first Calculation Period i.e. on 1 July, that there were no redemptions during the relevant Calculation Periods, that no shortfall (underperformance) was carried forward to the first Calculation Period and that the Performance Fee is calculated at the end of each Calculation Period only i.e. not accrued on each Dealing Day during a Calculation Period. Numbers in the table are subject to rounding to the nearest whole number.

Calculation Period	Investment balance at start of Calculation Period	Fund's return	Investment balance at end of Calculation Period (before any Performance Fee)	Hurdle return	Excess return	Calculation of Performance Fee / (shortfall*)	Performance Fee / (shortfall**)
Yr 1 – 1 July to 30 June	US\$1,000,000	+ 24%	US\$1,240,000	+ 6%	18%	15% x 18% x US\$1,000,000	US\$27,000
Yr 2 – 1 July to 30 June	US\$1,213,000	- 1%	US\$1,200,870	+ 6%	-7%	15% x -7% x US\$1,213,000	(US\$12,737)
Yr 3 – 1 July to 30 June	US\$1,200,870	+ 5%	US\$1,260,914	+ 6%	-1%	(15% x (-1%) x US\$1,200,870) - minus shortfall of US\$12,737	(US\$14,538)
Yr 4 – 1 July to 30 June	US\$1,260,914	+ 8%	US\$1,361,787	+ 6%	2%	(15% x 2% x US\$1,260,914) - minus shortfall of US\$14,538	(US\$10,755)



Yr 5 – 1 July to 30 June	US\$1,361,787	+ 13%	US\$1,538,819	+ 6%	7%	(15% x 7% x US\$1,361,787) - minus shortfall of US\$10,755	\$3,544
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The next table provides a worked example of the Performance Fee payable to the Investment Manager when an investor partially redeems Shares during a Calculation Period. Fund returns are after deduction of the Base Fee but before deduction of any accrued Performance Fee. This example is illustrative only and actual results may differ from the calculations provided below. It assumes an investment balance of US\$1,000,000 at the start of the Calculation Period i.e. on 1 July, of which US\$275,000 is subsequently redeemed during the Calculation Period on 31 October, that no shortfall (underperformance) was carried forward from the prior Calculation Period, and that the Performance Fee is calculated at the end of each Calculation Period only i.e. not accrued on each Dealing Day during a Calculation Period. Numbers in the table are subject to rounding to the nearest whole number.

Calculation Period	Investment balance at start of Calculation Period	Fund's return	Investment balance at end of Calculation Period (before any Performance Fee)	Redemption	Hurdle return	Excess return	Calculation of Performance Fee (shortfall*)	Performance Fee (shortfall**) /
1 July to 31 October	US\$1,000,000	+ 10%	US\$1,100,000	US\$275,000	+ 2%*	8%	15% x 8% x US\$1,000,000 x 25%	US\$3,000 (included in redemption price)
1 July to 30 June	US\$825,000	+ 5% i.e. down by 5% since 31 October	US\$783,750	US\$0	+ 6%	-1%	15% x (-1%) x US\$1,000,000 x 75%	(US\$1,125**)

\*Absolute Return Hurdle for 4 months (6% x 4/12)

\*\* If the Fund's return in a given Calculation Period is less than that of the Hurdle return, the shortfall (underperformance) for that Calculation Period will be carried forward and deducted from any Performance Fee payable for the subsequent Calculation Period. Any shortfall (underperformance) will continue to be carried forward to subsequent Calculation Periods until a Performance Fee becomes payable. No Performance Fee can be paid for a Calculation Period until all prior underperformance has been clawed back.

Where available, details of the past performance of a Class against that of the applicable Hurdle return are set out in the relevant KIID for that Class, which can be obtained on the Company's website.

If the valuation of the assets of the Fund is suspended, then in such case in lieu of an investment management fee calculated under the foregoing provisions the Investment Manager shall be entitled to a fee accrued daily during such suspension at a rate equal to the sum accrued by way of the Base Fee on the last Dealing Day prior to such suspension. In the case of liquidation or merger of a Fund or Share Class to which a Performance Fee is applicable, the Performance Fee will be paid on the last Dealing Day before its liquidation or merger.

If the Investment Management Agreement is terminated during a Calculation Period, the Performance Fee in respect of the current Calculation Period will be calculated and paid as though the date of termination were the end of the relevant Calculation Period. Upon termination of the Fund the Investment Manager will be entitled to receive the Performance Fee for the Calculation Period in which the termination occurs. If the termination occurs prior to the end of a month, the Investment Manager shall receive the amount of the Investment Management Fee prorated through the effective date of the termination of the Fund, as appropriate.

In addition to the investment management fee described above, the Investment Manager shall be entitled to be reimbursed its reasonable vouched out-of-pocket expenses. Each Fund shall bear pro rata its share of such out-of-pocket expenses.

The Investment Manager has voluntarily agreed to waive all or a portion of its investment management fee or to make other arrangements to reduce the fees and expenses of a Fund to the extent necessary to ensure that the total fees and expenses in any financial year with respect to a Class (excluding any Performance Fee) do not exceed such limits as the Investment Manager may, by notice to Shareholders, voluntarily declare to be effective. The current voluntary cap on total expense and fees (excluding Performance Fees) as a percentage of Net Asset Value attributable to each Class of Shares of such Fund is set out in Table 7-1 above.

The Investment Manager may terminate or modify any such voluntary agreement at any time at its sole discretion upon thirty (30) days' notice in writing to the Shareholders.

The Investment Managers may, in their discretion and upon request, pay rebates directly to Shareholders. Such rebates are paid from fees received by the Investment Managers and therefore do not represent an additional charge on the Funds' assets.

#### Manager's Fee

The Manager shall be paid a fee by the Company out of the assets of the relevant Fund, calculated and accrued on each Dealing Day and payable monthly in arrears, of an amount up to 0.03% of the Net Asset Value of each Fund (plus VAT, if any) subject to a monthly minimum fee of 5,000 for the Company (calculated on the basis of €3,000 per month for the Company and one Fund and an additional €1,000 per month for each additional Fund) (plus VAT, if any). The Manager is also entitled to receive out of the assets of the relevant Fund reasonable and properly vouched expenses. Any increase in the maximum annual fee payable to the Manager shall be subject to the approval of Shareholders on the basis of a majority of votes cast at a general meeting.

#### Depositary's Fee

The Depositary's fee shall comprise a fee of up to 0.2% per annum of the Net Asset Value of each of the Funds (together with VAT, if any, thereon) exclusive of transaction charges, which shall be charged at normal commercial rates, (plus VAT, if any). The Depositary's fee shall be accrued and be calculated on each Dealing Day and shall be payable monthly in arrears. In addition, the Depositary shall be entitled to be reimbursed its reasonable fees and customary agents' charges paid by the Depositary to any sub-custodian (which shall be charged at normal commercial rates) together with value added tax, if any, thereon.

#### Administrator's Fee

The Company shall pay the Administrator, out of the assets of each Fund, an administration fee of up to 0.07% per annum of the Net Asset Value of each of the Funds during the year, subject to a total minimum annual fee for each Fund of US\$50,000. Additional fees will be applied for provision of incremental services including, but not limited to, financial reporting, tax services, KIID reporting and risk services. Such fees will be agreed from time to time between the Administrator and the Fund and will be disclosed in the annual accounts.

The fee shall be calculated and accrued on each Dealing Day and payable monthly in arrears.

In addition, the Administrator shall be entitled to be reimbursed its reasonable vouched out-of-pocket expenses, transaction and account fees.

Each Fund will bear its proportion of the fees and expenses of the Administrator.

#### Directors' Fees

The Directors shall be entitled to be paid a fee from the assets of the Company by way of remuneration for their services at a rate to be determined from time to time by the Directors, provided that the aggregate amount of

Directors' remuneration in any one year shall not exceed EUR120,000 or such other maximum amount as may be determined by the Directors and approved by the Shareholders from time to time and disclosed in the Prospectus or the Company's annual report. The Directors will be entitled to be reimbursed by the Company for all reasonable disbursements and out-of-pocket expenses incurred by them.

#### Allocation of Fees and Expenses

All fees, expenses, duties and charges will be charged to the relevant Fund and within such Fund to the Classes in respect of which they were incurred. Where an expense is not considered by the Directors to be attributable to any one Fund, the expense will normally be allocated to all Funds in proportion to the Net Asset Value of the Funds or otherwise on such basis as the Directors deem fair and equitable. 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.

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

In the event of receipt for processing of net subscription or net redemption requests, subscriptions to and redemptions from Funds will incur an "anti-dilution levy" representing a provision for market spreads (the difference between the prices at which assets are valued and/or bought or sold), dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of a Fund. The anti-dilution levy will be subject to regular review by the Directors and/or the Manager and based on actual costs up to a maximum of 0.25% of the value of any net subscription or net redemption to or from each Class of Shares of each Fund. Any such provision will be added to the price at which Shares will be issued in the case of net subscription requests and deducted from the price at which Shares will be redeemed in the case of net redemption requests. Any such sum will be paid into the account of the relevant Fund.

As a result of the anti-dilution levy, a charge of up to 0.5% may be payable when a Shareholder converts their Shares in one Fund for Shares in another Class of that Fund or Shares of another Fund.

## 8. THE SHARES

### Determination of Net Asset Value

The Administrator shall determine the Net Asset Value per Share of each Class on each Dealing Day as at close of the New York Stock Exchange on the basis set forth below and in accordance with the Constitution.

The Net Asset Value per Share of a Fund shall be the value of the gross assets attributable to such Fund less all of the liabilities attributable to such Fund (including such provisions as the Administrator considers appropriate in respect of the costs and expenses payable in relation to such Fund) divided by the number of Shares of such Fund outstanding as of the Dealing Day. Any liabilities of the Company which are not attributable to any Fund shall be allocated among all of the Funds pro rata to the relative Net Asset Value of the Funds.

The Net Asset Value of each Class shall be determined by calculating the amount of the Net Asset Value attributable to each Class. The amount of the Net Asset Value of a Fund attributable to a Class shall be determined by establishing the proportion of the assets of the Class as at the most recent Net Asset Value calculation or the close of the Initial Offer Period in the case of an initial offer of a Class, adjusted to take account of any subscription orders (after deduction of any redemption orders) and by allocating relevant Class Expenses (as defined below) and fees to the Class and making appropriate adjustments to take account of distributions paid, if applicable, and apportioning the Net Asset Value accordingly. The Net Asset Value per Share of a Class shall be calculated by dividing the Net Asset Value of the Class by the number of Shares in issue in that Class. Class Expenses or fees or charges not attributable to a particular Class may be allocated amongst the Classes based on their respective Net Asset Value or any other reasonable basis approved by the Depositary having taken into account the nature of the fees and charges. Class Expenses and fees relating specifically to a Class will be charged to that Class. In the event that Classes are priced in a currency other than the Base Currency, currency conversion costs will be borne by that Class.

“Class Expenses” means the expenses of registering a Class in any jurisdiction or with any stock exchange, regulated market or settlement system, and all other expenses arising from such registration and such further expenses howsoever arising as may be disclosed in the Prospectus. The cost of converting currency and the costs and gains/losses of the hedging transactions (if any) are borne solely by the relevant Class.

The Net Asset Value per Share shall be rounded upwards or downwards as appropriate to the nearest three (3) decimal places or such other number of places as the Directors may decide.

In determining the value of the assets of a Fund, each investment quoted, listed or traded on a Regulated Market for which market quotations are readily available shall be valued at the last traded price of that investment on the relevant Regulated Market on the relevant Dealing Day. The value of the investment listed on a Regulated Market but acquired or traded at a premium or at a discount outside or off the relevant stock exchange may be valued, taking into account the level of premium or discount as at the date of valuation of the investment and the Depositary must ensure that the adoption of such procedure is justifiable in the context of establishing the probable realisation value of the security. If the investment is normally quoted, listed or traded on or under the rules of more than one Regulated Market, the relevant Regulated Market shall be that which the Directors or their delegate determines provides the fairest criterion of value for the investment. Investments that are not quoted, listed or traded on a Regulated Market or investments that are quoted, listed, or traded on a Regulated Market, but whose prices are not available at the relevant time or are unrepresentative, shall be valued at such value as shall be certified with care and good faith as the probable realisation value of the investment by a competent professional person appointed by the Directors and approved for such purpose by the Depositary. Neither the Investment Manager nor the Administrator shall be under any liability if a price reasonably believed by them to be the latest mid-market price available for the time being, may be found not to be such.

Units or shares in collective investment schemes which are not valued in accordance with the provisions above shall be valued on the basis of the latest available net asset value per unit/share as published by the collective investment scheme.

Cash deposits and similar investments shall be valued at their face value together with accrued interest unless in the opinion of the Directors any adjustment should be made to reflect the fair value thereof.

Exchange-traded derivative instruments shall be valued at the relevant settlement price on the applicable exchange, provided that if the settlement price of an exchange traded derivative instrument is not available, the value of such instrument shall be the probable realisation value estimated with care and in good faith by a competent person appointed by the Directors and approved for the purpose by the Depositary. Derivative instruments not traded on a Regulated Market shall be valued daily using either the counterparty valuation or an alternative valuation, such as a valuation calculated by a Fund or by an independent pricing vendor appointed by the Directors and approved for that purpose by the Depositary. Where the counterparty valuation is used, the valuation must be approved or verified at least weekly by an independent party (which may be the Investment Manager) who is approved for the purpose by the Depositary. Where the Company values OTC derivatives using an alternative valuation, the Company must follow international best practice and will adhere to the principles on the valuation of OTC instruments established by bodies such as IOSCO and AIMA. The alternative valuation is that provided by a competent person appointed by the Directors and approved for the purpose by the Depositary, which may be the Investment Manager, or a valuation by any other means provided that the value is approved by the Depositary. Where an alternative valuation is used, such valuation shall be reconciled on a monthly basis to the valuation provided by the counterparty to such instrument. Where significant differences arise these will be promptly investigated and explained. Forward foreign exchange contracts and interest rate swap contracts shall be valued by reference to freely available market quotations as of the close of business on the Dealing Day.

Values that are required to be converted to the base currency will be done so using exchange rates available as at 4:00 pm (U.K. time) or that latest available up to that time. The Funds may apply an amortised cost method of valuation to money market instruments, which have a residual maturity not exceeding three (3) months and no separate sensitivity to market parameters, including credit risk.

