

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

The Directors of the Company, whose names appear under the heading “Management and Administration” are the persons responsible for the information contained in this Prospectus and accept responsibility accordingly. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of the information.

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# **NATIXIS INTERNATIONAL FUNDS (DUBLIN) I PUBLIC LIMITED COMPANY**

*(an umbrella investment company with variable capital  
having segregated liability between its Funds  
incorporated with limited liability in Ireland  
under registration number 267219)*

## **PROSPECTUS**

### **INVESTMENT MANAGER**

**NGAM S.A.**

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This Prospectus replaces the Prospectus dated 18 February 2014.

The date of this Prospectus is 27 October 2015

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**NATIXIS INTERNATIONAL FUNDS (DUBLIN) I  
PUBLIC LIMITED COMPANY**

**IMPORTANT INFORMATION**

This Prospectus comprises information relating to Natixis International Funds (Dublin) I public limited company (the “Company”), an open-ended umbrella investment company with variable capital and having segregated liability between its Funds organised under the laws of Ireland. It qualifies and is authorised in Ireland by the Central Bank of Ireland (the “Central Bank”) as a UCITS for the purposes of the Regulations. The Company is structured as an umbrella fund in that the share capital of the Company may be divided into different classes of shares (“Shares”) with one or more classes representing a separate Fund of the Company. The creation of any Fund will require the prior approval of the Central Bank and any new class of Shares will be notified in advance to the Central Bank.

As at the date of this Prospectus the Funds of the Company are Natixis International Funds (Dublin) I - Loomis Sayles Multisector Income Fund, Natixis International Funds (Dublin) I - Loomis Sayles High Income Fund and Natixis International Funds (Dublin) I - Loomis Sayles Global Opportunistic Bond Fund.

**This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund.** If there are different classes of Shares representing a Fund, details relating to the separate classes may be dealt with in the same Supplement or in separate Supplements for each class. This Prospectus and the relevant Supplement should be read and construed as one document. To the extent that there is any inconsistency between this Prospectus and the relevant Supplement, the relevant Supplement shall prevail.

Applications for Shares will only be considered on the basis of this Prospectus (and any relevant Supplemental Prospectus) and the latest published audited annual report and accounts and, if published after such report, a copy of the latest unaudited semi-annual report. These reports will form part of this Prospectus.

**NO FUND OF THE COMPANY IS OPEN FOR INVESTMENT BY ANY U.S. PERSON (AS DEFINED BELOW) EXCEPT IN EXCEPTIONAL CIRCUMSTANCES AND THEN ONLY WITH THE PRIOR CONSENT OF THE DIRECTORS.**

The Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended, (the “1933 Act”) and the Company has not been registered under the Investment Company Act of 1940, as amended, (the “1940 Act”) and, accordingly, the Shares may not be offered or sold, directly or indirectly, in the United States or to or for the account or benefit of any U.S. Person except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the 1933 Act and any applicable securities laws.

**The Company is both authorised and supervised by the Central Bank. The Central Bank shall not be liable, by virtue of its authorisation of the Company or by reason of its exercise of the functions conferred on it by legislation in relation to the Company, for any default of the Company. Authorisation of this Company does not constitute a warranty by the Central Bank as to the creditworthiness or financial standing of the various parties to the Company. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus.**

Statements made in this Prospectus are, except where otherwise stated, based on the law and practice currently in force in Ireland, which may be subject to change.

No person has been authorised to give any information or to make any representation in connection with the offering or placing of Shares other than those contained in this Prospectus, any Supplement

and the reports referred to above and, if given or made, such information or representation must not be relied upon as having been authorised by the Company. The delivery of this Prospectus (whether or not accompanied by the reports) or any issue of Shares shall not, under any circumstances, create any implication that the affairs of the Company have not changed since the date of this Prospectus or the relevant Supplement.

The distribution of this Prospectus and the offering and placing of Shares in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required by the Company to inform themselves about and to observe such restrictions.

This Prospectus does not constitute an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Potential investors should inform themselves as to:

- (a) the legal requirements within the countries of their nationality, residence, ordinary residence or domicile for the acquisition of Shares;
- (b) any foreign exchange restrictions or exchange control requirements which they might encounter on the acquisition or sale of Shares; and
- (c) the income tax and other taxation consequences which might be relevant to the acquisition, holding or disposal of Shares.

This Prospectus may also be translated into other languages. Any such translation shall only contain the same information and have the same meaning as the English language Prospectus/Supplement. To the extent that there is any inconsistency between the English language Prospectus/Supplement and the Prospectus/Supplement in another language, this English language Prospectus/Supplement will prevail, except, to the extent (but only to the extent) required by law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a prospectus in a language other than English, the language of the Prospectus/Supplement on which such action is based shall prevail.

Investors should read and consider the risk discussion under “More Information about the Company’s Investments and Risk Considerations” in this Prospectus and the “Risk Factors” section in the relevant Supplement before investing in the Company.

#### **ADDITIONAL CONSIDERATIONS FOR CERTAIN NON-IRISH INVESTORS**

Investors from the countries listed below should note that certain of the Funds may be authorized for distribution to the public in your country:

***Belgium / France / Germany / Italy / Netherlands / Singapore / Spain / Switzerland / Taiwan / United Kingdom***

Please contact the Promoter to verify which Funds are authorized for distribution to the public in your country.

In addition, investors in the countries listed below, should take note of the following information:

#### ***Italy***

Orders for subscription, transfer, conversion and/or redemption of Shares may be sent on an aggregate basis in the name of local intermediaries on behalf of underlying shareholders under the mandate

contained in the country specific offering documents. Such local intermediaries are those appointed by the Company for the payment services in connection with the distribution of Shares in Italy. In this particular case, Shares will be registered in the Shareholder register of the Company in the name of local intermediaries on behalf of these underlying shareholders.

#### *Italian Savings Plan*

Shares of the Company might be referenced as eligible investments for Italian retail investors through a local savings plan offered by Italian local banks in compliance with Italian laws and regulations. According to local laws and regulations, the local paying agents are required to ensure an effective segregation between Italian investors investing through a savings plan and the other Italian investors.

#### *Dubai (United Arab Emirates)*

This Prospectus relates to a fund which is not subject to any form of regulation or approval by the Dubai Financial Services Authority (“DFSA”).

