



PGIM INVESTMENTS



# PGIM FUNDS PLC

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

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PROSPECTUS

INVESTMENT MANAGER

PGIM, INC.

Dated 29 January 2021

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## INTRODUCTION

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

### Authorisation by the Central Bank of Ireland

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

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

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

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

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

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

the date of this Prospectus. The Directors may from time to time decide to offer, with the prior approval of the Central Bank, additional separate Funds and, with prior notice to and clearance from the Central Bank, additional classes of Shares in existing Funds. In such an event, this Prospectus will be updated and amended so as to include detailed information on the new Funds and/or classes, and/or a separate Supplement or addendum with respect to such Funds and/or classes will be prepared. Such updated and amended Prospectus or new separate Supplement or addendum will not be circulated to existing Shareholders except in connection with their subscription for Shares of such Funds.

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

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

## **DISTRIBUTION AND SELLING RESTRICTIONS**

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

### ***Australia***

This Prospectus is not a prospectus or product disclosure statement under the Corporations Act 2001 (Cth) (Corporations Act) and does not constitute a recommendation to acquire, an invitation to apply for, an offer to apply for or buy, an offer to arrange the issue or sale of, or an offer for issue or sale of, any securities in Australia, except as set out below. The Company has not authorised nor taken any action to prepare or lodge with the Australian Securities & Investments Commission an Australian law compliant prospectus or product disclosure statement.

Accordingly, this Prospectus may not be issued or distributed in Australia and the shares in the Company may not be offered, issued, sold or distributed in Australia under this Prospectus other than by way of or pursuant to an offer or invitation that does not need disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act, whether by reason of the investor being a 'wholesale client' (as defined in section 761G of the Corporations Act and applicable regulations) or otherwise.

This Prospectus does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of shares to a 'retail client' (as defined in section 761G of the Corporations Act and applicable regulations) in Australia.

### ***Brunei***

This Prospectus relates to a private collective investment scheme which is not subject to any form of domestic regulations by the Autoriti Monetari Brunei Darussalam ("Authority"). This Prospectus is intended for distribution only to specific classes of investors as specified in section 20 of the Securities Market Order, 2013 and must not, therefore, be delivered to, or relied on by, a retail client.

The Authority is not responsible for reviewing or verifying any prospectus or other documents in connection with this collective investment scheme. The Authority has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus and has no responsibility for it.

The Shares to which this Prospectus relates may be illiquid or subject to restrictions on their resale. Prospective purchasers of the Shares offered should conduct their own due diligence on the Shares.

### ***Canada***

This Prospectus pertains to the offering of the Shares (as defined herein) described in this Prospectus only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and only by persons permitted to sell such Shares. This Prospectus is not, and under no circumstances is construed as, an advertisement or a public offering of the Shares described in this Prospectus in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the Shares described in this Prospectus, and any representation to the contrary is an offence.

### ***Cayman Islands***

The Company does not intend to establish a place of business or otherwise intend to conduct business in the Cayman Islands. Accordingly, the Company should not be subject to the supervision of any Cayman Islands authority.

### ***China***

This Prospectus does not constitute a public offer of the Shares of the Company, whether by sale or subscription, in the PRC. The Shares are not being offered or sold directly or indirectly in the PRC to or for the benefit of, legal or natural persons of the PRC.

Further, no legal or natural persons of the PRC may directly or indirectly purchase any of the Shares or any beneficial interest therein without obtaining all prior PRC's governmental approvals that are required, whether statutorily or otherwise. Persons who come into possession of this document are required by the issuer and its representatives to observe these restrictions.

### ***Denmark***

The Company has appointed Skandinaviska Enskilda Banken AB, Copenhagen Branch with registered address Bernstorffsgade 50, 1577 Copenhagen V, Denmark as the Danish representative for certain Funds of the Company in accordance with Section 5(1) of the Danish Executive Order no. 786 of 17 June 2014 on Foreign UCITS' Marketing in Denmark. The representative agent shall assist Danish investors in the subscription, redemption, payment of dividends and conversion of units. The representative agent shall also supply the documents which the Fund makes public in Ireland and provide information about the Fund at the request of investors.

### ***Hong Kong***

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

This Prospectus has not been registered by the Registrar of Companies in Hong Kong. The Company is a collective investment scheme as defined in the Securities and Futures Ordinance of Hong Kong (the "**Ordinance**") but has not been authorised by the Securities and Futures Commission pursuant to the Ordinance. Accordingly, the Shares may only be offered or sold in Hong Kong to persons who are "professional investors" as defined in the Ordinance and any rules made under the Ordinance or in circumstances which are permitted under the Companies (Winding Up and Miscellaneous Provisions) Ordinance of Hong Kong and the Ordinance. In addition, this Prospectus may not be issued or possessed for the purposes of issue, whether in Hong Kong or elsewhere, and the Shares may not be disposed of to any person unless such person is outside Hong Kong, such person is a "professional investor" as defined in the Ordinance and any rules made under the Ordinance or as otherwise may be permitted by the Ordinance.

### ***India***

The Shares are not being offered to the Indian public for sale or subscription. The Shares are not registered and/or approved by the Securities and Exchange Board of India, the Reserve Bank of India or any other governmental/regulatory authority in India and therefore, may not be distributed in India or to Indian residents.

This Prospectus is not and should not be deemed to be a "prospectus" as defined under the provisions of the Companies Act, 2013 (18 of 2013) and the same shall not be filed with any regulatory authority in India. The Company does not guarantee or promises to return any portion of the money invested towards the Shares by an investor and an investment in the Shares is subject to applicable risks associated with an investment in the Shares and shall not constitute a deposit within the meaning of the Banning of Unregulated Deposits Schemes Act, 2019.

Pursuant to the Foreign Exchange Management Act, 1999 and the regulations issued thereunder, any investor resident in India may be required to obtain prior special permission of the Reserve Bank of India before making investments outside of India, including any investment in the Company. The Company has neither obtained any approval from the

Reserve Bank of India or any other regulatory authority in India nor does it intend to do so and hence any eligible investor who is resident in India will be entirely responsible for determining its eligibility to invest in the Shares in the Company.

### **Indonesia**

This Prospectus does not constitute an offer to sell nor a solicitation to buy securities in Indonesia.

### **Israel**

This Prospectus has not been approved by the Israel Securities Authority and will only be distributed to Israeli residents in a manner that will not constitute “an offer to the public” under sections 15 and 15a of the Israel Securities Law, 5728-1968 (the “**Securities Law**”) or section 25 of the Joint Investment Trusts Law, 5754-1994 (the “**Joint Investment Trusts Law**”), as applicable. The Funds are being offered to a limited number of investors (35 investors or fewer during any given 12 month period) and/or those categories of investors listed in the First Addendum (the “**Addendum**”) to the Securities Law, (“**Sophisticated Investors**”) namely joint investment funds or mutual trust funds, provident funds, insurance companies, banking corporations (purchasing Funds for themselves or for clients who are Sophisticated Investors), portfolio managers (purchasing Funds for themselves or for clients who are Sophisticated Investors), investment advisors or investment marketers (purchasing Funds for themselves), members of the Tel-Aviv Stock Exchange (purchasing Funds for themselves or for clients who are Sophisticated Investors), underwriters (purchasing Funds for themselves), venture capital funds engaging mainly in the capital market, an entity which is wholly-owned by Sophisticated Investors, corporations, (other than formed for the specific purpose of an acquisition pursuant to an offer), with a shareholders equity in excess of NIS 50 million, and individuals investing for their own account, in respect of which at least one of the following applies: the total value of their cash, deposits, financial assets (as defined in the Investment Advice Law) and Shares traded on a stock exchange licensed under the Securities Law (together, “Liquid Assets”) exceeds NIS 8,094,444 (approximately USD2.4 million); their level of income over each of the preceding two years exceeds NIS 1,214,317 (approximately USD360,000), or the level of income of their “family unit” exceeds NIS 1,821,475 (approximately USD538,000); or the aggregate value of all their Liquid Assets exceeds NIS 5,059,652 (approximately USD1.3 million) and their level of income over each of the preceding two years exceeds NIS 600,000 (approximately USD180,000), or the level of income of their “family unit” exceeds NIS 910,737 (approximately USD270,000); each as defined in the said Addendum, as amended from time to time, and who in each case have provided written confirmation that they qualify as Sophisticated Investors, and that they are aware of the consequences of such designation and agree thereto; in all cases under circumstances that will fall within the private placement or other exemptions of the Joint Investment Trusts Law, the Securities Law and any applicable guidelines, pronouncements or rulings issued from time to time by the Israel Securities Authority.

This Prospectus may not be reproduced or used for any other purpose, nor be furnished to any other person other than those to whom copies have been sent. Any offeree who purchases a Fund is purchasing such Fund for its own benefit and account and not with the aim or intention of distributing or offering such Fund to other parties (other than, in the case of an offeree which is a Sophisticated Investor by virtue of it being a banking corporation, portfolio manager or member of the Tel-Aviv Stock Exchange, as defined in the Addendum, where such offeree is purchasing a Fund for another party which is a Sophisticated Investor). Nothing in this Prospectus should be considered investment advice or investment marketing as defined in the Regulation of Investment Counselling, Investment Marketing and Portfolio Management Law, 5755-1995.

Investors are encouraged to seek competent investment counselling from a locally licensed investment counsel prior to making the investment. As a prerequisite to the receipt of a copy of this Prospectus a recipient shall be required by the Company to provide confirmation that it is a Sophisticated Investor purchasing Funds for its own account or, where applicable, for other Sophisticated Investors.

This Prospectus does not constitute an offer to sell or solicitation of an offer to buy any Shares other than the Shares offered hereby, nor does it constitute an offer to sell to or solicitation of an offer to buy from any person or persons in any state or other jurisdiction in which such offer or solicitation would be unlawful, or in which the person making such offer or solicitation is not qualified to do so, or to a person or persons to whom it is unlawful to make such offer or solicitation.

## ***Japan***

The Shares have not been and will not be registered pursuant to Article 4, paragraph 1, of the Financial Instruments and Exchange Law (the “**FIEL**”) (Law no. 25 of 1948, as amended) and, accordingly, none of the shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan unless they are offered or sold pursuant to an exemption from the registration requirements of, and 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, a “Japanese person” means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## ***Kuwait***

This Prospectus is not for general circulation to the public in Kuwait. The Company has not been licensed for offering in Kuwait by the Kuwait Capital Markets Authority or any other relevant Kuwaiti government agency. The offering of the Company in Kuwait on the basis of a private placement or public offering is, therefore, restricted in accordance with Law No. 7 of 2010 and the bylaws thereto (as amended). No private or public offering of the Company is being made in Kuwait, and no agreement relating to the sale of the Company will be concluded in Kuwait. No marketing or solicitation or inducement activities are being used to offer or market the Company in Kuwait.

## ***Malaysia***

No action has been, or will be, taken to comply with Malaysian laws for making available, offering for subscription or purchase, or issuing any invitation to subscribe for or purchase or sale of the Shares in Malaysia or to persons in Malaysia as the Shares are not intended by the issuer to be made available, or made the subject of any offer or invitation to subscribe or purchase, in Malaysia. Neither this document nor any document or other material in connection with the Shares should be distributed, caused to be distributed or circulated in Malaysia. No person should make available or make any invitation or offer or invitation to sell or purchase the Shares in Malaysia unless such person takes the necessary action to comply with Malaysian laws.

## ***New Zealand***

This Prospectus is not a product disclosure statement for the purposes of the Financial Markets Conduct Act 2013 (the “**FMCA**”) and does not contain all the information typically included in such offering documentation.

This offer of Shares in the Company does not constitute “regulated offer” for the purposes of the FMCA and, accordingly, there is neither a product disclosure statement nor a register entry available in respect of the offer. Shares in the Company may only be offered in New Zealand in accordance with the FMCA and the Financial Markets Conduct Regulations 2014.

## ***Philippines***

**THE SECURITIES BEING OFFERED OR SOLD HEREIN HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE OF THE PHILIPPINES. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.**

## ***Qatar***

The Shares are only being offered to a limited number of investors who are willing and able to conduct an independent investigation of the risks involved in an investment in such Shares. This Prospectus does not constitute an offer to the public and is for the use only of the named addressee and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee’s consideration thereof). The Company has not been and will not be registered with the Qatar Central Bank or under any laws of the State of Qatar. No transaction will be concluded in your jurisdiction and any inquiries regarding the Shares should be made to the Distributor.

### ***Saudi Arabia***

Neither this Prospectus nor the Shares have been approved, disapproved or passed on in any way by the Capital Market Authority or any other governmental authority in the Kingdom of Saudi Arabia, nor has the Company received authorization or licensing from the Capital Market Authority or any other governmental authority in the Kingdom of Saudi Arabia to market or sell the Shares within the Kingdom of Saudi Arabia. This Prospectus does not constitute and may not be used for the purpose of an offer or invitation. No services relating to the Shares, including the receipt of applications and the allotment or redemption of the Shares, may be rendered by the Company within the Kingdom of Saudi Arabia.

### ***South Africa***

This Prospectus is not intended and does not constitute an offer, invitation, or solicitation by any person to members of the public to invest or acquire shares in the Company. This Prospectus is not an offer in terms of Chapter 4 of the Companies Act, 2008. Accordingly this Prospectus does not, nor is it intended to, constitute a prospectus prepared and registered under the Companies Act. The Company is a foreign collective investment scheme as contemplated by section 65 of the Collective Investment Schemes Control Act, 2002 and is not approved in terms of that Act.

### ***South Korea***

Neither the Company nor the Distributor is making any representation with respect to the eligibility of any recipients of this Prospectus to acquire the Shares therein under the laws of Korea, including but without limitation the Foreign Exchange Transaction Act and Regulations thereunder. The Shares have not been registered under the Financial Investment Services and Capital Markets Act of Korea, and none of the Shares may be offered, sold or delivered, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to applicable laws and regulations of Korea.

### ***Taiwan***

Not all the Shares have been and will be registered with the Securities and Futures Bureau or Financial Supervisory Commission of Taiwan.

These Shares may be made available outside Taiwan for purchase outside Taiwan by Taiwan resident investors, but may not be offered or sold in Taiwan. Each Subscriber or purchaser of these Shares must seek professional advice as to whether he/she/it is qualified to subscribe to or purchase these Shares and is deemed to represent and warrant that he/she/it is duly qualified to subscribe to or purchase these Shares under applicable Taiwan laws and regulations. Purchasers / subscribers may be restricted or prohibited from re-selling these Shares.

### ***Thailand***

This Prospectus has not been approved by the Securities and Exchange Commission which takes no responsibility for its contents. No offer to the public to purchase the Shares will be made in Thailand and this Prospectus is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

### ***United Arab Emirates (Abu Dhabi and Dubai)***

This Prospectus, and the information contained herein, does not constitute, and is not intended to constitute, a public offer of securities in the United Arab Emirates and accordingly should not be construed as such. The Shares are only being offered to a limited number of investors in the UAE who (a) are willing and able to conduct an independent investigation of the risks involved in an investment in such Shares, and (b) upon their specific request. The Shares have not been approved by or licensed or registered with the UAE Central Bank, the Securities and Commodities Authority or any other relevant licensing authorities or governmental agencies in the UAE. The Prospectus is for the use of the named addressee only, who has specifically requested it without a promotion effected by the Fund or Investment Manager its promoters or the distributors of its Shares, and should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof). No transaction will be concluded in the UAE.

## **United Kingdom**

This Prospectus is being issued in the United Kingdom by PGIM Limited (which is authorised and regulated by the Financial Conduct Authority (the “**FCA**”)) to and/or is directed only at persons who are professional clients or eligible counterparties for the purposes of the FCA’s Conduct of Business Sourcebook.

The opportunity to invest in the Company is only available to such persons in the United Kingdom and this Prospectus must not be relied or acted upon by any other persons in the United Kingdom.

UK persons considering making an investment in the Company are directed to review the regulatory information contained in the UK country supplement to this Prospectus.

## **United States**

The Shares offered hereunder have not been and will not be registered under the US Securities Act of 1933, as amended (“**1933 Act**”), or qualified under any U.S. state securities laws and may not be offered, sold or transferred in the United States (including its territories and possessions) or to or for the direct or indirect benefit of any US Person (as that term is defined in Appendix A to this document), except pursuant to registration or an exemption. Shares are being offered outside the United States pursuant to the exemption from registration under Regulation S under the 1933 Act and (with respect to certain Funds) inside the United States in reliance on Regulation D promulgated under the 1933 Act and Section 4(a)(2) thereof. Neither the Company nor any of the Funds has been or will be registered as an investment company under the US Investment Company Act of 1940, as amended (“**1940 Act**”) and investors will not be entitled to the benefits of such registration. Pursuant to exemptions from registration under the 1933 Act and Section 3(c)(7) of the 1940 Act, certain Funds may make a private placement of the Shares to a limited category of US Persons (as defined herein). In the case of any such offering, any purchaser of Shares that is a US Person must be both (1) a “qualified purchaser” as defined in the 1940 Act and the rules promulgated thereunder, and (2) an “accredited investor” as defined in Regulation D under the 1933 Act.

The Shares offered hereby have not been approved or disapproved by the SEC or by the securities regulatory authority of any US state, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold in the United States or to or for the benefit of a US Person except as permitted under the 1933 Act and applicable state securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they will be required to bear the financial risks of this investment for an indefinite period of time. Each US Person subscribing for Shares must agree that the Directors may reject, accept or condition any proposed transfer or assignment of those Shares. Investors in the Funds have limited redemption rights, and such rights may be restricted or suspended under the circumstances described in this Prospectus.

The Investment Manager is registered with the CFTC as a commodity pool operator (“**CPO**”) and commodity trading advisor (“**CTA**”) and is a member of the National Futures Association. As certain of the Funds are collective investment vehicles that may make direct or indirect transactions in instruments regulated by the CFTC as “commodity interests”, each such Fund is considered to be a “commodity pool”. The Investment Manager is a CPO with respect to such Funds.

Unless otherwise specified in the Supplement for the relevant Fund, the Investment Manager in respect of each of the Funds is exempt from the obligations of a CFTC registered CPO pursuant to CFTC Rule 4.13(a)(3), which is available to operators of pools that trade a *de minimis* amount of commodity interests. Therefore, unlike a non-exempt CPO, with respect to such Funds, the Investment Manager is not required to deliver a CFTC disclosure document to prospective Shareholders, nor is it required to provide Shareholders with certified annual reports that satisfy the requirements of CFTC rules applicable to non-exempt CPOs.

More specifically, with respect to the relevant Funds, the Investment Manager qualifies for the exemption under CFTC Rule 4.13(a)(3) on the basis that, among other things, (i) the Investment Manager reasonably believes, at the time each Shareholder makes an investment in a Fund (or at the time the Investment Manager began to rely on Rule 4.13(a)(3)), that each Shareholder is a “qualified eligible person” (“**QEP**”), as defined under CFTC Rule 4.7(a) of the U.S. Commodity

Exchange Act, as amended, or an "Accredited Investor", as defined under SEC rules, or another type of investor permitted under CFTC Rule 4.13(a)(3); (ii) the Shares are exempt from registration under the 1933 Act and are offered and sold without marketing to the public in the United States; (iii) interests in each Fund are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets; and (iv) each Fund meets the trading limitations of either CFTC Rule 4.13(a)(3)(ii)(A) or (B).

With respect to such Funds where the Investment Manager also directs commodity interest trading activity, the Investment Manager is exempt from the obligations of a CFTC registered CTA pursuant to CFTC Rule 4.14(a)(8) which is based on, among other things, the Investment Manager's status as an investment adviser registered under the US Investment Advisers Act, as amended, and such Funds meeting the criteria of CFTC Rule 4.13(a)(3).

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

Entities subject to the U.S. Employee Retirement Income Security Act of 1974, as amended, generally may purchase Shares of certain Funds, subject to certain limitations (see "ERISA Considerations" in Appendix F).

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## DIRECTORY

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### PGIM Funds plc

**Registered Office:**  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### **Directors:**

Denis Chatterton  
Frank Connolly  
Vincent Dodd  
Kenneth Moore  
Elizabeth Samson  
Kimberly LaPointe  
Stacie Mintz  
Paul Parseghian

#### **Investment Manager:**

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

#### **Auditors:**

PricewaterhouseCoopers  
Chartered Accountants & Registered Auditors  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

#### **Secretary:**

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

#### **Distributor:**

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

#### **Administrator, Registrar and Transfer Agent:**

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

#### **Depository:**

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

#### **Legal Advisors:**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### **Listing Agent:**

Matheson  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

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## DEFINITIONS

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

<b>“1933 Act”</b>		means the U.S. Securities Act of 1933, as amended;
<b>“1940 Act”</b>		means the U.S. Investment Company Act of 1940, as amended;
<b>“Accumulation Class Shares”</b>		means any Share Class that includes the term “Accumulation” in its name;
<b>“Additional Agreement”</b>	<b>Subscription</b>	means the additional subscription agreement to be completed and signed by an existing Shareholder seeking to subscribe for additional Shares in such form as is approved by the Company or Investment Manager from time to time;
<b>“Administrative Agreement”</b>	<b>Services</b>	means the agreement dated 27 November 2013 between the Company and the Administrator (as amended from time to time), pursuant to which the Administrator was appointed administrator of the Company;
<b>“Administrator”</b>		means State Street Fund Services (Ireland) Limited or such other company in Ireland for the time being appointed as administrator by the Company as successor thereto, in accordance with the requirements of the Central Bank;
<b>“Advisers Act”</b>		means the U.S. Investment Advisers Act of 1940, as amended;
<b>“Articles”</b>		means the Articles of Association of the Company;
<b>“AUD”</b>		means Australian Dollar, the lawful currency of Australia;
<b>“Base Currency”</b>		means the base currency of a Fund, being USD unless otherwise determined by the Directors and disclosed in a Supplement;
<b>“Benchmarks Regulation”</b>		means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014;
<b>“Benefit Plan Investor”</b>		means a “benefit plan investor” as defined in the US Department of Labor regulation 29 C.F.R. § 2510.3-101 and Section 3(42) of ERISA, and includes (i) any employee benefit plan subject to Part 4, Subtitle B of Title I of ERISA; (ii) any plan to which Section 4975 of the Code applies (which includes a trust described in Code Section 401(a) that is exempt from tax under Code Section 501(a), a plan described in Code Section 403(a), an individual retirement account or annuity described in Code Section 408 or 408A, a medical savings account described in Code Section 220(d), a health savings account described in Code Section 223(d) and an education savings account described in Code Section 530); and (iii) any entity whose underlying assets include plan assets by reason of a plan’s investment in the entity (generally because 25% or more of the value of any class of equity interests in the entity is owned by plans). An entity described in (iii) immediately above will be considered to hold plan assets only to the extent of the percentage of the equity interests in the entity held by Benefit Plan Investors. Benefit Plan Investors also include that portion of any insurance company’s general account assets that are considered “plan assets”

and (except if the entity is an investment company registered under the 1940 Act) also include assets of any insurance company separate account or bank common or collective trust in which plans invest;

<b>“British Pound” or “GBP”</b>	means the lawful currency of the United Kingdom;
<b>“Business Day”</b>	means, in relation to each Fund, such day as is defined in each Supplement;
<b>“CAD”</b>	means Canadian Dollar, the lawful currency of Canada;
<b>“Central Bank”</b>	means the Central Bank of Ireland or any successor entity;
<b>“Central Bank UCITS Regulations”</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as may be amended from time to time and all applicable Central Bank regulations made or conditions imposed or derogations granted thereunder as may be amended from time to time;
<b>“CFTC”</b>	means the U.S. Commodity Futures Trading Commission;
<b>“CHF”</b>	means Swiss Franc, the lawful currency of Switzerland;
<b>“Class” or “Classes”</b>	means any class or classes of Shares established by the Company in respect of any Fund;
<b>“Class Currency”</b>	means the currency in which a Share class is designated;
<b>“Class Expenses”</b>	means any expenses attributable to a specific class including foreign exchange hedging costs, legal fees, marketing expenses (including tax reporting expenses) and the expenses of registering a class in any jurisdiction or with any stock exchange, regulated market or settlement system and such other expenses arising from such registration;
<b>“Class A Shares”</b>	means, subject to the discretion of the Directors and to meeting the applicable minimum subscription and minimum holding amounts (unless waived by the Directors), and subject to any applicable laws, Shares which are offered to all investors;
<b>“Class F Shares”</b>	means, subject to the discretion of the Directors and to meeting the applicable minimum subscription and minimum holding amounts (unless waived by the Directors), and subject to any applicable laws, Shares which are offered to selected distributors and/or brokers and/or dealers by invitation;
<b>“Class I Shares”</b>	means, subject to meeting the applicable minimum subscription and minimum holding amounts (unless waived by the Directors), and subject to any applicable laws, Shares which are offered to institutional investors, providers of independent advisory services or discretionary investment management services, or other distributors who are either:  (a) outside the EU; or  (b) within the EU and:

- (i) provide investment services and activities as defined by MiFID II (as defined below); and
- (ii) have separate fee arrangements with their clients in relation to those services and activities provided; and
- (iii) do not receive any other fee, rebate or payment from the relevant Fund in relation to those services and activities. With respect to distribution within the EU, no portion of fees charged by the Investment Manager involving Class I Shares is paid to advisers and/or distributors, except maintenance and/or administration type fees (where legally permissible).