The Directors, with the approval of the Depositary, may adjust the Net Asset Value per Share when calculating realisation prices for any Fund to reflect the value of such Fund's investments assuming they were valued using the last traded price on the relevant market at the relevant time and provided that such methodology shall be applied on a consistent basis in respect of all asset classes. The Directors' intention is only to exercise this discretion to preserve the value of the holdings of continuing Shareholders in the event of substantial or recurring net redemptions of Shares in the relevant Fund.

In the event of it being impossible or incorrect to carry out a valuation of a specific investment in accordance with the valuation rules set out above or if such valuation is not representative of a security's fair market value, a competent person appointed by the Directors and approved for the purpose by the Depositary in consultation with the Investment Manager is entitled to use such other generally recognised valuation method in order to reach a proper valuation of that specific instrument, provided that such method of valuation has been approved by the Depositary.

The value of an asset may be adjusted by the Directors or the Investment Manager, in consultation with the Depositary, where such an adjustment is considered necessary to reflect the fair value of an asset in the context of currency, marketability, dealing costs and/or such other considerations which are deemed relevant.

### **Application for Shares**

Applicants should confirm that the Shares are not being acquired either directly or indirectly by or on behalf of any US Person or Australian Resident or on behalf of any person in any other jurisdiction that would be restricted or prohibited from acquiring shares and that the investor will not sell, transfer, or otherwise dispose of any such shares,

directly or indirectly, to or for the account of any US Person or Australian Resident or in the US or Australia to or for the account of any person in such jurisdiction to whom it is unlawful to make such an offer or solicitation. Please see the section “Restrictions on Sale of Shares” beginning on page ii for further information.

Subscriptions for Shares must be made in the currency of the relevant Class. Subscription monies for Shares in a Currency Share Class will be converted into the Base Currency of the relevant Fund at the prevailing exchange rates.

Application forms for Shares may be obtained from the Administrator. Shares may be issued on any Dealing Day to eligible investors who have forwarded the completed application form and all supporting documentation in connection with the obligations to prevent money laundering and terrorist financing to the Administrator, so that the application form shall be received by the Administrator no later than the Trade Cut-Off Time. Applications received by the Administrator after the Trade Cut-Off Time will be carried over to the next Dealing Day, unless otherwise determined at the discretion of the Directors. Before subscribing for Shares an investor will be required to complete a declaration (included in the subscription application form) as to the investor’s tax residency or status in the form prescribed by the Revenue Commissioners of Ireland. The original signed application form must be delivered to the Administrator.

Investors should transmit funds representing the subscription monies by wire instructions to the relevant accounts set out in the subscription application form for Shares, so that funds are received in the Company’s account by the Administrator by the Settlement Time. If payment for subscription orders is not received by the Settlement Time, a subscription may be cancelled or the investor may be charged interest on the outstanding subscription monies at normal commercial rates. In such an event, the individual investor may be held liable for any loss to the Fund.

Applications for Shares by *in specie* transfer may be made by agreement with the Investment Manager on a case-by-case basis and subject to the approval of the Depositary. In such cases the Company shall issue Shares in exchange for investments which the Company may acquire in accordance with its investment objectives, policies and restrictions and may hold or sell, dispose of or otherwise convert such securities into cash. No Shares shall be issued until the investments are vested in the Depositary or its nominee. The value of the Shares to be issued shall be calculated on the same basis as the valuation of Shares to be issued for cash.

The Administrator reserves the right to reject in whole or in part any application for Shares or to request further details or evidence of identity from an applicant for Shares. Where an application for Shares is rejected, the subscription monies shall be returned to the applicant within ten (10) Business Days of the date of such rejection. Investors must provide such declarations as are reasonably required by the Company and/or the Manager, including, without limitation, declarations as to matters of Irish and U.S. taxation. In this regard, investors should take into account the considerations set out in the section entitled “Tax Information”.

The Company, may issue fractional Shares rounded to the third decimal place. Fractional Shares shall not carry any voting rights.

The minimum initial subscription per Shareholder in a Fund in respect of each Class is set out in the following table:

Share Class	Class A	Class B	Class C	Class D	Class E	Class F
<b>Minimum initial subscription</b>	US\$500,000	US\$100,000	US\$500,000	US\$100,000	€400,000	€80,000
Share Class	Class G	Class H	Class I	Founders - Class A	Founders - Class B	Founders - Class E
<b>Minimum initial subscription</b>	£300,000	£60,000	US\$10,000,000	US\$1,000,000	US\$1,000,000	€800,000
Share Class	Founders - Class F	Founders - Class G	Founders - Class H			
<b>Minimum initial subscription</b>	€800,000	£600,000	£600,000			

The Company reserves the right to vary the minimum initial subscription or minimum subsequent subscription and may choose to waive these minimum investment requirements, if considered appropriate.

### Subscriptions through Euroclear

For investors wishing to hold Shares through Euroclear or other platforms, settlement must be effected through Euroclear or such other relevant platform. Investors must ensure that they have funds and/or credit arrangements in their Euroclear account sufficient to pay the full subscription monies by the Settlement Time.

Morgan Guaranty Trust Company of New York, Brussels Office, as operator of the Euroclear System ("**Euroclear Operator**"), holds securities on behalf of participants of the Euroclear System. Euroclear eligible securities are freely transferable in the Euroclear System. Therefore, the Euroclear Operator does not monitor any ownership or transfer restrictions on behalf of the Company, but will provide the Administrator with the name and contact address of each person who purchases Shares.

Fractional Shares will not be issued for purchases that are settled through Euroclear.

Investors wishing to hold Shares through Euroclear may obtain the Euroclear Common Code for the Company and settlement procedures by contacting the Administrator in Dublin via telephone at +353 (0) 1 2425541 or via facsimile at +353 (0) 1 4389549.

### Anti-Money Laundering Procedures

Measures aimed at the prevention of money laundering will require an applicant to verify his identity and the source of his funds and/or the source of his wealth to the Administrator. The Administrator reserves the right to reject any

application for Shares or to request further details or evidence of identity from an applicant for, or transferee of, Shares.

The Administrator, working in conjunction with the designated anti-money laundering reporting officer of the Company, will notify applicants if additional proof of identity is required. By way of example, an individual will be required to produce a copy of a passport or identification card duly certified by a public authority such as a notary public, the police or the ambassador in his country of residence, together with evidence of his address such as a utility bill or bank statement. In the case of corporate applicants, this will require production of a certified copy of the certificate of incorporation (and any change of name), bye-laws, memorandum and articles of association (or equivalent), or trust deed in the case of a trust and the names and addresses of all directors, trustees and/or beneficial owners.

The Administrator reserves the right to request such documentation as is necessary to verify the identity of the applicant, the address and the source of wealth and/or funds of any applicant. Shares will not be issued until such time as the Administrator has received and is satisfied with all the information and documentation required to verify the identity of the applicant. This may result in Shares being issued on a Dealing Day subsequent to the Dealing Day on which the applicant initially wished to have Shares issued.

It is further acknowledged that the Administrator, in the performance of its delegated duties, shall be held harmless by the applicant against any loss arising as a result of a failure to process the subscription if such information as has been requested by the Administrator has not been provided by the applicant.

### **Subsequent Subscriptions**

Subsequent subscriptions (i.e., subsequent to an initial subscription for Shares within a Fund) may be made by submitting a subscription form to the Administrator by the relevant Trade Cut-Off Time in writing, by fax, or such other means in accordance with the requirements of the Central Bank. Investors must ensure that they have funds in place sufficient to pay the full subscription monies by the Settlement Time.

Subsequent faxed subscription requests may be processed without a requirement to submit original documentation. Amendments to a Shareholder's registration details and payment instruction will only be effected on receipt of original documentation. Any changes to the Shareholder's personal details must be notified immediately to the Administrator in writing.

The minimum subsequent subscription per Shareholder in a Fund in respect of each Class is set out in the following table:



Share Class	Class A	Class B	Class C	Class D	Class E	Class F
Minimum subsequent subscription	US\$25,000	US\$25,000	US\$25,000	US\$25,000	€20,000	€20,000
Share Class	Class G	Class H	Class I	Founders - Class A	Founders - Class B	Founders - Class E
Minimum subsequent subscription	£20,000	£20,000	US\$100,000	US\$100,000	US\$100,000	€80,000
Share Class	Founders Class F	Founders Class G	Founders Class H			
Minimum subsequent subscription	€80,000	£60,000	£60,000			

### Subscription Price

Following the Initial Offer Period, the subscription price per Share shall be the Net Asset Value per Share determined on the next Dealing Day. An anti-dilution levy of up to 0.25% of subscription monies may be payable on subscriptions.

### Written Confirmations of Ownership

The Administrator shall be responsible for maintaining the Company's register of Shareholders in which all issues, redemptions, conversions, and transfers of Shares will be recorded. Written confirmations of ownership will be issued in relation to the Shares. Shares shall be in registered form. The Administrator shall not issue a Share certificate in respect of Shares. A Share may be registered in a single name or in up to four joint names. The register of Shareholders shall be available for inspection upon reasonable notice at the registered office of the Company during normal business hours where a Shareholder may inspect only his entry on the register.

### Redemption Requests

Shares may be redeemed by submitting a redemption request (in writing, by fax, or such other means in accordance with the requirements of the Central Bank) to the Administrator no later than the Trade Cut-Off Time. Redemption requests received by the Administrator after the Trade Cut-Off Time on a Dealing Day will be carried over to the next Dealing Day, unless otherwise determined at the discretion of the Directors.

In the case of faxed redemption requests, payment will only be made to the account of record.

If redemption requests on any Dealing Day exceed 10% of the total number of Shares in a Fund, the Directors may elect to restrict the total number of Shares of that Fund to be redeemed to 10% or such higher percentage as may be specified of the total number of Shares/Net Asset Value of that Fund, in which case all the relevant requests will be scaled down *pro rata* to the number of Shares requested to be redeemed in the Fund and shall treat the redemption requests as if they were received on each subsequent Dealing Day (in relation to which the Company

has the same power of deferral at the then prevailing limit) until all the Shares to which the original request related have been redeemed and in such cases the Company may reduce requests pro rata on the next and following Dealing Days so as to give effect to the above limitation and except where the Net Asset Value determination has been temporarily suspended in circumstances outlined on page 84.

### **Redemption Price**

Shares shall be redeemed at the applicable Net Asset Value per Share obtained on the Dealing Day on which redemption is effected. An anti-dilution levy of up to 0.25% of redemption monies may be payable on redemptions.

All payments of redemption monies shall normally be made within three (3) Business Days but in any event within ten (10) Business Days of the Dealing Day on which the redemption request is effective. The redemption proceeds shall be made by wire instructions at the Shareholder's expense to the Shareholder's bank account, details of which shall be set out by the Shareholder to the Administrator in the application form. Redemption proceeds cannot be released until the original application form, original redemption request and all documents required in connection with the obligation to prevent money laundering have been received by the Administrator and all anti-money laundering procedures have been completed.

At the discretion of the Company and with the consent of the Shareholder making such redemption request, assets may be transferred to a Shareholder in satisfaction of the redemption monies payable on the redemption of Shares, provided that such distribution is equitable and not prejudicial to the interests of the remaining Shareholders. The allocation of such assets shall be subject to the approval of the Depositary. At the request of the Shareholder making such redemption request such assets may be sold by the Company and the proceeds of sale shall be transmitted to the Shareholder. The transaction costs incurred in the sale of the assets will be payable by the Shareholder. A determination to provide redemption in specie may be solely at the discretion of the Directors where the redeeming Shareholder requests redemption of a number of Shares that represent 5% or more of the Net Asset Value of any Fund. In this event the Company will, if requested, sell the assets on behalf of the Shareholder. The transaction costs incurred in the disposal of such investments shall be borne by the Shareholder.

### **Mandatory Redemption of Shares**

If a redemption causes a Shareholder's holding in the Company to fall below the Minimum Holding, the Company may redeem the whole of that Shareholder's holding. Before doing so, the Company shall notify the Shareholder in writing and allow the Shareholder thirty (30) days to purchase additional Shares to meet the Minimum Holding requirement. The Company reserves the right to vary this mandatory redemption amount.

Shareholders are required to notify the Administrator immediately in the event that they become US Persons or Australian Residents. Shareholders who become US Persons/Australian Residents may be required to dispose of their Shares to non-US Persons/non Australian Residents on the next Dealing Day thereafter unless the Shares are held pursuant to an exemption which would allow them to hold the Shares. The Company reserves the right to redeem or require the transfer of any Shares which are or become owned, directly or indirectly, by a US Person, Australian Resident or other person if the holding of the Shares by such other person is unlawful or, in the opinion of the Directors, the holding might result in the Company or the Shareholders as a whole incurring any liability to taxation or suffering pecuniary or material administrative disadvantage which the Company or the Shareholders as a whole might not otherwise suffer or incur.

### **Transfer of Shares**

All transfers of Shares shall be effected by transfer in writing in any usual or common form and every form of transfer shall state the full name and address of the transferor and the transferee. The instrument of transfer of a Share shall be signed by or on behalf of the transferor and the original form must be submitted to the Administrator. The transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered in the Share register in respect thereof. Where the transferee is not an existing Shareholder in the Fund, the transferee must complete an application form and comply with the relevant anti-money laundering procedures. The Directors may

decline to register any transfer of Shares if in consequence of such transfer the transferor or transferee would hold less than the currency equivalent of the amount of the minimum initial subscription for the relevant Fund or would otherwise infringe the restrictions on holding Shares outlined above. The registration of transfers may be suspended at such times and for such periods as the Directors, may from time to time determine, provided always that such registration shall not be suspended for more than thirty (30) days in any year. The Directors may decline to register any transfer of Shares unless the instrument of transfer is deposited at the registered office of the Company or at such other place as the Directors may reasonably require together with such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer. Such evidence may include a declaration that the proposed transferee is not a US Person or Australian Resident and that upon transfer the Shares will not be held by or for the account of any US Person or Australian Resident.