This Prospectus is intended for distribution only to Professional Clients as defined by the DFSA and must not, therefore, be delivered to, or relied on by, any other type of Person.

The DFSA has no responsibility for reviewing or verifying any Prospectus or other documents in connection with this fund. Accordingly, the DFSA 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 and/or subject to restrictions on their resale. Prospective purchasers of the Shares offered should conduct their own due diligence on the Shares.

If you do not understand the contents of this document you should consult an authorised financial adviser.

#### *Hong Kong*

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

#### *Taiwan, Republic of China*

Certain of the Funds may be authorized for distribution to the public in your country. Certain other Funds have not been registered in the R.O.C. The shares of these unregistered Funds (the “Unregistered Shares”) may be made available in the R.O.C. on a private placement basis only to banks, bills houses, trust enterprises, financial holding companies and other qualified entities or institutions (collectively, “Qualified Institutions”) and other entities and individuals meeting specific criteria (“Other Qualified Investors”) pursuant to the private placement provisions of the R.O.C. Regulations Governing Offshore Funds. No other offer or sale of the Unregistered Shares in the R.O.C. is permitted.

R.O.C. purchasers of the Unregistered Shares may not sell or otherwise dispose of their holdings of Unregistered Shares except by redemption, transfer to a Qualified Institution or Other Qualified Investor, transfer by operation of law or other means approved by the R.O.C. Financial Supervisory Commission (“FSC”).

## ***United Kingdom***

The Company is a recognised scheme in the United Kingdom (“U.K.”) for the purposes of the Financial Services and Markets Act 2000 (the “Act”) by virtue of section 264 of the Act. The content of this Prospectus, the Key Investor Information Documents and the Supplements relating to the Funds has been approved for the purposes of section 21 of the Act by the Company, which as the operator of a scheme recognised under section 264 is an authorised person, and as such is authorised and regulated by the Financial Conduct Authority (“FCA”). This Prospectus, the Key Investor Information Documents and Supplements may accordingly be circulated in the U.K. without restriction. Nothing in these documents should be construed as advice on the merits of an investment in the Company or otherwise. Copies of this Prospectus, the Key Investor Information Documents and Supplements have been delivered to the FCA as required under the Act.

Although the Company is authorised and regulated by the FCA in the manner described above, potential investors in the U.K. are advised that the rules made by the FCA under the Act do not in general apply to the Company in relation to its investment business. In particular the rules made under the Act for the protection of private customers (for example, those conferring rights to cancel or withdraw from certain investment agreements) do not apply, and the Financial Services Compensation Scheme will not be available, in connection with an investment in the Company.

The Company is however required under the rules to maintain at an address in the U.K. certain facilities (see below) in the interests of Shareholders in the U.K. The Company has entered into a U.K. Facilities Agency Agreement (which is terminable on ninety (90) days prior notice by either party to the other) with Société Générale London Branch, Société Générale Securities Services Custody London (the “Facilities Agent”) under which the Facilities Agent was appointed as the U.K. representative of the Company to maintain the relevant facilities at its office at Exchange House, 12 Primrose Street, London EC2A 2EG (fax. + 44 (0) 207 072 3503). The Facilities Agent is authorised and regulated by the FCA.

At the address mentioned above during normal business hours any person may inspect and obtain copies of the memorandum and articles of association of the Company (as amended), the latest Prospectus, Key Investor Information Documents and Supplements, the latest annual and half-yearly reports relating to the Company, and the material contracts mentioned in paragraph 10 of the section headed “Statutory and General Information” (for obtaining copies of documents other than the Prospectus, Key Investor Information Documents and Supplements, a reasonable charge may be levied). Here as well information can be obtained about the latest prices of Shares (these are also published daily in The Financial Times), and Shareholders may arrange to redeem their Shares and obtain payment of the redemption proceeds. Here too any person who has a complaint to make about the operation of the Company can submit it for transmission to the Company.

Application has or will be made in certain other jurisdictions to enable the Participating Shares of the Company to be marketed freely in such jurisdictions.

**UK Reporting Fund Status:** the UK Offshore Funds Regulations came into effect on 1 December 2009 and provide that if an investor resident or ordinarily resident in the United Kingdom for taxation purposes holds an interest in an offshore fund and that offshore fund is a ‘non-reporting fund’, any gain accruing to that investor upon the sale or other disposal of that interest will be charged to United Kingdom tax as income rather than a capital gain. Alternatively, where an investor holds an interest in an offshore fund that has been a ‘reporting fund’ for all periods of account for which they hold their interest, any gain accruing upon sale or other disposal of the interest will be subject to tax as a capital gain rather than income.

Investors will be required to include on their tax return any distributions received during the year and their proportionate share of reportable income in excess of any distributions received.

UK investors may obtain the list of Funds concerned and the Reportable income for the year concerned (ended 31 December) at [http://ngam.natixis.com/UKRS\\_Site/UKRS\\_index.htm](http://ngam.natixis.com/UKRS_Site/UKRS_index.htm).

UK investors should note that the Class N Shares are meant to comply with the restrictions on the payment of commissions set-out under the FCA Handbook in relation to Retail Distribution Review.

### ***United States***

No U.S. Person, as that term is defined in this Prospectus may be an investor except in exceptional circumstances and then only in compliance with applicable U.S. regulations and with the prior consent of the Directors.

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## DEFINITIONS

***“Accumulating Share Class”***, any class of Shares in the Company, identified by the inclusion of an A in its name, for which investment income and other profits are not distributed and are reinvested on behalf of Shareholders.

***“Act”***, the Companies Act 2014 as may be amended.

***“Administration Agreement”***, the agreement effective from 31 December 2005 between the Company and the Administrator.

***“Administrator”***, Brown Brothers Harriman Fund Administration Services (Ireland) Limited and/or such other person as may be appointed from time to time with the approval of and in accordance with the Central Bank requirements.

***“AIMA”***, the Alternative Investment Management Association.

***“Articles”***, the articles of association of the Company as amended from time to time.

***“Auditors”***, PricewaterhouseCoopers, Chartered Accountants, Dublin.

***“Business Day”***, in relation to a Fund, such day or days as the Directors may from time to time determine (see relevant Supplement).