<b>“Class II Shares”</b>	means, subject to the discretion of the Directors and to meeting the applicable minimum subscription and minimum holding amounts (unless waived by the Directors), and subject to any applicable laws, Shares which are offered to investors who have agreed to an alternative charging structure with the Investment Manager;
<b>“Class M Shares”</b>	means, subject to the discretion of the Directors and to meeting the applicable minimum subscription and minimum holding amounts (unless waived by the Directors), and subject to any applicable laws, Shares which are offered to selected distributors and/or brokers and/or dealers by invitation;
<b>“Class P Shares”</b>	means, subject to the discretion of the Directors and to meeting the applicable minimum subscription and minimum holding amounts (unless waived by the Directors), and subject to any applicable laws, Shares which are offered to investors through selected distributors, intermediaries and other entities who have agreements with the Distributor and at the Distributor’s discretion;
<b>“Class T Shares”</b>	means, subject to the discretion of the Directors and to meeting the applicable minimum subscription and minimum holding amounts (unless waived by the Directors), and subject to any applicable laws, Shares which are offered to investors in Taiwan;
<b>“Class W Shares”</b>	means, subject to the discretion of the Directors and to meeting the applicable minimum subscription and minimum holding amounts (unless waived by the Directors), and subject to any applicable laws, Shares which are offered to selected distributors and/or brokers and/or dealers by invitation;
<b>“Class Y Shares”</b>	means, subject to the discretion of the Directors and to meeting the applicable minimum subscription and minimum holding amounts (unless waived by the Directors), and subject to any applicable laws, Shares which are offered to selected distributors and/or brokers and/or dealers by invitation;
<b>“Clearing System”</b>	means the National Securities Clearing Corporation (NSCC) or any other clearing system approved by the Directors;
<b>“CNY”</b>	Chinese Yuan Renminbi, the lawful currency of the People’s Republic of China;
<b>“Code”</b>	means the U.S. Internal Revenue Code of 1986, as amended;
<b>“Commodity Exchange Act”</b>	means the U.S. Commodity Exchange Act, as amended;

<b>“Company”</b>	means PGIM Funds plc, an investment company with variable capital, incorporated in Ireland pursuant to the Companies Act;
<b>“Companies Act”</b>	means the Irish Companies Act 2014, as amended or supplemented from time to time;
<b>“CSRC”</b>	means the China Securities Regulatory Commission;
<b>“Dealing Day”</b>	means, in relation to each Fund, such day as is defined in each Supplement;
<b>“Declaration”</b>	means a valid declaration in a form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D of the Taxes Act;
<b>“Depositary”</b>	means State Street Custodial Services (Ireland) Limited or such other company in Ireland as may for the time being be appointed as depositary of the assets of the Company as successor thereto in accordance with the requirements of the Central Bank;
<b>“Depositary Agreement”</b>	means the agreement dated 12 October 2016 between the Company and the Depositary (as amended from time to time), pursuant to which the Depositary was appointed depositary of the Company;
<b>“Directors”</b>	means the directors of the Company for the time being and any duly constituted committee thereof;
<b>“Distribution Agreement”</b>	means the agreement between the Company and PGIM Limited dated 19 November 2013 (as amended from time to time) pursuant to which the Distributor is appointed to act as the Company’s distributor on a non-exclusive basis, on the terms and subject to the conditions contained therein and such other distribution agreements as may be entered into by the Company from time to time;
<b>“Distribution Class Shares”</b>	means any Share Class that includes the term “Distribution” in its name;
<b>“Distributor”</b>	means PGIM Limited and/or such other companies as may from time to time be appointed as distributor or sub-distributor to the Company, in accordance with the requirements of the Central Bank;
<b>“DKK”</b>	means Danish Krone, the lawful currency of Denmark;
<b>“Duties and Charges”</b>	means in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange spreads, interest, depositary or sub-custodian charges (relating to sales and purchases), transfer fees, registration fees and other duties and charges whether in connection with the original acquisition or increase of the assets of the relevant Fund or the creation, issue, sale, conversion or redemption of Shares or the sale or purchase of investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the occasion of the transaction or dealing in respect of which such duties and charges are payable, which, for the avoidance of doubt, includes, when calculating subscription and redemption prices, any provision for spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the price at which such assets were bought as a result of a subscription and sold as a result of a redemption), but will not include any commission payable to

agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares in the relevant Fund;

<b>“EEA”</b>	means the European Economic Area;
<b>“ERISA”</b>	means the Employee Retirement Income Security Act of 1974, as amended;
<b>“ESMA”</b>	means the European Securities and Markets Authority;
<b>“EU”</b>	means the European Union;
<b>“EU Member State”</b>	means a member state of the EU;
<b>“EUR”, “Euro” or “€”</b>	means Euro, the unit of the European single currency;
<b>“Euronext Dublin”</b>	means The Irish Stock Exchange plc (trading as Euronext Dublin);
<b>“Exempt Investor”</b>	means certain Irish Residents as described under <i>“Taxation of exempt Irish shareholders”</i> in the <i>“Taxation”</i> section below;
<b>“FATCA”</b>	means the provisions commonly known as the Foreign Accounts Tax Compliance Act in the enactment of the United States of America known as Hiring Incentives to Restore Employment Act 2010;
<b>“FDI”</b>	means financial derivative instrument;
<b>“Fund” or “Funds”</b>	means a distinct portfolio of assets established by the Directors (with the prior approval of the Central Bank) constituting in each case a separate fund represented by one or more Classes of Shares with segregated liability from the other Funds and invested in accordance with the investment objective and policies applicable to such fund as specified in the relevant Supplement;
<b>“GBP”</b>	means British Pound, the lawful currency of the United Kingdom;
<b>“Global Supplement”</b>	means a supplement to this Prospectus issued on behalf of the Company for the purpose of listing the existing Funds of the Company and the existing benchmark administrators for the relevant Funds;
<b>“Hedged Class” or “Hedged Classes”</b>	means any Class or Classes of a Fund in respect of which currency hedging will be implemented as set out in a Supplement;
<b>“Hedged Class Shares”</b>	means any Share Class that includes the term “Hedged” in its name;
<b>“Intermediary”</b>	means a person who: <ul style="list-style-type: none"><li>(a) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons, or</li><li>(b) holds shares in an investment undertaking on behalf of other persons;</li></ul>

<b>“Investment Agreement”</b>	<b>Management</b>	means the agreement dated 14 November 2013 between the Company and the Investment Manager (as amended from time to time), pursuant to which the latter acts as investment manager in relation to the assets of the Company;
<b>“Investment Manager”</b>		means PGIM, Inc. or such other company for the time being appointed as investment manager by the Company as successor thereto in accordance with the requirements of the Central Bank. In addition, where the Investment Manager has appointed a Sub-Investment Manager in respect of a Fund, “Investment Manager” may also mean such Sub-Investment Manager in relation to such Fund (as the context so requires);
<b>“Irish Resident”</b>		means, unless otherwise determined by the Directors, any company resident, or other person resident or ordinarily resident, in Ireland for the purposes of Irish tax. Please see the “Taxation” section below;
<b>“Irish Commissioners”</b>	<b>Revenue</b>	means the Irish authority responsible for taxation and customs duties;
<b>“IRS”</b>		means the US Internal Revenue Service, the U.S. government agency responsible for tax collection and tax law enforcement;
<b>“Jennison”</b>		means Jennison Associates LLC, a wholly-owned subsidiary of PGIM Inc.;
<b>“KIID”</b>		means key investor information document;
<b>“MiFID II”</b>		means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, the Markets in Financial Instruments (MiFIR) Regulation (EU) No 600/2014 and any applicable implementing legislation or regulation thereunder;
<b>“Net Asset Value per Share” or “NAV per Share”</b>		means the Net Asset Value per Share of each Class of Shares of a Fund calculated as described herein;
<b>“Net Asset Value” or “NAV”</b>		means the Net Asset Value of the Company, or of a Fund, as appropriate, calculated as described herein;
<b>“NOK”</b>		means Norwegian Krone, the lawful currency of Norway;
<b>“OECD”</b>		means the Organisation for Economic Co-Operation and Development, whose members as at the date of this Prospectus are Australia, Austria, Belgium, Canada, Chile, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, the Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and the U.S.;
<b>“Ordinary Resolution”</b>		means a resolution passed by a simple majority of the votes cast by Shareholders entitled to attend and vote at general meetings of the Company or on matters affecting the relevant class of Shares, as the case may be;
<b>“PGIM”</b>		means PGIM, Inc., an indirect wholly-owned subsidiary of Prudential Financial, Inc.. Prudential Financial, Inc. of the United States is not affiliated in any manner with Prudential plc, incorporated in the United Kingdom, or with Prudential

	Assurance Company, a subsidiary of M&G plc, incorporated in the United Kingdom;
<b>“PGIM Fixed Income”</b>	means a global asset manager primarily focused on public fixed income investments, whose United States business operates as a unit within the Investment Manager and whose UK business operates as a unit within PGIM Limited;
<b>“PGIM Limited”</b>	means PGIM Limited, an indirect, wholly-owned subsidiary of the Investment Manager;
<b>“PGIM Real Estate”</b>	means PGIM Real Estate, a business unit of PGIM, Inc., and whose UK business operates through PGIM Real Estate (UK) Limited;
<b>“PRC”, “Mainland China”</b>	means the People’s Republic of China;
<b>“Prospectus”</b>	means this document, any Supplement or addendum designed to be read and construed together with and to form part of this document;
<b>“QFII”</b>	means Qualified Foreign Institutional Investor;
<b>“QFII Regulations”</b>	means the measures issued by the relevant authorities in the PRC with respect to QFII, as may be amended or supplemented from time to time;
<b>“QMA”</b>	means QMA LLC, a wholly-owned subsidiary of PGIM, Inc.;
<b>“QMA Wadhvani”</b>	means QMA Wadhvani LLP, a wholly-owned subsidiary of PGIM, Inc.;
<b>“Recognised Market”</b>	means such markets as are set out in Appendix B hereto;
<b>“Redemption Application”</b>	means an application by a Shareholder to the Company and/or the Administrator requesting that Shares of a Fund be redeemed in such form as is approved by the Company or Investment Manager from time to time;
<b>“Redemption Cut-Off Time”</b>	means, in relation to a Fund, such time as is specified in each Supplement;
<b>“Relevant Jurisdiction”</b>	means Austria, Belgium, Bulgaria, Croatia, Republic of Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and the United Kingdom;
<b>“RMB”</b>	means renminbi, the lawful currency of the PRC;
<b>“RQFII”</b>	means Renminbi Qualified Foreign Institutional Investor;
<b>“RQFII Regulations”</b>	means the measures issued by the relevant authorities in the PRC with respect to RFQII, as may be amended or supplemented from time to time;
<b>“SEC”</b>	means the U.S. Securities and Exchange Commission;
<b>“SEK”</b>	means Swedish Krona, the lawful currency of Sweden;

<b>“Section 739B”</b>	means Section 739B of TCA;
<b>“SGD”</b>	means the Singapore dollar, the lawful currency of Singapore;
<b>“Shareholder”</b>	means a holder of Shares;
<b>“Share” or “Shares”</b>	means a share or shares of any class in the Company or a Fund, as the context so requires;
<b>“Sub-Investment Management Agreements”</b>	means, in relation to a Fund, such sub-investment management agreement as may be specified in a Supplement;
<b>“Sub-Investment Manager”</b>	means any entity appointed as sub-investment manager in relation to a Fund including, without limitation, QMA, QMA Wadhvani, Jennison and PGIM Limited, each of which will have full power and discretionary authority on behalf and for the account of the Company to manage and invest the cash and other assets of a Fund;
<b>“Subscription Agreement”</b>	means any subscription agreement to be completed and signed by a prospective Shareholder seeking to subscribe for Shares in such form as is approved by the Company or Investment Manager from time to time;
<b>“Subscription Cut-Off Time”</b>	means, in relation to a Fund, such time as will be specified in a Supplement;
<b>“Supplement”</b>	means a document which contains specific information in relation to a particular Fund and any addenda thereto;
<b>“TCA” or “Taxes Act”</b>	means the Irish Taxes Consolidation Act 1997, as amended from time to time;
<b>“tranche”</b>	means the Shares issued in one or more Classes which represent a separate Fund;
<b>“UCITS”</b>	means an undertaking for collective investment in transferable securities within the meaning of the UCITS Regulations;
<b>“UK”</b>	means the United Kingdom;
<b>“Unhedged Class”</b>	means a Class which is denominated in a currency other than the relevant Base Currency and in respect of which currency hedging will not be applied;
<b>“USD” or “US\$”</b>	means U.S. Dollars, the lawful currency of the U.S.;
<b>“US Person”</b>	has such meaning as is set out in Appendix A hereto;
<b>“US Taxpayer”</b>	has such meaning as is set out in Appendix A hereto;
<b>“U.S.” or “United States”</b>	means the United States of America (including the States and the District of Columbia), its territories, possessions and all other areas subject to its jurisdiction;
<b>“Valuation Day”</b>	means, in relation to a Fund, such day as is specified in the relevant Supplement;

**“Valuation Point”**

means, in relation to a Fund, such time as is specified in the relevant Supplement; and

**“Yen”**

means the lawful currency of Japan.

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## THE COMPANY

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

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

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

At the date of this Prospectus, certain Classes of Shares have been admitted to listing on the Official List and to trading on the Global Exchange Market of Euronext Dublin ("**GEM**"). Application may be made for all other Classes of Shares in all of the Funds to be admitted to the Official List and to trading on GEM. Neither the admission of the Shares to the Official List and to trading on GEM nor the approval of listing particulars pursuant to the listing requirements of Euronext Dublin shall constitute a warranty or representation by Euronext Dublin as to the competence of service providers to or any other party connected with the Company, the adequacy of information contained in this Prospectus or the suitability of the Company for investment purposes. The Directors do not anticipate that an active secondary market will develop in the Shares.

GEM is not a 'regulated market' as defined under MiFID II.

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

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

not readily attributable to any particular Fund or Funds will be allocated and charged by the Directors in such manner and on such basis as the Directors in their discretion deem fair and equitable, and the Directors will have the power to and may at any time and from time to time vary such basis;

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

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

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## INVESTMENT OBJECTIVES AND POLICIES

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

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

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

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

The investment objective and policies of a Fund are set out in the Supplement for that Fund. The investment objective of each Fund will not at any time be altered without the approval of an Ordinary Resolution or a unanimous written resolution of the Shareholders of the relevant Fund. Changes to the investment policies of a Fund which are material in nature may only be made with the approval of an Ordinary Resolution or a unanimous written resolution of the Shareholders of the relevant Fund. In the event of a change of investment objective and/or a material change to the investment policies of a Fund, a reasonable notification period will be provided by the Company and the Company will provide facilities to enable Shareholders to redeem their Shares prior to implementation of such change(s). Non-material changes to the investment policies of a Fund may be implemented by the Directors if they shall deem such changes to be in the best interest of the relevant Fund.

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## RISK CONSIDERATIONS

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

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

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

Whilst some risks will be more relevant to certain Funds, investors should ensure that they understand all the risks discussed in this Prospectus and the relevant Supplement, insofar as they may relate to that Fund.

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

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

### **GENERAL RISKS**

#### ***Forward-Looking Statements***

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

#### ***General Economic and Market Conditions***

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

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

developments within those markets or sectors.

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

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

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

### ***Euro and Euro Zone Risk***

As a result of the credit crisis in Europe, the European Commission created the European Financial Stability Facility (the “**EFSF**”) and the European Financial Stability Mechanism (the “**EFSM**”) to provide funding to Euro zone countries in financial difficulties that seek such support. In March 2011, the European Council agreed on the need for Euro zone countries to establish a permanent stability mechanism, the European Stability Mechanism (the “**ESM**”), which was activated by mutual agreement, to assume the role of the EFSF and the EFSM in providing external financial assistance to Euro zone countries from June 2013 onwards. Despite these measures, concerns persist regarding the growing risk that certain Euro zone countries could be subject to an increase in borrowing costs and could face an economic crisis, together with the risk that some countries could leave the Euro zone (either voluntarily or involuntarily), and that the impact of these events on Europe and the global financial system could be severe which could have a negative impact on the market and the value of Shares in the Company.

### ***Potential implications of Brexit***

The UK held a referendum on 23 June 2016 on whether to leave or remain in the EU. The outcome of the referendum was in favour of leaving the EU. The UK officially withdrew from the EU on 31 January 2020 but continued to follow all of the EU rules and its trading relationship remained the same until the end of the transitional period on 31 December 2020. The EU and the UK agreed a Trade and Co-operation Agreement in December 2020 (the “**Brexit Deal**”). The departure of the UK from the EU has led to political and economic instability, volatility in the financial markets of the UK and more broadly across Europe. It has also led to a weakening in consumer, corporate and financial confidence in such markets as the UK and the EU negotiated the Brexit Deal. While the Brexit Deal has now been agreed, there remains a number of uncertainties in connection with the future of the UK and its relationship with the EU, including the negotiation of any future trading agreements to enhance or replace elements of the Brexit Deal. The UK and the EU are likely to continue to negotiate trading or other agreements for a number of years.

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

### **London Interbank Offered Rate (LIBOR) Reform**

On 27 July 2017, the FCA announced that LIBOR will be phased out by 2021. Until then, a Fund may continue to invest in instruments that reference LIBOR due to favourable liquidity or pricing. In advance of 2021, it is anticipated that a transition mechanism will be determined by the industry that will allow existing instruments and contracts that make reference to LIBOR to reference a new rate. Nonetheless, the termination of LIBOR presents risks to the relevant Fund. It is not possible to identify exhaustively what those risks are at this point, but they include the risk that a suitable transition mechanism may not be found or may not be suitable for the relevant Fund. In addition, any reference rate to replace LIBOR and any pricing adjustments imposed unilaterally, by a regulator or by counterparties, may not be suitable for the relevant Fund, which could result in additional costs being incurred to close out positions and place replacement trades.

### ***Potential Implications of an Epidemic and/or a Pandemic***

Events such as health pandemics or outbreaks of disease may lead to increased short-term market volatility and may have adverse long-term effects on world economies and markets generally. For example, beginning in late 2019, an outbreak of a highly contagious form of coronavirus disease, COVID-19 or 2019-nCoV spread to numerous countries, prompting precautionary government-imposed closures and restrictions of certain travel and businesses in many countries.

Epidemics and pandemics can seriously disrupt the global economy and markets. The outbreak of pandemics such as COVID-19, together with any resulting restrictions on travel or quarantines imposed, could have a negative impact on the economy and business activity in the countries in which a Fund may invest and global commercial activity and thereby adversely affect the performance of a Fund's investments. Health pandemics or outbreaks could result in a general economic decline in a given region, or globally, particularly if the outbreak persists for an extended period of time or spreads globally. This could have an adverse impact on a Fund's investments, or a Fund's ability to source new investments or to realise its investments. Pandemics and similar events could also have an acute effect on individual issuers or related groups of issuers and could adversely affect securities markets, interest rates, auctions, secondary trading, ratings, credit risk, inflation, deflation and other factors relating to a Fund's investments or the Investment Manager's operations and the operations of the service providers to the Investment Manager and/or the Company.

Any outbreak of disease epidemics may result in the closure of the Investment Manager's and/or an investment's offices or other businesses, including office buildings, retail stores and other commercial venues and could also result in: (a) the lack of availability or price volatility of raw materials or component parts necessary to an investment's

business; or (b) disruption of regional or global trade markets and/or the availability of capital or economic decline. Such outbreaks of disease may have an adverse impact on a Fund's value and/or a Fund's investments.

### ***Competition***

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

### ***Public Securities***

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

### ***Insolvency Considerations with Respect to Issuers of Securities***

Various laws enacted for the protection of creditors may apply to the securities held by a Fund. Insolvency considerations will differ with respect to issuers located in different jurisdictions. If a court in a lawsuit brought by an unpaid creditor or representative of creditors of an issuer of a loan and/or bond, such as a trustee in bankruptcy, were to find that the issuer did not receive fair consideration or reasonably equivalent value for incurring the indebtedness constituting such loan or bond and, after giving effect to such indebtedness, the issuer (i) was insolvent, (ii) was engaged in a business for which the remaining assets of such issuer constituted unreasonably small capital or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature, such court could determine to invalidate, in whole or in part, such indebtedness as a fraudulent conveyance, to subordinate such indebtedness to existing or future creditors of the issuer or to recover amounts previously paid by the issuer in satisfaction of such indebtedness. The measure of insolvency for purposes of the foregoing will vary. Generally, an issuer would be considered insolvent at a particular time if the sum of its debts were then greater than all of its property at a fair valuation or if the present fair saleable value of its assets were then less than the amount that would be required to pay its probable liabilities on its existing debts as they became absolute and matured. There can be no assurance as to what standard a court would apply in order to determine whether the issuer was "insolvent" after giving effect to the incurrence of the indebtedness constituting the securities or that, regardless of the method of valuation, a court would not determine that the issuer was "insolvent" upon giving effect to such incurrence. In addition, in the event of the insolvency of an issuer of a loan or bond, payments made on such loan or bond could be subject to avoidance as a "preference" if made within a certain period of time before insolvency.

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

knowledge that the payments were avoidable.

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

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

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

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

The Investment Manager, on behalf of a Fund, may elect to serve on creditors' committees, equity holders' committees or other groups to ensure preservation or enhancement of a Fund's positions as a creditor or equity holder. A member of any such committee or group may owe certain obligations generally to all parties similarly situated that the committee represents. If the Investment Manager concludes that its obligations owed to the other parties as a committee or group member conflict with its duties owed to a Fund, it may resign from that committee or group, and in such case a Fund may not realize the benefits, if any, of participation on the committee or group. In addition and also as discussed above, if a Fund is represented on a committee or group, it may be restricted or prohibited under applicable law from disposing of or increasing its investments in such company while it continues to be represented on such committee or group.

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

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

### ***Investments which are not Liquid***

Certain investments and types of investments are subject to restrictions on resale, may trade in the over-the-counter market or in limited volume, or may not have an active trading market. Illiquid securities may trade at a discount from comparable, more liquid investments and may be subject to wide fluctuations in market value. It may be difficult for a Fund to value illiquid securities accurately. Also, a Fund may not be able to dispose of illiquid securities or execute or close out a derivatives transaction readily at a favorable time or price or at prices approximating those at which the

Fund currently values them. Illiquid securities also may entail registration expenses and other transaction costs that are higher than those for liquid securities. Any use of the efficient portfolio management techniques described in Appendix C, may also adversely affect the liquidity of a Fund's portfolio and will be considered by the Investment Manager in managing the Fund's liquidity risk.

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

### ***Country Risks***

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

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

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

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

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

### ***Investing in Emerging Market Securities***

All securities investing and trading activities risk the loss of capital. While the Investment Manager attempts to moderate these risks, there can be no assurance that a Fund's investment and trading activities will be successful or that investors will not suffer significant losses. Investing in emerging markets involves heightened risks (some of which could be significant) and special considerations not typically associated with investing in other more established economies or securities markets. Such risks may include, but are not limited to: (a) greater social, economic and

political uncertainty including war; (b) higher dependence on exports and the corresponding importance of international trade; (c) greater risk of inflation; (d) increased likelihood of governmental involvement in and control over the economies; (e) governmental decisions to cease support of economic reform programs or to impose centrally planned economies; (f) certain considerations regarding the maintenance of a Fund's securities and cash with non-U.S. brokers and securities depositories; (g) greater volatility, less liquidity and smaller capitalization of markets; (h) greater volatility in currency exchange rates; (i) greater controls on foreign investment and limitations on realisation of investments, repatriation of invested capital and on the ability to exchange local currencies for US Dollars; (j) differences in auditing and financial reporting standards which may result in the unavailability of material information about issuers; (k) less extensive regulation of the markets; (l) longer settlement periods for transactions and less reliable clearance and custody arrangements; (m) less developed corporate laws regarding fiduciary duties of officers and directors and the protection of investors; (n) risk of nationalisation or expropriation of assets or confiscatory taxation, or the imposition of withholding or other taxes on dividends, interest, capital gains, other income or gross sale or disposition proceeds; (o) risk of sanctions being introduced by other countries that may adversely impact the economy and the pricing and liquidity of securities; (p) higher transaction costs generally; and (r) difficulty in enforcing contractual obligations and judgments. The following discussion sets forth additional risks associated with investing in the securities of emerging markets:

### *General Economic and Market Conditions*

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

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

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

### *Volatility*

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

### *Securities Markets*

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

### *Exchange Rate Fluctuations; Currency Considerations*

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

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

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

### *Emerging Markets Legal and Regulatory Risk*

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

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

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

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

#### *Investment in Developing Europe*

A Fund may have investments in European countries that are not part of 'developed Europe'. The economies of such countries generally are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. Business entities in countries outside of developed Europe have only a limited history of operating in a market-oriented economy, and the ultimate impact of such countries' attempts to move toward more market-oriented economies is currently unclear. The social and economic difficulties resulting from local corruption and crime could adversely affect the value of a Fund's investments. Certain countries outside of developed Europe have been developing a body of real property, securities and tax laws and laws governing corporations and other business entities. Such legal structures governing private and foreign investment and private property, where they have been implemented, are new. Laws may not exist to cover all business and commercial relationships or to protect the holders of interests in equity or debt securities adequately. Laws, regulations, and legal interpretations in less developed European countries can change quickly and unpredictably in a manner far more volatile than in the more developed European countries. These changes could materially and adversely affect a Fund's investments.

#### *Investment in the People's Republic of China*

The economy of China, which has been in a state of transition from a planned economy to a more market oriented economy, differs from the economies of most developed countries in many respects, including the level of government involvement, its state of development, its growth rate, control of foreign exchange, and allocation of resources.

Although the majority of productive assets in China are still owned by the PRC government at various levels, in recent years, the PRC government has implemented economic reform measures emphasizing utilization of market forces in the development of the economy of China and a high level of management autonomy. The economy of China has experienced significant growth in recent decades, but growth has been uneven both geographically and among various sectors of the economy. Economic growth has also been accompanied by periods of high inflation. The PRC government has implemented various measures from time to time to control inflation and restrain the rate of economic growth.

For several decades, the PRC government has carried out economic reforms to achieve decentralization and utilization of market forces to develop the economy of the PRC. These reforms have resulted in significant economic growth and social progress. There can, however, be no assurance that the PRC government will continue to pursue such economic policies or, if it does, that those policies will continue to be successful. Any such adjustment and modification of those economic policies may have an adverse impact on the securities markets in the PRC as well as the portfolio securities of a Fund. Further, the PRC government may from time to time adopt corrective measures to control the growth of the PRC economy which may also have an adverse impact on the capital growth and performance of a Fund. Political changes, social instability and adverse diplomatic developments in the PRC could result in the imposition of additional government restrictions including expropriation of assets, confiscatory taxes or nationalization of some or all of the property held by the underlying issuers of a Fund's portfolio securities.

### *Investment in Russia/ Ukraine*

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

A number of countries, including the United States, certain Relevant Jurisdictions and Canada, have instituted sanctions against certain Russian, Crimean and former Ukrainian officials, businessmen and entities. These sanctions (which include, but are not limited to, restrictions or prohibitions on investment in certain issuers), the threat of additional sanctions, and other actions that may be taken by any of these nations, other nations or international organizations against Russia and Russian issuers of securities in the future, as well as potential retaliatory actions that could be taken by Russia, may adversely impact the Russian economy and the pricing and liquidity of Russian securities. For example, existing U.S. sanctions provide authority for the imposition of future sanctions in designated sectors of the Russian economy. Future sanctions could, among other actions, directly target transactions in Russian securities, impairing the ability of a Fund to buy, sell, receive or deliver those securities. In addition, further political or military actions by Russia, such as an attack on Ukraine, restrictions on trade with Ukraine or an increase on the price of government controlled exports (e.g., natural gas exports), could negatively affect the government and economy of Ukraine, and thus the value and liquidity of Ukrainian debt. Such events could have an adverse impact on the economies and debt of other emerging market countries as well. These events could have a negative effect on the performance of a Fund.

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

Regulatory controls and corporate governance of companies in Russia usually confer little protection on minority shareholders. Anti-fraud and anti-insider trading legislation is often rudimentary. Disclosure and regulatory standards in Russia are in many respects less stringent than those in other international securities markets, with a low level of monitoring and regulation of the market and market participants, and limited and uneven enforcement of existing regulations. Consequently, the prices at which a Fund may acquire investments may be affected by other market participants' anticipation of that Fund's investing and by trading by persons with material non-public information. There may be less publicly available information about an issuer in Russia than would be available in other countries, and the issuer may not be subject to accounting, auditing and financial reporting standards comparable to those of companies in other countries. Balance sheet and income statement data appearing in the financial statements of Russian issuers may not reflect the financial position or results of operations of such issuers in the same way as financial statements prepared in accordance with generally accepted accounting principles in the United States, Western Europe or Japan. As a result, traditional investment measurements, such as price/earnings ratios, may not be useful in Russia.