### **Withholdings and Deductions**

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

### **Conversion of Shares**

With the consent of the Directors, a Shareholder may convert Shares of one class in a Fund for Shares in another class of that Fund or Shares of another Fund on giving notice to the Administrator in such form as the Administrator may require provided that the shareholding satisfies the minimum investment criteria and provided that the original application is received within the time limits specified above in the case of subscriptions. Conversion is not intended to facilitate short-term or excessive trading. The conversion is effected by arranging for the redemption of Shares of one Fund, converting the redemption proceeds into the currency of another Fund and subscribing for the Shares of the other Fund with the proceeds of the currency conversion.

Conversion will take place in accordance with the following formula:

$$NS = \frac{[(A \times B) - (1 - TC)) \times C]}{D}$$

where:

- NS = the number of Shares which will be issued in the new Fund;
- A = the number of the Shares to be converted;
- B = the redemption price of the Shares to be converted;
- C = the currency conversion factor as determined by the Directors;
- D = the issue price of Shares in the new Fund on the relevant Dealing Day; and
- TC = the transaction charge incurred in connection with the proposed transaction which shall not in any event exceed 1.0% of the Net Asset Value per Share.

If NS is not an integral number of Shares, the Directors reserve the right to issue fractional Shares in the new Fund or to return the surplus arising to the Shareholder seeking to convert the Shares.

The length of time for completion of a conversion will vary depending on the Funds involved and the time when the conversion is initiated. In general, the length of time for completion of a conversion will depend upon the time required to obtain payment of redemption proceeds from the Fund whose Shares are being acquired.

## **Excessive Trading**

Investment in the Funds is intended for long-term purposes only. The Funds will take reasonable steps to seek to prevent short-term trading. Excessive short-term trading into and out of a Fund can disrupt portfolio investment strategies and may increase expenses, and adversely affect investment returns, for all Shareholders, including long-term Shareholders who do not generate these costs. The Company reserves the right to reject any purchase request (including any conversion request) by any investor or group of investors for any reason without prior notice, including, in particular, if it believes that the trading activity would be disruptive to a Fund. For example, a Fund may refuse a purchase order if the Investment Manager believes it would be unable to invest the money effectively in accordance with the Fund's investment policies or the Fund would otherwise be adversely affected due to the size of the transaction, frequency of trading or other factors.

The trading history of accounts under common ownership or control may be considered in enforcing these policies. Transactions placed through the same financial intermediary on an omnibus basis may be deemed a part of a group for purposes of this policy and may be rejected in whole or in part by a Fund.

Transactions accepted by a financial intermediary in violation of the Funds' excessive trading policy are not deemed accepted by a Fund and may be cancelled or revoked by the Fund on the next Business Day following receipt.

Investors should be aware that there are practical restraints both in determining the policy that is appropriate in the interests of long term investors, and in applying and enforcing such policy. For example, the ability to identify and prevent covert trading practices or short-term trading where investors act through omnibus accounts is limited. Also, investors such as fund of funds and asset allocation funds will change the proportion of their assets invested in the Company or in the Funds in accordance with their own investment mandate or investment strategies. The Company will seek to balance the interests of such investors in a way that is consistent with the interests of long-term investors but no assurance can be given that the Company will succeed in doing so in all circumstances. For example, it is not always possible to identify or reasonably detect excess trading that may be facilitated by financial intermediaries or made difficult to identify by the use of omnibus accounts by those intermediaries.

The Investment Manager, where possible from the reports provided by the Administrator to assist in the analysis, will endeavour to monitor "round trips". A "round trip" is a redemption or conversion out of a Fund (by any means) followed by a purchase or conversion back into the same Fund (by any means). The Company may limit the number of round trips carried out by a Shareholder.

## **Umbrella Cash Accounts**

Cash accounts arrangements have been put in place in respect of the Company and the Funds as a consequence of the introduction of new requirements relating to the subscription and/or redemption collection accounts pursuant to the Investor Money Regulations 2015. The following is a description of how such cash accounts arrangements are expected to operate. These cash accounts are not subject to the protections of the Investor Money Regulations and instead will be subject to the guidance issued by the Central Bank from time to time in relation to umbrella cash accounts.

Investor Monies will be held in a single Umbrella Cash Account in respect of a particular currency. The assets in the Umbrella Cash Account will be assets of the Company (for the relevant Fund).

If subscription monies are received by a Fund in advance of the issue of Shares (which occurs on the relevant Dealing Day), then such monies will be held in the Umbrella Cash Account and will be treated as an asset of the relevant Fund. The subscribing investors will be unsecured creditors of the relevant Fund with respect to their subscription monies until the Shares are issued to them on the relevant Dealing Day. The subscribing investors will be exposed to the credit risk of the institution at which the Umbrella Cash Account has been opened. Such investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights in respect of the subscription monies (including dividend entitlements) until such time as the Shares are issued on the relevant Dealing Day.

Redeeming investors will cease to be Shareholders of the redeemed Shares from the relevant Dealing Day. Redemption and dividend payments will, pending payment to the relevant investors, be held in the Umbrella Cash Account. Redeeming investors and investors entitled to dividend payments held in the Umbrella Cash Account will be unsecured creditors of the relevant Fund with respect to those monies. Where the redemption and dividend payments cannot be transferred to the relevant investors, for example, where the investors have failed to supply such information as is required to allow the Company to comply with its obligations under applicable anti-money laundering and counter terrorist legislation, the redemption and dividend payments will be retained in the Umbrella Cash Account, and investors should address the outstanding issues promptly. Redeeming investors will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including, without limitation, the entitlement to future dividends) in respect of such amounts.

For information on the risks associated with Umbrella Cash Accounts, see “Risks Associated with Umbrella Cash Accounts” in the “Investment Risks and Special Considerations” section herein.

### **Disclosure of Portfolio Information**

Monthly factsheets relating to the Funds will be available on the Company's website at [www.platinumworldportfolios.ie](http://www.platinumworldportfolios.ie). The monthly update includes: a listing of the top ten positions, a geographic allocation of investments on a long and net basis and an industry sector breakdown on a long and net basis. The monthly update will be available within 10 Business Days after each month-end.

### **Publication of the Price of the Shares**

The latest daily Net Asset Value per Share shall be made public at the office of the Administrator on each Dealing Day, except where the determination of the Net Asset Value has been suspended in the circumstances described below. In addition, the Net Asset Value per Share shall be published on the Company's website [www.platinumworldportfolios.ie](http://www.platinumworldportfolios.ie) on each Dealing Day. Such information shall relate to the Net Asset Value per Share for the current Dealing Day and is published for information purposes only. Any internet address or website referred to in this document does not form part of this Prospectus. It is not an invitation to subscribe for, redeem or convert Shares at that Net Asset Value.

### **Temporary Suspension of Valuation of the Shares and of Sales and Redemptions**

The Company may temporarily suspend the determination of the Net Asset Value and the sale or redemption of Shares in any Fund or class during:

- (i) any period (other than ordinary holiday or customary weekend closings) when any market is closed which is the main market for a significant part of the Fund's investments, or when trading thereon is restricted or suspended;
- (ii) any period during which disposal of investments which constitute a substantial portion of the assets of the Fund is not practically feasible or if feasible would be possible only on terms materially disadvantageous to Shareholders;
- (iii) any period when for any reason the prices of any investments of the Fund cannot be reasonably, promptly, or accurately ascertained by the Administrator;
- (iv) any period when remittance of monies which will, or may, be involved in the realisation of, or in the payment for, investments of the Fund cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- (v) any period when proceeds of the sale or redemption of the Shares cannot be transmitted to or from the Fund's account; or
- (vi) upon the service on the Shareholders of a notice to consider a resolution to wind up Company or close a Fund.

Any such suspension (and subsequent lifting of such suspension) shall be notified immediately to the Central Bank.

#### **Data Protection Notice**

Prospective investors should note that by completing the application form relating to investment in the Company they are providing personal information, which may constitute “personal data” within the meaning of the Irish Data Protection Acts 1988 to 2018, the EU Data Protection Directive 95/46/EC, the EU ePrivacy Directive 2002/58/EC (as amended) and any relevant transposition of, or successor or replacement to, those laws including the General Data Protection Regulation (Regulation (EU) 2016/679) and, when it comes into force, the successor to the ePrivacy Directive) (together, the “Data Protection Legislation”). The use of the personal data investors provided to the Company in the application form for subscription is governed by the Data Protection Legislation and the Company’s Privacy Policy.

The Company is a data controller within the meaning of the Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with the Data Protection Legislation and the Company’s Privacy Policy. The Company’s Privacy Policy is under the Privacy Policy section of the Platinum World Portfolios plc website at [www.platinumworldportfolios.ie/Privacy-Policy](http://www.platinumworldportfolios.ie/Privacy-Policy) and may be updated from time to time, in material cases of which the Company will notify investors by appropriate means. Investors have the right to lodge a complaint with the Office of the Data Protection Commissioner if they are dissatisfied with the manner in which their personal data is used by the Company.

## 9. MANAGEMENT AND ADMINISTRATION

### The Board of Directors

The Board of Directors is responsible for managing the business affairs of the Company in accordance with the Constitution. The Directors may delegate certain functions to the Manager, and other parties, subject to supervision and direction by the Directors and provided that the delegation does not prevent the Company from being managed in the best interests of its Shareholders. The conduct of the Company's business shall be decided by at least two of the Directors.

The Directors and their principal occupations are set forth below. The address of the Directors is the registered office of the Company.

#### Stephen Menzies (Australian)

Stephen Menzies joined Platinum Asset Management Limited, the Australian Securities Exchange listed parent company of the Investment Manager, in March 2015 as an independent non-executive director. Stephen began his career as a corporate lawyer and was a partner at a number of prominent Australian law firms during various periods throughout the past three decades, specialising in securities markets, funds and financial institutions, mergers and acquisitions, and corporate governance. His significant legal experience has been enhanced by periods working in government (as the National Director of Enforcement at the Australian Securities Commission from 1990 to 1992) and private equity (Ignite Ventures Limited from 2000 to 2003). Stephen has broad experience on listed company boards, both as a director and as a senior boardroom advisor. He is currently a director of Centre for Quantum Computation & Communication Technology and Chair of Silicon Quantum Computing Pty. Ltd. Stephen holds a Bachelor of Laws and a Bachelor of Economics from the University of Sydney, a Master of Laws from the London School of Economics and is a Graduate of the Australian Institute of Company Directors..

#### Tony Mc Poland (Irish)

Tony Mc Poland is an experienced financial services executive with twenty five (25) years of experience, primarily in asset management and investment banking. After qualifying as a Chartered Accountant with PwC, Tony worked for ICS Building Society and Goodbody Stockbrokers. He spent the last fifteen (15) years of his executive career with BW Bank Ireland plc, LBBW Bank Ireland plc and LBBW Asset Management Ireland plc, and served ten (10) years on the board of directors of each of these companies with executive responsibility for Finance, Operations, Risk and IT. He has become a professional independent director and recently completed the Institute of Directors' Chartered Directors Programme. He is a Fellow of Chartered Accountants Ireland. He holds a Bachelor of Business Studies degree from Trinity College, Dublin, and a Diploma in Professional Accounting from University College Dublin. He also completed the Advanced Management Programme in INSEAD.

#### Kevin Molony (Irish)

Kevin Molony has broad and extensive experience in investment management, institutional stockbroking and management services having worked with leading international firms over his career. He currently provides independent directorship services to several financial services companies. Kevin was Managing Director of Walkers Corporate Services (Dublin) Limited until that business was acquired in June 2012. From 1999 to 2009, he was a Director of Citigroup Global Markets where he was instrumental in establishing and building their Irish institutional broking business. His specific area of expertise at Citigroup was US and Latin American equities. Before joining Citigroup, he was an institutional stockbroker with Deutsche Bank. Kevin began his career as a UK equity fund manager with Phillips & Drew Fund Managers, who were the leading institutional investment manager in London at the time. He later joined AIB Investment Managers as a Senior Portfolio Manager specialising in US equity funds. Kevin received a BA in Economics from University College Dublin and a Professional Diploma in Corporate Governance from Smurfit Business School, Dublin.

As at the date of this Prospectus no Director has:

4. any unspent convictions in relation to indictable offences;
5. been bankrupt or the subject of any involuntary arrangements, or has had a receiver appointed to any asset;
6. been a director of any company which had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangements, or made any composition or arrangements with its creditors generally or with any class of its creditors whilst he was a director with an executive function at the time or within 12 months after he ceased to be a director with an executive function;
7. been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, went into compulsory liquidation, administration or partnership voluntary arrangement, or had a receiver appointed to any partnership asset;
8. had any public criticism by statutory or regulatory authorities (including recognized professional bodies); or
9. been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

The Constitution does not stipulate a retirement age for Directors and does not provide for retirement of Directors by rotation. The Constitution provides that a Director may be a party to any transaction or arrangement with the Company or in which the Company is interested provided that he has disclosed to the Directors the nature and extent of any material interest which he may have. A Director may not vote in respect of any contract in which he has a material interest. However, a Director may vote in respect of any proposal concerning any other company in which he is interested, directly or indirectly, whether as an officer or shareholder or otherwise, provided that he is not the holder of five% or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote in respect of any proposal concerning an offer of shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement, and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in part.

### **Management of the Company - General**

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

The Company delegates UCITS management company functions to the Manager. The Central Bank Regulations refer to the "responsible person", being the party responsible for compliance with the relevant requirements of the Central Bank Regulations on behalf of an Irish authorised UCITS. The Manager assumes the role of the responsible person for the Company

### **The Manager**

The Company has appointed the Manager to act as manager to the Company and each Fund with power to delegate one or more of its functions subject to the overall supervision and control of the Company. The Manager is a private limited company and was incorporated in Ireland on 10 November 2003 under the registration number 377914 and has been authorised by the Central Bank to act as a UCITS management company and to carry on the business of providing management and related administration services to UCITS collective investment schemes. The Manager's parent company is Carne Global Financial Services Limited, a company incorporated in Ireland with limited liability.

The Manager is responsible for the general management and administration of the Company's affairs and for ensuring compliance with the Central Bank Regulations, including investment and reinvestment of each Fund's assets, having regard to the investment objective and policies of each Fund. However, pursuant to the



Administration Agreement, the Manager has delegated certain of its administration and transfer agency functions in respect of each Fund to the Administrator.

Pursuant to the Investment Management Agreement, the Manager has delegated certain investment management and distribution functions in respect of each Fund to the Investment Manager.