***“Company”***, Natixis International Funds (Dublin) I public limited company.

***“Custodian”***, Brown Brothers Harriman Trustee Services (Ireland) Limited or such other person as may be appointed, with the approval of the Central Bank, to act as custodian of the Company.

***“Custodian Agreement”***, the agreement effective from 31 December 2005 between the Company and the Custodian.

***“Cut-Off Time”***, 4:00p.m., Irish time on each Dealing Day.

***“Dealing Day”***, such Business Day as the Directors may from time to time determine (with the approval of the Custodian) for dealings in a Fund, provided always that there shall be at least two Dealing Days in each calendar month (see relevant Supplement).

***“Delegate Investment Manager”***, Loomis, Sayles & Company, L.P. and/or such other person who may be appointed, with the prior approval of the Central Bank, by the Investment Manager to provide investment advisory services to the Funds.

***“Directive”***, Council Directive of 13 July 2009 (2009/65/EC) on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities, as the same may be amended or replaced.

***“Directors”***, the directors of the Company or any duly authorised committee thereof.

***“Distribution Agreement”***, the agreement dated 3 August 2006 concluded between the Company and NGAM S.A.

***“Distributing Share Class”***, any class of share in the Company, identified by the inclusion of a D in its name, for which investment income and other profits are distributed to Shareholders in accordance with the Dividend Policy section of this Prospectus.

**“Distributor”** or **“Distributors”**, any borrower, dealer, financial institution or other industry professional appointed in writing by the Company to distribute Shares and/or to provide certain ongoing services to their clients in respect of Shares.

**“Duties and Charges”**, in relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign commission, exchange commissions and 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 shall be bought as a result of a subscription and sold as a result of a redemption), interest, custodian and 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 repurchase of Participating 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 but shall not include any commission payable to agents on sales and purchases of Participating Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Participating Shares in the relevant Fund.

**“Fund”**, a fund (also known as a “sub-fund”) of assets established (with the prior approval of the Central Bank) for one or more classes of Participating Shares which is invested in accordance with the investment objectives applicable to such fund.

**“IOSCO”**, the International Organisation of Securities Commissions.

**“Investment”**, any investment authorised by the Memorandum of Association of the Company and which is permitted by the Regulations and the Articles.

**“Investment Manager”**, NGAM S.A. and/or such other person as may be appointed, with the prior approval of the Central Bank, to provide investment management services to the Funds, or any of them.

**“Investment Management Agreement”**, the agreement dated 4 May 2007 concluded between the Company and the Investment Manager.

**“Investment Management Delegation Agreement”**, the agreement dated 4 May 2007 concluded between the Investment Manager and the Delegate Investment Manager.

**“Member State”**, a member state of the European Union; the member states at the date of this Prospectus being Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, The Netherlands and the United Kingdom.

**“Minimum Holding”**, a holding of Shares of any share class having an aggregate value of such minimum amount as set out in the relevant Supplement.

**“Minimum Subscription”**, a minimum subscription (whether initial or subsequent) for Shares of any class as set out in the relevant Supplement.

**“Net Asset Value”**, the net asset value of a Fund determined in accordance with the Articles.

**“Net Asset Value Per Share”**, the Net Asset Value per Share of a Share Class of a Fund, as determined in accordance with the Articles and this Prospectus.

**“Notices”**, the notices issued by the Central Bank in exercise of its powers under the Regulations as same may be amended.

**“Participating Share” or “Share”**, a share of no par value in the Company designated as a Participating Share in a Fund of the Company

**“Qualified Holder”**, any person, corporation or entity other than (i) a U.S. Person which is not a Qualified U.S. Person; (ii) any person, corporation or entity which cannot acquire or hold Shares without violating laws or regulations applicable to it; or (iii) a custodian, nominee, or trustee for any person, corporation or entity described in (i) and (ii) above.

**“Qualified U.S. Person”**, a U.S. Person who has acquired Shares with the consent of the Directors provided that the number of Qualified U.S. Persons shall not exceed such number as the Directors shall determine from time to time with a view to precluding the Company from being required to register under the 1940 Act.

**“Regulated Markets”**, the stock exchanges and/or regulated markets listed in Appendix I hereto it being noted that the Central Bank does not issue a list of authorised exchanges or markets.

**“Regulations”**, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (SI No. 352 of 2011), as the same may be amended or replaced.

**“SEC”**, the United States Securities and Exchange Commission.

**“Share Class”**, any class of Shares in the Company as the Directors may from time to time designate.

**“Shareholder”**, the registered holder of a Share.

**“Subscriber Shares”**, shares of US\$1 each in the capital of the Company designated as “Subscriber Shares” in the Articles and subscribed by or on behalf of the Delegate Investment Manager for the purposes of incorporating the Company.

**“The Irish Stock Exchange”**, The Irish Stock Exchange Limited.

**“UCITS”**, an Undertaking for Collective Investment in Transferable Securities established pursuant to the Directive, as may be amended.

**“United Kingdom”**, or **“U.K.”**, the United Kingdom.

**“United States” or “U.S.”**, the United States of America or any of its territories, possessions or other areas subject to its jurisdiction including the states and the Federal District of Columbia.

**“U.S. Person”**, is as defined in the U.S. Internal Revenue Code of 1986 and under Regulation S of the U.S. Securities Act of 1933, each as amended, which includes the following:

- (a) a natural person that is a U.S. citizen or resident in the United States and certain former citizens and residents of the United States;
- (b) an estate (i) with any U.S. Person as executor or administrator or (ii) the income of which is subject to U.S. taxation regardless of source;
- (c) a corporation or partnership organised under U.S. law;

- (d) any trust (i) of which any trustee is a U.S. Person or (ii) over whose administration a U.S. court has primary supervision and all substantial decisions of which are under control of one or more U.S. fiduciaries;
- (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 U.S. Person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised, incorporated, or (if an individual) resident of the United States;
- (h) any partnership or corporation if: (i) organised or incorporated under the laws of any foreign jurisdiction; and (ii) formed by a U.S. Person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organised or incorporated, and owned, by accredited investors (as defined in Rule 501(a) under the 1933 Act) who are not natural persons, estates or trusts

A “U.S. Person” also includes any entity formed by or on behalf of any of the foregoing for the purpose of investing in the Company as well as any other individual or entity the Directors otherwise may determine to be a U.S. Person.