### *Restrictions on Foreign Investments in Asia-Pacific Countries*

Some developing Asia-Pacific countries prohibit or impose substantial restrictions on investments in their capital markets, particularly their equity markets, by foreign entities such as a Fund. As illustrations, certain countries may require governmental approval prior to investments by foreign persons or limit the amount of investment by foreign persons in a particular company or limit the investment by foreign persons to only a specific class of securities of a company which may have less advantageous terms (including price) than securities of the company available for

purchase by nationals. There can be no assurance that a Fund will be able to obtain required governmental approvals in a timely manner. In addition, changes to restrictions on foreign ownership of securities subsequent to a Fund's purchase of such securities may have an adverse effect on the value of such shares. Certain countries may restrict investment opportunities in issuers or industries deemed important to national interests.

The manner in which foreign investors may invest in companies in certain developing Asia-Pacific countries, as well as limitations on such investments, also may have an adverse impact on the operations of a Fund. For example, a Fund may be required in certain of such countries to invest initially through a local broker or other entity and then have the shares purchased re-registered in the name of a Fund. Re-registration may in some instances not be able to occur on a timely basis, resulting in a delay during which a Fund may be denied certain of its rights as an investor, including rights as to dividends or to be made aware of certain corporate actions.

There also may be instances where a Fund places a purchase order but subsequently learns, at the time of re-registration, that the permissible allocation of the investment to foreign investors has been filled, depriving a Fund of the ability to make its desired investment at that time.

Substantial limitations may exist in certain countries with respect to a Fund's ability to repatriate investment income, capital or the proceeds of sales of securities by foreign investors. A Fund could be adversely affected by delays in, or a refusal to grant, any required governmental approval for repatriation of capital, as well as by the application to a Fund of any restrictions on investments. Depending on a variety of financial factors, the percentage of a Fund's portfolio subject to currency controls may increase. In the event other countries impose similar controls, the portion of a Fund's assets that may be used to meet redemptions may be further decreased. Even where there is no outright restriction on repatriation of capital, the mechanics of repatriation may affect certain aspects of the operations of a Fund. For example, funds may be withdrawn from the People's Republic of China only in U.S. or Hong Kong dollars and only at an exchange rate established by the government once each week.

### **Risks associated with Investment in A-Shares through Stock Connect**

Where permitted in a Fund's investment policy, a Fund may invest in A-Shares listed and traded through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect ("**Stock Connect**"). Stock Connect is a securities trading and clearing program between either the Shanghai Stock Exchange ("**SSE**") or Shenzhen Stock Exchange ("**SZSE**"), and any of the Stock Exchange of Hong Kong Limited ("**SEHK**"), China Securities Depository and Clearing Corporation Limited ("**CSDCC**") and Hong Kong Securities Clearing Company Limited ("**HKSCC**") designed to permit mutual stock market access between mainland China and Hong Kong by allowing investors to trade and settle shares on each market via their local exchanges. Trading through Stock Connect is subject to a daily quota ("**Daily Quota**"), which limits the maximum daily net purchases on any particular day by Hong Kong investors (and foreign investors trading through Hong Kong) trading People's Republic of China ("**PRC**") listed securities ("**Northbound**") and PRC investors trading Hong Kong listed securities ("**Southbound**") trading through the relevant Stock Connect. Accordingly, each Fund's direct investments in A-Shares will be limited by the Daily Quotas that limit total purchases through Stock Connect.

#### *Risk associated with Daily Quota*

Where permitted in a Fund's investment policy, a Fund may invest in A-Shares listed and traded on the SSE and SZSE through Stock Connect, or on such other stock exchanges in China which participate in Stock Connect from time to time. Trading through Stock Connect is subject to a number of restrictions that may affect a Fund's investments and returns. Although no individual investment quotas or licensing requirements apply to investors in Stock Connect, trading through Stock Connect is subject to the Daily Quota. The Daily Quota does not belong to a Fund and is utilized by all investors on a first-come-first-serve basis. As such, buy orders for A-Shares would be rejected once the Daily Quota is exceeded (although the Funds will be permitted to sell A-Shares regardless of the Daily Quota balance). The Daily Quota may restrict a Fund's ability to invest in A-Shares through Stock Connect on a timely basis, which could affect the Funds' ability to effectively pursue its investment strategy. The Daily Quota is also subject to change.

#### *Trading and Regulatory Risk*

In addition, investments made through Stock Connect are subject to trading, clearance and settlement procedures that

are untested in the PRC, which could pose risks to a Fund. Moreover, Stock Connect A-Shares generally may not be sold, purchased or otherwise transferred other than through Stock Connect in accordance with applicable rules. A primary feature of Stock Connect is the application of the home market's laws and rules applicable to investors in A-Shares (i.e. the PRC). Therefore, a Fund's investments in Stock Connect A-Shares are subject to PRC securities regulations and listing rules, among other restrictions.

While A-Shares must be designated as eligible to be traded under Stock Connect (such eligible A-Shares listed on the SSE, the "**SSE Securities**", and such eligible A-Shares listed on the SZSE, the "**SZSE Securities**"), those A-Shares may also lose such designation, and if this occurs, such A-Shares may be sold but could no longer be purchased through Stock Connect. With respect to sell orders under Stock Connect, the SEHK carries out pre-trade checks to ensure an investor has sufficient A-Shares in its account before the market opens on the trading day. Accordingly, if there are insufficient A-Shares in an investor's account before the market opens on the trading day, the sell order will be rejected, which may adversely impact a Fund's performance.

#### *Risks associated with the Small and Medium Enterprise board and the ChiNext Market*

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

#### *Risks associated with Trading Days and Suspension*

In addition, Stock Connect will only operate on days when both the Chinese and Hong Kong markets are open for trading and when banking services are available in both markets on the corresponding settlement days. Therefore, an investment in A-Shares through Stock Connect may subject a Fund to the risk of price fluctuations on days when the Chinese markets are open, but Stock Connect is not trading. Each of the SEHK, SSE and SZSE reserves the right to suspend trading under Stock Connect under certain circumstances. Where such a suspension of trading is effected, a Fund's ability to access A-Shares through Stock Connect will be adversely affected. In addition, if one or both of the Chinese and Hong Kong markets are closed on a US trading day, the Fund may not be able to acquire or dispose of A-Shares through Stock Connect in a timely manner, which could adversely affect the Funds' performance.

#### *Risks associated with beneficial ownership*

A Fund's investments in A-Shares through Stock Connect are held by its custodian in accounts in Central Clearing and Settlement System ("**CCASS**") maintained by the HKSCC, which in turn holds the A-Shares, as the nominee holder, through an omnibus securities account in its name registered with the CSDCC. The precise nature and rights of a Fund as the Beneficial Owner of the SSE Securities or SZSE Securities through HKSCC as nominee is not well defined under PRC law. There is a lack of a clear definition of, and distinction between, legal ownership and beneficial ownership under PRC law and there have been few cases involving a nominee account structure in the PRC courts. The exact nature and methods of enforcement of the rights and interests of a Fund under PRC law is also uncertain. In the unlikely event that HKSCC becomes subject to winding up proceedings in Hong Kong, there is a risk that the SSE Securities or SZSE Securities may not be regarded as held for the beneficial ownership of a Fund or as part of the general assets of HKSCC available for general distribution to its creditors.

Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities or SZSE Securities held in its omnibus stock account in the CSDCC, the CSDCC as the share registrar for SSE- or SZSE-listed companies will

still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE Securities or SZSE Securities. HKSCC monitors the corporate actions affecting SSE Securities and SZSE Securities and keeps participants of CCASS informed of all such corporate actions that require CCASS participants to take steps in order to participate in them. A Fund will therefore depend on HKSCC for both settlement and notification and implementation of corporate actions.

#### *Default risk of CSDCC*

The HKSCC is responsible for the clearing, settlement and the provisions of depositary, nominee and other related services of the trades executed by Hong Kong market participants and investors. Accordingly, investors do not hold SSE Securities or SZSE Securities directly – they are held through their brokers' or custodians' accounts with CCASS. The HKSCC and the CSDCC establish clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-border trades. Should CSDCC default and the CSDCC be declared as a defaulter, HKSCC's liabilities in Stock Connect under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against the CSDCC. In that event, a Fund may suffer delays in the recovery process or may not be able to fully recover its losses from the CSDCC.

#### *Operational Risk*

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 relevant exchange and/or clearing house. Further, the "connectivity" in Stock Connect requires the routing of orders across the borders of Hong Kong and the PRC. This requires the development of new information technology systems on the part of the SEHK and exchange participants. There is no assurance that these systems will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in A-Shares through Stock Connect could be disrupted, and a Fund's ability to achieve its investment objective may be adversely affected.

#### *Taxation Risk*

Finally, according to Caishui 2014 81 ("**Circular 81**") and Caishui 2016 127 ("**Circular 127**"), while foreign investors currently are exempt from paying capital gains or business taxes (later, value-added tax) on income and gains from investments in Stock Connect A-Shares, these PRC tax rules could be changed, which could result in unexpected tax liabilities for a Fund. Dividends derived from A-Shares are subject to a 10% PRC withholding income tax generally. PRC stamp duty is also payable for transactions in A-Shares through Stock Connect. Currently, PRC stamp duty on A-Shares transactions is only imposed on the seller, but not on the purchaser, at the tax rate of 0.1% of the total sales value. Circular 81 and Circular 127 stipulate that PRC business tax (and, subsequently, PRC value-added tax) is temporarily exempted on capital gains derived by Hong Kong market participants (including the Funds) from the trading of A-Shares through Stock Connect. According to Caishui 2016 No. 36, the PRC value-added tax reform in the PRC was expanded to all industries, including financial services. The PRC business tax exemption prescribed in Circular 81 is grandfathered under the value-added tax regime. The Stock Connect program is a relatively new program. Further developments are likely and there can be no assurance as to the program's continued existence or whether future developments regarding the program may restrict or adversely affect a Fund's investments or returns. In addition, the application and interpretation of the laws and regulations of Hong Kong and the PRC, and the rules, policies or guidelines published or applied by relevant regulators and exchanges in respect of the Stock Connect program are uncertain, and they may have a detrimental effect on a Fund's investments and returns.

#### **Risks Associated with Investment in the CIBM through Bond Connect**

A Fund may invest through Bond Connect in eligible bonds on the China Interbank Bond Market ("**CIBM**"). Bond Connect infrastructure contemplates two-way access between Hong Kong and China; however, it is currently only operational in respect of investment through Hong Kong into the CIBM ("**Northbound**" trading). Investment through Bond Connect may expose a Fund to certain risks, including but not limited to the following:

### *Volatility Risk*

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. A Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the relevant Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

### *Risks relating to investment in urban investment bonds*

If a Fund invests in urban investment bonds, such investments are subject to risks relating to investment in urban investment bonds. Although urban investment bonds are issued by local government financing vehicles (“LGFVs”) in the PRC listed bond markets and CIBM, such bonds are typically not guaranteed by local governments or the central government of the PRC. LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investment or infrastructure projects. In the event that the LGFVs default on payment of principal or interest of the urban investment bonds, a Fund could suffer substantial loss and the Net Asset Value of the Fund could be adversely affected.

### *Suspension Risk*

It is contemplated that the Mainland Chinese authorities will reserve the right to suspend Northbound trading of Bond Connect if necessary for ensuring an orderly and fair market and that risks are managed prudently. Where a suspension in the Northbound trading through Bond Connect is effected, the Fund’s ability to access the PRC bond market to achieve their investment objectives will be adversely affected.

### *Differences in Trading Day*

Northbound trading through Bond Connect can be undertaken on days upon which the CIBM is open to trade, regardless of whether it is a public holiday in Hong Kong. Accordingly, it is possible that bonds traded through Bond Connect may be subject to fluctuation at times where a Fund is unable to buy or sell bonds, as its Hong Kong or globally-based intermediaries are not available to assist with trades. Accordingly, this may cause a Fund to be unable to realise gains, avoid losses or to benefit from an opportunity to invest in mainland Chinese bonds at an attractive price.

### *Operational Risk*

Bond Connect provides a channel for investors from Hong Kong and overseas to access Mainland China bond markets directly.

The “connectivity” in Bond Connect requires routing of orders across the border, requiring development of new trading platforms and operational systems. There is no assurance that these platforms and systems will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading through Bond Connect may be disrupted. A Fund’s ability to trade through Bond Connect to pursue its investment strategy may therefore be adversely affected.

For investments via Bond Connect, the relevant filings, registration with the People’s Bank of China (“PBoC”) and account opening have to be carried out via offshore custody agent, registration agent or other third parties (as the case may be). As such, a Fund’s investments via Bond Connect are subject to the risk of default or errors on the part of such third parties.

### *RMB Currency Risk*

RMB is currently not a freely convertible currency and is subject to exchange controls and restrictions, including managed floating exchange rate based on market supply and demand with reference to a basket of currencies. A Fund’s investments via Bond Connect may be adversely affected by movements of exchange rates between RMB and other currencies. There can be no assurance that the RMB exchange rate will not fluctuate widely against the US

Dollar or any other currency in the future. Any depreciation of the RMB will decrease the value of RMB denominated assets, which may have a detrimental impact on the performance of a Fund.

The RMB is traded in both the onshore and offshore markets. While both offshore RMB (“**CNH**”) and onshore RMB (“**CNY**”) represent the same currency, they are traded in different and separate markets which operate independently. RMB traded in Mainland China, CNY, is not freely convertible and is subject to exchange control policies and restrictions imposed by the PRC authorities. On the other hand, the RMB traded outside Mainland China, CNH, is freely tradeable but still subject to controls, limits and availability. Therefore, CNY and CNH do not necessarily have the same exchange rate and their movement may not be in the same direction. When calculating the Net Asset Value per Share of a non-RMB denominated Class, the Administrator will apply the exchange rate for the offshore RMB market in Hong Kong, i.e. the CNH exchange rate, which may be at a premium or discount to the exchange rate for the onshore RMB market in the PRC, i.e. the CNY exchange rate.

Currently, the PRC government imposes certain restrictions on repatriation of RMB out of the PRC. Investors should note that such restrictions may limit the depth of the RMB market available outside of the PRC and thereby, may reduce the liquidity of the Fund. A Fund may therefore be subject to risk of not having sufficient RMB for currency conversion prior to investment.

The PRC government’s policies on exchange controls and repatriation restrictions are subject to change, and a Fund’s and its investors’ position may be adversely affected by such change.

#### *Regulatory Risk*

Bond Connect is novel in nature and will be subject to regulations promulgated by regulatory authorities and implementation rules made by regulators in Mainland China and Hong Kong. It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change which may have retrospective effect. There can be no assurance that Bond Connect will not be abolished. Accordingly, a Fund’s investments in the Mainland China markets through Bond Connect may be adversely affected as a result of regulatory changes.

#### *No off-market transfer*

Pursuant to the applicable laws and rules governing the Bond Connect, the transfer of debt securities purchased through the Bond Connect between two members of Central Moneymarkets Unit of the Hong Kong Monetary Authority (“**CMU**”) and between two CMU sub-accounts of the same CMU member is not allowed.

#### *Nominee Holding Structure*

Debt securities purchased by a Fund through the Bond Connect will be held by CMU, opening two nominee accounts the China Central Depository & Clearing Co., Ltd and Shanghai Clearing House. While the distinct concepts of “nominee holder” and “beneficial owner” are generally acknowledged under the laws governing the Bond Connect, the application of such rules is untested, and there is no assurance that PRC courts will recognise such rules, e.g. in liquidation proceedings of PRC companies or other legal proceedings, the China Central Depository & Clearing Co., Ltd and Shanghai Clearing House.

#### *Taxation Risk*

There is no specific guidance by the Mainland China tax authorities on the treatment of income tax and other tax categories payable in respect of trading in the CIBM by foreign institutional investors via Bond Connect. Upon any future resolution of the aforementioned uncertainty or future changes to the tax law or policies, the Company will, as soon as practicable, make relevant adjustments to the amount of tax provision (if any), where necessary. Such uncertainties may operate to the advantage or disadvantage of Shareholders in a Fund and may result in an increase or decrease in the total value of a Fund.

## QFII Regime and Related Risks

The QFII regime, which allows qualifying foreign investors to invest directly in certain securities in Mainland China, is governed by rules and regulations promulgated by the relevant authorities in Mainland China, including the CSRC, the State Administration of Foreign Exchange (“**SAFE**”) and the PBoC and/or other relevant authorities. Investments through the QFII regime are required to be made through holders of QFII licence.

In the event that a Fund invests via the QFII regime, investors should note that a Fund’s ability to make such investments or to fully implement or pursue its investment objective and strategy are subject to the applicable laws, rules and regulations (including the then prevailing exchange controls and other prevailing requirements of the PRC including rules on investment restrictions and repatriation and remittance of principal and profits) in the PRC, which are subject to change and any such changes may have potential retrospective effect.

In addition, there can be no assurance that the QFII Regulations will not be abolished. A Fund, which invests in the PRC markets through the QFII regime, may be adversely affected as a result of such changes. Where a Fund invests in China A shares or other securities in the PRC through the QFII regime, such securities will be held by local custodian(s) (“**QFII Custodian**”) appointed by the QFII in accordance with QFII Regulations. According to the current QFII Regulations, a QFII is allowed to appoint multiple local custodians. The QFII Custodian may open one or more securities account(s) in the name of the QFII licence holder for the account of the relevant Fund in accordance with PRC laws and a Fund may be subject to custodial risk. If the QFII Custodian defaults, a Fund may suffer substantial losses. In the event of liquidation of the QFII Custodian, relevant PRC laws will apply and cash deposited in the cash account of the relevant Fund with the QFII Custodian will form part of its assets in the PRC and a Fund will become an unsecured creditor for such amount.

A Fund investing via the QFII regime may also incur losses due to a default, act or omission of the QFII Custodian or PRC brokers in the execution or settlement of any transaction or in the transfer of any funds or securities. In such event, a Fund investing via the QFII regime may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

Repatriations by QFIIs are currently not subject to any lock-up periods, prior approval or other repatriation restrictions, although the repatriation process may be subject to certain requirements set out in the relevant regulations (e.g. tax commitment letter, review on authenticity, submission of certain documents in respect of the repatriation etc). Completion of the repatriation process may be subject to delay. There is no assurance that QFII Regulations will not change or that repatriation restrictions will not be imposed in the future.

Further, the QFII licence of a QFII licence holder may be revoked or terminated or otherwise invalidated at any time by reason of a change in applicable law, regulations, policy, practice or other circumstances, an act or omission of the QFII licence holder or for any other reasons.

There are rules and restrictions under QFII Regulations, including rules on remittance of principal, investment restrictions and repatriation of funds which will apply to the QFII licence holder as a whole and not simply apply to the investment made for the account of a Fund. As parties other than a Fund may also invest through the QFII licence holder, investors should be aware that violations of the QFII Regulations on investments arising out of activities of such other parties could result in the revocation of or other regulatory action in respect of the QFII licence holder as a whole. Hence, the ability of a Fund to make investments may be adversely affected by other funds or clients investing through the same QFII licence holder.

A Fund may suffer losses if the approval of the QFII is being revoked/terminated or otherwise invalidated as a Fund may be prohibited from trading of relevant securities, or if any of the key operators or parties (including QFII Custodian/brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

On 7 May 2020, the PBOC and SAFE jointly issued the Regulations on Funds of Securities and Futures Investment by Foreign Institutional Investors (PBOC & SAFE Announcement 2020 No. 2) (the “**Regulations**”) which came into effect on 6 June 2020. The Regulations supersede certain post-registration rules applicable to QFII and RQFII regimes. One of the key changes of the Regulations is the removal of quota restrictions on investment. However, as of the date

of this prospectus, this is a relatively new development, and there is no guarantee that the quotas will continue to be relaxed.

### **RQFII Regime and Related Risks**

The RQFII regime, which allows RQFII to invest RMB raised outside of Mainland China directly in certain securities in Mainland China, is governed by rules and regulations as promulgated by the relevant authorities in the PRC, including the CSRC, the SAFE and the PBoC and/or other relevant authorities.

The application and interpretation of the RQFII Regulations remain relatively untested, there is uncertainty as to how they will be applied and interpreted by the PRC authorities or how regulators may exercise the wide discretionary powers given to them thereunder in future. A Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC, which are subject to change and such change may have potential retrospective effect. Any changes to the relevant rules may have a material adverse impact on Shareholders' investment in a Fund.

A Fund may suffer losses if the approval of a RQFII license is being revoked/terminated or otherwise invalidated as the relevant Fund may be prohibited from trading of relevant securities and repatriation of such Fund's monies, or if any of the key operators or parties (including RQFII Custodian (as defined below)/PRC brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

A Fund may be impacted by the rules and restrictions under the RQFII Regulations (including investment restrictions, limitations on foreign ownership or holdings), which may have an adverse impact on its performance and/or its liquidity. Repatriations by RQFIIs are currently not subject to any lock-up periods, prior approval or other repatriation restrictions, although the repatriation process may be subject to certain requirements set out in the relevant regulations (e.g. tax commitment letter, review on authenticity, submission of certain documents in respect of the repatriation etc.). Completion of the repatriation process may be subject to delay. There is no assurance that RQFII Regulations will not change or that repatriation restrictions will not be imposed in the future. Any restrictions on repatriation may impact on the relevant Fund's ability to meet redemption requests. In extreme circumstances, the relevant Funds may incur significant loss due to limited investment capabilities, or may not be able fully to implement or pursue its investment objectives or strategies, due to RQFII investment restrictions, illiquidity of the PRC's securities market, and delay or disruption in execution of trades or in settlement of trades.

Where a Fund invests in Mainland China through the RQFII regime, such securities will be held by local custodian(s) (the "**RQFII Custodian**") pursuant to PRC regulations. According to the current RQFII Regulations, an RQFII is allowed to appoint multiple local custodians. Cash shall be maintained in a cash account with the RQFII Custodian. Cash deposited in the cash account of the relevant Funds with the RQFII Custodian will not be segregated but will be a debt owing from the RQFII Custodian to the relevant Funds as a depositor. Such cash will be co-mingled with cash belonging to other clients of the RQFII Custodian. In the event of bankruptcy or liquidation of the RQFII Custodian, the relevant Funds will not have any proprietary rights to the cash deposited in such cash account, and the relevant Funds will become an unsecured creditor, ranking *pari passu* with all other unsecured creditors, of the RQFII Custodian. The relevant Fund may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the relevant Fund will suffer losses.

Also, a Fund may incur losses due to the acts or omissions of the RQFII Custodian or PRC brokers in the execution or settlement of any transaction or in the transfer of any funds or securities. In such event, the relevant Fund may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

As mentioned above, the Regulations supersede certain post-registration rules applicable to QFII and RQFII regimes. One of the key changes of the Regulations is the removal of quota restrictions on investment. However, as of the date of this Prospectus, this is a relatively new development, and there is no guarantee that the quotas will continue to be relaxed.

### ***Use of Leverage***

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

### ***Concentration Risk***

The Investment Manager or relevant Sub-Investment Manager will generally seek to diversify portfolio investments on behalf of a Fund; however, a significant percentage of the Fund's assets may be invested from time to time in groups of issuers deriving significant revenues from the same market, region or industry. To the extent a Fund makes such investments, the exposure to equity, credit and market risks associated with such market, region or industry will be increased. In addition, a significant percentage of a Fund's assets may be invested from time to time in a relatively small number of issuers. To the extent a Fund invests in such a manner, the exposure to the risks associated with individual securities held by the Fund (including default, insolvency, credit risk and call risk) will be increased.

### ***Company's Liabilities***

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

### ***Limited Disclosure of Certain Information Relating to Securities***

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

### ***Limited Operating History; No Reliance on Past Performance***

A Fund may have limited or no operating history upon which prospective investors can evaluate its likely performance. Furthermore, in the period following the launch of a Fund, the Fund may not be fully invested in accordance with its stated investment policy and it may hold all or a significant portion of its assets in money market instruments, as is permitted in the relevant Supplement, which may comprise cash, fixed term deposits, fixed and floating rate instruments including (but not limited to) certificates of deposit, banker acceptances, freely transferable promissory notes, commercial paper, floating rate notes, debentures, asset backed commercial paper, government bonds, corporate bonds and asset backed securities. A Fund may hold such investments for a considerable period as it seeks to fully implement its investment strategy and, in such circumstances, may not achieve its investment objective during such period.

The success of a Fund depends in substantial part upon the skill and expertise of the personnel of the Investment Manager and the ability of the Investment Manager to develop and successfully implement the investment policy of the Fund. No assurance can be given that the Investment Manager will be able to do so. Moreover, decisions made by the Investment Manager may cause a Fund to incur losses or to miss profit opportunities on which it may otherwise have capitalized. Shareholders are not permitted to engage in the active management and affairs of a Fund. As a result, prospective investors will not be able to evaluate for themselves the merits of investments to be acquired by a Fund prior to their being required to pay for Shares of a Fund. Instead, such investors must rely on the judgment of the Investment Manager to conduct appropriate evaluations and to make investment decisions. Shareholders will be relying entirely on such persons to manage the assets of the Company. There can be no assurance that any of the key investment professionals will continue to be associated with the Investment Manager throughout the life of a Fund.

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

During periods of adverse market or economic conditions or at other times deemed advisable by the Investment Manager, a Fund may invest all or a significant portion of its assets in highly liquid securities or money market instruments, which may comprise cash, fixed term deposits, fixed and floating rate instruments including (but not limited to) certificates of deposit, banker acceptances, freely transferable promissory notes, commercial paper, floating rate notes, debentures, asset backed commercial paper, government bonds, corporate bonds and asset backed securities which may be acquired for ancillary liquid asset purposes. This could prevent a Fund from achieving its investment objective.

### ***Systemic Risk***

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

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

The Company and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems (e.g., through "hacking" or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Company, the Directors, the Investment Manager, Administrator or Depository or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with a company's ability to calculate its Net Asset Value; impediments to trading; the inability of Shareholders to transact business with the Company; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs.

Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which the Company or any Fund invests, counterparties with which the Company or any Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans,

including the possibility that certain risks have not been identified.

### ***Non-Irish taxes***

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

### ***Identity and Reporting of Beneficial Ownership; Withholding on Certain Payments***

In order to avoid a US withholding tax of 30% on certain payments made with respect to certain actual and deemed US investments, the Investment Manager has undertaken to sponsor the Company and the Company and/or the Funds have registered with the IRS. The Investment Manager will be required to identify, and report information with respect to certain of the Company's and the Funds' direct and indirect US account holders (including debtholders and equity-holders). Ireland has signed a Model 1A (reciprocal) inter-governmental agreement with the United States (the "**US IGA**") to give effect to the foregoing withholding and reporting rules. So long as the Company and each Fund, directly or through the Investment Manager's sponsorship, comply with the US IGA, they will not be subject to the related U.S. withholding tax.

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

### ***FIXED INCOME RISKS***

#### ***Debt Securities Generally***

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

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

#### ***Corporate Debt***

Bonds, notes and debentures issued by corporations may pay fixed, variable or floating rates of interest, and may include zero-coupon obligations. Corporate debt instruments may be subject to credit ratings downgrades. Other instruments may have the lowest quality ratings or may be unrated. In addition, a Fund may be paid interest in kind in connection with its investments in corporate debt and related financial instruments (e.g., the principal owed to the Fund

in connection with a debt investment may be increased by the amount of interest due on such debt investment). Such investments may experience greater market value volatility than debt obligations that provide for regular payments of interest in cash and, in the event of a default, the Fund may experience substantial losses.