The directors of the Manager are:

Neil Clifford (nationality: Irish- Irish resident)

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

Teddy Otto (nationality: German- Irish resident)

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

Michael Bishop (nationality: British- U.K. resident)

Mr. Bishop was with UBS Global Asset Management (U.K.) Ltd. (1990 – 2011) holding executive director and then managing director positions and was responsible for the development and management of the U.K. business's range of investment funds. His areas of expertise include U.K. open-ended investment companies, unit trusts, unit linked funds and Irish, Cayman Islands, Channel Islands and other investment structures. He was a director of and responsible for the launch of UBS Global Asset Management Life Ltd. and UBS (Ireland) plc. Mr. Bishop has designed and launched products catering for all capabilities including equities, fixed income and alternative strategies. He has also been responsible for service provider appointment and management, as well as holding senior accounting and managerial roles with other financial services companies including Flemings and Tyndall. He has served on a number of the Investment Management Association's committees, industry forums and consultation groups specialising in U.K. and international regulation, product development and taxation. Mr. Bishop is a Fellow of the Association of Chartered Certified Accountants. Since retiring in 2011, he has been involved with various charities.

Sarah Murphy (nationality: Irish- Irish resident)

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

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

Elizabeth Beazley (nationality: Irish – Irish resident)

Elizabeth Beazley is a Managing Director in Carne Group with over 20 years' experience in the funds industry focusing on fund establishment, operations and corporate governance. Elizabeth currently acts as Global Head of Onboarding for Carne Group overseeing a team launching funds in a variety of jurisdictions including Ireland, Luxembourg, the UK and Channel Islands amongst others. In addition, Elizabeth acts as non-executive director on a number of fund boards. Prior to joining Carne, she spent four years in a senior role with AIB/BNY Fund Management in Ireland, and before that worked for HSBC.

Elizabeth has been a member of various industry working groups and currently sits on the Irish Funds' Management Company working group as Deputy Chair in addition to being a member of the ETF Committee in EFAMA. She has a Bachelor of Commerce degree from University College Cork and has a Masters' degree in Business Studies from the Smurfit Graduate School of Business. Elizabeth is a member of the Association of Chartered Certified Accountants. Christophe Douche (nationality: French – Luxembourg resident)

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

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

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

Jackie O'Connor - (nationality: British – Irish resident)

Jackie O'Connor is an independent non-executive director on Carne Group's Irish and Luxembourg management companies. She has over 20 years' experience within the asset management industry, most recently as Managing Director and CEO of Goldman Sachs Asset Management Fund Services Ltd ("GSAMFSL"), Goldman Sachs Asset Management's ("GSAM's") Irish domiciled UCITS management company and Alternative Investment Fund Manager based in Ireland. Jackie was responsible for setting up GSAMFSL in Ireland.

Prior to that, Jackie was international head of regulatory reform for GSAM, responsible for identifying and implementing requirements under new regulations within the EMEA and Asia Pacific regions. Earlier in her career, Jackie worked in a number of roles within GSAM and the wider Goldman Sachs Group, including global project

manager for the GSAM Client Relationship Team as well as five years in Goldman Sachs's Internal Audit department.

Jackie holds a bachelor's degree with honours in Zoology from Sheffield University in the UK.

The Secretary of the Manager is Carne Global Financial Services Limited.

### **Management Agreement**

Pursuant to the Management Agreement the Manager is responsible for the general management and administration of the Company's affairs, subject to the overall supervision and control of the Directors. Pursuant to the provisions of the Management Agreement, the Manager may delegate one or more of its functions subject to the overall supervision and control of the Company.

The Manager shall exercise the due skill, care and diligence of a professional UCITS manager in the performance of its duties under the Management Agreement, including with regard to the selection, appointment and monitoring of any delegates and shall use its best endeavours, skill and judgment and all due care in performing its duties and obligations and exercising its rights and authorities under the Management Agreement provided that for the avoidance of any doubt the Manager shall not be liable for any decline in the value of the investments of the Company or any Fund or any part thereof to the extent that such decline results from any investment decision made by the Manager or any delegate in good faith unless such decision was made negligently, fraudulently, in bad faith or with wilful default.

Neither the Manager nor any of its directors, officers, employees or agents shall be liable for any loss or damage arising directly or indirectly out of or in connection with the performance by the Manager of its obligations and duties under the Management Agreement unless such loss or damage arose out of or in connection with the negligence, wilful default, fraud or bad faith of or by the Manager or any of its directors, officers, employees, delegates and agents in the performance of its duties under the Management Agreement.

The Company shall be liable and shall indemnify and keep indemnified and hold harmless the Manager (and each of its directors, officers, employees, delegates and agents) from and against any and all actions, proceedings, claims, demands, losses, damages, costs and expenses (including reasonable and properly vouched legal and professional fees and expenses arising) which may be made or brought against or suffered or incurred by the Manager (or any of its directors, officers, employees, delegates or agents) arising out of or in connection with the performance of its obligations and duties under the Management Agreement in the absence of any negligence, wilful default, fraud or bad faith of or by the Manager or any of its directors, officers, employees, delegates and agents in the performance of its duties under the Management Agreement or as otherwise may be required by law.

The Manager may perform any of its duties, obligations and responsibilities under the Management Agreement by or through its directors, officers, servants or agents and shall be entitled to delegate or sub-contract all or any of its functions, powers, discretions, duties and obligations as the Manager under the Management Agreement to any person approved by the Directors and the Central Bank on such terms and conditions as agreed between the Company and the Manager, provided that any such delegation or sub-contract shall terminate automatically on the termination of the Management Agreement and provided further that the Manager shall remain responsible and liable for any acts or omissions of any such delegate or sub-contractor as if such acts or omissions were those of the Manager.

The Management Agreement shall continue in full force and effect unless terminated by any party at any time upon ninety (90) days prior written notice to the other party or at any time if any party: (i) commits any material breach of the Management Agreement or commit persistent breaches of the Management Agreement which is or are either incapable of remedy or have not been remedied within thirty (30) days of the non-defaulting party serving notice requiring the remedying of the default; (ii) becomes unable to perform its duties under the Management Agreement; (iii) is unable to pay its debts as they fall due or otherwise becomes insolvent or enters into any composition or arrangement with or for the benefit of its creditors or any class thereof; (iv) is the subject of a petition for the

appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets; (v) has a receiver appointed over all or any substantial part of its undertaking, assets or revenues; (vi) is the subject of an effective resolution for the winding up (except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party); (vii) is the subject of a court order for its winding up or liquidation. Either party may also terminate the Management Agreement by notice in writing to the other party in the event that a force majeure event, as defined in the Management Agreement, continues for longer than fourteen (14) days.

### **The Investment Manager and Distributor**

The Investment Manager and Distributor are a company incorporated under the laws of Australia and is regulated by the Australian Securities and Investments Commission. The Investment Manager and Distributor is also responsible for promoting the Company. The principal activity of the Investment Manager and Distributor is the provision of investment management services. Its assets under management amounted to approximately AUD21.6 billion as of 31 August 2020.

The Investment Manager is ultimately owned by Platinum Asset Management Limited, an Australian public company limited by shares which trades on the Australian Securities Exchange (code: PTM).

The Investment Management Agreement between the Company, the Manager and the Investment Manager provides that the Investment Manager shall be responsible for the investment and reinvestment of the Funds' assets. The Investment Management Agreement shall continue in force until terminated at any time by the Company, the Manager or by the Investment Manager on not less than ninety (90) days' notice in writing to the other parties.

Notwithstanding the foregoing, any party may at any time terminate the Investment Management Agreement forthwith by notice in writing to the other parties in the event that any such other party shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the parties) or be unable to pay its debts or commit any act of bankruptcy under the laws of Ireland or if a receiver is appointed over any of the assets of any such other party, an examiner, administrator or similar person is appointed to any such other party, or if some event having an equivalent effect occurs or if any such other party ceases to be permitted to perform its duties under any applicable laws or regulations. Each of the Company, the Manager and the Investment Manager may terminate the agreement forthwith by notice in writing to the other parties in the event that any such other party fails to remedy any breach of the Investment Management Agreement (if such breach is capable of remedy) within thirty (30) days of being requested to do so.

In the absence of wilful misfeasance, fraud, bad faith, negligence or reckless disregard on the part of the Investment Manager, the Investment Manager shall not be liable to the Manager, the Company, the Funds or any Shareholder for any of its acts or omissions in the course of, or connected in any way with, rendering the services provided for under the Investment Management Agreement or for any losses which may be sustained in the purchase, holding or sale of any of the investments of the Funds and the Investment Manager shall not be liable for indirect, special or consequential damages of any nature. The Company shall hold harmless and indemnify the Investment Manager, its affiliates and their employees and directors, out of the assets of the relevant Fund, against all actions, proceedings and claims and against all costs, demands, loss and expenses which may be suffered or incurred by the Investment Manager by reason of its performance of its duties under the terms of the Investment Management Agreement other than due to the wilful default, fraud, bad faith, negligence or reckless disregard in the performance of its obligations or functions.

The Investment Manager may, with the prior approval of the Manager and the Company, delegate some or all of its investment management and/or distribution functions to one or more sub-investment managers, advisers, sub-distributors or other delegates (as applicable) provided that such delegation is made in accordance with the requirements of the Central Bank. Information on any sub-investment manager will be provided to Shareholders on

request, details of the sub-investment manager will be disclosed in the annual report and accounts and the unaudited half-yearly accounts and the fees of the sub-investment manager will not be paid out of the Fund's assets.

## **The Administrator**

State Street Fund Services (Ireland) Limited has been appointed by the Manager to act as administrator, registrar and transfer agent of the Company pursuant to an Administration Agreement between the Company, the Manager and State Street Fund Services (Ireland) Limited.

The Administrator will have the responsibility for the administration of the Company's affairs including the calculation of the Net Asset Value per Share and preparation of the accounts of the Company, subject to the overall supervision of the Directors.

The Administrator is a limited liability company incorporated in Ireland on 23 March 1992 with registered number IE 186184 and is ultimately owned by State Street Corporation. The authorised share capital of the Administrator is GBP 5,000,000 with an issued and paid up share capital of GBP 350,000.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, U.S.A., and trades on the New York Stock Exchange under the symbol "STT".

The Administration Agreement shall continue in force until terminated by any party on ninety (90) days' notice in writing to the other parties. The Administration Agreement may be terminated forthwith by any party giving notice in writing to the other parties if at any time: (i) one of the parties notified shall go into liquidation or receivership or an examiner shall be appointed (except for a voluntary liquidation for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the notifying party) or be unable to pay its debts as they fall due; (ii) one of the parties notified shall commit any material breach of the provisions of the Administration Agreement and if such breach is capable of remedy, shall not have remedied that within thirty (30) days after the service of written notice requiring it to be remedied; or (iii) any of the representations, warranties or covenants contained in the Administration Agreement cease to be true or accurate in any material respect in relation to one of the parties notified.

The Administration Agreement provides that the Administrator shall carry out its duties and obligations and exercise its powers and discretions under the Administration Agreement using its reasonable endeavours and applying the level of skill and expertise that can reasonably be expected of a professional administrator of a fund such as the Company. The Administrator shall not be liable for any loss of any nature whatsoever suffered by the Manager, the Company or the Shareholders in connection with the performance of its obligations under the Administration Agreement, except where that loss results directly from negligence, fraud, bad faith, recklessness or wilful default on the part of the Administrator in the performance of its obligations and duties under the Administration Agreement. The Administrator shall not be liable for any indirect, special or consequential loss howsoever arising out of or in connection with the Administration Agreement.

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

## **The Depositary**

State Street Custodial Services (Ireland) Limited has been appointed as depositary of the assets of the Company pursuant to a Depositary Agreement.

The Depositary's principal business is the provision of custodial and trustee services for collective investment schemes and other portfolios.

The Depositary is a limited liability company incorporated in Ireland on 22 May 1991 with registered number IE174330 and is ultimately owned by State Street Corporation. Its authorised share capital is GBP 5,000,000 and its issued and paid up share capital is GBP 200,000. The Depositary is regulated by the Central Bank and as at 31 May 2019 the Depositary held funds under custody of US\$1,104.6BN. The Depositary's principal business is the provision of custodial and trustee services for collective investment schemes and other portfolios.

State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street Corporation is headquartered in Boston, Massachusetts, U.S.A., and trades on the New York Stock Exchange under the symbol "STT".

The duty of the Depositary is to provide safekeeping, oversight and asset verification services in respect of the assets of the Company and each Fund in accordance with the provisions of the UCITS Rules and the Directive. The Depositary will also provide cash monitoring services in respect of each Fund's cash flows and subscriptions.

The Depositary will be obliged, inter alia, to ensure that the sale, issue, redemption and cancellation of Shares in the Company is carried out in accordance with the UCITS Regulations and the Constitution. The Depositary will carry out the instructions of the Company and/or the Manager, unless they conflict with the UCITS Regulations or the Constitution. The Depositary is also obliged to enquire into the conduct of the Company in each financial year and report thereon to Shareholders.

The Depositary will be liable to the Company and the Shareholder for any loss suffered by them arising from of the Depositary's or its directors', officers', employees', associates', agents' or delegates fraud, wilful misconduct, negligent or intentional failure to properly fulfil its obligations pursuant to the Depositary Agreement and/or the UCITS Law; or unjustifiable failure to perform their obligations or improper performance of their obligations under the Depositary Agreement. The Depositary shall be liable to the Company and the Shareholder for the loss of financial investments held in custody by the Depositary or a third party to whom the custody of financial investments held in custody has been delegated and shall return financial instruments of identical type or the corresponding amount to the UCITS without undue delay. In the event of a loss of financial investments held in custody, the Depositary shall return financial instruments of identical type or the corresponding amount to the Company without undue delay. The Depositary shall not be liable to the Company or any other person if it can prove that the loss of financial investments held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

The Depositary has power to delegate the whole or any part of its depositary functions, however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary has delegated its safe-keeping duties in respect of financial instruments in custody to State Street Bank and Trust. The list of sub-delegates appointed by State Street Bank and Trust is set out in Schedule III hereto. The use of particular sub-delegates will depend on the markets in which the Company invests. From time to time conflicts may arise between the Depositary and the delegates or sub-delegates, for example where an appointed delegate or sub-delegate is an affiliated group company which receives remuneration for another custodial service it provides to the 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.