The Directors may amend the definition of “U.S. Person” without notice to shareholders as necessary in order best to reflect then-current applicable U.S. law and regulations. If you have further questions, please contact your sales representative for a list of persons or entities that qualify as “U.S. Persons”.

**“United States Dollars”, “U.S. dollars” and “US\$”,** the lawful currency of the United States.

**“Valuation Point”,** such time and days as the Directors may from time to time determine (with the consent of the Administrator) in relation to the valuation of the assets of a Fund (see relevant Supplement) provided that there will be a Valuation Point on each Dealing Day.

**“1933 Act”,** the United States Securities Act of 1933, as amended.

**“1940 Act”,** the United States Investment Company Act of 1940, as amended.

## **DIRECTORS AND ADVISERS**

<b>Directors</b>	<b>Registered Office</b>	<b>Investment Manager, and Promoter</b>
John Gallagher Daniel Morrissey Lynda Wood (née Schweitzer) Jason Trepanier John Nolan	6 <sup>th</sup> Floor 2 Grand Canal Square Dublin 2 Ireland	NGAM S.A. 2 rue Jean Monnet, L-2180 Luxembourg Grand Duchy of Luxembourg
<b>Delegate Investment Manager</b>	<b>Administrator, Registrar and Transfer Agent</b>	<b>Custodian</b>
Loomis, Sayles & Company, L.P. One Financial Centre Boston Massachusetts 02111 USA	Brown Brothers Harriman Fund Administration Services (Ireland) Limited 30 Herbert Street Dublin 2 Ireland	Brown Brothers Harriman Trustee Services (Ireland) Limited 30 Herbert Street Dublin 2 Ireland
<b>Distributor</b>	<b>Auditors</b>	<b>Secretary</b>
NGAM S.A. 2 rue Jean Monnet, L-2180 Luxembourg Grand Duchy of Luxembourg	PricewaterhouseCoopers Chartered Accountants One Spencer Dock International Financial Services Centre Dublin 1 Ireland	Wilton Secretarial Limited 6 <sup>th</sup> Floor 2 Grand Canal Square Dublin 2 Ireland
<b>Legal Advisers to the Company</b>	<b>Sponsoring Brokers</b>	
William Fry Solicitors 2 Grand Canal Square Dublin 2 Ireland	J & E Davy Davy House 49 Dawson Street Dublin 2 Ireland	

## **NATIXIS INTERNATIONAL FUNDS (DUBLIN) I PUBLIC LIMITED COMPANY**

### **Introduction**

Natixis International Funds (Dublin) I public limited company is an open-ended umbrella investment company with variable capital and having segregated liability between its Funds organised under the laws of Ireland. The Company was originally authorised by the Central Bank as an investment company with variable capital pursuant to Part XIII of the Companies Act, 1990 but has since been reconstituted and is, with effect from 24 August 2000, approved as a UCITS within the meaning of the Regulations and authorised by the Central Bank.

The Company is structured as an umbrella fund in that different Funds thereof may be established with the prior approval of the Central Bank. In addition each Fund may have more than one share class allocated to it. The Shares of each class allocated to a Fund will rank *pari passu* with each other in all respects except as to all or any of the following: (a) the type of investors for which the Share Class is designed, (b) the currency of denomination of the class; (c) dividend policy; (d) the level or type of fees and expenses to be charged; (e) the Minimum Subscription and Minimum Holding applicable; and (f) the hedging policy.

The assets of each Fund will be separate from one another and will be invested in accordance with the investment objectives applicable to each such Fund.

The share capital of each Fund shall at all times equal its Net Asset Value. The base currency of each Fund will be determined by the Directors and will be set out in the relevant Supplement.

A separate Supplement is issued for each Fund. Such Supplement provides all relevant information relating to the Fund concerned and its Share Classes, including the switching rights between the Funds and Share Classes. Upon creation of a new class of Shares in an existing Fund, the relevant Fund's Supplement will be updated. In addition, details of all Funds and classes thereof will be set out in the annual and semi-annual reports of the Company.

### **Investment Objectives and Policies**

#### **General**

The specific investment objectives and policies for each new Fund will be formulated by the Directors at the time of the creation of that Fund and set out in the relevant Supplement. A Fund may invest, subject to the conditions imposed by the Central Bank, in other Funds of the Company where such intention is disclosed in the Fund's investment policy. However, when any collective investment scheme in which a Fund invests is linked to the Fund by common management or control or by way of a direct or indirect stake of more than 10% of the capital or votes, investment in the securities of such collective investment scheme shall be permitted only if neither sales charges nor redemption charges are paid by the Fund on account of such investment.

A Fund may also invest in financial derivative instruments where such intention is disclosed in the Fund's investment policy.

The stock exchanges and markets in which the Funds may invest are set out in Appendix I. These stock exchanges and markets are listed in accordance with the requirements of the Central Bank, it being noted that the Central Bank does not issue a list of approved exchanges or markets.

The investment objectives and policies for any Fund will, in the absence of unforeseen circumstances, be adhered to for at least three years following the date of admission of the initial class of Shares in a Fund to listing on the Official List of The Irish Stock Exchange. Any change to the investment objective of the Company or material alteration to the investment policy of the Company during this

period will be subject to the prior approval in writing of a majority of the Shareholders of the relevant Fund, or, if a general meeting of the Shareholders of such Fund is convened, by a majority of the votes cast at such meeting. Any non-material alteration to the investment policies of any Fund at any time will be subject to prior notification to the Shareholders of such Fund.