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

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

### ***Call Risk***

Investments in fixed income securities may be subject to call risk. Call risk refers to the possibility that an issuer may exercise its right to redeem a fixed income security earlier than expected (a call). Issuers may call outstanding securities prior to their maturity for a number of reasons (e.g., declining interest rates, changes in credit spreads and improvements in the issuer's credit quality). If an issuer calls a security in which a Fund has invested, the Fund may not recoup the full amount of its initial investment and may be forced to reinvest in lower-yielding securities, securities with greater credit risks or securities with other, less favourable features.

### ***Zero Coupon, Deferred Interest Bonds and Payment in Kind Bonds***

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

### ***Floating Rate Debt Instruments***

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

### ***Risks of Investing in Non-Investment Grade Fixed Income Securities***

Non-investment grade fixed income securities are considered predominantly speculative by traditional investment standards. In some cases, these obligations may be highly speculative and have poor prospects for reaching investment grade standing. Non-investment grade fixed income securities and unrated securities of comparable credit quality (commonly known as "high yield bonds") are subject to the increased risk of an issuer's inability to meet principal and interest obligations. These securities, also referred to as high yield securities, may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of the high yield bond markets generally and less secondary market liquidity.

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

or less leveraged entities to make scheduled payments of principal and interest in the event of adverse developments or business conditions.

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

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

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

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

### ***Credit Risk of Lower-Rated Debt Securities***

Investors normally expect to be compensated in proportion to the risk they are assuming. Debt of companies with poor credit usually offers higher yields than those of companies with better credit. Higher-rated bond securities offer lower credit risk, but not lower interest rate risk. The value of a higher-rated investment can also fluctuate in response to changes in interest rates.

Debt securities rated below BBB- (or its equivalent) and comparable unrated securities are considered below investment grade and are commonly known as "junk bonds". They are considered to be of poor standing and mainly speculative, and those in the lowest rating category may be in default and are generally regarded by the rating agency as having extremely poor prospects of ever attaining any real investment standing. The lower ratings of these bond securities reflect a greater possibility that the issuing companies may be unable to make timely payments of interest and principal and thus default. If this happens, or is perceived as likely to happen, the values of those debt securities will usually be more volatile. A default or expected default could also make it difficult for a Fund to sell the bond securities at prices approximating the values a Fund had previously placed on them. Because junk bonds are traded mainly by institutions, they usually have a limited market, which may at times make it difficult for a Fund to establish their fair value.

Credit ratings are based largely on the issuing company's historical financial condition and the rating agencies' investment analysis at the time of purchase. The rating assigned to any particular investment does not necessarily

reflect the issuing company's current financial condition and does not reflect an assessment of an investment's volatility or liquidity.

Although the Investment Manager considers credit ratings in making investment decisions, it performs its own investment analysis and does not rely only on ratings assigned by the rating agencies. The Investment Manager seeks to minimise the risks of debt securities through careful analysis of such factors as a company's experience, managerial strength, financial condition, borrowing requirements and debt maturity schedule. When a Fund buys debt securities of a company with poor credit, the achievement of its objectives depends more on the Investment Manager's ability to analyse credit risks than would be the case if a Fund were buying debt securities of a company with better credit.

Because the likelihood of default is higher for the lower-rated debt securities in which a Fund may invest, a Fund is more likely to have to participate in various legal proceedings or to take possession of and manage assets that secure the issuing company's obligations. This could increase a Fund's operating expenses and decrease its Net Asset Value.

At times, a Fund, either by itself or together with other Funds and accounts managed by the Investment Manager or its affiliates, may own all or most of the debt securities of a particular issuing company. This concentration of ownership may make it more difficult to sell, or set a fair value on, these debt securities.

### ***Risks of Spread Transactions***

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

### ***Mortgage-Backed and Asset-Backed Securities***

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

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

### ***Structured Notes***

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

and may be more volatile than their underlying reference instruments.

### ***PGIM Fixed Income Quantitative Model Investment Risk***

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

## ***EQUITIES RISKS***

### ***Equity and Equity-Related Securities and Instruments***

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

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

### ***Investment in Small Capitalisation Companies***

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

### ***Preferred Stock, Convertible Securities and Warrants***

The value of preferred stocks, convertible securities and warrants will vary with the movements in the equity market and the performance of the underlying common stock, in particular. Their value is also affected by adverse issuer or market information. Thus, for example, as the value of the underlying common stock of an issuer fluctuates, the value of the preferred stock of such issuer would also be expected to fluctuate. With respect to warrants, their value may

decrease or may be zero and thus not be exercised if the market price of the underlying securities remains lower than the specified price at which holders of warrants are entitled to buy such securities, resulting in a loss to the Fund of the purchase price of the warrant (or the embedded warrant price in the case of securities issued with warrants attached).

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

### ***Voting Rights***

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

### ***Depository Receipts***

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

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

### ***Real Estate Risk***

An investment in a Fund may be closely linked to the performance of the real estate markets. Although a Fund may not invest directly in real estate, a Fund may invest in securities of issuers that are principally engaged in the real estate industry. Real estate securities are subject to the same risks as direct investments in real estate and mortgages. These risks include, among others: possible declines in the value of real estate; risks related to general and local economic conditions; possible lack of availability of mortgage funds or other limitations on access to capital; overbuilding; risks associated with leverage; market illiquidity; extended vacancies of properties; increase in competition, property taxes, capital expenditures and operating expenses; changes in zoning laws or other governmental regulation; costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; tenant bankruptcies or other credit problems; casualty or condemnation losses; uninsured damages from floods, earthquakes or other natural disasters; limitations on and variations in rents, including decreases

in market rates for rents; investment in developments that are not completed or that are subject to delays in completion; and unfavorable changes in interest rates. To the extent that assets underlying a Fund's investments are concentrated geographically, by property type or in certain other respects, a Fund may be subject to certain of the foregoing risks to a greater extent. The value of real estate securities will depend on the value of the underlying properties or the underlying loans or interests. The underlying loans may be subject to the risks of default or of prepayments that occur earlier or later than expected, and such loans may also include so-called "subprime" mortgages. The value of these securities will rise and fall in response to many factors, including economic conditions, the demand for rental property and interest rates. In particular, the value of these securities may decline when interest rates rise and will also be affected by the real estate market and by the management of the underlying properties.

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

### ***Real Estate Investment Trust (REIT) Risk***

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

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

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

REITs must also meet certain requirements under the Code to avoid entity level tax and be eligible to pass-through certain tax attributes of their income to shareholders. A Fund is dependent on Shareholders disclosing their interests in REITs in accordance with the requirements set out in the United States Taxation section below titled "US Trade or Business" in order to ensure the 10% threshold is not exceeded through common ownership. REITs are consequently subject to the risk of failing to meet these requirements for favourable tax treatment and of failing to maintain their exemptions from registration under the 1940 Act. REITs are subject to the risks of changes in the Code affecting their tax status. REITs may incur significant amounts of leverage. A Fund will indirectly bear a portion of the expenses, including management fees, paid by each REIT in which it invests, in addition to the expenses of the Fund.

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

go down.

## **DERIVATIVE RISKS**

### ***Derivative Instruments Generally***

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

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

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

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

### ***Derivatives with Respect to High-Yield and Other Indebtedness***

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

### ***Futures***

A Fund may use futures as part of its investment program. Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing

to effect trades at or within the limit. It is also possible that an exchange may suspend trading in a particular contract, order immediate liquidation and settlement of a particular contract, or order that trading in a particular contract be conducted for liquidation only. The circumstances described above could prevent the Investment Manager from liquidating unfavourable positions promptly and subject a Fund to substantial losses. These circumstances could also impair the Fund's ability to withdraw its investments in order to satisfy redemption requests by Shareholders in a timely manner. An investment in a Fund is therefore suitable only for certain sophisticated investors that will not be materially impacted by postponements of the Fund's normal redemption dates.

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

### ***Forward Contracts***

A Fund may enter into forward contracts and options thereon which are not traded on exchanges and are generally not regulated. There are no limitations on daily price moves of forward contracts. Banks and other dealers with whom a Fund may maintain accounts may require the Fund to deposit margin with respect to such trading, although margin requirements are often minimal or non-existent. A Fund's counterparties are not required to continue to make markets in such contracts and these contracts can experience periods of illiquidity, sometimes of significant duration. There have been periods during which certain counterparties have refused to continue to quote prices for forward contracts or have quoted prices with an unusually wide spread (the difference between the price at which the counterparty is prepared to buy and that at which it is prepared to sell). Arrangements to trade forward contracts may be made with only one or a few counterparties, and liquidity problems therefore might be greater than if such arrangements were made with numerous counterparties. The imposition of credit controls by governmental authorities might limit such forward trading to less than that which the Investment Manager would otherwise recommend, to the possible detriment of a Fund. In addition, disruptions can occur in any market traded by a Fund due to unusually high trading volume, political intervention or other factors. Market illiquidity or disruption could result in major losses to a Fund. In addition, a Fund may be exposed to credit risks with regard to counterparties with whom it trades as well as risks relating to settlement default. Such risks could result in substantial losses to such Fund.

### ***When-Issued and Forward Commitment Securities***

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

### ***Call Options***

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

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

## ***Put Options***

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

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

## ***Swap Agreements***

A Fund may enter into swap agreements. Swap agreements are derivative products in which two parties agree to exchange payment streams that may be calculated in relation to a rate, index, instrument, or certain securities and a particular “notional amount.” Swaps may be subject to various types of risks, including market risk, liquidity risk, structuring risk, tax risk, and the risk of non-performance by the counterparty, including risks relating to the financial soundness and creditworthiness of the counterparty. Swaps may be structured to include exposure to a variety of different types of investments or market factors. Depending on their structure, swaps may increase or decrease a Fund’s exposure to equity or debt securities, long-term or short-term interest rates (in the United States or abroad), foreign currency values, mortgage-backed securities, corporate borrowing rates, or other factors such as security prices, baskets of securities, or inflation rates and may increase or decrease the overall volatility of the Fund’s portfolio. Swap agreements can take many different forms and are known by a variety of names. A Fund is not limited to any particular form of swap agreement if the Investment Manager determines that other forms are consistent with the Fund’s investment objective and policies. Swap agreements may embed an agreed fee or rate of return for the counterparty.

Most swaps entered into by a Fund would require the calculation of the obligations of the parties to the agreements on a “net basis”. Consequently, a Fund’s current obligations (or rights) under a swap generally will be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the “**net amount**”). The risk of loss with respect to swaps is limited to the net amount of payments that the Fund is contractually obligated to make. If the other party to a swap defaults, a Fund’s risk of loss consists of any margin or the net amount of payments that the Fund is contractually entitled to receive if uncollateralised.

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

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

entrusted to such counterparty or of the Fund's claims.

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

### ***Total Return Swap Agreements***

Total return swap agreements are contracts in which one party agrees to make periodic payments based on the change in market value of the underlying assets, which may include a specified security, basket of securities or securities indices during the specified period, in return for periodic payments based on a fixed or variable interest rate or the total return from other underlying assets. Total return swap agreements may be used to obtain exposure to a security or market without owning or taking physical custody of such security or market. Total return swap agreements may effectively add leverage to a Fund's portfolio because, in addition to its total net assets, a Fund would be subject to investment exposure on the notional amount of the swap. Total return swap agreements entail the risk that a party will default on its payment obligations to a Fund thereunder. Swap agreements also bear the risk that a Fund will not be able to meet its obligation to the counterparty. Generally, a Fund will enter into total return swaps on a net basis (i.e., the two payment streams are netted out with a Fund receiving or paying, as the case may be, only the net amount of the two payments). The net amount of the excess, if any, of a Fund's obligations over its entitlements with respect to each total return swap will be accrued on a daily basis, and an amount of cash or liquid instruments having an aggregate Net Asset Value at least equal to the accrued excess will be segregated by a Fund. If the total return swap transaction is entered into on other than a net basis, the full amount of a Fund's obligations will be accrued on a daily basis, and the full amount of a Fund's obligations will be segregated by a Fund in an amount equal to or greater than the market value of the liabilities under the total return swap agreement or the amount it would have cost a Fund initially to make an equivalent direct investment, plus or minus any amount a Fund is obligated to pay or is to receive under the total return swap agreement.

### ***Credit Default Swaps***

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

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

Selling credit default protection creates a synthetic "long" position which may replicate the terms of credit exposure to the referenced cash-market security or index. However, there can be no assurance that the price relationship between the cash-market security or index and the credit derivative will remain constant, and events unrelated to the underlying security or index (such as those affecting availability of borrowed money and liquidity, or the creditworthiness of a counterparty) can cause the price relationship to change. This risk is known as "basis risk." Basis risk may cause a

Fund to realize a greater loss on an investment in synthetic form than might otherwise be the case with a cash-market security. To the extent the Fund purchases credit default swap protection to hedge risk, basis risk may cause the hedge to be less effective or ineffective.

### ***Hedging Transactions***

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

### ***Position Limits***

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

### ***Necessity for Counterparty Trading Relationships***

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

### ***Failure of Brokers, Counterparties and Exchanges***

A Fund will be exposed to the credit risk of the counterparties with which, or the brokers, dealers and exchanges through which, the Fund deals, whether it engages in exchange-traded or off-exchange transactions. A Fund may be

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

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

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

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

## **CURRENCY RISKS**

### ***Currency Transactions***

A Fund may engage in a variety of currency transactions. In this regard, spot and forward contracts and over-the-counter options are subject to the risk that counterparties will default on their obligations. Since a spot or forward contract or over-the-counter option is not guaranteed by an exchange or clearing house, a default on the contract would deprive a Fund of unrealised profits, transaction costs and the hedging benefits of the contract or force a Fund to cover its purchase or sale commitments, if any, at the current market price. To the extent that a Fund is fully invested

in securities while also maintaining currency positions, it may be exposed to greater combined risk. The use of currency transactions is a highly specialised activity which involves investment techniques and risks different from those associated with ordinary Fund securities transactions. If the Investment Manager is incorrect in its forecasts of market values and currency exchange rates, the investment performance of a Fund would be less favourable than it would have been if this investment technique were not used.

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

### ***Currency Risks***

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

Currency exchange rates may fluctuate significantly over short periods of time causing, along with other factors, a Fund's Net Asset Value to fluctuate as well. Currency exchange rates generally are determined by the forces of supply and demand in the currency exchange markets and the relative merits of investments in different countries, actual or anticipated changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates also can be affected unpredictably by intervention or failure to intervene by governments or central banks or by currency controls or political developments throughout the world. To the extent that a substantial portion of a Fund's total assets, adjusted to reflect a Fund's net position after giving effect to currency transactions, is denominated in the currencies of particular countries, the Fund will be more susceptible to the risk of adverse economic and political developments within those countries.

### ***Currency Counterparty Risk***

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

### ***Share Currency Designation Risk***

The Company may from time to time in its sole discretion, and without notice to the Shareholders, issue multiple Hedged Classes of Shares which are designated in a currency other than the Base Currency of a Fund. However, a Fund seeks to achieve its investment objectives in its Base Currency. In order that investors in any Hedged Classes receive a return in the applicable Class Currency substantially in line with the investment objectives of the Fund, the Investment Manager intends to seek to hedge the foreign currency exposure of such interests through foreign exchange transactions. Foreign exchange hedging involves the Company seeking to mitigate the risk of losses caused by adverse exchange rate fluctuations through the use of the efficient portfolio management techniques (including futures and currency forwards) set out in Appendix C within the conditions and limits imposed by the Central Bank to hedge the foreign currency exposure of such Classes into the Base Currency of the relevant Fund. There can be no assurance that foreign exchange hedging will be effective. For example, foreign exchange hedging may not take into account the changes in foreign currency exposure resulting from appreciation or depreciation of the assets of a Fund allocable to Hedged Classes in the periods between Dealing Days of the relevant Fund. In addition, foreign exchange

hedging may not fully protect investors from a decline in the value of the Base Currency against the relevant Class Currency because, among other reasons, the valuations of the underlying assets of the Fund used in connection with foreign exchange hedging could be materially different from the actual value of such assets at the time the foreign exchange hedging is implemented, or because a substantial portion of the assets of the Fund may lack a readily ascertainable market value. Moreover, while holding Shares of a Hedged Class should protect investors from a decline in the value of the Base Currency against the relevant Class Currency, investors in a Hedged Class will not generally benefit when the Base Currency appreciates against the relevant Class Currency. The value of Shares of any Hedged Class will be exposed to fluctuations reflecting the profits and losses on, and the costs of, the foreign exchange hedging.

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

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

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

## **OTHER SECURITIES RISKS**

### ***Repurchase and Reverse Repurchase Agreements***

In the event the other party to a repurchase agreement or a reverse repurchase agreement becomes subject to a bankruptcy or other insolvency proceeding or such party fails to satisfy its obligations thereunder, the Company could (i) experience delays in recovering cash or the securities sold (and during such delay the value of the underlying securities may change in a manner adverse to the Company) or (ii) lose all or part of the income, proceeds or rights in the securities to which the Company would otherwise be entitled.

### ***Investment in Collective Investment Schemes***

Each Fund will bear its proportionate share of any fees and expenses paid by collective investment schemes in which the Fund may invest (including funds affiliated with the Investment Manager, other than a Fund of the Company), in addition to all fees and expenses payable by each Fund. Investments in funds affiliated with the Investment Manager will be subject to the Investment Manager's fiduciary obligations to a Fund and will be made on an arm's length basis. Where a Fund invests in units of a collective investment scheme managed by the Investment Manager or its affiliates, and the Investment Manager or its affiliate, as the case may be, is entitled to receive a preliminary charge for its own account in respect of an investment in such fund, the Investment Manager or the affiliate, as appropriate, will waive the preliminary charge. Where the Investment Manager receives any commission by virtue of investing in a fund advised or managed by the Investment Manager, such commission will be paid into the assets of the relevant Fund.

### ***Exchange Traded Funds ("ETFs")***

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

### ***Purchases of Securities and Other Obligations of Financially Distressed Companies***

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

### ***Restricted Securities***

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

management group. In making investments in such securities, a Fund may obtain access to material non-public information, which may restrict a Fund's ability to conduct portfolio transactions in such securities.

### ***Stripped Securities***

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

### ***ADDITIONAL RISKS***

#### ***Correlation of Performance Across Investments and Strategies***

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

#### ***Execution of Orders; Electronic Trading***

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

#### ***Trading on Exchanges***

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

#### ***No Investment Guarantee Equivalent to Deposit Protection***

Investment in a Fund is not in the nature of a deposit in a bank account and is not protected by any government,

government agency or other guarantee scheme which may be available to protect the holder of a bank deposit account. Furthermore, unlike a deposit in a bank account, the principal invested in a Fund is capable of fluctuation.

### ***Third Party Litigation***

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

### ***Substantial Subscriptions***

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

### ***Operation of the Subscription and Redemption Collection Account***

Subscriptions monies received in respect of a Fund in advance of the issue of Shares will be held in the Umbrella Cash Collection Account in the name of the Company and will be an asset of the relevant Fund. Investors will be unsecured creditors of such Fund with respect to the amount subscribed until such Shares are issued, and will not benefit from any appreciation in the Net Asset Value of the Fund or any other Shareholder rights (including dividend entitlement) until such time as Shares are issued. In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or Company will have sufficient funds to pay unsecured creditors in full.

Payment by the Company of redemption proceeds and dividends is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, from the relevant Dealing Day. Redeeming Shareholders and Shareholders entitled to distributions will, from the redemption or distribution date, as appropriate, be unsecured creditors of the relevant Fund, and will not benefit from any appreciation in the Net Asset Value of the relevant Fund or any other Shareholder rights (including further dividend entitlement), with respect to the redemption or distribution amount. In the event of an insolvency of a Fund or the Company during this period, there is no guarantee that the Fund or Company will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should therefore ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

In the event of the insolvency of another sub-fund of the Company, recovery of any amounts to which a Fund is entitled, but which may have transferred to such other sub-fund as a result of the operation of the Umbrella Cash Collection Account, will be subject to the principles of Irish trust law and the terms of the operational procedures for the Umbrella Cash Collection Account. There may be delays in effecting and / or disputes as to the recovery of such amounts, and the insolvent sub-fund may have insufficient funds to repay amounts due to the relevant Fund. Accordingly, there is no guarantee that such Fund or the Company will recover such amounts. Furthermore, there is no guarantee that in such circumstances such Fund or the Company would have sufficient funds to repay any unsecured creditors.

### ***Substantial Redemptions***

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

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

The risk of substantial redemption requests in a concentrated period of time may be heightened in the event that a Fund accepts investments related directly or indirectly to the offering of securitised products including, without limitation, in connection with the hedging of positions under such securitised products, particularly those securitised products with a fixed life. A Fund may or may not accept such investments, as determined by the Fund in its sole discretion, and such investments could, at any time, make up a significant portion of the Fund's NAV.

### ***Swing Pricing***

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

### ***Limited Liquidity of Shares: Redemptions***

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

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

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

### ***Adjustments***

If at any time the Company determines, in its sole discretion, that an incorrect number of Shares was issued to a Shareholder because the Net Asset Value in effect on the Dealing Day was incorrect, the Company will implement such arrangements as it determines, in its sole discretion, are required for an equitable treatment of such Shareholder, which arrangements may include redeeming a portion of such Shareholder's shareholding for no additional consideration or issuing new Shares to such Shareholder for no consideration, as appropriate, so that the number of Shares held by such Shareholder following such redemption or issuance, as the case may be, is the number of Shares as would have been issued at the correct Net Asset Value. In addition, if at any time after a redemption of Shares (including in connection with any complete redemption of Shares by a Shareholder) the Company determines, in its sole discretion, that the amount paid to such Shareholder or former Shareholder pursuant to such redemption was materially incorrect (including because the Net Asset Value at which the Shareholder or former Shareholder purchased such Shares was incorrect), the Company will pay to such Shareholder or former Shareholder any additional amount

that the Company determines such Shareholder or former Shareholder was entitled to receive, or, in the Company's sole discretion, seek payment from such Shareholder or former Shareholder of (and such Shareholder or former Shareholder will be required to pay) the amount of any excess payment that the Company determines such Shareholder or former Shareholder received, in each case without interest. In the event that the Company elects not to seek the payment of such amounts from a Shareholder or former Shareholder or is unable to collect such amounts from a Shareholder or former Shareholder, the Net Asset Value will be less than it would have been had such amounts been collected.

### ***Valuations of Assets***

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

### ***Indemnification of the Investment Manager***

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

### ***Use of Sub-Investment Managers***

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

### ***No Separate Counsel***

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

## **REGULATORY RISKS**

### ***Government Investment Restrictions***

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

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

### ***Absence of US Regulatory Oversight***

As described above, the Company will not be registered as an investment company under the 1940 Act, and, therefore, will not be required to adhere to the restrictions and requirements under the 1940 Act. Accordingly, the provisions of the 1940 Act (which, among other things, require investment companies to have a majority of disinterested directors, require securities to be held in custody by a bank or broker in accordance with rules requiring the segregation of

securities, prohibit the investment companies from engaging in certain transactions with its affiliates and regulate the relationship between advisers and investment companies) are not applicable.

### ***Commodity Pool Operator – “De Minimis Exemption”***

While certain Funds may trade commodity interests (commodity futures contracts, commodity options contracts and/or swaps), including security futures products, the Investment Manager is relying on an exemption available under CFTC Rule 4.13(a)(3) with respect to certain Funds. Therefore, the Investment Manager is not required to deliver a CFTC disclosure document to prospective investors, nor is it required to provide investors with certified annual reports that satisfy the requirements of CFTC rules applicable to registered CPOs.

The potential consequence of this exemption, the so-called “de minimis exemption”, includes a limitation on a Fund’s exposure to the commodity markets. CFTC Rule 4.13(a)(3) requires that a pool for which such exemption is filed must meet one or the other of the following tests with respect to its commodity interest positions, including positions in security futures products, whether entered into for bona fide hedging purposes or otherwise: (a) the aggregate initial margin, premiums, and required minimum security deposit for retail forex transactions, will not exceed five per cent. of the liquidation value of the pool’s portfolio, after taking into account unrealised profits and unrealised losses on any such positions it has entered into; or (b) the aggregate net notional value of such positions does not exceed 100 per cent. of the liquidation value of the pool’s portfolio, after taking into account unrealised profits and unrealised losses on any such positions it has entered into.

### ***Reliance on CFTC No-Action Relief***

While certain of the Funds may invest in underlying investment vehicles that trade commodity interests, including security futures products, the Investment Manager is exempt from registration with the CFTC as a CPO pursuant to temporary no-action relief available to funds of funds with commodities exposure (the “**No-Action Relief**”). The No-Action Relief is available until six months after the CFTC releases amended guidance on a fund of funds’ ability to rely on the so-called “de minimis exemption” of CFTC Rule 4.13(a)(3). When the No-Action Relief expires, the Investment Manager may be required to operate the relevant Funds in its registered capacity or alter its holdings in order to qualify for the de minimis exemption based on CFTC forthcoming guidance.

### ***Changes to US Securities Law***

#### ***Regulation in the Derivatives Industry***

There are many rules related to derivatives that may negatively impact a Fund, such as requirements related to recordkeeping, reporting, portfolio reconciliation, central clearing, minimum margin for uncleared over-the-counter (“**OTC**”) instruments and mandatory trading on electronic facilities, and other transaction-level obligations. Parties that act as dealers in swaps, are also subject to extensive business conduct standards, additional “know your counterparty” obligations, documentation standards and capital requirements. All of these requirements add costs to the legal, operational and compliance obligations of the Investment Manager and a Fund, and increase the amount of time that the Investment Manager spends on non-investment-related activities. Requirements such as these also raise the costs of entering into derivative transactions, and these increased costs will likely be passed on to a Fund.

These rules are operationally and technologically burdensome for the Investment Manager and a Fund. These compliance obligations require employee training and use of technology, and there are operational risks borne by a Fund in implementing procedures to comply with many of these additional obligations.

These regulations may also result in a Fund forgoing the use of certain trading counterparties (such as broker-dealers and futures commission merchants (“**FCMs**”)), as the use of other parties may be more efficient for a Fund from a regulatory perspective. However, this could limit a Fund’s trading activities, create losses, preclude a Fund from engaging in certain transactions or prevent a Fund from trading at optimal rates and terms.

Many of these requirements were implemented pursuant to the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the “**Dodd-Frank Act**”), the EU Regulation on OTC Derivatives, Central Counterparties and Trade Repositories (known as the European Market Infrastructure Regulation, or “**EMIR**”) and similar regulations globally. In

the United States, the Dodd-Frank Act divides the regulatory responsibility for derivatives between the SEC and the CFTC, a distinction that does not exist in any other jurisdiction. The SEC has regulatory authority over “security-based swaps” and the CFTC has regulatory authority over “swaps”. EMIR is being implemented in phases through the adoption of delegated acts by the European Commission. As a result of the SEC and CFTC bifurcation and the different pace at which the SEC, the CFTC, the European Commission and other international regulators have promulgated necessary regulations, different transactions are subject to different levels of regulation. Though many rules and regulations have been finalized, there are others, particularly SEC regulations with respect to security-based swaps and EMIR regulations that are still in the proposal stage or are expected to be introduced in the future.