Up-to-date information regarding the duties of the Depositary, any conflicts of interest that may arise and the Depositary's delegation arrangements will be made available to investors by the Company on request.

The Depositary Agreement between the Company, the Manager and the Depositary may be terminated by any party on ninety (90) days' notice in writing to the other parties. The Company and/or the Manager may not terminate the appointment of the Depositary and the Depositary may not retire from such appointment unless and until a successor depositary shall have been appointed in accordance with the Constitution, provided such successor

depository itself and its appointment is approved in advance by the Central Bank. The Company, the Manager and the Depository may terminate the Depository Agreement immediately by giving notice in writing to the other parties if: (i) one of the parties notified shall be unable to pay its debts as they fall due or go into liquidation or receivership or an examiner shall be appointed; (ii) one of the parties notified commits any material breach of the Depository Agreement and has not remedied that breach within thirty (30) days of the service of written notice requiring it to be remedied ; (iii) any of the representations, warranties or covenants contained in the Depository Agreement cease to be true or accurate in any material respect in relation to one of the parties notified; or (iv) the Central Bank replaces the Depository with another depository.

### **The Company Secretary**

The Company Secretary is Bradwell Limited, 10 Earlsfort Terrace, Dublin 2, Ireland.

### **Paying Agents/Correspondent Banks**

Local laws/regulations in EEA Member States may require the appointment of paying agents/representatives/distributors/correspondent banks ("Paying Agent(s)") 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 Depository (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 Administrator for the account of the Company or the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant Shareholder. The Manager may, in accordance with the requirements of the Central Bank, appoint Paying Agents in one or more countries. Where a Paying Agent is appointed in a particular country it will maintain facilities whereby Shareholders who are resident in the relevant country can obtain payment of distributions and redemption proceeds, examine and receive copies of the Constitution and periodic reports and notices of the Company and make complaints if and when appropriate which shall be forwarded to the Company's registered office for consideration.



## 10. TAXATION

The following is a general summary of the main Irish tax considerations applicable to the Company and certain investors in the Company who are the beneficial owners of Shares in the Company. It does not purport to deal with all of the tax consequences applicable to the Company or to all categories of investors, some of whom may be subject to special rules. For instance, it does not address the tax position of Shareholders whose acquisition of Shares in the Company would be regarded as a shareholding in a Personal Portfolio Investment Undertaking (PPIU). Accordingly, its applicability will depend on the particular circumstances of each Shareholder. It does not constitute tax advice and Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, converting or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile, and in the light of their particular circumstances.

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in Ireland at the date of this document. (For the purposes of this section, Ireland refers to the Republic of Ireland.) Legislative, administrative or judicial changes may modify the tax consequences described below and as is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made will endure indefinitely.

### Taxation of the Company

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

#### *Chargeable Event*

However, Irish tax can arise on the happening of a “**chargeable event**” in the Company. A chargeable event includes any payments of distributions to Shareholders, any encashment, repurchase, redemption, cancellation or transfer of Shares and any deemed disposal of Shares as described below for Irish tax purposes arising as a result of holding Shares in the Company for a period of eight years or more. Where a chargeable event occurs, the Company is required to account for the Irish tax thereon

No Irish tax will arise in respect of a chargeable event where:

- (a) the Shareholder is neither resident nor ordinarily resident in Ireland (“**Non-Irish Resident**”) and it (or an intermediary acting on its behalf) has made the necessary declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained in the declaration is not, or is no longer, materially correct; or
- (b) the Shareholder is Non-Irish Resident and has confirmed that to the Company and the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn; or
- (c) the Shareholder is an Exempt Irish Resident as defined below.

In the absence of a signed and completed declaration or written notice of approval from the Revenue Commissioners, as applicable, being in the possession of the Company at the relevant time there is a presumption that the Shareholder is resident or ordinarily resident in Ireland (“**Irish Resident**”) or is not an Exempt Irish Resident and a charge to tax arises

A chargeable event does not include:

- any transactions (which might otherwise be a chargeable event) in relation to Shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- a transfer of Shares between spouses/civil partners and any transfer of Shares between spouses/civil partners or former spouses/civil partners on the occasion of judicial separation, decree of dissolution and/or divorce, as appropriate; or
- an exchange by a Shareholder, effected by way of arm's length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the TCA) of the Company with another investment undertaking.

If the Company becomes liable to account for tax on a chargeable event, the Company shall be entitled to deduct from the payment arising on that chargeable event an amount equal to the appropriate tax and/or, where applicable, to redeem and cancel such number of Shares held by the Shareholder as is required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event.

#### *Deemed Disposals*

The Company may elect not to account for Irish tax in respect of deemed disposals in certain circumstances. Where the total value of Shares in a Fund held by Shareholders, who are Irish Resident and who are not Exempt Irish Residents as defined below, is 10% or more of the Net Asset Value of the Fund, the Company will be liable to account for the tax arising on a deemed disposal in respect of Shares in that Fund as set out below. However, where the total value of Shares in the Fund held by such Shareholders is less than 10% of the Net Asset Value of the Fund, the Company may, and it is expected that the Company will, elect not to account for tax on the deemed disposal. In this instance, the Company will notify relevant Shareholders that it has made such an election and those Shareholders will be obliged to account for the tax arising under the self-assessment system themselves. Further details of this are set out below under the heading "Taxation of Irish Resident Shareholders".

#### *Irish Courts Service*

Where Shares are held by the Irish Courts Service, the Company is not required to account for Irish tax on a chargeable event in respect of those Shares. Rather, where money under the control or subject to the order of any Court is applied to acquire Shares in the Company, the Courts Service assumes, in respect of the Shares acquired, the responsibilities of the Company to, *inter alia*, account for tax in respect of chargeable events and file returns.

#### **Exempt Irish Resident Shareholders**

The Company will not be required to deduct tax in respect of the following categories of Irish Resident Shareholders, provided the Company has in its possession the necessary declarations from those persons (or an intermediary acting on their behalf) and the Company is not in possession of any information which would reasonably suggest that the information contained in the declarations is not, or is no longer, materially correct. A Shareholder who comes within any of the categories listed below and who (directly or through an intermediary) has provided the necessary declaration to the Company is referred to herein as an "**Exempt Irish Resident**":

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the TCA, or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the TCA, applies;
- a company carrying on life business within the meaning of Section 706 of the TCA;
- an investment undertaking within the meaning of Section 739B(1) of the TCA, or an investment limited partnership within the meaning of Section 739J of the TCA;
- a special investment scheme within the meaning of Section 737 of the TCA;

- (e) a charity being a person referred to in Section 739D(6)(f)(i) of the TCA;
- (f) a qualifying management company within the meaning of Section 739B(1) of the TCA or a specified company within the meaning of Section 734(1) of the TCA;
- (g) a unit trust to which Section 731(5)(a) of the TCA applies;
- (h) a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the TCA where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (i) a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the TCA, and the Shares are assets of a PRSA;
- (j) a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- (k) the National Asset Management Agency;
- (l) the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance of Ireland is the sole beneficial owner or Ireland acting through the National Treasury Management Agency;
- (m) a company within the charge to corporation tax in accordance with Section 110(2) of the TCA (securitisation companies);
- (n) in certain circumstances, a company within the charge to corporation tax in accordance with Section 739G(2) of the TCA in respect of payments made to it by the Company; or
- (o) any other person who is resident or ordinarily resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising the tax exemptions associated with the Company.

There is no provision for any refund of tax to Shareholders who are Exempt Irish Residents where tax has been deducted in the absence of the necessary declaration. A refund of tax may only be made to corporate Shareholders who are within the charge to Irish corporation tax.

#### **Taxation of Non-Irish Resident Shareholders**

Non-Irish Resident Shareholders who (directly or through an intermediary) have made the necessary declaration of non-residence in Ireland, where required, are not liable to Irish tax on the income or gains arising to them from their investment in the Company and no tax will be deducted on distributions from the Company or payments by the Company in respect of an encashment, repurchase, redemption, cancellation or other disposal of their investment. Such Shareholders are generally not liable to Irish tax in respect of income or gains made from holding or disposing of Shares except where the Shares are attributable to an Irish branch or agency of such Shareholder.

Unless the Company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to provide the necessary declaration of non-residence has been complied with in respect of the Shareholder and the approval has not been withdrawn, in the event that a non-resident Shareholder (or an intermediary acting on its behalf) fails to make the necessary declaration of non-residence, tax will be deducted as described above on the happening of a chargeable event and notwithstanding that the Shareholder is not resident or ordinarily resident in Ireland any such tax deducted will generally not be refundable.

Where a Non-Irish Resident company holds Shares in the Company which are attributable to an Irish branch or agency, it will be liable to Irish corporation tax in respect of income and capital distributions it receives from the Company under the self-assessment system.

## **Taxation of Irish Resident Shareholders**

### *Deduction of Tax*

Tax will be deducted and remitted to the Revenue Commissioners by the Company from any distributions made by the Company to an Irish Resident Shareholder who is not an Exempt Irish Resident, at the rate of 41%.

Tax will also be deducted by the Company and remitted to the Revenue Commissioners from any gain arising on an encashment, repurchase, redemption, cancellation or other disposal of Shares by such a Shareholder at the rate of 41%. Any gain will be computed as the difference between the value of the Shareholder's investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules.

Where the Shareholder is an Irish resident company and the Company is in possession of a relevant declaration from the Shareholder that it is a company and which includes the company's tax reference number, tax will be deducted by the Company from any distributions made by the Company to the Shareholder and from any gains arising on an encashment, repurchase, redemption, cancellation or other disposal of shares by the Shareholder at the rate of 25%.

### *Deemed Disposals*

Tax will also be deducted by the Company and remitted to the Revenue Commissioners in respect of any deemed disposal where the total value of Shares in a Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is 10% or more of the Net Asset Value of the Fund. A deemed disposal will occur on each and every eighth anniversary of the acquisition of Shares in the Fund by such Shareholders. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary or, as described below where the Company so elects, the value of the Shares on the later of the 30 June or 31 December prior to the date of the deemed disposal and the relevant cost of those Shares. The excess arising will be taxable at the rate of 41% (or in the case of Irish resident corporate Shareholders where a relevant declaration has been made, at the rate of 25%). Tax paid on a deemed disposal should be creditable against the tax liability on an actual disposal of those Shares.

Where the Company is obliged to account for tax on deemed disposals it is expected that the Company will elect to calculate any gain arising for Irish Resident Shareholders who are not Exempt Irish Residents by reference to the Net Asset Value of the relevant Fund on the later of the 30 June or 31 December prior to the date of the deemed disposal, in lieu of the value of the Shares on the relevant eight year anniversary.

The Company may elect not to account for tax arising on a deemed disposal where the total value of Shares in the relevant Fund held by Irish Resident Shareholders who are not Exempt Irish Residents is less than 10% of the Net Asset Value of the Fund. In this case, such Shareholders will be obliged to account for the tax arising on the deemed disposal under the self-assessment system themselves. The deemed gain will be calculated as the difference between the value of the Shares held by the Shareholder on the relevant eighth year anniversary and the relevant cost of those Shares. The excess arising will be regarded as an amount taxable under Case IV of Schedule D and will be subject to tax where the Shareholder is a company, at the rate of 25%, and where the Shareholder is not a company, at the rate of 41%. Tax paid on a deemed disposal should be creditable against the tax payable on an actual disposal of those Shares.

### *Residual Irish Tax Liability*

Corporate Shareholders resident in Ireland which receive payments from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 25% (or 41 % if no declaration has been made) has been deducted. Subject to the comments below concerning tax on a currency gain, in general, such Shareholders will not be subject to further Irish tax on payments received in respect of their holding from which tax has been deducted. A corporate Shareholder resident in Ireland

which holds the Shares in connection with a trade will be taxable on any income or gains received from the Company as part of that trade with a set-off against corporation tax payable for any tax deducted from those payments by the Company. In practice, where tax at a rate higher than 25% has been deducted from payments to a corporate Shareholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25% should be available.

Subject to the comments below concerning tax on a currency gain, in general, non-corporate Irish Resident Shareholders will not be subject to further Irish tax on income arising on the Shares or gains made on disposal of the Shares, where the appropriate tax has been deducted by the Company from distributions paid to them.

Where a currency gain is made by a Shareholder on the disposal of Shares, the Shareholder will be liable to capital gains tax in respect of that gain in the year/s of assessment in which the Shares are disposed of.

Any Irish Resident Shareholder who is not an Exempt Irish Resident and who receives a distribution from which tax has not been deducted or who receives a gain on an encashment, repurchase, redemption, cancellation or other disposal from which tax has not been deducted, (for example, because the Shares are held in a recognised clearing system) will be liable to account for income tax or corporation tax as the case may be on the payment or on the amount of the gain under the self-assessment system and in particular, Part 41A of the TCA.

Pursuant to Section 891C of the TCA and the Return of Values (Investment Undertakings) Regulations 2013, the Company is obliged to report certain details in relation to Shares held by investors to the Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the investment number associated with and the value of the Shares held by, a Shareholder as well as the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. These provisions do not require such details to be reported in respect of Shareholders who are:

- Exempt Irish Residents (as defined above);
- Shareholders who are neither Irish Resident nor ordinarily resident in Ireland (provided the relevant declaration has been made); or
- Shareholders whose Shares are held in a recognised clearing system,

however investors should note the section entitled "The OECD Common Reporting Standard" for information on additional investor information gathering and reporting requirements to which the Company is subject.

### **Overseas Dividends**

Dividends (if any) and interest which the Company receives with respect to investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of the investments are located. It is not known whether the Company will be able to benefit from reduced rates of withholding tax under the provisions of the double tax treaties which Ireland has entered into with various countries. However, in the event that the Company receives any repayment of withholding tax suffered, the Net Asset Value of the relevant Fund will not be restated and the benefit of any repayment will be allocated to the then existing Shareholders rateably at the time of such repayment.

### **Stamp Duty**

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, generally, no stamp duty will be payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. However, where any subscription for or redemption of Shares is satisfied by an in-kind or in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or properties.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities

of a company or other body corporate not registered in Ireland, provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property, or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the TCA or a qualifying company within the meaning of Section 110 of the TCA) which is registered in Ireland.