### **Use of Financial Derivative Instruments**

The Company may, on behalf of each Fund and subject to the Regulations and conditions imposed by the Central Bank, employ techniques and instruments relating to transferable securities and money market instruments for direct investment or efficient portfolio management purposes. Transactions for the purposes of efficient portfolio management may be undertaken with a view to achieving a reduction in risk, a reduction in costs or an increase in capital or income returns to a Fund, with an appropriate level of risk and may not be speculative in nature. Where the Company intends to use these instruments for direct investment purposes, it will be disclosed in the relevant Fund's investment policy. These techniques and instruments may include investments in financial derivative instruments such as futures (which may be used to manage interest rate risk), options (which may be used to achieve cost efficiencies, for example where the acquisition of the option is more cost effective than purchasing of the underlying asset), swaps, including credit default swaps, foreign exchange contracts (which may be used to manage currency risk) or warrants. A credit default swap "CDS" is a bilateral financial contract in which one counterparty (the protection buyer) pays a periodic fee in return for a contingent payment by the protection seller following a credit event of a reference issuer. The protection buyer acquires the right to sell a particular bond or other designated reference obligations issued by the reference issuer for its par value or the right to receive the difference between par value and market price of the said bond or other designated reference obligations (or some other designated reference or strike price) when a credit event occurs. A credit event is commonly defined as bankruptcy, insolvency, receivership, material adverse restructuring of debt, or failure to meet payment obligations when due. The International Swap and Derivatives Association (ISDA) has produced standardised documentation for these derivatives transactions under the umbrella of its ISDA Master Agreement. A Fund may use credit derivatives in order to hedge the specific credit risk of certain issuers in its portfolio by buying protection. In addition, a Fund may, provided it is in its exclusive interest, buy protection using credit derivatives without holding the underlying assets. Provided it is in its exclusive interest, a Fund may also sell protection using credit derivatives in order to acquire a specific credit exposure. A Fund will only enter into over-the-counter (OTC) credit derivatives transactions with highly-rated financial institutions specialised in this type of transaction and only in accordance with the standard terms laid down by the ISDA Master Agreement. The maximum exposure of a Fund may not exceed 100% of its net assets. Such techniques and instruments are set out in Appendix II. New techniques and instruments may be developed which may be suitable for use by the Company and the Company (subject as aforesaid) may employ such techniques and instruments. A Fund may enter into stock lending, repurchase and/or reverse repurchase agreements for the purposes of efficient portfolio management in accordance with the provisions of Appendix II.

### **Investment and Borrowing Restrictions**

Investment of the assets of each Fund must comply with the Regulations. A detailed statement of the general investment and borrowing restrictions applicable to all Funds is set out in Appendix III. The Directors may impose further restrictions in respect of any Fund. Details will be set out in the relevant Supplement.

Investors should note that the Investment Manager of the Fund may decide to comply with more restrictive investment rules set forth by the laws and regulations of jurisdictions where such Fund may be marketed or by laws and regulations applicable to certain investors in this Fund.

The Company will not take or seek to take legal or management control of any of the entities in which its underlying investments are made.

It is intended that the Company should, subject to compliance with any applicable restrictions which are imposed by The Irish Stock Exchange, and subject to the prior approval of the Central Bank, have power to avail itself of any change in the investment restrictions laid down in the Regulations which would permit investment by the Company in securities, derivative instruments or in any other forms of investment which, as at the date of this Prospectus, is restricted or prohibited under the Regulations. The Company will give Shareholders at least four weeks' prior written notice of its intention to avail itself of any such change which is material in nature.

All Funds may invest up to 10% of their net assets in other open ended collective investment schemes, in accordance with the Regulations. Certain Funds may invest in excess of 10% in open ended collective investment schemes if stated in their investment objectives and policies. All Funds may invest in financial derivative instruments for efficient portfolio purposes or for direct investment purposes where disclosed in the investment policy of any Fund.

### **Currency Hedging Policy**

Each Fund may employ strategies aimed at hedging against currency risk at Share Class level where disclosed in the relevant Supplement. Where there are different Share Classes in a Fund, the Supplement for that Fund shall state whether or not a hedging policy is being adopted in respect of any Share Class.

A Fund may employ certain currency-related transactions in order to hedge against certain currency risks, for example, where the currency of denomination of a Share Class differs from the Base Currency of the Fund. However, there can be no assurance that such hedging transactions will be effective. To the extent that hedging is successful, the performance of the Share Class is likely to move in line with the performance of the Investments and Shareholders in a hedged Share Class will not benefit if the Share Class currency falls against the base currency and/or currency in which the assets of the Fund are denominated. Although any Fund may utilise currency hedging transactions in respect of Share Classes, it shall not be obliged to do so and to the extent that it does employ strategies aimed at hedging certain Share Classes, there can be no assurance that such strategies will be effective. The costs and related liabilities/benefits arising from instruments entered into for the purposes of hedging the currency exposure for the benefit of any particular Share Class of a Fund shall be attributable exclusively to the Share Class.

Currency exposure will not exceed 105% of the Net Asset Value of the relevant Share Class. All transactions will be clearly attributable to the relevant Share Class and currency exposures of different Share Classes will not be combined or offset. The Company will have procedures in place to monitor hedged positions and to ensure that over-hedged positions do not exceed 105% of the Net Asset Value of the relevant Share Class. As part of this procedure, the Company will review hedged positions in excess of 100% of the Net Asset Value of the Share Class on at least a monthly basis to ensure they are not carried forward from month to month. While not the intention of the Company, overhedged or underhedged positions relative to the hedging policy of each Fund may arise due to factors outside the control of the Company.

### **Dividend Policy**

Accumulating Share Classes in the Company do not intend to distribute dividends to the Shareholders in these Share Classes. The investment income and other profits attributable to these Share Classes will be accumulated and reinvested on behalf of Shareholders, as further defined in the relevant Supplement.

With regards to Distributing Class of Shares in the Company, the Directors are empowered to declare and pay dividends and also distribute the excess of realised capital gains over realised losses in respect of investments of the Company.



### **Soft Commissions**

The Investment Manager or any Delegate Investment Manager may make use of soft commission arrangements to enable it to obtain specialist services the benefits of which must be those which assist in the provision of investment services to the Company, and are beneficial to the management of the Funds and that may include the provision of services which are not available from traditional brokering services. All transactions undertaken on a soft commission basis in respect of the Funds will be subject to the fundamental rule of best execution (except to the extent that under applicable law, the Investment Manager or any Delegate Investment Manager may cause the Funds to pay higher commissions to brokers in recognition of their soft commission services), will also be disclosed in the subsequent relevant semi-annual and annual reports of the Company and will comply with the requirements and notices or other publications of the Central Bank, then in effect.