The following describes derivatives regulations that may have the most significant impact on a Fund:

### *Reporting*

Most swap transactions have become subject to anonymous “real time reporting” requirements, meaning that information relating to transactions entered into by a Fund will become visible to the market in ways that may harm a Fund’s ability to enter into additional transactions at comparable prices or could enable competitors to “front run” or replicate a Fund’s strategies.

### *Central Clearing*

In order to mitigate counterparty risk and systemic risk in general, various U.S. and international regulatory initiatives are underway to require certain derivatives to be cleared through central clearinghouses. In the United States, clearing requirements have been implemented as part of the Dodd-Frank Act. The CFTC imposed its first clearing mandate in 2012 affecting certain interest rate and credit default swaps. The CFTC and the SEC have since introduced further clearing requirements for additional classes of derivatives and may introduce further in the future. EMIR also requires OTC derivatives contracts meeting specific criteria to be cleared through central counterparties.

While such clearing requirements may be beneficial for a Fund in many respects (for instance, they may reduce the counterparty risk to the dealers to which a Fund would be exposed under non-cleared derivatives), a Fund could be exposed to new risks, such as the risk that an increasing percentage of derivatives will be required to be standardized and/or cleared through central clearinghouses, and as a result a Fund may not be able to hedge its risks or express an investment view as well as it would have been able to had it used customizable derivatives available in the over-the-counter markets. A Fund may have to split its derivatives portfolio between centrally cleared and over-the-counter derivatives, which may result in operational inefficiencies and an inability to offset risk between centrally cleared and over-the-counter positions, and which could lead to increased costs.

Another risk is that a Fund may be subject to more onerous and more frequent (daily or even intraday) margin calls from both a Fund’s FCM and the clearinghouse. Virtually all margin models utilized by the clearinghouses are dynamic, meaning that unlike traditional bilateral swap contracts where the amount of initial margin posted on the contract is typically static throughout of the life of the contract, the amount of the initial margin that is required to be posted in respect of a cleared contract will fluctuate, sometimes significantly, throughout the life of the contract. The dynamic nature of the margin models utilized by the clearinghouses and the fact that the margin models might be changed at any time may subject a Fund to an unexpected increase in collateral obligations by clearinghouses during a volatile market environment which could have a detrimental effect on a Fund. Clearinghouses also limit collateral that they will accept to cash, U.S. treasuries and, in some cases, other highly rated sovereign and private debt instruments, which may require a Fund to borrow eligible securities from a dealer to meet margin calls and raise the costs of cleared trades to a Fund. In addition, clearinghouses may not allow a Fund to portfolio-margin its positions, which may increase a Fund’s costs.

Although standardized clearing for derivatives is intended to reduce counterparty risk (for instance, it may reduce the counterparty risk to the dealers to which a Fund would have been exposed under OTC derivatives), it does not eliminate risk. Derivatives clearing may also lead to concentration of counterparty risk, namely in the clearinghouse and a Fund’s FCM, subjecting a Fund to the risk that the assets of the FCM are insufficient to satisfy all of the FCM’s payment obligations, leading to a payment default. The failure of a clearinghouse or FCM could have a significant impact on the financial system. Even if a clearinghouse does not fail, large losses could force significant capital calls on FCMs during a financial crisis, which could lead FCMs to default and thus worsen the crisis.

### *Swap Execution Facilities*

In addition to the central clearing requirement, certain swap transactions are now required to trade on regulated electronic platforms such as swap execution facilities (“**SEFs**”), which will require a Fund to subject itself to regulation by these venues and subject a Fund to the jurisdiction of the CFTC.

The EU regulatory framework governing derivatives is set not only by EMIR but also MiFID II (as defined below). Among other things, MiFID II requires transactions in derivatives to be executed on regulated trading venues. The SEC has yet to finalise rules related to security-based swap execution facilities.

It is not clear whether these trading venues will benefit or impede liquidity, or how they will fare in times of market stress. Trading on these trading venues may increase the pricing discrepancy between assets and their hedges as products may not be able to be executed simultaneously, therefore increasing basis risk. It may also become relatively expensive for a Fund to obtain tailored swap products to hedge particular risks in its portfolio due to higher collateral requirements on bilateral transactions as a result of these regulations.

### *Margin Requirements for Non-Cleared Swaps*

Additional rules issued by U.S. and international regulators (the “**Margin Rules**”) impose various margin requirements on all swaps that are not centrally cleared, including the establishment of minimum amounts of initial margin that must be posted, and, in some cases, the mandatory segregation of initial margin with a third party custodian. Although the Margin Rules are intended to increase the stability of the derivatives market, the overall amount of margin that a Fund will be required to post to swap counterparties may increase by a material amount, and as a result a Fund may not be able to deploy capital as effectively. Additionally, to the extent a Fund is required to segregate initial margin with a third party custodian, additional costs will be incurred by a Fund.

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

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

MiFID II applies to investment firms, market operators and service providers providing post-trade transparency in the European Union. MiFID II requires that all purchases and sales of financial instruments in the EU have to be conducted on (i) Regulated Markets (“**RMs**”) (such as EU stock exchanges), (ii) Multilateral Trading Facilities (“**MTFs**”), or (iii) Organised Trading Facilities (“**OTFs**”). All non-equities trades in the EU, such as interests in bonds, structured finance products, emission allowances or derivatives have to be conducted on OTFs and all trading in shares in the EU have to be conducted on organised trading venues such as RMs or MTFs. In addition, EU regulators are empowered to limit the size of a net position which a person may hold in commodity derivatives, given their potential impact on food and energy prices. Under the new rules, positions in commodity derivatives (traded on trading venues and over the counter), are limited, to support orderly pricing and prevent market distorting positions and market abuse. MiFID II also introduced rules on algorithmic trading in financial instruments. Any EU investment firm engaging in algorithmic trading is required to have effective systems and controls in place, such as “circuit breakers” that stop the trading process if price volatility gets too high. To minimize systemic risk, the algorithms must be tested on trading venues and authorized by EU regulators. Records of all orders placed and cancelled by an EU investment firm’s algorithm is required to be stored and made available to the applicable EU regulator upon request.

## **Financial transaction tax**

Ten EU Member States are currently considering the implementation of a financial transaction tax (“**FTT**”) through the European enhanced cooperation procedure. These Member States are Austria, Belgium, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia (the “**Participating Member States**”). In its proposed form, the FTT applies to certain transactions in financial instruments involving financial institutions where at least one party to which is located in a Participating Member State, or where the financial instrument is issued in a Participating Member State. The FTT is currently set to be levied at a minimum rate of 0.10% on all transactions other than derivatives which are to be taxed at a minimum rate of 0.01%. The FTT can be charged on both counterparties, depending on the nature of their activities, their location, and the subject matter of the transaction. The current proposals therefore do impact on certain financial institutions located outside the Participating Member States, as well as certain financial institutions located outside the EU. Although a final decision on the adoption of the FTT was expected in June 2016, the Participating Member States were unable to reach unanimous agreement by that time on a number of matters, including the territorial scope of the FTT. The ten Participating Member States have agreed to continue to work to reach agreement. Accordingly, the date of implementation of the FTT remains uncertain.

Any changes to the current framework of the taxation of financial transactions within the EU, including changes contemplated by the proposed FTT, could adversely affect the cost of investment or hedging strategies pursued by the Fund as well as the value and liquidity of certain assets within the Fund, such as securities, derivatives and structured finance securities. Additionally, the proposed FTT contains certain anti-avoidance rules which would restrict the ability of the Fund to mitigate the impact of these charges. It should be noted that a similar tax has already been introduced in France and Italy, and other EU Member States may introduce a similar tax. Participating Member States which implement the FTT, such as France and Italy, are expected to repeal any similar taxes with effect from the implementation of the FTT.

## **BEPS**

In 2013 the OECD published its report on Addressing Base Erosion and Profit Shifting (“**BEPS**”) and its Action Plan on BEPS. The aim of the report and Action Plan was to address and reduce aggressive international tax planning. BEPS remains an ongoing project. In 2015, the OECD published its final reports, analyses and sets of recommendations (deliverables) with a view to implementing internationally agreed and binding rules which could result in material changes to relevant tax legislation of participating OECD countries. The final package of deliverables was subsequently approved by the G20 Finance Ministers and following this more than 100 jurisdictions concluded negotiations on a multilateral instrument that will amend their respective tax treaties (more than 2,000 tax treaties worldwide) in order to implement the tax treaty-related BEPS recommendations. The multilateral instrument is in force and will enter into effect for a specific tax treaty at certain times after all parties to that treaty have ratified the multilateral instrument. The multilateral instrument came into effect in Ireland on 1 May 2019. The final actions to be implemented in the tax legislation of the countries in which the Company will have investments, in the countries where the Company is domiciled or resident, or changes in tax treaties negotiated by these countries, could adversely affect the returns from the Company.

## **DAC 6**

Council Directive (EU) 2018/822 (“**DAC 6**”) imposes mandatory disclosure requirements on intermediaries and taxpayers in respect of reportable cross-border tax planning arrangements involving an EU Member State (in short, transactions that meet one of the hallmarks set out in the legislation) that have been implemented as from 25 June 2018. DAC 6 is an EU directive which aims to: (i) increase transparency on transactions that cross EU borders, (ii) reduce the scope for harmful tax competition within the EU and (iii) to deter taxpayers from entering into a particular scheme if it has to be disclosed. The scope of DAC 6 is very wide-reaching and, while some of the hallmarks target arrangements that provide a tax advantage as the main benefit, there are other hallmarks not linked to this main benefit test meaning that there may not be a safe harbor for common commercial arrangements. Subject to the implementation of DAC 6 in EU jurisdictions, the Investment Manager or any intermediary of the Company based in the EU could be legally obliged to file information in respect of arrangements involving the Company’s investments with tax authorities within the EU. As long as the Investment Manager or any intermediary complies with its reporting requirements, DAC 6 is not expected to have a material impact on the Company or its investments. However, DAC 6 disclosures may subsequently inform future tax policy across the EU.

### ***Benchmarks Regulation***

In accordance with the Benchmarks Regulation, the Company will maintain an index contingency plan (“**Index Contingency Plan**”) setting out the actions to be taken in the event that a benchmark changes materially or ceases to be provided. Actions taken by the Company on the foot of the Index Contingency Plan may result in changes to the investment objectives or investment policies of a Fund, which may have an adverse impact on the value of an investment in the Fund. Any such changes will be implemented in accordance with the requirements of the Central Bank and the terms of this Prospectus.

The Benchmarks Regulation introduced a new requirement for all benchmark administrators providing indices in the EU to be authorised or registered on a public register maintained by ESMA. EU benchmark administrators were required to apply for such authorisation or registration prior to 1 January 2020. The Company has obtained confirmation from such EU benchmark administrators that they are included in the register maintained by ESMA and a list of those administrators is set out in the Global Supplement. Non-EU benchmark administrators are subject to transitional arrangements.

If an EU benchmark administrator of an index utilised by the Funds is no longer included on the register, that index may no longer be used. Accordingly, the Company’s Index Contingency Plan sets out the actions to be taken in the event that a benchmark changes materially, ceases to be provided or is no longer eligible for a particular Fund.

### ***Changes in UCITS Regulations***

As a UCITS, the Company will be subject to any changes in the UCITS Regulations which may occur from time to time. Any changes in the UCITS Regulations could have negative consequences for the Company, whether intended or unintended, such as increasing the operating costs of the Company, limiting its ability to engage in certain investment strategies or to access certain markets or hold certain instruments or positions or to appoint certain service providers on terms favourable to the Company.

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## CONFLICTS OF INTEREST

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

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

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

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

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

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

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

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

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

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

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

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

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## **BORROWING POLICY**

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

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

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

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## FEES AND EXPENSES

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

### ***Investment Management Fees***

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

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

The investment management fee will accrue at each relevant Valuation Point and will be paid monthly in arrears.

### ***Administration and Depositary Fees***

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

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

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

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

### ***Establishment and Operating Expenses***

The Company's establishment and organisational expenses (including expenses relating to the drafting of this Prospectus and the Supplements of the initial Funds, the negotiation and preparation of the material contracts, the printing of this Prospectus and the related marketing material, the cost of establishing and maintaining a listing of Shares on Euronext Dublin and the fees and expenses of its professional advisers) did not exceed €200,000 and are being paid out of the assets of the PGIM US Corporate Bond Fund, the PGIM Global Corporate Bond Fund, the PGIM European High Yield Bond Fund, the PGIM Emerging Market Local Currency Debt Fund, the PGIM Global Total Return Bond Fund and the PGIM Emerging Market Corporate Bond Fund. These expenses have been amortised over the first 36 months of these Fund's operations or such other period as the Directors may determine. Save for the PGIM Global Corporate Bond Fund and the PGIM Global Total Return Bond Fund, such amortisation is now complete.

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

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

The Directors are entitled to receive a fee at a rate to be determined by the Directors from time to time, provided that the aggregate amount of Directors remuneration in any one year shall not exceed €150,000 without disclosure to the Shareholders, the Directors shall, in addition, be entitled to reimbursement for out of pocket expenses.

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

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

### ***Remuneration Policies and Practices***

The Company is subject to remuneration policies, procedures and practices (together, the “**Remuneration Policy**”), as required under the UCITS Regulations. The Remuneration Policy is consistent with and promotes sound and effective risk management. It is designed not to encourage risk-taking which is inconsistent with the risk profile of the Company or the Funds. The Remuneration Policy is in line with the business strategy, objectives, values and interests of the Company, its Funds and the Shareholders. The Directors who are also employees of the Investment Manager or its affiliates do not receive any remuneration in respect of their services as directors of the Company. The other Directors receive fixed remuneration in respect of their services which is set at a level determined by the board as a whole and which is not performance related. None of the Directors are currently in receipt of variable remuneration in respect of their services as directors of the Company. The nature of the Directors’ remuneration, being fixed and not including any variable component and being determined by the board as a whole, ensures that the Company appropriately manages any conflicts of interest in respect of remuneration. The Company has not established a remuneration committee. Details of the up-to-date Remuneration Policy, including a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits are available via [www.pgimfunds.com](http://www.pgimfunds.com). The Remuneration Policy summary will be made available for inspection and a paper copy may be obtained, free of charge, at the registered office of the Company.

### ***Sales Charge***

Investors may be subject to a sales charge of up to 5% of the net subscription amount, as set out in the relevant Supplement. In respect of the T Class Shares of the relevant Fund, such sales charge will not be imposed by the Fund, but may be imposed by any sub-distributor, as appointed by the Company and/or the Distributor.

### ***Redemption Charge***

Investors may be subject to a redemption charge of up to 3% of the Net Asset Value of the Shares being redeemed (in addition to any adjustments to a Fund’s Net Asset Value caused by swing pricing), as set out in the relevant Supplement.

### ***Swing Pricing***

The actual cost of purchasing or disposing of investments may be higher or lower than the value used in calculating the Net Asset Value. These costs may include dealing charges, commission and transaction charges and the dealing spread, and may have a materially disadvantageous effect on a Shareholder’s interest in a Fund. To prevent this

effect, known as “dilution”, a Fund may engage in swing pricing as set forth in the paragraph below and the relevant Supplement, in order to seek to mitigate the effect of dilution, and to “swing” the Net Asset Value to counter the possible negative effects of dilution. Where it so determines, the Administrator will calculate the Net Asset Value for the relevant Fund and then adjust (“swing”) the Net Asset Value by a pre-determined amount.

On any Dealing Day, where the Directors so determine, the Administrator will calculate the Net Asset Value for the Fund, as described in the “Administration of the Company” section, and then swing the Net Asset Value by a pre-determined amount. The direction of the swing will depend on whether there are net subscriptions or redemptions in the Fund which exceed a pre-determined threshold on the relevant Dealing Day, while the magnitude of the swing will be based on pre-determined estimates of the average trading costs in the relevant asset class(es) in which the Fund is invested. For example, if the Fund is experiencing net inflows, its Net Asset Value will swing upwards, so that the incoming Shareholders are effectively bearing the costs of the dealing that their subscriptions generate by paying a higher Net Asset Value per Share than they would otherwise be charged. Conversely, where there are net redemptions in the Fund, the Net Asset Value will swing downwards, so that the outgoing Shareholders are effectively bearing the costs of the dealing that their redemptions generate by receiving a lower Net Asset Value per Share than they would otherwise receive. These swings are intended to protect non-dealing Shareholders from the impact of trading costs triggered by dealing Shareholders.

The determination to swing the Net Asset Value in respect of the Fund will be made following a consideration of the dealing activity (i.e. level of subscriptions and redemptions) in the Fund on a Dealing Day, in accordance with criteria set by the Directors from time to time. These criteria will include whether the costs of investing or divesting the net inflows into or outflows from the Fund on a Dealing Day will create, in the Directors’ opinion, a material dilutive impact. Swing pricing will only be exercised for the purpose of reducing dilution in the interests of the Shareholders in the Fund as a whole and will be applied consistently in respect of the Fund and in respect of all assets of the Fund.

The Investment Manager or applicable Sub-Investment Manager may consider it appropriate not to apply swing pricing where it is seeking to raise assets in order for a Fund to reach a certain size. If such a decision is taken, the Investment Manager or applicable Sub-Investment Manager may, at its discretion, pay the dealing and other costs relating to securities trades to avoid the Fund suffering dilution of the Net Asset Value and the investor will subscribe at the unswung Net Asset Value. For any Funds which engage in swing pricing, further details will be specified in the “Fees and Expenses” section of the relevant Supplement.

### ***Amortisation of Organisational Costs***

Each Fund’s financial statements will be prepared in accordance with International Financial Reporting Standards (“IFRS”). A Fund’s organisational and offering expenses, to the extent the Directors deem appropriate and disclose in the relevant Supplement, may be, for accounting purposes, amortised by such Fund for up to three years. Amortisation of expenses over such a period is a divergence from IFRS, which may, in certain circumstances, result in a qualification of the Fund’s annual audited financial statements. In such instances, the Directors (acting on behalf of the Fund) may decide to (i) avoid the qualification by recognising the unamortised expenses or (ii) make IFRS conforming changes for financial reporting purposes, but amortise expenses for purposes of calculating the Fund’s NAV. There will be a divergence in the Fund’s fiscal year-end Net Asset Value and in the Net Asset Value reported in the Fund’s financial statements in any year where, pursuant to clause (ii), IFRS conforming changes are made only to the Fund’s financial statements for financial reporting purposes. If the Fund is terminated within three years of its commencement, any unamortised expenses will be recognised. If a Shareholder redeems Shares prior to the end of the third accounting period during which the Fund is amortising expenses, the Fund may, but is not required to, accelerate a proportionate share of the unamortised expenses based upon the number of Shares being redeemed and reduce redemption proceeds by the amount of such accelerated expenses.

### ***Paying Agents, Information Agents and/or Correspondent Banks***

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

### ***Soft Commissions***

Subject to any regulatory constraints, the Investment Manager or Sub-Investment Managers may enter into soft commission or similar arrangements with brokers. The Investment Manager or applicable Sub-Investment Manager shall ensure that any such arrangements provide for best execution by the broker and any goods or services received (such as research and advisory services, computer hardware associated with specialist software, or research services and performance measures, etc.) will be of a type which assists in the provision of investment services to the Company. In addition, brokerage rates will not be in excess of customary institutional full-service brokerage rates. 'Best execution' means the best price or best result for the Company taking into account price, costs, speed, likelihood of execution and settlement, order size and nature, or any other consideration relevant to the execution of the order. The Company's annual and semi-annual reports shall provide disclosure of any brokerage commissions that are used to satisfy any soft commission obligations. Neither the Investment Manager, the Sub-Investment Managers nor any of their connected persons will retain cash commission rebates.

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## ADMINISTRATION OF THE COMPANY

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

### *Determination of Net Asset Value*

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

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

### *Net Asset Value per Share of a Class*

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

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

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

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

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

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

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

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

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

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

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

Notwithstanding the above provisions the Directors or their delegate may, with the prior approval of the Depositary, (a) adjust the valuation of any listed investment or (b) permit some other method of valuation to be used if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they deem relevant, they consider that such adjustment or alternative method of valuation is required to reflect more fairly the value thereof.

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

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

### **Availability of the Net Asset Value per Share**

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

### **Temporary Suspension of Dealings**

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

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

- (h) any period in which the redemption of the Shares would, in the opinion of the Directors, result in a violation of applicable laws;
- (i) any period in which notice has been given to Shareholders of a resolution to wind up the Company;
- (j) any period when the Directors determine that it is in the best interests of the Shareholders to do so; or
- (k) any period during which dealings in a collective investment scheme in which a Fund has invested a significant portion of its assets are suspended.

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

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

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## SUBSCRIPTION FOR SHARES

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

By acquiring Shares in the Company, each subscriber agrees to be bound by the terms of the Subscription Agreement, the Additional Subscription Agreement (where relevant), this Prospectus and the relevant Supplement.

Shares in a Fund may be purchased on any Dealing Day at the Net Asset Value per Share on the relevant Dealing Day on the terms and in accordance with the procedures described below and in the relevant Supplement, subject to any adjustment as set out under “*Swing Pricing*” above.

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

A currency conversion to the Base Currency may take place on subscription, redemption, switching and distributions at prevailing exchange rates where a share class is denominated in a currency other than the Base Currency. The value of Shares in the Unhedged Classes which are denominated in a currency other than the Base Currency will be exposed to exchange risk in relation to the Base Currency.

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

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

An investor wishing to make an initial subscription for Shares in a Fund must complete and send the Subscription Agreement to the Administrator or by such other electronic means (including applications via a Clearing System) as the Directors and the Administrator shall approve. Where application for Shares is made by written application, Subscription Agreements may be sent by facsimile, email or electronic means provided that the signed original version (including all support documentation in relation to money laundering prevention checks) is sent by post immediately thereafter. Subsequent purchases of Shares, following an initial subscription pursuant to a properly completed Subscription Agreement, may be made by completing and submitting an Additional Subscription Agreement to the Administrator or via a Clearing System. Additional written Subscription Agreements may be sent by facsimile, email or electronic means as previously agreed with the Administrator.

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

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

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

The Subscription Agreement may contain, among other provisions, certain representations, warranties, agreements, undertakings and acknowledgements relating to a prospective Shareholder's suitability to purchase Shares, the terms of the Shares and other matters. Prospective Investors should also understand that the Shares are offered and sold in reliance upon the terms of this Prospectus and the representations, warranties, agreements, undertakings and acknowledgements in it, which are made or accepted by investors by applying to become a Shareholder. Additional provisions may be contained in the Subscription Agreement but all such provisions may be asserted as a defence by the Company and the Investment Manager in any action or proceeding relating to the offer and sale of Shares. Any representation or warranty given by an investor is deemed continuous and to apply to all subsequent subscriptions. Shareholders are required to notify the Company and the Administrator immediately in writing in the event of any change of circumstance relating to any such representation or warranty and this may lead to further action being undertaken on behalf of the Company. Please see the "Mandatory Redemption of Shares, Forfeiture of Dividend and Deduction of Tax" section below for further information.

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

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

Measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2018 (as amended or supplemented from time to time) which are aimed at the prevention of money laundering and terrorist financing will, subject as set out below, require an applicant for Shares to verify its identity to the Administrator or the Company. The Administrator will notify applicants if additional proof of identity is required.

The details given above are by way of example only and, regardless of the material produced by an applicant or its representatives, the Administrator or the Company will request such additional information and documentation as it, in its absolute discretion, considers is necessary to fully verify the identity or source of funds of an applicant and to establish the circumstances of the application. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Administrator or the Company may reject the application and the

subscription monies relating thereto, in which case the subscription monies may be returned without interest to the account from which the monies were originally debited, subject to any advice or request from the relevant authorities that the subscription monies should be retained pending any further directions from them or the Administrator or the Company may refuse to withhold payment of a redemption request until full information has been provided or there may be a delay in investing subscription monies, in each case without any liability whatsoever on the part of the Company, the Administrator or any service provider to the Company. No interest will be paid either on subscription proceeds pending settlement to the account of the Company or on redemption proceeds pending settlement to the account of the Shareholder. Amendments to an investor's registration details and payment instructions will only be effected on receipt of original documentation. Redemption orders will be processed on receipt of facsimile or electronic instructions (e.g. via clearing platform/SWIFT trading) only where payment is made to the account of record. The Company may issue fractional Shares up to three decimal places.

#### *Written Confirmations of Ownership*

The Administrator will be responsible for maintaining the Company's register of Shareholders in which all issues, redemptions and transfers of Shares will be recorded. All Shares issued will be in registered form and no Share certificates will be issued. Ownership will be evidenced by entry in the Share register. Following each transfer, purchase, redemption and conversion of Shares written confirmations of ownership will be sent by post, facsimile, email or electronic means (e.g. via clearing platform/SWIFT trading) to each Shareholder. A Share may be registered in a single name or in up to four joint names. The register of Shareholders will be available for inspection at the registered office of the Company during normal business hours.

#### ***Subscriptions by and Transfers to US Persons***

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

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

The purchase by or transfer of Shares to or on behalf of any Non-US Person must also meet the following condition: such purchase or transfer would not cause the assets of any Fund to be treated as "plan assets" under ERISA and the regulations thereunder.

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

Each applicant (including a prospective transferee) for Shares who is a US Person will be required to provide such representations, warranties or documentation, as may be required by the Directors to ensure that such requirements

are met prior to approval of such sale or transfer by the Directors. The Directors shall determine from time to time the number of US Persons who may be admitted into the Company.

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

### ***Operation of the Subscription and Redemption Collection Account***

The Company has established a collection account at umbrella level in the name of the Company (the “**Umbrella Cash Collection Account**”), and has not established such accounts at sub-fund level. All subscriptions into and redemptions and distributions due from the Funds will be paid into the Umbrella Cash Collection Account. Monies in the Umbrella Cash Collection Account, including early subscription monies received in respect of a Fund, do not qualify for the protections afforded by the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers.

Pending issue of the Shares and / or payment of subscription proceeds to an account in the name of the relevant Fund, and pending payment of redemption proceeds or distributions, monies in the Umbrella Cash Collection Account are assets of the relevant Funds to which they are attributable, and the relevant investor will be an unsecured creditor of the relevant Fund in respect of amounts paid by or due to it and will not be a Shareholder.

All subscriptions (including subscriptions received in advance of the issue of Shares) attributable to, and all redemptions, dividends or cash distributions payable from, a Fund will be channelled and managed through the Umbrella Cash Collection Account. Redemptions and distributions, including blocked redemptions or distributions, will be held in the Umbrella Cash Collection Account until payment due date (or such later date as blocked payments are permitted to be paid), and will then be paid to the relevant or redeeming Shareholder.

The Depositary will be responsible for safe-keeping and oversight of the monies in the Umbrella Cash Collection Account, and for ensuring that relevant amounts in the Umbrella Cash Collection Account are attributable to the appropriate Funds.