## **Residence**

In general, investors in the Company will be either individuals, corporate entities or trusts. Under Irish rules, both individuals and trusts may be resident or ordinarily resident. The concept of ordinary residence does not apply to corporate entities.

### ***Individual Investors***

#### ***Test of Residence***

An individual will be regarded as resident in Ireland for a particular tax year if the individual is present in Ireland: (1) for a period of at least one hundred and eighty three (183) days in any one tax year; or (2) for a period of at least two hundred and eighty (280) days in any two consecutive tax years, provided that the individual is resident in Ireland for at least thirty-one (31) days in each tax year. In determining days present in Ireland, an individual is deemed to be present if he / she is present in the country at any time during the day.

If an individual is not resident in Ireland in a particular tax year the individual may, in certain circumstances, elect to be treated as resident.

#### ***Test of Ordinary Residence***

If an individual has been resident for the three (3) previous tax years then the individual will be deemed “ordinarily resident” from the start of the fourth year. An individual will remain ordinarily resident in Ireland until the individual has been non-resident for three (3) consecutive tax years.

### ***Trust Investors***

A trust will generally be regarded as resident in Ireland where all of the trustees are resident in Ireland. Trustees are advised to seek specific tax advice if they are in doubt as to whether the trust is resident in Ireland.

### ***Corporate Investors***

A company will be resident in Ireland if its central management and control is in Ireland or (in certain circumstances) if it is incorporated in Ireland. For Ireland to be treated as the location of a company's central management and control this typically means Ireland is the location where all fundamental policy decisions of the company are made.

All companies incorporated in Ireland are resident in Ireland for tax purposes except where:

- (i) in the case of a company incorporated before 1 January 2015, the company or a related company carries on a trade in Ireland, and either (a) the company is ultimately controlled by persons resident in a “relevant territory”, being a Member State (other than Ireland) or a country with which Ireland has a double taxation agreement in force by virtue of Section 826(1) of the TCA or that is signed and which will come into force once all the ratification procedures set out in Section 826(1) of the TCA have been completed, or (b) the principal class of the shares in the company or a related company is substantially and regularly traded on a recognised stock exchange in a relevant territory; or
- (ii) the company is regarded as resident in a country other than Ireland and not resident in Ireland under a double taxation agreement between Ireland and that other country.

A company incorporated in Ireland and coming within either (i) or (ii) above will not be regarded as resident in Ireland unless its central management and control is in Ireland, PROVIDED however, a company coming within (i) above which has its central management and control outside of Ireland will still be regarded as resident in Ireland

if (a) it would by virtue of the law of a relevant territory be tax resident in that relevant territory if it were incorporated in that relevant territory but would not otherwise be tax resident in that relevant territory, (b) is managed and controlled in that relevant territory, and (c) would not otherwise by virtue of the law of any territory be regarded as resident in that territory for tax purposes.

The exception from the incorporation rule of tax residence at (i) above in respect of a company incorporated before 1 January 2015 will however cease to apply or be available after 31 December 2020, or, if earlier, from the date, after 31 December 2014, of a change in ownership (direct or indirect) of the company where there is a major change in the nature or conduct of the business of the company within the period beginning on the later of 1 January 2015 or the date which occurs one year before the date of the change in ownership of the company, and ending 5 years after the date of the change in ownership. For these purposes a major change in the nature or conduct of the business of the company includes the commencement by the company of a new trade or a major change arising from the acquisition by the company of property or of an interest in or right over property.

### **Disposal of Shares and Irish Capital Acquisitions Tax**

#### **(a) Persons Domiciled or Ordinarily Resident in Ireland**

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

#### **(b) Persons Not Domiciled or Ordinarily Resident in Ireland**

On the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B of the TCA, the disposal of Shares will not be within the charge to Irish Capital Acquisitions Tax provided that;

- the Shares are comprised in the gift or inheritance at the date of the gift or inheritance and at the valuation date;
- the donor is not domiciled or ordinarily resident in Ireland at the date of the disposition; and
- the beneficiary is not domiciled or ordinarily resident in Ireland at the date of the gift or inheritance.

### **Automatic Exchange of Information**

Ireland has implemented the "Standard for Automatic Exchange of Financial Account Information", also known as the Common Reporting Standard ("**CRS**"), into Irish law.

The CRS is a single global standard on Automatic Exchange of Information ("**AEOI**") which was approved by the Council of the OECD in July 2014. It draws on earlier work of the OECD and the EU, global anti-money laundering standards and, in particular, the Model FATCA Intergovernmental Agreement. The CRS sets out details of the financial information to be exchanged, the financial institutions required to report, together with common due diligence standards to be followed by financial institutions.

Under the CRS, participating jurisdictions are required to exchange certain information held by financial institutions regarding their non-resident customers. To comply with its obligations under the CRS (or similar information sharing arrangements), the Company may require additional information and documentation from Shareholders. The Company may disclose the information, certifications or other documentation that they receive from or in relation to Shareholders to the Revenue Commissioners who may in turn exchange this information with tax authorities in other territories.

By signing the application form to subscribe for Shares in the Company, each Shareholder is agreeing to provide such information upon request from the Company or its delegate. The non-provision of such information may result

in mandatory redemption of Shares or other appropriate action taken by the Company. Shareholders refusing to provide the requisite information to the Company may also be reported to the Revenue Commissioners or other parties as necessary to comply with the CRS.

The above description is based in part on regulations, guidance from the OECD and the CRS, all of which are subject to change. Each prospective investor should consult its own tax advisers on the requirements applicable to its own situation under these arrangements.

## **United States Taxation**

### **Foreign Account Tax Compliance Act ("FATCA")**

The foreign account tax compliance provisions of the Hiring Incentives to Restore Employment Act 2010 are designed to require certain U.S. persons' direct and indirect ownership of certain non-U.S. accounts and non-U.S. entities to be reported by foreign financial institutions ("FFI") to the U.S. Internal Revenue Service ("IRS"). The Company may be regarded as a FFI for FATCA purposes. FATCA may impose a withholding tax of up to 30% with respect to certain U.S. source income (including dividends and interest) and, after 31 December 2016, gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends paid to a FFI. Ireland has entered into an intergovernmental agreement with the U.S. to simplify the FATCA compliance process and minimise the risk of withholding tax. Under this agreement, FATCA compliance will be enforced under Irish tax legislation, including the Financial Accounts Reporting (United States of America) Regulations 2014 (the "Irish FATCA Regulations"), and reporting rules and practices. The Company may require additional information from Shareholders in order to comply with these provisions. The Company may disclose the information, certificates or other documentation that it receives from (or concerning) its Shareholders to the Irish tax authorities as necessary to comply with the Irish tax legislation and reporting rules and practices relating to FATCA, related intergovernmental agreements or other applicable law or regulation. The Irish tax authorities will, in turn, report such information to the IRS. If a Shareholder causes the Company to suffer a withholding for or on account of FATCA ("FATCA Deduction") or other financial penalty, cost, expense or liability, the Company may compulsorily redeem any Shares of such Shareholder and/or take any action required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically borne by such Shareholder. Each prospective investor is urged to consult its tax adviser regarding the applicability of FATCA and any other reporting requirements with respect to the prospective investor's own situation. If applicable, investors should contact their intermediary regarding the application of this regime to their investments in the Company.



## 11. GENERAL INFORMATION

### Conflicts of Interest, Best Execution and Voting Rights

The Directors, the Manager, the Investment Manager, the Depositary and the Administrator may from time to time act as manager, investment manager, investment adviser, depositary, administrator, company secretary, dealer or distributor in relation to, or be otherwise involved in, other funds established by parties other than the Company which have similar investment objectives to those of the Company and any Fund. The Investment Manager and its affiliates shall not be 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 or inform the Company of) any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the Company and other clients, taking into consideration the investment objectives, investment limitations, capital available for investment and diversification posture of the Company and other clients. The Investment Manager may hold Shares in any Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interests with the Company and a Fund. Each will, at all times, have regard in such event to its obligations to the Company and the Fund and will ensure that such conflicts are resolved fairly. In addition, any of the foregoing may deal, as principal or agent, with the Company in respect of the assets of a Fund, provided that such dealings are carried out as if effected on normal commercial terms negotiated on an arm's length basis. Transactions must be in the best interests of Shareholders.

"Connected Person" means, the Manager or the Depositary, and the delegates or sub-delegates of the Manager or the Depositary (excluding any non-group company sub-custodians appointed by the Depositary), and any associated or group company of the Manager, the Depositary, and any delegate or sub-delegate;

The Company is required to ensure that any transaction between the Company and a Connected Person is conducted at arm's length and is in the best interests of Shareholders.

The Company may enter into a transaction with a Connected Person if at least one of the conditions in the following paragraphs (a), (b) or (c) is complied with:

- (a) the value of the transaction is certified by either: (i) a person who has been approved by the Depositary as being independent and competent; or (ii) a person who has been approved by the Directors as being independent and competent in the case of transactions involving the Depositary;
- (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of relevant exchange; or
- (c) the transaction is executed on terms which the Depositary is or, in the case of a transaction involving the Depositary, the Directors, are satisfied conformed to the requirement that transactions with Connected Persons be conducted at arm's length and in the best interests of Shareholders.

The Depositary or, in the case of a transaction involving the Depositary, the Board, shall document how it or they complied with the requirements of (a), (b) or (c) above. Where transactions are conducted in accordance with (c) above, the Depositary or, in the case of a transaction involving the Depositary, the Directors, shall document its or their rationale for being satisfied that the transaction conformed to the requirement that transactions with Connected Persons be conducted at arm's length and in the best interests of Shareholders.

Conflicts of interest may arise as a result of transactions in FDI and efficient portfolio management techniques and instruments. For example, the counterparties to, or agents, intermediaries or other entities which provide services in respect of, such transactions may be related to the Depositary. As a result, those entities may generate profits, fees or other income or avoid losses through such transactions. Furthermore, conflicts of interests may also arise where the collateral provided by such a counterparty is subject to a valuation or haircut applied by a party related to such counterparty.

The Investment Manager and/or its affiliates may invest, directly or indirectly, or manage or advise other investment

funds or accounts which invest in assets which may also be purchased or sold by the Company. Neither the Investment Manager nor any of its affiliates is 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 or inform the Company of any such transaction or any benefit received by any of them from any such transaction, but will allocate any such opportunities on an equitable basis between the Company and other clients.

The Investment Manager may be responsible for valuing certain securities held by the Funds. The Investment Manager is paid a fee which is a percentage of the Net Asset Value of each class and so the Investment Manager's fee will increase as the Net Asset Value of a Fund/the Company increases. Consequently a conflict of interest could arise between its interest and those of the Funds. In the event of such a conflict of interests, the Investment Manager shall have regard to its obligations to the Company and the Fund and will ensure that such a conflict is resolved fairly and in the best interests of the Shareholders.

The Company has developed a strategy for determining when and how voting rights are exercised. Details of the actions taken on the basis of those strategies are available to Shareholders at no charge upon request.

The Company may engage in securities lending activities subject to the conditions and within the limits as defined by the Central Bank.

### **The Share Capital**

The share capital of the Company shall at all times equal the Net Asset Value of the Company. The Directors are empowered to issue up to five hundred billion (500,000,000,000) Shares of no par value in the Company at the Net Asset Value per Share on such terms as they may think fit. There are no rights of pre-emption upon the issue of Shares in the Company. As of the date of this document, the Company has issued Subscriber Shares to the value of EUR2. The Subscriber Shares do not participate in the assets of any Fund. The Company has received a capital contribution of EUR300,000 from Platinum Investment Management Limited, promoter and investment manager of the Company.

Each of the Shares entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of a Fund attributable to the relevant class in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares' entitlement is limited to the amount subscribed and accrued interest thereon.

The proceeds from the issue of Shares shall be applied in the books of the Company to the relevant Fund and shall be used in the acquisition on behalf of the relevant Fund of assets in which the Fund may invest. The records and accounts of each Fund shall be maintained separately.

The Directors reserve the right to redesignate any class of Shares from time to time, provided that shareholders in that class shall first have been notified by the Company that the Shares will be redesignated and shall have been given the opportunity to have their Shares redeemed by the Company, except that this requirement shall not apply where the Directors redesignate Shares in issue in order to facilitate the creation of an additional class of Shares.

The Constitution authorises the Directors to create classes of Shares with restricted voting rights. The Directors have exercised this authority with respect to Class C Share and Class D Share Classes of the Platinum World Portfolios - International Fund, Platinum World Portfolios - Asia Fund, and Platinum World Portfolios - Japan Fund and with respect to the Class C Share Class of the Platinum World Portfolios – Health Sciences Fund. Accordingly, those classes of Shares shall have no voting rights in respect of any resolution submitted to the Shareholders of the Company, the Fund or in respect of those Classes but shall be provided with at least two weeks' prior notice of the proposed change the resolution encompasses, unless such prior notice is waived in writing by the holder of such Class C Shares/Class D Shares (as applicable), prior to the date of the resolution becoming effective during which time the holders of such Class C Shares/Class D Shares (as applicable) may have their non-voting Shares redeemed, if they so wish. Any decision to invest in a non-voting Share Class is made by a prospective Shareholder and not by the Company.

Each of the Shares entitles the holder to attend and (except in the case of non-voting Shares) vote at meetings of the Company and of the Fund represented by those Shares. No class of Shares confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other class of Shares or any voting rights in relation to matters relating solely to any other class of Shares.

Any resolution to alter the class rights of the Shares, except in the case of the non-voting Shares, requires the approval of three quarters of the holders of the Shares represented or present and voting at a general meeting duly convened in accordance with the Constitution.

The Constitution of the Company empowers the Directors to issue fractional Shares in the Company. Fractional Shares may be issued and shall not carry any voting rights at general meetings of the Company or of any Fund or class and the Net Asset Value of any fractional Share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

It is intended that the Company will repay the capital contribution of EUR300,000 upon the first issue of Shares after the Initial Offer Period, provided that the Company at all times has minimum capital to the value of EUR 300,000. The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the Company, but do not entitle the holders to participate in the dividends or net assets of any Fund or of the Company.