### **Exchange Control**

Under current legislation in Ireland, there are no exchange control laws or regulations in effect which would affect either the Company or Shareholders.

## **MORE INFORMATION ABOUT RISK CONSIDERATIONS**

### **General**

Potential investors should consider the following risk factors before investing in the Company:-

- Prospective investors should be aware that the Investments of the Company are subject to normal market fluctuations and other risks inherent in investing in securities. There can be no assurance that any appreciation in value of Investments will occur. The value of Investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company. There is no assurance that the investment objectives of any Fund will actually be achieved. The differences at any one time between the price at the time of subscription and the price at the time of redemption for Shares means that an investor who realises his Shares in a Fund after a short period may, in addition to the above, not realise the amount originally invested. Therefore, investment in any Fund should be viewed as a long term investment.
- The Net Asset Value of a Fund may vary in value within a short period of time because of variations in value of the underlying assets of such Fund and the income derived therefrom.
- Investors are reminded that in certain circumstances their right to redeem Shares may be suspended (see “Temporary Suspensions” below).
- A listing on The Irish Stock Exchange will not necessarily provide liquidity to investors.
- A Fund will be exposed to a credit risk on parties with whom it trades and may also bear the risk of settlement default. In the event of a bankruptcy or other default, the relevant Fund could experience both delays in liquidating the underlying securities and losses including a possible decline in value of the underlying securities during the period when the relevant Fund seeks to enforce its right thereto. This will have the effect of reducing levels of income and lack of access to income during this period together with the expense of enforcing the Fund’s rights.
- Although each Fund will be treated as bearing its own liabilities, the Company as a whole will remain liable to third parties. All liabilities, irrespective of whatever Fund they are attributable to, shall (in the event of a winding up of the Company or a redemption of all the Shares of a Fund), unless otherwise agreed upon with the creditors, be binding on the Company as a whole and, accordingly, liabilities of one Fund may impact on and be paid out of one of more other Funds. As at the date of this Prospectus, the Directors are not aware of any such liability to which this position would apply. For further details see the heading “Allocation of Assets and Liabilities”.
- The Company is structured as an umbrella fund with segregated liability between its Funds. As a matter of Irish law, the assets of one Fund will not be available to meet the liability of another. However, the Company is a single legal entity that may operate or have assets held on its behalf or be subject to claims in other jurisdictions that may not necessarily recognise such segregation.
- Potential investors’ attention is drawn to the taxation risks associated with investing in any Fund of the Company and should consult their own tax advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax. Please see the section headed “Taxation” for more details.

- Assets of a Fund of the Company may be denominated in a currency other than the base currency of the relevant Fund and changes in the exchange rate between the base currency of the Fund and the currency of the asset may lead to a depreciation of the value of the relevant Fund's assets as expressed in the base currency.
- Changes or measures effected in government fiscal, monetary and regulatory policies of a government, including government policies to manage the decline in market conditions are not always fully successful in preventing further disruption in the financial markets or the further failure of financial sector companies. If there are further disruptions or failure, a Fund's portfolio could decline sharply and severely in value or become valueless and the Investment Manager or Delegate Investment Manager may not be able to avoid significant losses to the relevant Fund. Investors may lose a substantial proportion or all of their Investments.
- There is a risk of terrorist attacks throughout the world. If a terrorist attack was to occur it may cause significant loss of life, property damage and disruptions in global markets. As a result of a terrorist attack, economic and diplomatic sanctions may be put in place or imposed in certain states and military action may commence. The impact of such events is unclear but could have material adverse effects on general economic conditions and market liquidity.

Depending on an investor's currency of reference, currency fluctuations between that currency and the base currency of a Fund may adversely affect the value of an investment in that Fund.

A Fund may from time to time enter into currency exchange transactions such as currency exchange forward contracts. Currency exchange forward contracts do not eliminate fluctuations in the prices of a Fund's assets or in foreign exchange rates, or prevent loss if the prices of these assets should decline. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the assets held.

To the extent that hedging at Share Class level is successful, the performance of the class is likely to move in line with the performance of the underlying Investments and investors in a hedged Share Class will not benefit if the class currency falls against the base currency and/or the currency in which the assets of the relevant Fund are denominated.

### **Debt and Other Fixed Income Securities**

Fixed income securities pay a specified rate of interest or dividends, or a rate that is adjusted periodically by reference to some specified index or market rate. Fixed income securities include securities issued by U.S. federal, state and local and non U.S. governments and related agencies, and by a wide range of private issuers. Because interest rates vary, it is impossible to predict the income of a Fund that invests in fixed income securities for any particular period. The net asset value of such a Fund's shares will vary as a result of changes in the value of the securities in the Fund's portfolio.

Fixed income securities are subject to market and credit risk. Market risk relates to changes in a security's value as a result of changes in interest rates generally. In general, the values of fixed income securities increase when prevailing interest rates fall and decrease when interest rates rise. Credit risk relates to the ability of the issuer to make payments of principal and interest.

### **U.S. Government Securities**

U.S. Government Securities have different kinds of government support. For example, some U.S. Government Securities, such as U.S. Treasury bonds, are supported by the full faith and credit of the United States, whereas certain other U.S. Government Securities issued or guaranteed by federal agencies or government-sponsored enterprises are not supported by the full faith and credit of the United States.

Although U.S. Government Securities generally do not involve the credit risks associated with other types of fixed income securities, the market values of U.S. Government Securities do go up and down as interest rates change. Thus, for example, the value of an investment in a Fund that holds U.S. Government Securities may fall during times of rising interest rates. Yields on U.S. Government Securities tend to be lower than those on corporate securities of comparable maturities.

In addition to investing directly in U.S. Government Securities, a Fund may purchase certificates of accrual or similar instruments (“strips”) evidencing undivided ownership interests in interest payments or principal payments, or both, in U.S. Government Securities. These investment instruments may be highly volatile.