The Company and the Depositary have agreed an operating procedure in respect of the Umbrella Cash Collection Account, which identifies the participating sub-funds of the Company, the procedures and protocols to be followed in order to transfer monies from the Umbrella Cash Collection Accounts, the daily reconciliation processes, and the procedures to be followed where there are shortfalls in respect of a Fund due to late payment of subscriptions, and / or transfers to a Fund of moneys attributable to another Fund due to timing differences.

Where subscription monies are received in the Umbrella Cash Collection Account without sufficient documentation to identify the investor or the relevant Fund, such monies shall be returned to the relevant investor. Failure to provide the necessary complete and accurate documentation is at the investor’s risk.

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## REDEMPTION OF SHARES

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

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

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

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

### *Redemption Price*

Shares will be redeemed at the applicable Net Asset Value per Share, obtained on the Dealing Day on which redemption is effected, subject to any applicable fees associated with such redemption, subject to any adjustment as set out under “*Swing Pricing*” above.

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

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

If a redemption causes a Shareholder's holding in a Fund to fall below the minimum holding amount set out in the relevant Supplement, the Company may redeem the whole of that Shareholder's holding. Before doing so, the Company will notify the Shareholder in writing and allow the Shareholder thirty days to purchase additional Shares to meet the minimum requirement.

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

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

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

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

### ***Liquidity Risk Management***

The Company has established a liquidity risk management policy which enables it to identify, monitor and manage the liquidity risks of the Company and to ensure the liquidity profile of the investments of each Fund will facilitate compliance with the Fund's underlying obligations. The Company's liquidity risk management policy takes into account the investment strategy, the liquidity profile, redemption policy and other underlying obligations of the Funds. The liquidity management systems and procedures include appropriate escalation measures to address anticipated or actual liquidity shortages or other distressed situations of the Company.

In summary, the liquidity risk management policy monitors the profile of investments held by the Company and each Fund and ensures that such investments are appropriate to the redemption policy as set out above, and will facilitate compliance with each Fund's underlying obligations. Further, the liquidity risk management policy includes details on periodic stress testing carried out in respect of the Funds to manage the liquidity risk of each Fund in exceptional and extraordinary circumstances.

The Company seeks to ensure that the investment strategy, the liquidity profile and the redemption policy of each Fund are consistent. The investment strategy, liquidity profile and redemption policy of each Fund will be considered to be

aligned when investors have the ability to redeem their investments in a manner consistent with the fair treatment of all investors and in accordance with the Company's redemption policy and its obligations. In assessing the alignment of the investment strategy, liquidity profile and redemption policy, the Company shall have regard to the impact that redemptions may have on the underlying prices or spreads of the individual assets of each Fund.

Details of the redemption rights of Shareholders, including redemption rights of Shareholders in normal and exceptional circumstances and existing redemption arrangements are set out above in this section.

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## TRANSFER OF SHARES

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

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

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

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

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

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## CONVERSION OF SHARES

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

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

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

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

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

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

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

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## DATA PRIVACY AND CONFIDENTIALITY

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Prospective investors should note that personal information, which may constitute personal data within the meaning of the General Data Protection Regulation or “GDPR”, Regulation (EU) 2016/679, obtained in relation to investors (and/or natural persons associated with them, as relevant) will be used and disclosed by the Company in accordance with the Company’s privacy statement available at <https://www.pgim.com/UCITS/literature>. Investors applying for Shares will be deemed to have received and read this statement and to have been informed of their rights under the GDPR and applicable Irish data protection legislation. Where personal data in relation to a natural person (other than the investor subscribing to become a Shareholder) is provided to the Company, such investor is subject to an obligation to provide the Company’s privacy statement to such individual(s) in accordance with GDPR and the subscription is processed subject to this requirement having been completed.

### ***Confidentiality***

Investors may receive or have access to confidential proprietary information concerning the Company, the Investment Manager or a Fund, including, without limitation, portfolio positions, valuations, information regarding potential investments, financial information, trade secrets and the like (collectively, “**Confidential Information**”), which is proprietary in nature and non-public, Shareholders agree that they shall not disclose or cause to be disclosed any Confidential Information to any person or use any Confidential Information, except in connection with their investment in the Fund or except as otherwise required by law, regulation, legal process by any regulatory authority, examiner or self-regulatory organization. Furthermore, Shareholders may not reproduce, duplicate or deliver any documents related to the Company, the Fund or the Investment Manager to any other person, except professional advisers to or clients of the Shareholder, as authorized by the Company or the Administrator or except as otherwise required by law, regulation, legal process or if requested by any regulatory authority, examiner or self-regulatory organization. Notwithstanding anything to the contrary herein, each Shareholder (and each employee, representative or other agent of a Shareholder) may disclose to any and all persons, without limitation of any kind, the “tax treatment” and “tax structure” of: (i) the Company and/or a Fund; and (ii) any of their transactions, all materials of any kind (including, without limitation, opinions or other tax analyses) that are provided to them as applicants relating to such tax treatment and tax structure, it being understood that “tax treatment” and “tax structure” do not include the name or the identifying information of: (a) the Company or a Fund; or (b) the parties to a transaction.

Shareholders are on notice that the Company or a Fund may release information about them if any of the Company, the relevant Fund or the Investment Manager, in its sole discretion, deems it necessary or advisable, including in order to reduce or eliminate withholding or other taxes on the Company, the relevant Fund, the Shareholders or the Investment Manager.

Telephone calls that prospective investors or Shareholders make to or receive from the Company, the Administrator, the Depositary, the Investment Manager, the Distributor or their delegates may be recorded for record keeping, security and/or training purposes.

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## TERMINATION OF THE COMPANY, A FUND OR SHARE CLASS

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

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

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

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

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

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## MANAGEMENT AND ADMINISTRATION

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### ***The Board of Directors***

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

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

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

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

### ***Directors***

**Denis Chatterton** (British) was the Chief Operating Officer and a member of the board for PGIM Limited, based in London until he retired December 2016. Prior to joining PGIM in 2007, Mr. Chatterton was Chief Administrative Officer for Ecofin Ltd., a hedge fund manager in London. Earlier, he was Chief Administrative Officer for PGIM Financial Limited's International Investments Unit based in London. Prior to that assignment, Mr. Chatterton was Head of Compliance for Europe, the Middle East and Africa at Citigroup Asset Management, London. Mr. Chatterton has 30 years of experience working in finance, compliance, operations, and administration roles in London's financial services industry. Mr. Chatterton earned a B.Sc. in Mathematics from Nottingham University and is a UK Chartered Accountant.

**Frank Connolly** (Irish) is a Senior Consultant with KB Associates, a firm which provides a range of advisory and project management services to the promoters of offshore funds. Mr Connolly has been active in the mutual and hedge funds industry since 1997. He has particular expertise in the preparation and audit of financial statements for investment funds and in the regulatory and GAAP requirements applicable to the investment management industry. Prior to joining KB Associates, Mr Connolly was senior manager in the Investment Management Group at PricewaterhouseCoopers Dublin where he specialised in the audit of UCITS funds. Previously he worked with PricewaterhouseCoopers in the Cayman Islands where his responsibilities included the provision of audit services to a wide range of alternative asset managers. Mr Connolly holds a Bachelor of Commerce Degree (Hons) from University College Dublin and is a Fellow of the Institute of Chartered Accountants in Ireland.

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

**Kenneth Moore** CFA (American) is an Executive Vice President and the Chief Operating Officer of Jennison Associates, LLC in New York, USA. He joined Jennison in May 2003. Prior to joining Jennison, Mr. Moore was Chief Financial Officer of the US business at JP Morgan Asset Management. Prior to his CFO role, from 1994 to 2003, he served in a variety of financial, accounting, and management roles at JPMorgan Fleming and JPMorgan & Company. Mr. Moore began his career as an auditor with KPMG Peat Marwick in 1991. He received a BS in accounting, summa cum laude, from Saint Peter's College and an MBA in finance from New York University. Mr. Moore is a Chartered

Financial Analyst and a member of the New York Society of Security Analysts.

**Elizabeth Samson** (American) is Vice President, Chief Operating Officer, UCITS for PGIM Investments. She is responsible for the day to day management of the UCITS platform, ensuring the overall governance of the vehicle. Previously, Elizabeth was responsible for the Product Development effort at Quantitative Management Associates (QMA). Prior to her role in Product, Elizabeth managed QMA's institutional and sub-advisory client service team. She has also served as a Vice President at Prudential International Investment Services, where she focused on product integration, development and management. Prior to joining Prudential, Elizabeth worked as a relationship manager for Lipper, working with key clients, first in the US and then as the head of client service and product development in the UK. She earned a BSBA in Finance from American University and an MBA in International Business, Management & Economics from New York University.

**Kimberly LaPointe** (American) is Head of PGIM Investments International, responsible for business strategy, governance, operations, and distribution of the firm's asset management capabilities through financial intermediaries throughout Europe, the Middle East, Asia, Latin America, and U.S. private banks. Prior to joining PGIM, Ms. LaPointe spent 10 years at JP Morgan as a senior member of the team that developed JP Morgan Asset Management's third-party distribution business. She began her career at De an Witter as a global fixed income analyst and has over 25+ years of experience in the financial services industry. Ms. LaPointe earned a BA in Economics Management from Ohio Wesleyan University.

**Stacie Mintz** CFA (American) is a Managing Director, Co-Head of the Quantitative Equity team and Portfolio Manager for QMA LLC. In this capacity, Ms. Mintz leads the portfolio managers and analysts on the Quantitative Equity team. Ms. Mintz is also responsible for Quantitative Equity models and portfolio analytic tools and oversees continual enhancements. Prior to her current role, Ms. Mintz served as the Head of Equity Portfolio Management for QMA LLC. Previously, Ms. Mintz was a member of the former Asset Allocation team where she was responsible for several retail and institutional portfolios. During that time, she was also responsible for managing the overall asset allocation for the Prudential Pension Plan. Ms. Mintz earned a BA in economics from Rutgers University and an MBA in finance from the New York University Stern School of Business.

**Paul Parseghian** (American) is Chief Operating Officer of PGIM Fixed Income. Mr. Parseghian is responsible for operations, technology, project management and data governance. In his previous role as Head of Operations and Technology, he was responsible for global operations and systems. The Operations team provides trade support, trade operations, derivatives support and portfolio administration for all fixed income sectors and products, as well as PGIM, Inc.'s securities lending business. The Technology team develops applications for use in investment management, research, sales and client delivery, as well as deploying third party systems supporting the fixed income business. Mr. Parseghian began his career at Prudential in 1988, in investment accounting and equity operations before joining PGIM Fixed Income in 1994. Mr. Parseghian received a BA in Economics from Rutgers University.

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

None of the Directors of the Company has:

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

A memorandum detailing the names of all companies and partnerships of which the Directors of the Company have been a director or partner in the past five years, together with an indication of whether or not the individual is still a director or partner, is available for inspection at the registered office of the Company.

The Company Secretary is Matsack Trust Limited.

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## INVESTMENT MANAGER

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PGIM is the principal asset management business of Prudential Financial, Inc. PGIM is a corporation formed under the laws of the State of New Jersey and is the Investment Manager for the Company. PGIM is a registered investment adviser with the SEC under the Advisers Act. Additional information regarding PGIM (including PGIM Fixed Income and PGIM Real Estate) is available in its most recent Form ADV which has been filed with the SEC.

QMA, Jennison and PGIM Limited are also registered investment advisers under the Advisers Act. Additional information about each of them is available in such Sub-Investment Manager's Form ADV, each of which has been filed with the SEC.

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

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

The Investment Management Agreement will continue in force until terminated by either party thereto on 90 days' notice in writing to the other party. The Investment Manager may terminate the Investment Management Agreement on 30 days' notice to the Company if there is a change in control of the Company and the majority of the Directors are not persons acceptable to the Investment Manager. Any party to the Investment Management Agreement may terminate the Investment Management Agreement immediately at any time by notice in writing to the other parties if another party ("**Defaulting Party**") will at any time during the continuance of the Agreement (i) commit any material breach of the Investment Management Agreement or commit persistent breaches of the Investment Management Agreement which either is or are incapable of remedy or has or have not been remedied within 30 days of the other party serving notice upon the Defaulting Party requiring it to remedy same; or (ii) be incapable of performing its duties or obligations under the Investment Management Agreement; or (iii) be unable to pay its debts as they fall due or otherwise become insolvent or enter into any composition or arrangement with or for the benefit of its creditors or any class thereof; or (iv) be the subject of any petition for the appointment of an examiner, administrator, trustee, official assignee or similar officer to it or in respect of its affairs or assets; or (v) have a receiver appointed over all or any substantial part of its undertaking, assets or revenues; or (vi) be the subject of an effective resolution for its winding up

except in relation to a voluntary winding up for the purposes of reconstruction or amalgamation upon terms previously approved in writing by the other party; or (vii) be the subject of a court order for its winding up or liquidation.

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

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

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

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

PGIM Fixed Income is headquartered in Newark, New Jersey, U.S.A. and also has affiliated offices in London, Tokyo and Singapore. These affiliates are separate legal entities, but operate with the Newark headquarters as an integrated global business.

**PGIM Real Estate** PGIM Real Estate is a global real estate investment manager which is comprised of global fund management centres supported by a network of local offices throughout the world. Its specialised operating units offer a broad range of real estate investment opportunities and investment management services in the United States, Europe, Asia and Latin America.

PGIM Real Estate is a business unit of PGIM, Inc. and its UK business operates through PGIM Real Estate (UK) Limited.

PGIM Real Estate is headquartered in New York City, New York, U.S.A. and also has affiliated offices in London and Singapore. These affiliates are separate legal entities but operate with the New York City headquarters as an integrated global business.

Its approach to investing in real estate securities is value-orientated based upon real estate fundamentals and assessments of management teams.

The Investment Manager has appointed several Sub-Investment Managers, including:

**PGIM Limited** *PGIM Fixed Income*

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

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

**Jennison**

Jennison's investment strategy is based on rigorous internal fundamental research and a highly interactive investment process, using a bottom-up approach to stock selection.

Jennison is a registered investment adviser with the SEC under the Advisers Act. It is organized under the laws of Delaware, USA as a single member limited liability company whose sole member is the Investment Manager.

**QMA**

QMA offers a broad array of investment management services, including quantitative equity and global multi-asset strategies that invest across a range of asset classes.

QMA is registered as an investment adviser with the SEC under the Advisers Act. It is organized as a limited liability company formed under the laws of the state of New Jersey, USA, as a single member limited liability company whose sole member is the Investment Manager.

**QMA Wadhvani**

QMA Wadhvani utilizes a disciplined, systematic approach, which focuses on harnessing fundamental macro forces.

QMA Wadhvani is authorized and regulated by the FCA in the United Kingdom. It is organised as a limited liability partnership incorporated under the laws of England and Wales. In January 2019, QMA Wadhvani was acquired by PGIM, the global investment management business of Prudential Financial, Inc. QMA Wadhvani, while remaining a separate legal entity, is now operating as a part of the business of QMA, the quantitative equity and global multi-asset solutions manager of PGIM. The investment platforms of QMA Wadhvani and QMA, however, remain independent of each other.

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## DEPOSITARY

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The Company has appointed State Street Custodial Services (Ireland) Limited to act as depositary of all of the Company's assets, pursuant to an agreement between the Company and the Depositary dated 12 October 2016, as may be further amended from time to time. The principal activity of the Depositary is to act as trustee/depositary of the assets of collective investment schemes. The Depositary is regulated by the Central Bank. As at 31 July 2020, the Depositary had assets in excess of US\$1,283.60 billion under custody. The Depositary is a private limited company incorporated in Ireland on 22 May 1991. The Depositary is ultimately owned by State Street Corporation. Its authorised share capital is GBP5,000,000 and its issued and paid up capital is GBP200,000. State Street Corporation is a leading world-wide specialist in providing sophisticated global investors with investment servicing and investment management. State Street is headquartered in Boston, Massachusetts, USA, and trades on the New York Stock Exchange under the symbol "STT".

The Depositary Agreement contains provisions governing the responsibilities of the Depositary, including its primary responsibilities which are acting as depositary and ensuring the safekeeping of the cash and assets of the Company. The Depositary is obliged to enquire into the conduct of the Company in each annual accounting period and to report thereon to the Shareholders. Such report should state whether, in the Depositary's opinion, the Company has been managed in that period in accordance with the limitations imposed on the investment and borrowing powers of the Company and the Depositary by the Articles, the Central Bank UCITS Regulations and the UCITS Regulations and otherwise in accordance with the Articles, the Central Bank UCITS Regulations and the UCITS Regulations.

The Depositary has been entrusted with the following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of Shares are carried out in accordance with applicable law and the Articles;
- ensuring that the value of the Shares is calculated in accordance with applicable law and the Articles;
- carrying out the instructions of the Company unless they conflict with applicable law and the Articles;
- ensuring that in transactions involving the assets of the Company any consideration is remitted within the usual time limits
- ensuring that the income of the Company is applied in accordance with applicable law and the Articles;
- monitoring of each Fund's cash and cash flows; and
- safekeeping of the Company's assets, including the safekeeping of financial instruments to be held in custody and ownership verification and record keeping in relation to other assets.

### **The Depositary's Liability and Indemnification of the Depositary**

In carrying out its duties the Depositary shall act honestly, fairly, professionally, independently and solely in the interests of the Company and its Shareholders.

In the event of a loss of a financial instrument held in custody, determined in accordance with the UCITS Regulations, 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 if it can prove that the loss of a financial instrument held in custody has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary pursuant to the UCITS Regulations.

In case of a loss of financial instruments held in custody, the Shareholders may invoke the liability of the Depositary directly or indirectly through the Company provided that this does not lead to a duplication of redress or to unequal

treatment of the Shareholders. The Depositary will be liable to the Company for all other losses suffered by the Company as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations.

Subject to its liability under the UCITS Regulations, the Depositary shall not be liable for consequential or indirect or special damages or losses, arising out of or in connection with the performance or non-performance by the Depositary of its duties and obligations.

Pursuant to the Depositary Agreement, the Company undertakes to hold harmless and indemnify the Depositary against all actions, proceedings and claims (including claims of any person purporting to be the beneficial owner of any part of the assets of the Company) and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Depositary by reason of the performance of the Depositary's duties under the terms of the Depositary Agreement save where any such actions, proceedings, claims, costs, demands or expenses arise as a result of the Depositary's negligence, fraud, bad faith, wilful default or recklessness in the performance of its duties or the loss of financial instruments held in custody in which case the Depositary will be liable to the Company for any loss that the Company suffers.

### **Delegation**

The Depositary has full power to delegate the whole or any part of its safe-keeping functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary's liability shall not be affected by any delegation of its safe-keeping functions under the Depositary Agreement except that the Depositary shall be liable for the negligence or wilful misconduct of such third party.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates and sub-delegates are contained in Appendix E to this Prospectus.

### **Termination**

Either party may terminate the Depositary Agreement on ninety (90) days' prior written notice to the other party. Either party may also terminate the Depositary Agreement by notice in writing to the other party if at any time: (a) the party notified is unable to pay its debts as they fall due or goes into liquidation or receivership or an examiner shall be appointed pursuant to the Companies Act, (b) the party notified commits any material breach of the provisions of the Depositary Agreement if it has not remedied that breach within thirty (30) days after the service of written notice requiring it to be remedied; or (c) if any of the representations, warranties, covenants or undertakings contained in the Depositary Agreement cease to be true or accurate in any material respect in relation to the party notified. The Depositary Agreement may also be terminated by the Company if the Depositary is no longer permitted to act as a depositary by the Central Bank.

Pursuant to the Depositary Agreement, the Company may not terminate the appointment of the Depositary and the Depositary may not retire from such appointment unless and until a successor depositary has been appointed in accordance with the Articles and, provided such appointment and successor depositary is approved in advance by the Central Bank.

If the Depositary shall have given to the Company notice of its desire to retire from its appointment or the appointment of the Depositary is terminated pursuant to the terms of the Depositary Agreement and no successor shall have been appointed in accordance with the Articles within ninety (90) days from the giving of such notice, the Company shall, subject to the approval of the Central Bank, forthwith repurchase the Shares or appoint a liquidator who shall wind up the Company and shall apply, thereafter, to the Central Bank to revoke the authorisation of the Company whereupon the Depositary's appointment shall terminate.

### **Conflicts of Interest**

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

Depository Agreement or under separate contractual or other arrangements.

Such activities may include:

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

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

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

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

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

The Investment Manager or Sub-Investment Managers may also be a client or counterparty of the Depository or its affiliates.

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

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## ADMINISTRATOR

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

The principal activity of the Administrator is to act as administrator for collective investment schemes. The Administrator is regulated by the Central Bank. The Administrator is a private limited company incorporated in Ireland on 23 March 1992 (registered IE 186184) by 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 is headquartered in Boston, Massachusetts, USA, and trades on the New York Stock Exchange under the symbol STT.

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

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

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

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

The Administrator will be responsible for the performance of only such duties as are set forth in the Administrative Services Agreement.

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

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

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

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

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

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

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## THE DISTRIBUTOR

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

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

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

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

The distribution fees payable to the Distributor will not be paid directly by the Company but instead will be paid by the Investment Manager out of its investment management fee. For the avoidance of doubt, the Company may reimburse the Distributor for fund platform fees which are paid by the Distributor on the Company's behalf.

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

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

### **Paying Agent**

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

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## MEETINGS OF AND REPORTS TO SHAREHOLDERS

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

### ***Reports to Shareholders***

Shareholders will receive an annual report containing audited financial statements of the Company for the period ending 30 June in each year. Annual reports will be forwarded to Euronext Dublin within four months of the end of the relevant year and to Shareholders at least 21 days before the annual general meeting of the Company. The annual audited financial statements will be sent to Shareholders and prospective investors on request and are available on [www.pgimfunds.com](http://www.pgimfunds.com). In addition to the annual reports, each Shareholder will be provided with unaudited monthly statements showing their holdings in a Fund and any transactions effected by such Shareholder during the relevant month.

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

### ***Additional Reporting***

In addition to the various documents available for inspection at the registered office of the Company as set out under the "General" section under the heading "Supply and Inspection of Documents", a Fund, acting through the Investment Manager as its delegate, may from time to time elect, in its sole discretion, to make available to the Shareholders, upon request and subject to certain policies and conditions, regular periodic reports including but not limited to reports in relation to significant changes in the investment management team of the relevant Fund, the amount of subscriptions and redemptions of Shares in the Fund during each quarter, changes to the service providers of the Company, changes to the Directors of the Company and the listing of any Shares of the Fund on any stock exchange (collectively, the "**Periodic Reports**").

Shareholders interested in receiving Periodic Reports should contact the Investment Manager to learn if the Company is making any such reports available.

The Fund is not obligated to provide Periodic Reports to the Shareholders. However, if the Fund chooses to provide such reports, the Fund will endeavour to make the reports available to all requesting Shareholders on equal terms. The Fund may discontinue providing Periodic Reports at any time without prior notice.

### ***Notice to Shareholders***

A notice or document is duly served if it is delivered to a Shareholder's address as appearing in the Company's register of Shareholders or is sent to the Shareholder by email or facsimile.

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## TAXATION

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### Ireland

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

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

### Taxation of the Company

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

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

### Taxation of non-Irish shareholders

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the Company will not deduct any Irish tax in respect of the Shareholder's Shares once the declaration set out in the application form accompanying this Prospectus has been received by the Company confirming the Shareholder's non-resident status. The declaration may be provided by an Intermediary who holds Shares on behalf of investors who are not resident (or ordinarily resident) in Ireland, provided that, to the best of the Intermediary's knowledge, the investors are not resident (or ordinarily resident) in Ireland. An explanation of the term 'Intermediary' is set out at the end of this summary.

If this declaration is not received by the Company, the Company will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). The Company will also deduct Irish tax if the Company has information which reasonably suggests that a Shareholder's declaration is incorrect. A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company and holds the Shares through an Irish branch and in certain other limited circumstances. The Company must be informed if a Shareholder becomes Irish tax resident.

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

### Taxation of exempt Irish shareholders

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

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

1. Pension schemes (within the meaning of section 774, section 784 or section 785 TCA).
2. Companies carrying on life assurance business (within the meaning of section 706 TCA).

3. Investment undertakings (within the meaning of Section 739B TCA).
4. Investment limited partnerships (within the meaning of section 739J TCA).
5. Special investment schemes (within the meaning of section 737 TCA).
6. Unauthorised unit trust schemes (to which section 731(5)(a) TCA applies).
7. Charities (within the meaning of section 739D(6)(f)(i) TCA).
8. Qualifying managing companies (within the meaning of section 734(1) TCA).
9. Specified companies (within the meaning of section 734(1) TCA).
10. Qualifying fund and savings managers (within the meaning of section 739D(6)(h) TCA).
11. Personal Retirement Savings Account (PRSA) administrators (within the meaning of section 739D(6)(i) TCA).
12. Irish credit unions (within the meaning of section 2 of the Credit Union Act 1997).
13. The National Asset Management Agency.
14. The National Treasury Management Agency or a Fund Investment Vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or Ireland acting through the National Treasury Management Agency.
15. Qualifying companies (within the meaning of section 110 TCA).
16. Any other person resident in Ireland who is permitted (whether by legislation or by the express concession of the Irish Revenue Commissioners) to hold Shares in the Company without requiring the Company to deduct or account for Irish tax.

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

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

### **Taxation of other Irish shareholders**

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

#### *Distributions by the Company*

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

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

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

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

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

#### *Redemptions and Transfers of Shares*

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

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

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

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

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

#### *Eighth Anniversary Events*

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

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

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

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

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

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

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

### *Share exchanges*

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

### **Stamp duty**

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

### **Gift and Inheritance tax**

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

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

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

### **OECD Common Reporting Standard**

The automatic exchange of information regime known as the "*Common Reporting Standard*" developed by the Organisation for Economic Co-operation and Development applies in Ireland. Under this regime, the Company is required to report information to the Irish Revenue Commissioners relating to all Shareholders, including the identity, residence and tax identification number of Shareholders and details as to the amount of income and sale or redemption proceeds received by Shareholders in respect of the Shares. This information may then be shared by the Irish Revenue Commissioners with tax authorities in other EU Member States and other jurisdictions which implement the OECD Common Reporting Standard.

The OECD Common Reporting Standard replaces the previous European information reporting regime in respect of savings income under Directive 2003/48/EC (commonly known as the EU Savings Directive regime).

## **Meaning of terms**

### *Meaning of 'residence' for companies*

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

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

### *Meaning of 'residence' for individuals*

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

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

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

### *Meaning of 'ordinary residence' for individuals*

The term 'ordinary residence' (as distinct from 'residence') relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity. An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident. For example, an individual who is resident and ordinarily resident in Ireland in 2021 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the tax year in 2024.

## **United States**

THE DISCUSSION CONTAINED HEREIN REFLECTS U.S. TAX LAW IN EFFECT AS OF SEPTEMBER 2020.

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

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

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

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

## **US Tax Status**

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

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

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

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

## **US Trade or Business**

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

considered a reasonable position.