### **The Funds and Segregation of Liability**

The Company is an umbrella fund with segregated liability between Funds and each Fund may comprise one or more classes of Shares in the Company. The Company, in consultation with the Manager may, from time to time, upon the prior approval of the Central Bank, establish further Funds by the issue of one or more separate classes of Shares on such terms as the Company may resolve. The Company, in consultation with the Manager may, from time to time, in accordance with the requirements of the Central Bank, establish one or more separate classes of Shares within each Fund on such terms as the Company may resolve.

The assets and liabilities of each Fund will be allocated in the following manner:

- (i) the proceeds from the issue of Shares representing a Fund shall be applied in the books of the Company to the Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Constitution;
- (ii) where any asset is derived from another asset, such derivative asset shall be applied in the books of the Company to the same Fund as the assets from which it was derived and in each valuation of an asset, the increase or diminution in value shall be applied to the relevant Fund;
- (iii) where the Company incurs a liability which relates to any asset of a particular Fund or to any action taken in connection with an asset of a particular Fund, such a liability shall be allocated to the relevant Fund, as the case may be; and
- (iv) where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, such asset or liability, subject to the approval of the Depositary, shall be allocated to all the Funds pro rata to the Net Asset Value of each Fund.

Any liability incurred on behalf of or attributable to any Fund shall be discharged solely out of the assets of that Fund, and, neither the Company nor any Director, receiver, examiner, liquidator, provisional liquidator or other person shall apply, nor be obliged to apply, the assets of any such Fund in satisfaction of any liability incurred on behalf of, or attributable to, any other Fund.

There shall be implied in every contract, agreement, arrangement, or transaction entered into by the Company the following terms, that:

- (i) the party or parties contracting with the Company shall not seek, whether in any proceedings or by any other means whatsoever or wheresoever, to have recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund;
- (ii) if any party contracting with the Company shall succeed by any means whatsoever or wheresoever in having recourse to any assets of any Fund in the discharge of all or any part of a liability which was not incurred on behalf of that Fund, that party shall be liable to the Company to pay a sum equal to the value of the benefit thereby obtained by it; and
- (iii) if any party contracting with the Company shall succeed in seizing or attaching by any means, or otherwise levying execution against, the assets of a Fund in respect of a liability which was not incurred on behalf of that Fund, that party shall hold those assets or the direct or indirect proceeds of the sale of such assets on trust for the Company and shall keep those assets or proceeds separate and identifiable as such trust property.

All sums recoverable by the Company shall be credited against any concurrent liability pursuant to the implied terms set out in (i) to (iii) above.

Any asset or sum recovered by the Company shall, after the deduction or payment of any costs of recovery, be applied so as to compensate the relevant Fund.

In the event that assets attributable to a Fund are taken in execution of a liability not attributable to that Fund, and in so far as such assets or compensation in respect thereof cannot otherwise be restored to the Fund affected, the Directors, with the consent of the Depositary, shall certify or cause to be certified, the value of the assets lost to the Fund affected and transfer or pay from the assets of the Fund or Funds to which the liability was attributable, in priority to all other claims against such Fund or Funds, assets or sums sufficient to restore to the Fund affected, the value of the assets or sums lost to it.

A Fund is not a legal person separate from the Company, but the Company may sue and be sued in respect of a particular Fund and may exercise the same rights of set-off, if any, as between its Funds as apply at law in respect of companies and the property of a Fund is subject to orders of the court as it would have been if the Fund were a separate legal person.

Separate records shall be maintained in respect of each Fund.

## **Termination**

All of the Shares in the Company or all of the Shares in a Fund or Class may be redeemed by the Company in the following circumstances:

- (i) a majority of votes cast at a general meeting of the Company or the relevant Fund or Class, as appropriate, approve the redemption of the Shares;
- (ii) if so determined by the Directors, provided that not less than 21 days' written notice has been given to the holders of the Shares of the Company or the Fund or the Class, as appropriate, that all of the Shares of the Company, the Fund or the Class, as the case may be, shall be redeemed by the Company; or
- (iii) if no replacement depositary shall have been appointed during the period of ninety (90) days commencing on the date the Depositary or any replacement thereof shall have notified the Company of its desire to retire as depositary or shall have ceased to be approved by the Central Bank.

Where a redemption of Shares would result in the number of Shareholders falling below two or such other minimum number stipulated by statute or where a redemption of Shares would result in the issued share capital of the Company falling below such minimum amount as the Company may be obliged to maintain pursuant to applicable law, the Company may defer the redemption of the minimum number of Shares sufficient to ensure compliance with applicable law. The redemption of such Shares will be deferred until the Company is wound up or until the Company

procures the issue of sufficient Shares to ensure that the redemption can be effected. The Company shall be entitled to select the Shares for deferred redemption in such manner as it may deem to be fair and reasonable and as may be approved by the Depositary.

On a winding up or if all of the Shares in any Fund are to be redeemed, the assets available for distribution (after satisfaction of creditors' claims) shall be distributed pro rata to the holders of the Shares in proportion to the number of the Shares held in that Fund. The balance of any assets of the Company then remaining that are not attributable to any particular Fund shall be apportioned among the Funds pro rata to the Net Asset Value of each Fund immediately prior to any distribution to Shareholders and shall be distributed among the Shareholders of each Fund pro rata to the number of Shares in that Fund held by them. With the authority of an ordinary resolution of the Shareholders or with the consent of any Shareholder, the Company may make distributions *in specie* to Shareholders or to any individual Shareholder who so consents. At the request of any Shareholder the Company shall arrange the sale of such assets at the expense of such Shareholder and without any liability on the part of the Company, the Administrator or the Investment Manager if the proceeds of sale of any asset are less than the value of the assets at the time at which it was distributed *in specie*. The transaction costs incurred in the disposal of such investments shall be borne by the Shareholder. The Subscriber Shares do not entitle the holders to participate in the dividends or net assets of any Fund.

### **Meetings**

All general meetings of the Company or of a Fund shall be held in Ireland. Each year the Company shall hold a general meeting as its annual general meeting. The quorum for general meetings shall be two persons present in person or by proxy twenty-one (21) days' notice (excluding the day of posting and the day of the meeting) shall be given in respect of each general meeting of the Company. The notice shall specify the venue and time of the meeting and the business to be transacted at the meeting. A proxy may attend on behalf of any Shareholder entitled to vote at the meeting. An ordinary resolution is a resolution passed by a plurality of votes cast and a special resolution is a resolution passed by a majority of 75% or more of the votes cast. The Constitution provides that matters may be determined by a meeting of Shareholders on a show of hands with each Shareholder having one vote unless a poll is requested by five (5) Shareholders or by Shareholders holding 10% or more of the Shares or unless the Chairman of the meeting requests a poll. If a poll is duly demanded, it shall be taken in such manner and at such place as the chairman may direct (including the use of ballot or voting papers or tickets) and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded.

### **Reports**

In each year the Directors shall cause to be prepared an annual report and audited annual accounts for the Company. These will be sent (which may include by use of electronic communications to such address as may for the time be notified to the Company by that Shareholder for that purpose or on the Company's website where the Shareholder has agreed to this and been notified of this fact) to Shareholders within four (4) months of the end of the financial year and at least twenty-one (21) days before the annual general meeting. In addition, the Company shall prepare and send (which may include by use of electronic communications or on the Company's website as set out above) to Shareholders upon request within two (2) months of the end of the relevant period a half-yearly report which shall include unaudited half-yearly accounts for the Company.

Annual accounts shall be made up to 30 June in each year. Unaudited half-yearly accounts shall be made up to 31 December in each year.

Audited annual reports and unaudited half-yearly reports incorporating financial statements shall upon request be posted to each Shareholder at his registered address free of charge and will be made available for inspection at the registered office of the Company.

### **Complaints**

Information regarding the Company's complaint procedures is available to Shareholders free of charge upon

request. Shareholders may file any complaints about the Company or a Fund free of charge at the registered office of the Company, or with the Manager.

### **Remuneration Policy of the Manager**

The Manager has remuneration policies and practices in place consistent with the requirements of the UCITS Regulations and the ESMA Guidelines on sound remuneration policies under the Directive ("ESMA Remuneration Guidelines"). The Manager will procure that any delegate, including the Investment Manager, to whom such requirements also apply pursuant to the ESMA Remuneration Guidelines will have equivalent remuneration policies and practices in place.

The remuneration policy reflects the Manager's objective for good corporate governance, promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Funds or the Constitution. It is also aligned with the investment objectives of each Fund and includes measures to avoid conflicts of interest. The remuneration policy is reviewed on an annual basis (or more frequently, if required) by the board of directors of the Manager, to ensure that the overall remuneration system operates as intended and that the remuneration pay-outs are appropriate. This review will also ensure that the remuneration policy reflects best practice guidelines and regulatory requirements, as may be amended from time to time.

Details of the up-to-date remuneration policy of the Manager (including, but not limited to: (i) a description of how remuneration and benefits are calculated; (ii) the identities of persons responsible for awarding the remuneration and benefits; and (iii) the composition of the remuneration committee, where such a committee exists) will be available by means of a website <http://www.carnegroup.com/policies-and-procedures/> and a paper copy will be made available to Shareholders free of charge upon request.

### **Miscellaneous**

- (i) The Directors confirm and report that the Company was incorporated on 9 July 2014.
- (ii) The Company is not, and has not been since its incorporation, engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.
- (iii) Except as disclosed in paragraph (iv) below, there are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.
- (iv) Stephen Menzies is a director of the parent company of the Investment Manager. Save as disclosed above, none of the Directors is interested in any contract or arrangement subsisting at the date hereof which is significant in relation to the business of the Company.
- (v) At the date of this document, neither the Directors nor their spouses nor their infant children nor any connected person have any direct or indirect interest in the share capital of the Company or any options in respect of such capital.
- (vi) No Share or loan capital of the Company is under option or is agreed conditionally or unconditionally to be put under option.
- (vii) Save as disclosed herein in the section entitled "Fees and Expenses" above, no commissions, discounts, brokerage, or other special terms have been granted by the Company in relation to Shares issued by the Company.
- (viii) The Company does not have, nor has it had since its incorporation, any employees or subsidiary companies.

**Material Contracts**

The following contracts, details of which are set out in the section entitled "Management and Administration", have been entered into and are, or may be, material:

- (i) The Management Agreement dated 2 December 2020 between the Company and the Manager pursuant to which the latter was appointed as manager in relation to the Company.
- (ii) The Investment Management Agreement dated 2 December 2020 between the Company, the Manager and the Investment Manager pursuant to which the latter was appointed as investment manager and distributor in relation to the Company.
- (iii) The Depositary Agreement dated 2 December 2020 between the Company, the Manager and the Depositary pursuant to which the latter acts as depositary in relation to the Company.
- (iv) The Administration Agreement dated 2 December 2020 between the Company, the Manager and the Administrator pursuant to which the latter acts as administrator of the Company.

**Supply and Inspection of Documents**

The following documents are available for inspection free of charge during normal business hours on weekdays (Saturdays and public holidays excepted) at the registered office of the Company:

- (i) the certificate of incorporation and Constitution of the Company;
- (ii) the material contracts referred to above;
- (iii) the UCITS Regulations and the Central Bank UCITS Regulations; and
- (iv) a list of the directorship and partnerships of each of the Directors over the previous five (5) years, indicating whether such directorships or partnerships are current.

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

## SCHEDULE I

### INVESTMENT RESTRICTIONS APPLICABLE TO THE FUNDS

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<b>1</b>	<b>Permitted Investments</b>
	Investments of a Fund are confined to:
<b>1.1</b>	Transferable securities and money market instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
<b>1.2</b>	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
<b>1.3</b>	Money market instruments other than those dealt on a Regulated Market.
<b>1.4</b>	Units of UCITS.
<b>1.5</b>	Units of AIFs.
<b>1.6</b>	Deposits with credit institutions.
<b>1.7</b>	Financial derivative instruments.
<b>2</b>	<b>Investment Restrictions</b>
<b>2.1</b>	A Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
<b>2.2</b>	<p>Recently Issued Transferable Securities.</p> <p>Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of the UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.</p> <p>Paragraph (1) does not apply to an investment by a responsible person in US Securities known as "Rule 144 A securities" provided that:</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</p> <p>(b) the securities are not illiquid securities i.e. they may be realised by the Fund within 7 days at the price, or approximately at the price, which they are valued by the UCITS.</p>
<b>2.3</b>	A Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
<b>2.4</b>	The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value. It is not proposed to avail of this without the prior approval of the Central Bank.



<b>2.5</b>	The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
<b>2.6</b>	The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
<b>2.7</b>	Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of the Fund.
<b>2.8</b>	<p>The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of a credit institution authorised in the EEA; or a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</p>
<b>2.9</b>	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of the net assets:</p> <ul style="list-style-type: none"> <li>(i) investments in transferable securities or money market instruments;</li> <li>(ii) deposits; and/or</li> <li>(iii) counterparty risk exposures arising from OTC derivatives transactions.</li> </ul>
<b>2.10</b>	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of the net assets.
<b>2.11</b>	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
<b>2.12</b>	<p>A Fund may invest up to 100% of its net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list:</p> <p>OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank and the Tennessee Valley Authority, Straight-A Funding LLC.</p> <p>The Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in CIS</b>
<b>3.1</b>	A Fund may not invest more than 20% of net asset in any one CIS.

<b>3.2</b>	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
<b>3.3</b>	The CIS are prohibited from investing more than 10% of net assets in other open-ended CIS.
<b>3.4</b>	When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund investment in the units of such other CIS.
<b>3.5</b>	Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the UCITS.
<b>4</b>	<b>Index Tracking UCITS</b>
<b>4.1</b>	A UCITS may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.
<b>4.2</b>	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
<b>5.1</b>	An investment company, ICAV or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
<b>5.2</b>	<p>A Fund may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
<b>5.3</b>	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable</li> </ul>

	<p>only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed;</p> <p>(v) shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</p>
<b>5.4</b>	A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
<b>5.5</b>	The Central Bank may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a Fund or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.
<b>5.7</b>	<p>Neither an investment company, ICAV, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:</p> <p>(i) transferable securities;</p> <p>(ii) money market instruments;</p> <p>(iii) units of investment funds; or</p> <p>(iv) financial derivative instruments.</p>
<b>5.8</b>	A Fund may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDI')</b>
<b>6.1</b>	A Fund's global exposure relating to FDI must not exceed its total net asset value.
<b>6.2</b>	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations/ Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations).
<b>6.3</b>	A Fund may invest in FDIs dealt in over-the-counter (OTC) provided the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
<b>6.4</b>	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

## SCHEDULE II

### THE REGULATED MARKETS

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#### Stock/Securities Exchanges and Markets

The following is a list of regulated stock/securities exchanges and markets in which the assets of each Fund may be listed and/or traded from time to time and is set out in accordance with the Central Bank's requirements. With the exception of permitted investments in unlisted securities, each Fund will only invest in securities traded on a stock/securities exchange or market which meets the regulatory criteria (regulated, operating regularly, be recognised and open to the public) and which is listed in this Prospectus. The Central Bank does not issue a list of approved stock/securities exchanges or markets.