### **Lower Rated Fixed Income Securities**

A Fund may invest a portion of its assets in securities rated below investment grade. For this purpose a security will be treated as being of investment grade quality if at the time the Fund acquires it at least one major rating agency has rated the security in its top four rating categories (even if another such agency has issued a lower rating), or if the security is unrated but the Investment Manager or any Delegate Investment Manager determines it to be of investment grade quality. Lower rated fixed income securities generally provide higher yields, but are subject to greater credit and market risk, than higher quality fixed income securities. Lower rated fixed income securities are considered predominantly speculative with respect to the ability of the issuer to meet principal and interest payments. Achievement of the investment objective of a Fund investing in lower rated fixed income securities may be more dependent on the Investment Manager’s or any Delegate Investment Manager’s own credit analysis than is the case with higher quality bonds. The market for lower rated fixed income securities may be more severely affected than some other financial markets by economic recession or substantial interest rate increases, by changing public perceptions of this market or by legislation that limits the ability of certain categories of financial institutions to invest in these securities. In addition, the secondary market may be less liquid for lower rated fixed income securities. This lack of liquidity at certain times may affect the values of these securities and may make the evaluation and sale of these securities more difficult. Securities in the lowest rating categories may be in poor standing or in default. Securities in the lowest investment grade category (BBB or Baa) have some speculative characteristics.

### **Convertible Securities**

Convertible securities include corporate bonds, notes, or preferred stocks of U.S. or foreign issuers that can be converted into (that is, exchanged for) common stocks or other equity securities at a stated price or rate. Convertible securities also include other securities, such as warrants, that provide an opportunity for equity participation. Because convertible securities can be converted into equity securities, their value will normally vary in some proportion with those of the underlying equity securities. Due to the conversion feature, convertible securities generally yield less than non-convertible fixed income securities of similar credit quality and maturity. A Fund’s investment in convertible securities may at times include securities that have a mandatory conversion feature, pursuant to which the securities convert automatically into common stock at a specified date and conversion ratio, or that are convertible at the option of the issuer. When conversion is not at the option of the holder, the Fund may be required to convert the security into the underlying common stock even at times when the value of the underlying common stock has declined substantially.

### **Zero Coupon Securities**

A Fund may invest in “zero coupon” fixed income securities. These securities accrue interest at a specified rate, but do not pay interest in cash on a current basis. The market value of zero coupon securities is often more volatile than that of non-zero coupon fixed income securities of comparable quality and maturity.

## **Asset-Backed Securities**

A Fund may invest in asset-backed securities. Through the use of trusts and special purpose corporations, automobile and credit card receivables are securitised in pass-through structures similar to mortgage pass-through structures or in a pass-through structure similar to the structure of collateralised mortgage obligations (“CMOs”) as defined below. Generally, the issuers of asset-backed bonds, notes or pass-through certificates are special purpose entities and do not have any significant assets other than the receivables securing such obligations. In general, the collateral supporting asset-backed securities is of shorter maturity than mortgage loans. Instruments backed by pools of receivables are similar to mortgage-backed securities in that they are subject to unscheduled prepayments of principal prior to maturity. When the obligations are prepaid, the Fund will ordinarily reinvest the prepaid amounts in securities the yields of which reflect interest rates prevailing at the time. Therefore, a Fund’s ability to maintain a portfolio that includes high-yielding asset-backed securities will be adversely affected to the extent that prepayments of principal must be reinvested in securities that have lower yields than the prepaid obligations. Moreover, prepayments of securities purchased at a premium could result in a realised loss.

## **Mortgage-Backed Securities**

Mortgage-backed securities, such as GNMA certificates or securities issued by the Federal National Mortgage Association (“Fannie Mae”), differ from traditional fixed income securities. Among the major differences are that interest and principal payments are more frequent, usually monthly, and that principal may be prepaid at any time because the underlying mortgage loans generally may be prepaid at any time. As a result, if a Fund purchases these assets at a premium, faster than expected prepayment rate will reduce yield to maturity. If a Fund purchases mortgage-backed securities at a discount, faster than expected prepayments will increase, and slower than expected prepayments will reduce, yield to maturity. Prepayments and resulting amounts available for reinvestment by the Fund, are likely to be greater during a period of declining interest rates and, as a result, are likely to be reinvested at lower interest rates. Accelerated prepayments on securities purchased at a premium may result in a loss of principal if the premium has not been fully amortised at the time of prepayment. These securities will decrease in value as a result of increases in interest rates generally, and they are likely to appreciate less than other fixed-income securities when interest rates decline because of the risk of prepayment.

## **Collateralised Mortgage Obligations**

A collateralised mortgage obligation (“CMO”) is a security backed by a portfolio of mortgages or mortgage-backed securities held under an indenture. CMOs may be issued either by U.S. Government instrumentalities or by non-governmental entities. The issuer’s obligation to make interest and principal payments is secured by the underlying portfolio of mortgages or mortgage-backed securities. CMOs are issued with a number of classes or series which have different maturities and which may represent interest in some or all of the interest or principal on the underlying collateral or a combination thereof. CMOs of different classes are generally retired in sequence as the underlying mortgage loans in the mortgage pool are repaid. In the event of sufficient early prepayments on such mortgages, the class or series of CMOs first to mature generally will be retired prior to its maturity. As with other mortgage-backed securities, if a particular class or series of CMOs held by a Fund is retired early, the Fund could lose any premium it paid when it acquired the investment, and the Fund may have to reinvest the proceeds at a lower interest rate than the retired CMO paid. Because of the early retirement feature, CMOs may be more volatile than many other fixed-income investments.

## **Rule 144A Securities**

A Fund may invest in Rule 144A securities, which are privately offered securities that can be resold only to certain qualified institutional buyers. Certain Rule 144A securities may be illiquid and involve the risk that a Fund may not be able to dispose of such securities within desired time limits.

## **Regulation S Securities**

A Fund may invest in Regulation S Securities (“Reg S Securities”), which are securities of U.S. and non-U.S. issuers that are sold to persons or entities located outside the U.S. without registering those securities with the U.S. Securities and Exchange Commission. The issuers of Reg S Securities are usually companies that have a larger customer base and visibility internationally for whom an offering in international markets is more advantageous than an offering in the U.S. or another local market. Reg S Securities may be resold into the U.S. (principally those that are not listed on an official exchange or do not otherwise trade on an established secondary market outside of the U.S.) only in limited circumstances and involve the risk that a Fund may not be able to dispose of such securities within desired time limits.