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

Even if a Fund's securities trading activity does not constitute a US trade or business, gains realized from the sale or disposition of stock or securities (other than debt instruments with no equity component) of US Real Property Holding Corporations (as defined in Section 897 of the Code) ("USRPHCs"), including stock or securities of certain Real Estate Investment Trusts ("REITs"), will be generally subject to US income tax on a net basis. However, a principal exception to this rule of taxation may apply if such USRPHC has a class of stock which is regularly traded on an established securities market and a Fund generally did not hold (and was not deemed to hold under certain attribution rules) more than 5% (10% in the case of a REIT) of the value of a regularly traded class of stock or securities of such USRPHC at any time during the five year period ending on the date of disposition.<sup>1</sup> Moreover, if a Fund were deemed to be engaged in a US trade or business as a result of owning a limited partnership interest in a US business partnership or a similar ownership interest, income and gain realized from that investment would be subject to US income and branch profits tax. Each Fund intends to conduct its activities so as to avoid any direct US taxation under the rules discussed in this paragraph but in the case of taxation on REITs, the Fund is dependent on Shareholders disclosing their interests in REITs in order to ensure the 10% threshold is not exceeded through common ownership. Shareholders are required to notify a Fund in the event that they hold or are deemed to hold more than 5% in any one share class of a US publicly traded REIT at any time whilst they are a Shareholder of such Fund.

#### ***Identity and Reporting of Beneficial Ownership; Withholding on Certain Payments***

In order to avoid a US withholding tax of 30% on certain payments made with respect to certain actual and deemed US investments, the Investment Manager has undertaken to sponsor the Company and the Company and/or the Funds have registered with the IRS. The Investment Manager will be required to identify, and report information with respect to certain of the Company's and the Funds' direct and indirect US account holders (including debtholders and equity-holders). Ireland has signed a Model 1A (reciprocal) inter-governmental agreement with the United States (the "US IGA") to give effect to the foregoing withholding and reporting rules. So long as the Company and each Fund, directly, or through the Investment Manager's sponsorship, comply with the US IGA, they will not be subject to the related U.S. withholding tax.

A non-US investor in a Fund will generally be required to provide to such Fund information which identifies its direct and indirect US ownership and, in certain cases, information regarding its investments in other "foreign financial institutions" within the meaning of Section 1471(d)(4) of the Code. Under the US IGA, any such information provided to a Fund and certain financial information related to such investor's investment in such Fund will be shared with the Irish Revenue Commissioners. The Irish Revenue Commissioners will exchange the information reported to it with the IRS annually on an automatic basis. A non-U.S. investor that is a "foreign financial institution" within the meaning of Section 1471(d)(4) of the Code will generally be required to timely register with the IRS and agree to identify, and report information with respect to, certain of its own direct and indirect U.S. account holders (including debtholders and equity-holders). A non-US investor who fails to provide such information to a Fund, or timely register and agree to

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<sup>1</sup> A Fund will also be exempt from tax on dispositions of REIT shares, whether or not those shares are regularly traded, if less than 50% of the value of such shares is held, directly or indirectly, by non-US persons at all times during the five-year period ending on the date of disposition. However, even if the disposition of REIT shares would be exempt from tax on a net basis, distributions from a REIT (whether or not such REIT is a USRPHC), to the extent attributable to the REIT's disposition of interests in US real property, are subject to tax on a net basis when received by a Fund and may be subject to the branch profits tax. Such net basis tax and branch profits tax would not apply to distributions from certain publicly traded REITs made to non-US shareholders owning 10% or less of the REIT's shares; instead, a 30% gross withholding tax would apply (see "US Withholding Tax" below).

identify and report information with respect to such account holders, may be subject to the 30% withholding tax with respect to its share of any such payments attributable to actual and deemed US investments of such Fund, and the Directors may take any action in relation to an investor's Shares or redemption proceeds to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or comply with such requirements gave rise to the withholding. Shareholders should consult their own tax advisors regarding the possible implications of these rules on their investments in a Fund.

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

## **US Withholding Tax**

In general, under Section 881 of the Code, a non-US corporation which does not conduct a US trade or business is nonetheless subject to tax at a flat rate of 30% (or lower tax treaty rate) on the gross amount of certain US source income which is not effectively connected with a US trade or business, generally payable through withholding. Income subject to such a flat tax rate is of a fixed or determinable annual or periodic nature, including dividends, certain "dividend equivalent payments" (including, without limitation, payments made under certain notional principal contracts that reference a U.S. dividend paying equity) and certain interest income. In some cases, dividend income subject to such tax can be imputed to holders of certain equity interests or equity derivative instruments, such as options or convertible debt, as a result of an adjustment by the issuing corporation to the exercise or conversion ratio, or as a result of other corporate action which has the effect of increasing a holder's interest in the earnings and profits or assets of the issuing corporation.

Certain types of income are specifically exempted from the 30% tax and thus withholding is not required on payments of such income to a non-US corporation. The 30% tax does not apply to US source capital gains (whether long or short-term) or to interest paid to a non-US corporation on its deposits with US banks. The 30% tax also does not apply to interest which qualifies as portfolio interest. The term "portfolio interest" generally includes interest (including original issue discount but not including contingent interest) on an obligation in registered form which has been issued after July 18, 1984 and with respect to which the person who would otherwise be required to deduct and withhold the 30% tax receives the required statement that the beneficial owner of the obligation is not a US person within the meaning of the Code. However, interest will not qualify for the "portfolio interest" exemption, and will be subject to a 30% withholding tax, if the interest is paid to a non-US person by a corporation in which such non-US person owns at least 10% of the total combined voting power, or by a partnership in which such non-US person owns at least 10% of the capital or profits interest. In addition, if any credit default swap is characterized as a contract of insurance or a guarantee, payments received under such credit default swap may be subject to an excise tax or a withholding tax.

The US tax treatment of any rebate of fees made by the Investment Manager to a non-US Person is not entirely clear. A US withholding tax may be imposed on such a rebate. Non-US Persons are urged to consult their own tax advisors concerning the US tax consequences of an investment in a Fund and the receipt of such payments.

## **Redemption of Shares**

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

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

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

### **Tax-Exempt US Persons**

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

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

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

### **US Taxpayers that are not Tax-Exempt US Persons**

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

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

provide certain tax information to such shareholder on an annual basis. Each Fund has committed to providing such information at the investor's request after giving reasonable notice to the Company and at the applicable investor's expense.

Finally, if a Fund's Shares are considered "marketable", a Taxable US Person would be able to elect to mark its shares to market at the end of every year. Any such mark to market gain or loss would be considered ordinary. Ordinary mark to market losses would only be allowed to the extent of prior mark to market gains. However, as a result of the definition of "marketable" adopted in regulations, there can be no assurance that a Fund's Shares would be eligible for the mark to market election, except with respect to Shares held by certain types of entities, including regulated investment companies.

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

A Taxable US Person who invests in a Fund and makes a QEF election in respect of such Fund or is subject to tax under the CFC rules in respect of such Fund should expect to recognize amounts of phantom income, and the amount of such phantom income could be particularly significant in the case of an investor in "Accumulation Class Shares" (as defined in the applicable Supplement).

Similar PFIC and CFC considerations may apply to a Taxable US Person's indirect holdings in certain non-US entities in which a Fund invests. There can be no assurance that a PFIC QEF or mark-to-market election will be available with respect to any PFIC shares held by a Taxable US Person indirectly through a Fund.

IN AS MUCH AS TAXABLE US PERSONS ARE SUBJECT TO POTENTIALLY ADVERSE TAX CONSEQUENCES IF THEY INVEST IN A FUND AND THE FOREGOING SUMMARY IS ONLY A BRIEF OVERVIEW OF HIGHLY COMPLEX RULES, SUCH POTENTIAL INVESTORS ARE STRONGLY URGED TO CONSULT WITH THEIR OWN TAX ADVISORS BEFORE INVESTING IN A FUND.

### **Reporting Requirements for US Taxpayers**

Any US Taxpayer who holds shares in a PFIC such as a Fund (other than certain Tax-Exempt US Persons for whom an investment in such PFIC does not generate UBTI) is generally required to report its investment in such PFIC on an annual basis. Furthermore, such persons who are (i) individuals or (ii) certain closely held US entities where at least 50% of such entities' assets are, or at least 50% of their gross income comes from, passive assets such as an investment in a Fund, will generally be required to make additional tax filings if their aggregate investment in certain non-US financial assets (including interests in entities such as a Fund) exceeds \$50,000. Such filing requirements may be extended to additional US entities who are deemed to be formed or availed for the purpose of making investments in non-US entities such as a Fund.

Any US Taxpayer owning 10% or more (taking certain attribution rules into account) of either the total combined voting power or total value of all classes of the shares (the "**10% Amount**") of a non-US corporation such as a Fund will likely be required to file an information return with the IRS containing certain disclosure concerning the filing shareholder, other shareholders and the corporation. Any US Taxpayer who within such US Taxpayer's tax year (A) acquires shares in a non-US corporation such as a Fund, so that either (i) without regard to shares already owned, such US Taxpayer acquires the 10% Amount or (ii) when added to shares already owned by the US Taxpayer, such US Taxpayer's total holdings in the non-US corporation reaches the 10% Amount or (B) disposes of shares in a non-US corporation so that such US Taxpayer's total holdings in the non-US corporation falls below the 10% Amount (in each such case, taking certain attribution rules into account), will likely be required to file an information return with the IRS containing certain disclosure concerning the filing shareholder, other shareholders and the corporation. No Fund has committed

to provide all of the information about such Fund or its shareholders needed to complete these returns. In addition, a US Taxpayer within the meaning of the Code that transfers cash to a non-US corporation such as a Fund may be required to report the transfer to the IRS if (i) immediately after the transfer, such person holds (directly, indirectly or by attribution) at least 10% of the total voting power or total value of such corporation or (ii) the amount of cash transferred by such person (or any related person) to such corporation during the twelve-month period ending on the date of the transfer exceeds \$100,000.

Certain US Taxpayers (“**potential filers**”) who have an interest in a foreign financial account during a calendar year are generally required to file, electronically, FinCEN Form 114 (an “**FBAR**”) with respect to such account. Failure to file a required FBAR may result in civil and criminal penalties. Potential filers should consult their own advisors regarding the current status of this guidance.

Furthermore, certain US Taxpayers may have to file Form 8886 (“Reportable Transaction Disclosure Statement”) with their US tax return, and submit a copy of Form 8886 with the Office of Tax Shelter Analysis of the IRS if a Fund in which such US Taxpayers are invested engages in certain “reportable transactions” within the meaning of US Treasury Regulations. If the IRS designates a transaction as a reportable transaction after the filing of a reporting shareholder's tax return for the year in which such Fund or such reporting shareholder participated in the transaction, the reporting shareholder may have to file Form 8886 with respect to that transaction within 90 days after the IRS makes the designation. Shareholders required to file this report include a US Taxpayer if either (1) such Fund is treated as a CFC and such US Taxpayer owns a 10% voting interest or, for tax years beginning after 2017, 10% of the total value of such Fund's Shares or (2) such US Taxpayer owns 10% (by vote or value) of such Fund and makes a QEF election with respect to that Fund. In certain situations, there may also be a requirement that a list be maintained of persons participating in such reportable transactions, which could be made available to the IRS at its request. Moreover, if a US Taxpayer recognizes a loss upon a disposition of Shares, such loss could constitute a “reportable transaction” for such shareholder, and such shareholder would be required to file Form 8886. A significant penalty is imposed on taxpayers who fail to make the required disclosure. The maximum penalty is \$10,000 for natural persons and \$50,000 for other persons (increased to \$100,000 and \$200,000, respectively, if the reportable transaction is a “listed” transaction). Shareholders who are US Taxpayers (including Tax-Exempt US Persons) are urged to consult their own tax advisors concerning the application of these reporting obligations to their specific situations and the penalty discussed above.

### **Estate and Gift Taxes**

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

### **Other Jurisdictions**

Interest, dividend and other income realized by a Fund from certain sources, and capital gains realized, or gross sale or disposition proceeds received, on the sale of securities of certain issuers, may be subject to withholding and other taxes levied by the jurisdiction in which the income is sourced. It is impossible to predict the rate of foreign tax a Fund will pay since the amount of the assets to be invested in various countries and the ability of a Fund to reduce such taxes, are not known.

### **Future Changes in Applicable Law**

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

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

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

## **Summary**

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

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## GENERAL

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### *The Share Capital*

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

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

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

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

### *Miscellaneous*

- (i) The Directors confirm and report that the Company was incorporated in Ireland on 18 July 2013.
- (ii) The Company is not engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors to be pending or threatened by or against the Company.
- (iii) Each Director has entered into an engagement letter with the Company.
- (iv) No Director or any connected person of any director has any interest, beneficial or non-beneficial, in the share capital of a Fund.

### **Material Contracts**

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

- (i) the Investment Management Agreement;
- (ii) the Sub-Investment Management Agreements;

- (iii) the Depositary Agreement;
- (iv) the Administrative Services Agreement; and
- (v) the Distribution Agreement.

### **Supply and Inspection of Documents**

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

- (i) Memorandum and Articles of Association of the Company;
- (ii) the certificate of incorporation;
- (iii) a memorandum detailing the names of all companies and partnerships of which the directors of the Company have been a director or partner in the past five years, together with an indication of whether or not the individual is still a director or partner;
- (iv) the material contracts referred to above; and
- (v) the Central Bank UCITS Regulations and the UCITS Regulations.

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

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## APPENDIX A – DEFINITIONS OF US PERSON AND US TAXPAYER

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### US Person Definition

A “US Person” for purposes of this Prospectus is a person who is in either of the following two categories: (a) a person included in the definition of “US Person” under Rule 902 of Regulation S under the 1933 Act or (b) a person excluded from the definition of a “Non-United States person” as used in CFTC Rule 4.7. For the avoidance of doubt, a person is excluded from this definition of US Person only if he or it does not satisfy any of the definitions of “US Person” in Rule 902 and qualifies as a “Non-United States person” under CFTC Rule 4.7.

#### A. Rule 902 Definition of a US Person

- 1) **“US Person”** includes the following:
  - (a) any natural person resident in the United States;
  - (b) any partnership or corporation organized or incorporated under the laws of the United States;
  - (c) any estate of which any executor or administrator is a US Person;
  - (d) any trust of which any trustee is a US Person;
  - (e) any agency or branch of a foreign entity located in the United States;
  - (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a US Person;
  - (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated, or (if an individual) resident in the United States; and
  - (h) any partnership or corporation if:
    - (i) organized or incorporated under the laws of any foreign jurisdiction; and
    - (ii) formed by a US Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts.
- 2) Notwithstanding (1) above, any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-US Person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States will not be deemed a “US Person.”
- 3) Notwithstanding (1) above, any estate of which any professional fiduciary acting as executor or administrator is a US Person will not be deemed a “US Person” if:
  - (a) an executor or administrator of the estate who is not a US Person has sole or shared investment discretion with respect to the assets of the estate; and

(b) the estate is governed by foreign law.

- 4) Notwithstanding (1) above, any trust of which any professional fiduciary acting as trustee is a US Person will not be deemed a US Person if a trustee who is not a US Person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a "US Person."
- 5) Notwithstanding (1) above, an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country will not be deemed a "US Person."
- 6) Notwithstanding (1) above, any agency or branch of a US Person located outside the United States will not be deemed a "US Person" if:
  - (a) the agency or branch operates for valid business reasons; and
  - (b) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located.
- 7) The International Monetary Fund, the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, the African Development Bank, the United Nations, and their agencies, affiliates and pension plans, and any other similar international organizations, their agencies, affiliates and pension plans will not be deemed "US Persons."

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

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

#### *US Taxpayer Definition*

Under the Code and the Treasury Regulations promulgated thereunder, a "United States person" (referred to herein as a "US Taxpayer") includes:

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

An investor who is not a US Person may nevertheless be considered a “US Taxpayer” under U.S. federal income tax laws. For example, an individual who is a US citizen residing outside of the United States is not a “US Person” but is a “US Taxpayer”.

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## APPENDIX B – RECOGNISED MARKETS

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

Any stock exchange in a Relevant Jurisdiction (except Malta and Liechtenstein) or in any of the following countries:

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

Any of the following stock exchanges:

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

	Delhi Stock Exchange
	Ahmedabad Stock Exchange
	Bangalore Stock Exchange
	Cochin Stock Exchange
	Guwahati Stock Exchange
	Magadh Stock Exchange
	Pune Stock Exchange
	Hyderabad Stock Exchange
	Ludhiana Stock Exchange
	Uttar Pradesh Stock Exchange
	Calcutta Stock Exchange
	Bombay Stock Exchange
	Madras Stock Exchange
	Delhi Stock Exchange
	Gauhati Stock Exchange
	Magadh Stock Exchange
-	Indonesia Indonesia Stock Exchange
-	Israel Tel Aviv Stock Exchange Limited
-	Jordan Amman Stock Exchange
-	Kazakhstan Kazakhstan Stock Exchange
-	Kenya Nairobi Stock Exchange
-	Korea (South) Korea Stock Exchange KOSDAQ Korea Futures Exchange Korean Securities Dealers Association
-	Kuwait Kuwait Stock Exchange
-	Malaysia Kuala Lumpur Stock Exchange The Bursa Malaysia Berhad Bumipatra Stock Exchange
-	Mauritius Stock Exchange of Mauritius
-	Morocco Casablanca Stock Exchange
-	Mexico Mexico Stock Exchange Mercado Mexicana de Derivados
-	Namibia Namibian Stock Exchange
-	Nigeria Nigerian Stock Exchange Lagos Stock Exchange Kaduna Stock Exchange Port Harcourt Stock Exchange
-	Oman Muscat Securities Market
-	Pakistan Karachi Stock Exchange Lahore Stock Exchange Islamabad Stock Exchange
-	Peru Lima Stock Exchange
-	Philippines Philippines Stock Exchange
-	Qatar Doha Securities Market
-	Russia Moscow Exchange
-	Saudi Arabia Saudi Stock Exchange (Tadawul) Riyadh Stock Exchange
-	Serbia Belgrade Stock Exchange
-	Singapore Singapore Stock Exchange SESDAQ
-	South Africa Johannesburg Stock Exchange
-	Sri Lanka Colombo Stock Exchange
-	Taiwan Taiwan Stock Exchange
	(Republic of China) GreTai Securities Market (GTSM)

- Thailand
  - Taiwan Futures Exchange (TAIFEX)
  - Stock Exchange of Thailand
  - Market for Alternative Investments (MAI)
- Tunisia
  - Tunis Stock Exchange
- Turkey
  - Istanbul Stock Exchange
- Uganda
  - Kampala Stock Exchange
- Ukraine
  - First Securities Trading System (PFTS)
  - Ukraine Stock Exchange
  - Ukrainian Interbank Currency Exchange
- United Arab Emirates (UAE)
  - Abu Dhabi Securities Market (ADSM)
  - Borse Dubai
  - Dubai: Financial Market (DFM)
  - Dubai: Gold and Commodities Exchange
  - Dubai: International Financial Exchange (DIFX)
  - Dubai: Mercantile Exchange
- Uruguay
  - Montevideo Stock Exchange
- Vietnam
  - Ho Chi Min Stock Exchange (HOSE)
  - Ho Chi Minh Securities Trading Center
  - Hanoi Securities Trading Center
- Zambia
  - Lusaka Stock Exchange
- Zimbabwe
  - Zimbabwe Stock Exchange

The following markets:

- the market organised by the International Capital Market Association;
- the market conducted by “listed money market institutions” as described in the Financial Services Authority Publication “The Regulation of the Wholesale cash and Derivatives Markets under Section 43 of the Financial Services Act 1986 (The Grey Paper)” dated June 1999 (as amended from time to time);
- (a) NASDAQ in the United States, (b) the market in the U.S. government securities conducted by the primary dealers regulated by the Federal Reserve Bank of New York; and (c) the over-the-counter market in the United States conducted by primary dealers and secondary dealers regulated by the Securities and Exchange Commission and the Financial Industry Regulatory Authority and by banking institutions regulated by the U.S. Comptroller of Currency, the Federal Reserve System or Federal Deposit Insurance Corporation;
- the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- AIM - the alternative investment market in the UK regulated and operated by the London Stock Exchange;
- the French market for “Titres de Creance Negotiable” (over-the-counter market in negotiable instruments);
- the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;
- Multilateral Trading Facilities which meet with applicable regulatory criteria, as same may be amended from time to time; and
- the China Interbank Bond Market.

## DERIVATIVES MARKETS

In the case of an investment in FDI, any derivative market approved in a Relevant Jurisdiction and the following exchanges or derivative markets:

- Americas
  - Nasdaq
  - The Chicago Mercantile Exchange
  - American Stock Exchange
  - Chicago Board of Trade
  - Chicago Board of Options Exchange
  - Coffee, Sugar and Cocoa Exchange
  - Intercontinental Exchange
  - Iowa Electronic Markets
  - Kansas City Board of Trade
  - Mid-American Commodity Exchange
  - Minneapolis Grain Exchange
  - New York Cotton Exchange
  - Twin Cities Board of Trade
  - New York Futures Exchange
  - New York Board of Trade
  - New York Mercantile Exchange
  - CME Group
  - Montreal Derivatives Exchange
  - BMF Bovespa
- Asia
  - China Financial Futures Exchange
  - Dalian Commodity Exchange
  - Shanghai Futures Exchange,
  - Zhengzhou Commodity Exchange
  - China Interbank Bond Market
  - Hong Kong Futures Exchange
  - Ace Derivatives & Commodity Exchange
  - Indonesia Commodity and Derivatives Exchange
  - Korean Exchange
  - Bursa Malaysia Derivatives Berhad
  - Singapore International Monetary Exchange
  - Singapore Commodity Exchange
  - Osaka/Tokyo Stock Exchange
  - Tokyo Financial Exchange
  - Tokyo Commodity Exchange
  - Taiwan Futures Exchange
  - Thailand Futures Exchange
  - Agricultural Futures Exchange of Thailand
  - Singapore Commodity Exchange
  - Singapore Mercantile Exchange
- Australasia
  - New Zealand Exchange
  - Sydney Exchange
- Europe
  - Athens Derivative Exchange
  - Borsa Italiana (IDEM)
  - EUREX Deutschland
  - EUREX Zurich
  - EUREX for Bunds, OATs, BTPs,
  - Euronext Derivatives Amsterdam
  - Euronext Derivatives Brussels
  - Euronext Derivatives Paris
  - ICE Futures Europe
  - LCH (London Clearing House)

- London Metal Exchange
- Meff Renta Variable (Madrid)
- OMX Nordic Exchange Copenhagen
- OMX Nordic Exchange Stockholm
- Ukrainian Interbank Currency Exchange
- Africa
  - South African Futures Exchange

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

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

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## APPENDIX C – EFFICIENT PORTFOLIO MANAGEMENT

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**This section of the Prospectus clarifies the instruments and/or strategies which the Company may use for efficient portfolio management purposes or short term investment purposes. Where derivative instruments are used for hedging purposes, details of the derivative instruments to be used will be specifically disclosed in the relevant Supplement. The Investment Manager will, on request provide supplementary information to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.**

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

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

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

1. In no circumstances will the global exposure of a Fund exceed 100% of its Net Asset Value (where commitment approach is used to calculate global exposure).
2. Position exposure to the underlying assets of FDIs, including embedded FDIs in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDIs provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations).
3. The counterparties that a Fund may only enter into OTC derivatives and repurchase/reverse repurchase agreements with are entities with legal personality typically located in OECD jurisdictions.
4. Investment in FDI is subject to the conditions and limits laid down by the Central Bank.

A Fund may only enter into OTC derivatives and repurchase/reverse repurchase agreements with counterparties in accordance with the requirements of the Central Bank UCITS Regulations where a credit assessment has been undertaken. Where the counterparty is subject to a credit rating by any agency registered and supervised by ESMA, that rating shall be taken into account in the credit assessment. Where a counterparty is downgraded to A-2 or below (or comparable rating) by such a credit rating agency, a new credit assessment in respect of the counterparty will be undertaken without delay.

The Funds will not engage in securities lending.

### **Efficient Portfolio Management - Other Techniques and Instruments**

1. In addition to the investments in FDIs noted above, the Company may, subject to a maximum of 100% of its net assets, employ other techniques and instruments relating to transferable securities and money market instruments subject to the conditions imposed by the Central Bank, such as repurchase / reverse repurchase agreements, ("**repo contracts**") only for efficient portfolio management. Techniques and instruments which relate to transferable securities or money market instruments and which are used for the purpose of efficient portfolio management, including FDIs which are not used for direct investment purposes, will be understood as a reference to techniques and instruments which fulfil the following criteria:
  - (a) they are economically appropriate in that they are realised in a cost-effective way;
  - (b) they are entered into for one or more of the following specific aims:
    - reduction of risk;
    - reduction of cost;
    - generation of additional capital or income for the Fund with a level of risk which is consistent with the risk profile of the Fund and the risk diversification rules set out in the Central Bank UCITS Regulations;
  - (c) their risks are adequately captured by the risk management process of the Company (in the case of FDIs only); and
  - (d) they cannot result in a change to the Fund's declared investment objective or add substantial supplementary risks in comparison to the general risk policy as described in the sales documents.

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

2. All return and revenue arising from efficient portfolio techniques shall be delivered to the relevant Fund, save that direct and indirect operational costs and fees may be deducted therefrom and paid to the relevant counterparty.
3. The following applies to repo contracts and reflects the requirements of the Central Bank and is subject to changes thereto:
  - (a) Repo contracts may only be effected in accordance with normal market practice.
  - (b) Repo contracts do not constitute borrowing or lending for the purposes of Regulation 103 and Regulation 111 respectively.
  - (c) Where the Company enters into repurchase agreements, it must be able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.
  - (d) Where the Company enters into reverse repurchase agreements, it must be able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement should be used for the calculation of the net asset value. Fixed-term reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Company.

4. Any revenues from efficient portfolio management techniques not received directly by the Company, net of direct and indirect operational costs and fees (which do not include hidden revenue), will be returned to the Company.
5. When Issued, Delayed Delivery and Forward Commitment Securities

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

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

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

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

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

- (a) Collateral obtained in respect of OTC financial derivative transactions and efficient portfolio management techniques ("**Collateral**"), such as a repo contract, must comply with the following criteria:
  - (i) liquidity: Collateral (other than cash) should be transferable securities or money market instruments (of any maturity) which should be highly liquid and traded on a regulated market or multi-lateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral should also comply with the provisions of Regulation 74 of the Regulations;
  - (ii) valuation: Collateral should be capable of being valued on a daily basis and assets that exhibit high price volatility should not be accepted as Collateral unless suitably conservative haircuts are in place. Collateral may be marked to market daily by the counterparty using its procedures, subject to any agreed haircuts, reflecting market values and liquidity risk and may be subject to variation margin requirements;
  - (iii) issuer credit quality: Collateral should be of high quality;
  - (iv) correlation: Collateral should be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;
  - (v) diversification: Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Fund's Net Asset Value. When a Fund is exposed to different counterparties the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer. Notwithstanding the above, a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by an EU Member State, one or more of its local authorities, a third country, or a public international body to which one or more EU Member States belong, as disclosed in Appendix D Section 2.10. Such a Fund will receive securities from at least six different issues and securities from any single issue will not account for more than 30% of the Fund's Net Asset Value; and

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

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

Cash as Collateral may only be:

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

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

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## APPENDIX D – INVESTMENT RESTRICTIONS

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

### 1 Permitted Investments

A Fund may invest in:

- 1.1 transferable securities and money market instruments, as prescribed in the Central Bank UCITS Regulations<sup>2</sup>, which are either admitted to official listing on a Recognised Market in an EU Member State or non-EU Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in an EU Member State or non-EU Member State;
- 1.2 recently issued transferable securities which will be admitted to official listing on a Recognised Market within a year;
- 1.3 money market instruments, as defined in the Central Bank UCITS Regulations<sup>3</sup>, other than those dealt on Recognised Market;
- 1.4 units of UCITS;
- 1.5 units of alternative investment funds as set out in the Central Bank UCITS Regulations;
- 1.6 deposits with credit institutions as prescribed in the Central Bank UCITS Regulations<sup>4</sup>; and
- 1.7 FDI as prescribed in the Central Bank UCITS Regulations<sup>5</sup>.