A Regulated Market shall comprise:

- (i) any stock/securities exchange located in a Member State
- (ii) any stock/securities exchange located in the EEA (except Liechtenstein)
- (iii) any stock/securities exchange located in any of the following countries: Australia, Canada, Japan, Hong Kong, New Zealand, Norway, Switzerland, US and the United Kingdom;
- (iv) any stock/securities exchange included in the following list:
  - Argentina – Bolsa de Comercio de Buenos Aires and Mercado Abierto Electronico S.A.;
  - Bahrain – Bahrain Bourse;
  - Bangladesh – Dhaka Stock Exchange and Chittagong Stock Exchange Ltd;
  - Botswana – Botswana Stock Exchange;
  - Brazil – BM&F BOVESPA S.A.;
  - Bulgaria – Bulgaria Stock Exchange-Sofia AD;
  - Chile – Bolsa de Comercio de Santiago, Bolsa Electronica de Chile and Bolsa de Valparaiso;
  - China – the stock exchanges in Shanghai and Shenzhen;
  - Colombia – Bolsa de Valores de Colombia;
  - Croatia – The Zagreb Stock Exchange;
  - Cyprus – Cyprus Stock Exchange;
  - the Czech Republic – Burza cenných papírů Praha, a.s., the Prague Stock Exchange;
  - Egypt – Egyptian Exchange;
  - Ghana – Ghana Stock Exchange;
  - Hungary – Budapesti Értéktőzsde Zrt., the Budapest Stock Exchange Zrt.;
  - India – Bombay Stock Exchange, Ltd. and National Stock Exchange;
  - Indonesia – Indonesia Stock Exchange;
  - Israel – the stock exchange in Tel Aviv;
  - Jamaica – the Jamaican Stock Exchange;
  - Jordan – the stock exchange in Amman;
  - Kazakhstan – Kazakhstan stock exchange;
  - Kenya – Nairobi Securities Exchange;
  - Korea – Korea Exchange;
  - Mauritius – the stock exchange in Mauritius;
  - Malaysia – Bursa Malaysia Securities Berhad and Bursa Malaysia Derivatives Berhad;
  - Mexico – Bolsa Mexicana de Valores and Mercado Mexicano de Derivados;

- Morocco – Bourse de Casablanca;
- Namibia – the Namibian Stock Exchange;
- Nigeria – the Nigerian Stock Exchange;
- Pakistan – Karachi Stock Exchange, Lahore Stock Exchange and Islamabad Stock Exchange;
- Peru – Bolsa de Valores de Lima;
- Philippines – the Philippine Stock Exchange;
- Poland – Gielda Papierów Wartościowych w Warszawie S.A, the Warsaw Stock Exchange;
- Romania – Bursa de Valori Bucuresti;
- Russia – Open Joint Stock Company Moscow Exchange MICEX-RTS (MICEX-RTS);
- Slovak Republic – Bratislava Stock Exchange;
- Slovenia – Ljubljana Stock Exchange;
- Singapore – Singapore Exchange Limited and CATALIST;
- Serbia – Belgrade Stock Exchange;
- South Africa – JSE Limited and South African Futures Exchange;
- Sri Lanka – the stock exchange in Colombo;
- Taiwan – Taiwan Stock Exchange, GreTai Securities Market and Taiwan Futures Exchange;
- Thailand – Stock Exchange of Thailand, Market for Alternative Investments, Bond Electronic Exchange and Thailand Futures Exchange;
- Tunisia – Bourse des Valeurs Mobilières de Tunis;
- Turkey – Istanbul Stock Exchange and Turkish Derivatives Exchange;
- Ukraine – Persha Fondova Torgoveln Systema and Ukrainian Interbank Currency Exchange;
- Uruguay – Bolsa de Valores de Montevideo and Bolsa Electrónica de Valores del Uruguay SA;
- Viet Nam – Ho Chi Minh Stock Exchange, Hanoi Stock Exchange and Unlisted Public Companies Market (UPCOM);
- Zambia – Lusaka Stock Exchange;
- Zimbabwe – Zimbabwe Stock Exchange and Zimbabwe Derivatives Exchange; and

(v) any of the following:

- Equity Securities listed in Russian Trading System 1 (RTS1) and Russian Trading System 2 (RTS2) and Moscow Interbank Currency Exchange (MICEX);
- the market organised by the International Capital Markets Association;
- the “listed money market institutions”, as described in the Bank of England publication “The Regulation of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Currency and Bullion” dated April, 1988 (as amended from time to time);
- the market comprising dealers which are regulated by the Federal Reserve Bank of New York;
- the OTC market conducted by primary and secondary dealers comprising dealers which are regulated by the US Financial Industry Regulatory Authority and the US Securities and Exchange Commission;
- NASDAQ; and
- the OTC market in Japan regulated by the Securities Dealers Association of Japan.

## **Futures and Options Exchanges and Markets**

The following is a list of regulated futures and options exchanges and markets in which the assets of the Funds may be invested from time to time and is set out in accordance with the Central Bank's requirements. The Central Bank does not issue a list of approved futures and options exchanges or markets.

A Regulated Market shall comprise any futures and options exchanges and markets that:

- (i) is located in any Member State;
- (ii) is located in the United Kingdom;
- (iii) is located in a member state of the EEA (but excluding Iceland and Liechtenstein) (i.e. EU + Norway);
- (iv) is included in the following list:
  - Australian Securities Exchange;
  - American Stock Exchange;
  - Bolsa Mexicana de Valores;
  - Bolsa de Mercadorias & Futuros (Brasil);
  - Chicago Board of Trade;
  - Chicago Board Options Exchange;
  - Chicago Mercantile Exchange; the Commodity Exchange Inc;
  - Coffee, Sugar and Cocoa Exchange;
  - Copenhagen Stock Exchange (including FUTOP);
  - Eurex Deutschland;
  - Euronext Amsterdam;
  - Euronext.liffe;
  - Euronext Paris;
  - European Options Exchange;
  - Financial Futures and Options Exchange;
  - Financiële Termijnmarkt Amsterdam;
  - Finnish Options Market;
  - Hong Kong Futures Exchange;
  - ICE Futures Exchange
  - International Monetary Market;
  - International Capital Market Association;
  - Irish Futures and Option Exchange (IFOX);
  - Jakarta Futures Exchange;
  - Kansas City Board of Trade;
  - Korean Futures Exchange;
  - Korean Stock Exchange;
  - Kuala Lumpur Options and Financial futures Exchange;
  - Malaysia Derivatives Exchange;
  - Marche des options Negocioables de Paris (MONEP);
  - Marche a Terme International de France;
  - MEFF Renta Fiji;

- MEFF Renta Variable;
- Midwest Stock Exchange;
- Montreal Exchange;
- National Association of Securities Dealers Automated Quotations System (NASDAQ);
- National Stock Exchange of India;
- New York Board of Trade
- New York Futures Exchange;
- New York Mercantile Exchange;
- New York Stock Exchange;
- New Zealand Futures and Options Exchange;
- Osaka Mercantile Exchange;
- Osaka Securities Exchange;
- OMX Exchange Helsinki;
- OMX The London Securities and Derivatives Exchange Ltd;
- OM Stockholm AB;
- Pacific Stock Exchange;
- Philadelphia Board of Trade;
- Philadelphia Stock Exchange;
- Shanghai Futures Exchange;
- Singapore Commodity Exchange;
- Singapore International Monetary Exchange;
- Singapore Stock Exchange;
- South Africa Futures Exchange (SAFEX);
- Sydney Futures Exchange;
- Tel-Aviv Stock Exchange;
- Thailand Stock Exchange;
- Taiwan Futures Exchange;
- Taiwan Stock Exchange;
- Tokyo International Financial Futures Exchange;
- Tokyo Stock Exchange;
- Toronto Futures Exchange; and
- TSX Group Exchange.

## SCHEDULE III

### SUB –DELEGATES APPOINTED BY STATE STREET BANK AND TRUST

Market	Custodial Institution
Albania	Raiffeisen Bank sh.a.
Argentina	Citibank, N.A.
Australia	The Hongkong and Shanghai Banking Corporation Limited
Austria	UniCredit Bank Austria AG
Bahrain	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Bangladesh	Standard Chartered Bank
Belgium	BNP Paribas Securities Services, S.C.A. (operating through its Paris branch with support from its Brussels branch)
Benin	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Bermuda	HSBC Bank Bermuda Limited
Federation of Bosnia and Herzegovina	UniCredit Bank d.d.
Botswana	Standard Chartered Bank Botswana Limited
Brazil	Citibank, N.A.
Bulgaria	Citibank Europe plc, Bulgaria Branch UniCredit Bulbank AD
Burkina Faso	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Canada	State Street Trust Company Canada
Chile	Banco de Chile
People's Republic of China	HSBC Bank (China) Company Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited) China Construction Bank Corporation <i>China Connect</i> Citibank N.A. The Hongkong and Shanghai Banking Corporation Limited Standard Chartered Bank (Hong Kong) Limited
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria
Costa Rica	Banco BCT S.A.
Croatia	Privredna Banka Zagreb d.d.



	Zagrebacka Banka d.d.
Cyprus	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)
Czech Republic	Československá obchodní banka, a.s. UniCredit Bank Czech Republic and Slovakia, a.s.
Denmark	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
Egypt	Citibank N.A.
Estonia	AS SEB Pank
Estwatiní	Standard Bank Eswatini Limited
Finland	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
France	BNP Paribas Securities Services, S.C.A.
Republic of Georgia	JSC Bank of Georgia
Germany	State Street Bank International GmbH Deutsche Bank AG
Ghana	Standard Chartered Bank Ghana PLC
Greece	BNP Paribas Securities Services, S.C.A.
Guinea-Bissau	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited
Hungary	Citibank Europe plc Magyarországi Fióktelepe UniCredit Bank Hungary Zrt.
Iceland	Landsbankinn hf.
India	Deutsche Bank AG Citibank, N.A. The Hongkong and Shanghai Banking Corporation Limited
Indonesia	Deutsche Bank AG Standard Chartered Bank, Indonesia Branch
Ireland	State Street Bank and Trust Company, United Kingdom branch
Israel	Bank Hapoalim B.M.
Italy	Intesa Sanpaolo S.p.A Financial Institutions- Transactions Services
Ivory Coast	Standard Chartered Bank Côte d'Ivoire S.A.
Japan	Mizuho Bank, Ltd. The Hongkong and Shanghai Banking Corporation Limited
Jordan	Standard Chartered Bank
Kazakhstan	JSC Citibank Kazakhstan
Kenya	Standard Chartered Bank Kenya Limited

Republic of Korea	Deutsche Bank AG The Hongkong and Shanghai Banking Corporation Limited
Kuwait	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Latvia	AS SEB banka
Lithuania	AB SEB bankas
Malawi	Standard Bank PLC
Malaysia	Standard Chartered Bank Malaysia Berhad
Mali	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Mauritius	The Hongkong and Shanghai Banking Corporation Limited
Mexico	Banco Nacional de México S.A.
Morocco	Citibank Maghreb S.A.
Namibia	Standard Bank Namibia Limited
Netherlands	BNP Paribas Securities Services
New Zealand	The Hongkong and Shanghai Banking Corporation Limited
Niger	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Nigeria	Stanbic IBTC Bank Plc.
Norway	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
Oman	HSBC Bank Oman S.A.O.G. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Pakistan	Deutsche Bank AG Citibank, N.A.
Panama	Citibank, N.A.
Peru	Citibank del Perú, S.A.
Philippines	Standard Chartered Bank, Philippines Branch
Poland	Bank Handlowy w Warszawie S.A.
Portugal	Citibank Europe plc, Dublin, Ireland
Qatar	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Romania	Citibank Europe plc, Dublin – Romania Branch
Russia	AO Citibank
Saudi Arabia	HSBC Saudi Arabia (as delegate of The Hongkong and Shanghai Banking Corporation Limited) Saudi British Bank
Senegal	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast

Serbia	UniCredit Bank Serbia JSC
Singapore	Citibank N.A.
Slovak Republic	UniCredit Bank Czech Republic and Slovakia, a.s.
Slovenia	UniCredit Banka Slovenija d.d.
South Africa	Standard Chartered Bank Johannesburg Branch FirstRand Bank Limited
Spain	Citibank Europe Plc
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Republic of Srpska	UniCredit Bank d.d.
Sweden	Skandinaviska Enskilda Banken AB (publ)
Switzerland	Credit Suisse (Switzerland) Limited UBS Switzerland AG
Taiwan - R.O.C.	Standard Chartered Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Tanzania) Limited
Thailand	Standard Chartered Bank (Thai) Public Company Limited
Togo	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
Tunisia	Union Internationale de Banques
Turkey	Citibank A.Ş.
Uganda	Standard Chartered Bank Uganda Limited
Ukraine	JSC Citibank
United Arab Emirates –Abu Dhabi	First Abu Dhabi Bank PJSC
United Arab Emirates – Dubai Financial Market	First Abu Dhabi Bank PJSC
United Arab Emirates – Dubai International Financial Center	First Abu Dhabi Bank PJSC
United Kingdom	State Street Bank and Trust Company, United Kingdom branch
United States	State Street Bank and Trust Company
Uruguay	Banco Itaú Uruguay S.A.
Vietnam	HSBC Bank (Vietnam) Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
Zambia	Standard Chartered Bank Zambia Plc.
Zimbabwe	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)

Transnational Depositories	Euroclear Bank S.A./N.V. Clearstream Banking, S.A.
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