### 2 Investment Restrictions

- 2.1 A Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2 A Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a Recognised Market within a year. This restriction will not apply in relation to investment by a Fund in certain U.S. securities known as Rule 144A securities which satisfy the requirements of paragraph 1.1 or provided that:

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2. See Regulation 4 of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019

3. See Regulation 6 of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019

4. See Regulation 7 of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019

5. See Regulation 8 of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019

- i) the securities are issued with an undertaking to register with the U.S. Securities and Exchanges Commission within one year of issue; and
  - ii) the securities are not illiquid securities i.e. they may be realised by the Fund within seven days at the price, or approximately at the price, at which they are valued by the Fund.
- 2.3 A Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5%, is less than 40%.
- 2.4 The limit of 10% in 2.3 is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by an EU Member State or its local authorities or by a non-EU Member State or public international body of which one or more EU Member States are members. The transferable securities and money market instruments referred to in 2.4 and 2.7 will not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.5 Cash booked in accounts and held as ancillary liquidity shall not exceed 20% of the net assets of the Fund.
- 2.6 The risk exposure of a Fund to a counterparty to an over-the-counter (“**OTC**”) derivative may not exceed 5% of net assets. This limit is raised to 10% in the case of a credit institution authorised in the EEA, a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 2.7 Notwithstanding paragraphs 2.3, 2.5 and 2.6 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:
- (i) investments in transferable securities or money market instruments;
  - (ii) deposits, and/or
  - (iii) counterparty risk exposures arising from OTC derivatives transactions.
- 2.8 The limits referred to in 2.3, 2.4, 2.5, 2.6 and 2.7 above may not be combined, so that exposure to a single body will not exceed 35% of net assets.
- 2.9 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.6 and 2.7. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 2.10 A Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any EU Member State, its local authorities, non-EU Member States or public international body of which one or more EU Member States are members.

The individual issuers may be drawn from the following list:

OECD Governments (provided the relevant issues are investment grade), Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie

Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority and Straight-A Funding LLC. In the case of a Fund which has invested 100% of net assets in this manner, such Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

### **3 Investment in Collective Investment Schemes (“CIS”)**

- 3.1 A Fund may not invest more than 20% of net assets in aggregate in any one CIS.<sup>6</sup>
- 3.2 Investment in alternative investment funds may not, in aggregate, exceed 30% of net assets.
- 3.3 A CIS in which a Fund invests may not invest more than 10% of its net assets in other open-ended CIS. The assets of the CIS in which a Fund has invested do not have to be taken into account when complying with the investment restrictions set out herein.
- 3.4 When a Fund invests in the units of other CIS that are managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager or other company will not charge subscription, conversion or redemption fees on account of the Fund’s investment in the units of such other CIS.
- 3.5 Where a commission (including a rebated commission) is received by the Investment Manager by virtue of an investment in the units of another CIS, this commission will be paid into the assets of the relevant Fund.
- 3.6 A Fund may only invest in another Fund of this Company if the Fund in which it is investing does not itself hold Shares in any other Fund of this Company.

### **4 General Provisions**

- 4.1 The Company may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
  - 4.2 A Fund may acquire no more than:
    - (1) 10% of the non-voting shares of any single issuing body;
    - (2) 10% of the debt securities of any single issuing body;
    - (3) 25% of the units of any single CIS; or
    - (4) 10% of the money market instruments of any single issuing body.
- The limits laid down in 4.2 (2), (3) and (4) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.
- 4.3 4.1 and 4.2 will not be applicable to:

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

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

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

## 5 Financial Derivative Instruments

- 5.1 a Fund's global exposure (as prescribed in the Central Bank UCITS Regulations<sup>7</sup>) relating to FDI must not exceed its total net asset value.
- 5.2 position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations<sup>8</sup>. (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<sup>9</sup>).
- 5.3 a Fund may invest in FDI dealt in OTC provided that the counterparties to OTC transactions are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
- 5.4 investment in FDI is subject to the conditions and limits laid down by the Central Bank.

Notwithstanding the above, unless otherwise disclosed in the Supplement in respect of a Fund, a Fund may not invest more than 10% of its net assets in CIS in aggregate.

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

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

The investment restrictions applicable to a Fund (other than those prescribed in applicable UCITS legislation) may be temporarily dis-applied in circumstances where there are large net subscriptions or large net redemptions or when the relevant Fund is in liquidation, subject to the discretion of the Directors.

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7. See Chapter 3 of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 and Central Bank Guidance "UCITS Financial Derivative Instruments and Efficient Portfolio Management"
  8. See Chapter 3 of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 and Central Bank Guidance "UCITS Financial Derivative Instruments and Efficient Portfolio Management"
  9. See Regulation 9 of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 and Central Bank Guidance "UCITS Financial Indices"

## Taiwan Investment Restrictions

For the purposes of this section, the following terms will have the meanings indicated below:

**“Equity Fund”** means a Fund which invests principally in equity securities;

**“Fixed Income Fund”** means a Fund which invests principally in fixed income securities.

**“Emerging Market Bond Fund”** means a Fund which invests principally in emerging market bonds.

**“High Yield Bond Fund”** means a Fund which invests principally in high yield bonds.

**“Emerging Market High Yield Bond Fund”** means a Fund which invests principally in emerging market high yield bonds.

Where a Fund is registered for public sale in Taiwan, in addition to the UCITS investment restrictions set out above, the following investment restrictions (as at the date of this Prospectus) will apply to the Fund:

### *General Rules Applicable to both Equity Funds and Fixed Income Funds*

1. Investments made by the Fund in FDI must comply with the regulatory limitation: (i) the risk exposure in open positions of FDI held by the Fund for increasing investment efficiency (including for non-hedging purposes, investment purposes and speculative purposes) will not exceed 40% of the Fund's Net Asset Value; and (ii) the total value of open positions on FDI held by the Fund, for hedging purposes, will not exceed the total market value of the corresponding securities held by the Fund.
2. The Fund will not invest more than 20% of its Net Asset Value in any securities or bonds listed / traded on any stock exchange or market of China (excluding Hong Kong).
3. The Taiwan securities market will not be the major investment region of the Fund, and the percentage of assets invested in the Taiwan securities market will not exceed 50% of the Fund's Net Asset Value.

### *Rules for Equity Funds*

1. The Fund may not invest in gold, spot commodities, and real estate.

### *Rules for Fixed Income Funds*

1. The Fund's holdings in stocks and equity securities cannot exceed 10% of the Fund's Net Asset Value.
2. The Fund's holdings in convertible bonds cannot exceed 10% of the Fund's Net Asset Value. If any conversion of convertible bonds to stocks results in the Fund's holding of stocks and equity securities exceeding 10% of the Fund's Net Asset Value, adjustments will be made within one year following conversion to reduce the Fund's holdings in stocks and equity securities to 10% or less of the Fund's Net Asset Value.
3. The Fund's average weighted duration must be more than 1 year.

4. If a Fund is an Emerging Market Bond Fund (which is not a High Yield Bond Fund), the Fund will invest at least 60% of the Fund's Net Asset Value in emerging markets and not more than 40% of the Fund's Net Asset Value in high yield bonds.
5. If a Fund is registered as an Emerging Market High Yield Bond Fund, the Fund will invest at least 60% of the Fund's Net Asset Value in emerging markets and 60% of the Fund's Net Asset Value high yield bonds.

The relevant Supplement will disclose if a Fund is registered for public sale in Taiwan (as at the date of the Supplement). For up-to-date information on the list of Funds registered for public sale in Taiwan, please contact the Investment Manager.

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**APPENDIX E – THIRD PARTIES APPOINTED BY THE DEPOSITARY**

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The Depositary has appointed State Street Bank and Trust Company with registered office at Copley Place 100, Huntington Avenue, Boston, Massachusetts 02116, USA as its global sub-custodian.

State Street Bank and Trust Company as global sub-custodian has appointed local sub-custodians within the State Street Global Custody Network as listed below, as at the date of this Prospectus. The latest version of this list can be consulted at the Investment Manager Guide on the website [www.mystatestreet.com](http://www.mystatestreet.com).

<b>MARKET</b>	<b>SUB-CUSTODIAN</b>
<b>Albania</b>	Raiffeisen Bank sh.a.
<b>Argentina</b>	Citibank, N.A.
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Austria</b>	Deutsche Bank AG
	UniCredit Bank Austria AG
<b>Bahrain</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Bangladesh</b>	Standard Chartered Bank
<b>Belgium</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Brussels branch)
<b>Benin</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Bermuda</b>	HSBC Bank Bermuda Limited
<b>Federation of Bosnia and Herzegovina</b>	UniCredit Bank d.d.
<b>Botswana</b>	Standard Chartered Bank Botswana Limited
<b>Brazil</b>	Citibank, N.A.
<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch
	UniCredit Bulbank AD
<b>Burkina Faso</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Canada</b>	State Street Trust Company Canada
<b>Chile</b>	Banco Itaú Chile S.A.
<b>People's Republic of China</b>	HSBC Bank (China) Company Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
	China Construction Bank Corporation (for A-share market only)
	Citibank N.A. (for Shanghai – Hong Kong Stock Connect market only)
	The Hongkong and Shanghai Banking Corporation Limited (for Shanghai – Hong Kong Stock Connect market only)

	Standard Chartered Bank (Hong Kong) Limited (for Shanghai – Hong Kong Stock Connect market)
<b>Colombia</b>	Cititrust Colombia S.A. Sociedad Fiduciaria
<b>Costa Rica</b>	Banco BCT S.A.
<b>Croatia</b>	Privredna Banka Zagreb d.d.
	Zagrebacka Banka d.d.
<b>Cyprus</b>	BNP Paribas Securities Services, S.C.A., Greece (operating through its Athens branch)
<b>Czech Republic</b>	Československá obchodní banka, a.s.
	UniCredit Bank Czech Republic and Slovakia, a.s.
<b>Denmark</b>	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Danmark A/S)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Copenhagen branch)
<b>Egypt</b>	HSBC Bank Egypt S.A.E. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Estonia</b>	AS SEB Pank
<b>Finland</b>	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Finland Plc.)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Helsinki branch)
<b>France</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Paris branch)
<b>Republic of Georgia</b>	JSC Bank of Georgia
<b>Germany</b>	State Street Bank GmbH
	Deutsche Bank AG
<b>Ghana</b>	Standard Chartered Bank Ghana Limited
<b>Greece</b>	BNP Paribas Securities Services, S.C.A.
<b>Guinea-Bissau</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Hong Kong</b>	Standard Chartered Bank (Hong Kong) Limited
	Citibank N.A.
	The Hongkong and Shanghai Banking Corporation Limited
<b>Hungary</b>	Citibank Europe plc Magyarországi Fióktelepe
	UniCredit Bank Hungary Zrt.
<b>Iceland</b>	Landsbankinn hf.
<b>India</b>	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited

<b>Indonesia</b>	Deutsche Bank AG
<b>Ireland</b>	State Street Bank and Trust Company, United Kingdom branch
<b>Israel</b>	Bank Hapoalim B.M.
<b>Italy</b>	Deutsche Bank S.p.A.
<b>Ivory Coast</b>	Standard Chartered Bank Côte d'Ivoire S.A.
<b>Japan</b>	Mizuho Bank, Limited
	The Hongkong and Shanghai Banking Corporation Limited
<b>Jordan</b>	Standard Chartered Bank
<b>Kazakhstan</b>	JSC Citibank Kazakhstan
<b>Kenya</b>	Standard Chartered Bank Kenya Limited
<b>Republic of Korea</b>	Deutsche Bank AG
	The Hongkong and Shanghai Banking Corporation Limited
<b>Kuwait</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Latvia</b>	AS SEB banka
<b>Lithuania</b>	AB SEB bankas
<b>Malawi</b>	Standard Bank Limited
<b>Malaysia</b>	Deutsche Bank (Malaysia) Berhad
	Standard Chartered Bank Malaysia Berhad
<b>Mali</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Mexico</b>	Banco Nacional de México, S.A.
<b>Morocco</b>	Citibank Maghreb
<b>Namibia</b>	Standard Bank Namibia Limited
<b>Netherlands</b>	Deutsche Bank AG
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Niger</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Nigeria</b>	Stanbic IBTC Bank Plc.
<b>Norway</b>	Nordea Bank AB (publ), Sweden (operating through its subsidiary, Nordea Bank Norge ASA)
	Skandinaviska Enskilda Banken AB (publ), Sweden (operating through its Oslo branch)
<b>Oman</b>	HSBC Bank Oman S.A.O.G. (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Pakistan</b>	Deutsche Bank AG
	Citibank, N.A.

<b>Panama</b>	Citibank, N.A.
<b>Peru</b>	Citibank del Perú, S.A.
<b>Philippines</b>	Deutsche Bank AG
<b>Poland</b>	Bank Handlowy w Warszawie S.A.
	Bank Polska Kasa Opieki S.A
<b>Portugal</b>	Deutsche Bank AG, Netherlands (operating through its Amsterdam branch with support from its Lisbon branch)
<b>Puerto Rico</b>	Citibank N.A.
<b>Qatar</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Romania</b>	Citibank Europe plc, Dublin – Romania Branch
<b>Russia</b>	AO Citibank
<b>Saudi Arabia</b>	HSBC Saudi Arabia Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Senegal</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Serbia</b>	UniCredit Bank Serbia JSC
<b>Singapore</b>	Citibank N.A.
	United Overseas Bank Limited
<b>Slovak Republic</b>	UniCredit Bank Czech Republic and Slovakia, a.s.
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.
<b>South Africa</b>	FirstRand Bank Limited
	Standard Bank of South Africa Limited
<b>Spain</b>	Deutsche Bank S.A.E.
<b>Sri Lanka</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>Republic of Srpska</b>	UniCredit Bank d.d.
<b>Swaziland</b>	Standard Bank Swaziland Limited
<b>Sweden</b>	Nordea Bank AB (publ)
	Skandinaviska Enskilda Banken AB (publ)
<b>Switzerland</b>	Credit Suisse AG
	UBS Switzerland AG
<b>Taiwan - R.O.C.</b>	Deutsche Bank AG
	Standard Chartered Bank (Taiwan) Limited
<b>Tanzania</b>	Standard Chartered Bank (Tanzania) Limited
<b>Thailand</b>	Standard Chartered Bank (Thai) Public Company Limited

<b>Togo</b>	via Standard Chartered Bank Côte d'Ivoire S.A., Abidjan, Ivory Coast
<b>Tunisia</b>	Banque Internationale Arabe de Tunisie
<b>Turkey</b>	Citibank, A.Ş.
	Deutsche Bank A.Ş.
<b>Uganda</b>	Standard Chartered Bank Uganda Limited
<b>Ukraine</b>	PJSC Citibank
<b>United Arab Emirates Dubai Financial Market</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Arab Emirates Dubai International Financial Center</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Arab Emirates Abu Dhabi</b>	HSBC Bank Middle East Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>United Kingdom</b>	State Street Bank and Trust Company, United Kingdom branch
<b>United States</b>	State Street Bank and Trust Company
<b>Uruguay</b>	Banco Itaú Uruguay S.A.
<b>Venezuela</b>	Citibank, N.A.
<b>Vietnam</b>	HSBC Bank (Vietnam) Limited (as delegate of The Hongkong and Shanghai Banking Corporation Limited)
<b>Zambia</b>	Standard Chartered Bank Zambia Plc.
<b>Zimbabwe</b>	Stanbic Bank Zimbabwe Limited (as delegate of Standard Bank of South Africa Limited)

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## APPENDIX F – ERISA CONSIDERATIONS

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THE FOLLOWING SUMMARY OF CERTAIN ASPECTS OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”) IS BASED UPON ERISA, JUDICIAL DECISIONS, U.S. DEPARTMENT OF LABOR REGULATIONS AND RULINGS IN EXISTENCE ON THE DATE HEREOF. THIS SUMMARY IS GENERAL IN NATURE AND DOES NOT ADDRESS EVERY ERISA ISSUE THAT MAY BE APPLICABLE TO THE COMPANY AND/OR A PARTICULAR FUND OR A PARTICULAR INVESTOR. ACCORDINGLY, EACH PROSPECTIVE INVESTOR SHOULD CONSULT WITH ITS OWN COUNSEL IN ORDER TO UNDERSTAND THE ERISA ISSUES AFFECTING THE COMPANY, A PARTICULAR FUND AND THE INVESTOR.

### General

Subject to the limitations applicable to investors generally, shares in a Fund may be purchased using assets of various benefit plans, including employee benefit plans (“**ERISA Plans**”) subject to the fiduciary responsibility provisions of Title I of ERISA, or retirement plans subject to Code Section 4975, such as plans intended to qualify under Code Section 401(a) (including plans covering only self-employed individuals) and individual retirement accounts (together with ERISA Plans, “**Plans**”). However, none of the Company, the Funds, the Investment Manager, the Directors, the Sub-Investment Managers, or the Administrator, or any of their principals, agents, employees, affiliates or consultants makes any representation with respect to whether shares in a Fund are a suitable investment for any such Plan.

In considering whether to invest assets of a Plan in shares in a Fund, the persons acting on behalf of or with any assets of the Plan should consider in the Plan's particular circumstances whether the investment will be consistent with their responsibilities and any special constraints imposed by the terms of such Plan and applicable U.S. federal, state or other law, including ERISA and the Code. Some of the responsibilities and constraints imposed by ERISA and the Code are summarised below. The following is merely a summary of those particular laws, however, and should not be construed as legal advice or as complete in all relevant respects. All investors are urged to consult their legal advisors before investing assets of an employee benefit plan in shares in a Fund and to make their own independent decisions.

Employee benefit plans that are not Plans, including, for example, governmental plans as defined in Section 3(32) of ERISA, church plans as defined in Section 3(33) of ERISA with respect to which no election has been made under Code Section 410(d), and non-U.S. plans as defined in Section 4(b)(4) of ERISA, although they are not subject to Title I of ERISA or Section 4975 of the Code, may be subject to other laws regulating employee benefit plans. The laws or governing instruments applicable to such plans may have provisions that impose restrictions on the investments and management of the assets of such plans that are, in some cases, similar to those under ERISA and the Code. It is uncertain whether exemptions and interpretations under ERISA would be recognised by the applicable authorities in such cases. Provisions relating to the investment and management of such plans' assets also might contain restrictions and limitations such as a prohibition, or percentage limitation, on investments of a particular type, or a bar on investments in particular countries or kinds of businesses. Fiduciaries of such plans, in consultation with their advisers, should consider the impact of their applicable laws, regulations and governing instruments on investments in the Company, as well as the considerations discussed herein, to the extent applicable.

### Fiduciary Responsibilities under ERISA

Persons acting as fiduciaries on behalf of or with any assets of an ERISA Plan are subject to specific standards of behaviour in the discharge of their responsibilities. As a result, such persons must, for example, conclude that an investment in shares of a Fund by an ERISA Plan would be (a) prudent, (b) in the best interests of Plan participants and their beneficiaries, (c) in accordance with the documents and instruments governing the ERISA Plan, and (d) would satisfy the diversification requirements of ERISA. In making those determinations, such persons should take into account, among other factors, (a) that each Fund will invest the assets in each Class in accordance with the applicable investment objectives and strategies without regard to the particular objective of any class of investors, including Plans, (b) the fee structure of the Fund, (c) the tax effects of the investment,

(d) the relative illiquidity of the investment and its effect on the cash flow needs of the Plan, (e) the Plan's funding objectives, (f) the risks of an investment in the Fund, and (g) that, as discussed below, it is not expected that the assets of any Fund will constitute the "plan assets" of any investing Plan, so that none of the Company, the Funds, the Investment Manager, the Directors, the Sub-Investment Managers, or the Administrator, nor any of their principals, agents, employees, affiliates or consultants will be a "fiduciary" as to any investing Plan.

ERISA imposes certain duties on persons who are ERISA Plan fiduciaries. In addition, both ERISA and the Code prohibit certain transactions involving "plan assets" between the Plan and its fiduciaries or other parties in interest under ERISA or disqualified persons under the Code with respect to the Plan.

### **Identification of, and Consequences of Holding, Plan Assets under ERISA**

Under the Plan Asset Rule, the prohibited transaction provisions and other applicable provisions of ERISA and the Code, including the rules for determining who is a party in interest or a disqualified person, would generally be applied by treating the investing Plan's assets as including any shares in a Fund purchased but not, solely by reason of such purchase, including any of the underlying assets of the Fund if one of the exceptions under the Plan Asset Rule is satisfied. Those exceptions include investment in securities issued by an investment company registered under the 1940 Act, securities that are "publicly offered", securities that are treated as indebtedness under applicable local law and that have no substantial equity features, investment in operating companies, including "venture capital operating companies" and "real estate operating companies", and investment in entities in which equity participation by Benefit Plan Investors is not "significant". It is not anticipated that the shares in any Fund will satisfy any of these exceptions other than the exception for insignificant Benefit Plan Investor equity participation. Benefit Plan Investor equity participation is considered significant under the Plan Asset Rule if immediately after any acquisition or redemption of any equity interest in the relevant entity, 25 per cent. or more of the value of any class of equity interests in the entity is held by Benefit Plan Investors. For purposes of this 25 per cent. determination, the value of any equity interest held by a person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of the relevant Fund or any person who provides investment advice for a fee (direct or indirect) with respect to the Fund's assets, or any affiliate of such a person, shall be disregarded. For this purpose, an "affiliate" of a person includes any person, directly or indirectly, through one or more intermediaries, controlling, controlled by or under common control with that person, and control with respect to a person, other than an individual, means the power to exercise a controlling influence over the management or policies of such person.

The Directors intend to limit the sale and transfer of shares with respect to each Fund and may exercise their right compulsorily to redeem such shares to the extent necessary, to prevent the 25 per cent. threshold described above from being exceeded with respect to any class of shares, and consequently to prevent the underlying assets of a Fund from being treated as "plan assets" of any Plan investing in the Fund.

If the assets of a Fund nonetheless were deemed to be "plan assets" under ERISA, the Investment Manager and the relevant Sub-Investment Manager could be characterised as a fiduciary of investing ERISA Plans under ERISA and they and their affiliates and certain of their delegates could be characterised as "parties in interest" under ERISA and/or "disqualified persons" under the Code with respect to investing Plans. Further, (a) the prudence and other fiduciary responsibility standards of ERISA applicable to investments made by ERISA Plans and their fiduciaries would extend to investments made with assets of the relevant Fund; (b) an ERISA Plan's investment in the Fund's shares might expose the ERISA Plan fiduciary to co-fiduciary liability under ERISA for any breach of ERISA fiduciary duties by the Investment Manager or the relevant Sub-Investment manager; (c) assets of the relevant Fund held outside the jurisdiction of the U.S. district courts might not be held in compliance with applicable DOL regulations; (d) the Plan's reporting obligations might extend to the assets of the relevant Fund; and (e) certain transactions in which the relevant Fund might seek to engage could constitute prohibited transactions under ERISA and/or the Code. A prohibited transaction involving a Plan, unless an exemption for the prohibited transaction were available, generally could subject an interested party to an excise tax and to certain remedial measures imposed by ERISA; a prohibited transaction involving an individual retirement account in certain circumstances could result in its disqualification. DOL regulations do provide, however, that the ERISA requirement that plan assets be held in trust would be satisfied with respect to the assets of an entity that are deemed to be plan assets if the indicia of ownership of such assets (e.g. shares in the relevant Fund) are held in trust on behalf of an investing ERISA Plan by one or more of its trustees.

Each prospective investor that is a Plan or a governmental or non-electing church plan will be required to represent and warrant that the acquisition and holding of shares in a Fund does not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Code Section 4975, or a non-exempt violation of any similar applicable law.

No information that the Company, the Funds, the Investment Manager, the Sub-Investment Managers, or any entity or other person providing marketing services on their behalf, or any of their respective affiliates (collectively, the "Fund Parties") is providing shall be considered to be or is advice on which an investor may rely for any investment decisions. Each investor must make its own decision with whatever third-party advice it may wish to obtain, and the investor is not authorised to rely on any information any Fund Party is providing as advice that is a basis for the investor's decisions.

Each prospective investor that is a Benefit Plan Investor will be required to represent, warrant and agree that (i) none of the Fund Parties has provided any investment recommendation or investment advice on which it, or any fiduciary or other person investing the assets of the Benefit Plan Investor ("Fiduciary"), has relied in connection with its decision to invest in the Fund, and the Fund Parties are not otherwise acting as a fiduciary, as such term is defined in Section 3(21) of ERISA or Section 4975(d)(3) of the Code, to the Benefit Plan Investor or to the Fiduciary in connection with the Benefit Plan Investor's acquisition of shares in a Fund; and (ii) the Fiduciary is exercising its own independent judgment in evaluating the transaction.

Even though the assets of a Plan that invests in a Fund should not include assets of the Fund, a possible violation of the prohibited transaction rules under ERISA and the Code nonetheless could occur if an investment in a Fund were made with assets of a Plan with respect to which the Investment Manager, the relevant Sub-Investment Manager, or any of their affiliates, has discretionary authority or control or renders investment advice. Accordingly, the fiduciaries of a Plan should not permit investment in any Fund with plan assets if the Investment Manager, the relevant Sub-Investment Manager, or any of their affiliates, perform or have any such investment powers with respect to those plan assets, unless an exemption from the prohibited transaction rules applies with respect to such acquisition.

WHETHER OR NOT THE ASSETS OF A PARTICULAR FUND ARE TREATED AS PLAN ASSETS UNDER ERISA, AN INVESTMENT IN SUCH FUND BY AN ERISA PLAN IS SUBJECT TO ERISA. ACCORDINGLY, FIDUCIARIES OF ERISA PLANS SHOULD CONSULT WITH THEIR OWN COUNSEL AS TO THE CONSEQUENCES UNDER ERISA OF AN INVESTMENT IN A PARTICULAR FUND.

The disclosures set forth in this Prospectus constitute the Investment Manager's and each Sub-Investment Manager's good faith efforts to comply with the disclosure requirements of Form 5500, Schedule C and allow for the treatment of the Investment Manager's and any Sub-Investment Manager's compensation as eligible indirect compensation.

The provisions of ERISA are subject to extensive and continuing administrative and judicial interpretation and review. The discussion of ERISA contained herein is, of necessity, general and may be affected by future publication of regulations and rulings. Potential investors should consult with their legal advisors regarding the consequences under ERISA of the acquisition and ownership of shares of a particular Fund.