## **When-Issued Securities**

For the purposes of efficient portfolio management or direct investment purposes where disclosed in the investment policy of any Fund, a Fund may purchase securities on a “when-issued” basis. This means that the relevant Fund will enter into a commitment to buy the security before the security has been issued. The Fund’s payment obligation and the interest rate on the security are determined when the Fund enters into the commitment. The security is typically delivered to the Fund 15 to 120 days later. No interest accrues on the security between the time the Fund enters into the commitment and the time the security is delivered. If the value of the security being purchased falls between the time a Fund commits to buy it and the payment date, the Fund may sustain a loss. The risk of this loss is in addition to the Fund’s risk of loss on the securities actually in its portfolio at the time. In addition, when the Fund buys a security on a when-issued basis, it is subject to the risk that market rates of interest will increase before the time the security is delivered, with the result that the yield on the security delivered to the Fund may be lower than the yield available on other, comparable securities at the time of delivery. If a Fund has outstanding obligations to buy when-issued securities, it will maintain liquid assets in a segregated account at its custodian bank in an amount sufficient to satisfy these obligations.

## **U.S. Real Estate Investment Trusts**

Real estate investment trusts (“REITS”) involve certain unique risks in addition to those risks associated with investing in the real estate industry in general (such as possible declines in the value of real estate, lack of availability of mortgage funds or extended vacancies of property). 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, are not diversified, and are subject to heavy cash flow dependency, risks of default by borrowers and self-liquidation. REITS are also subject to the possibilities of failing to qualify for tax-free pass-through of income under the Internal Revenue Code of 1986 of the United States, as amended, and failing to maintain their exemptions from registration under the Investment Company Act of 1940 of the United States. The ability to trade REITS in the secondary market can be more limited than other stocks. The liquidity of REITS on the major US Stock Exchanges is on average less than the typical stock quoted on the S&P 500 Index.

REITS may have limited financial resources, may trade less frequently and in a limited volume, and may be subject to more abrupt or erratic price movements than larger securities. A Fund’s investment in a REITS may require the Fund to accrue and distribute income not yet received or may result in the Fund making distributions that constitute a return of capital to Fund shareholders for U.S. federal income tax purposes. In addition, distributions by a Fund from REITS will not qualify for the corporate dividends-received reduction.

## **Non-U.S. Securities**

A Fund may invest in securities of issuers organised or headquartered outside the United States (“non-U.S. securities”). A Fund may invest any amount of its assets in securities of Canadian issuers and a portion of its assets in the securities of other non-U.S. issuers.

Although investing in non-U.S. securities may increase a Fund’s diversification and reduce portfolio volatility, non-U.S. securities may present risks not associated with investments in comparable securities of U.S. issuers. There may be less information publicly available about a non-U.S. corporate or government issuer than about a U.S. issuer, and non-U.S. corporate issuers are not generally subject to accounting, auditing and financial reporting standards and practices comparable to those in the United States. The securities of some non-U.S. issuers are less liquid and at times more volatile than securities of comparable U.S. issuers. Non-U.S. brokerage commissions and securities custody costs are often higher than in the United States. With respect to certain countries, there is a possibility of governmental expropriation of assets, confiscatory taxation, political or financial instability and diplomatic developments that could affect the value of investments in those countries. A Fund’s receipt of interest on non-U.S. government securities may depend on the availability of tax or other revenues to satisfy the issuer’s obligations.

A Fund’s investments in non-U.S. securities may include investments in countries whose economies or securities markets are not yet highly developed.

Special considerations associated with these investments (in addition to the considerations regarding non-U.S. investments generally) may include, among others, greater political uncertainties, an economy’s dependence on revenues from particular commodities or on international aid or development assistance, currency transfer restrictions, highly limited numbers of potential buyers for such securities and delays and disruptions in securities settlement procedures.

Since most non-U.S. securities are denominated in currencies or traded primarily in securities markets in which settlements are made in currencies other than the U.S. dollars, the value of these investments and the net investment income available for distribution to shareholders of a Fund investing in these securities may be affected favourably or unfavourably by changes in currency exchange rates or exchange control regulations. Changes in the value relative to the U.S. dollars of a currency in which a Fund’s holdings are denominated will result in a change in the U.S. dollars value of the Fund’s assets and the Fund’s income available for distribution.

In addition, although part of a Fund’s income may be received or realised in non-U.S. dollars currencies, the Fund will be required to compute and distribute its income in U.S. dollars. Therefore, if the value of a currency relative to the U.S. dollars declines after the Fund’s income has been earned in that currency, translated into U.S. dollars and declared as a dividend, but before payment of the dividend, the Fund could be required to liquidate portfolio securities to pay the dividend. Similarly, if the value of a currency relative to the U.S. dollars declines between the time the Fund accrues expenses in U.S. dollars and the time such expenses are paid, the amount of such currency required to be converted into U.S. dollars will be greater than the equivalent amount in such currency of such expenses at the time they were incurred.

In determining whether to invest assets of the Funds in securities of a particular foreign issuer, the Investment Manager or any Delegate Investment Manager will consider the likely effects of applicable tax regulations on the net yield available to the Fund and its Shareholders. Compliance with applicable tax regulations may adversely affect a Fund’s performance.

## **Financial Derivative Instruments**

A derivative is a contract whose price is dependent upon or derived from one or more underlying assets. The most common derivative instruments include, without limitation, futures contracts, forward

contracts, options, warrants, swaps and convertible securities. The value of a derivative instrument is determined by fluctuations in its underlying assets. The most common underlying assets include stocks, bonds, currencies, interest rates and market indices.

The use of derivatives for investment purposes may create greater risk for the Funds than using derivatives solely for efficient portfolio management purposes.

Most derivatives are characterized by high leverage.

OTC derivative transactions are subject to further regulation. On 16 August 2012 a Regulation of the European Parliament and the European Council on OTC derivatives, central counterparties and trade repositories (“EMIR”) entered into force. Some of the main obligations under EMIR are the requirement for certain classes of OTC derivatives to be cleared through an authorised central counterparty (“CCP”); reporting to trade repositories; and application of risk mitigation techniques for non-centrally cleared OTC derivatives (i.e. OTC derivative contracts not cleared by a CCP). For non-centrally cleared OTC derivatives, EMIR requires the “timely confirmation, where available, by electronic means, of the terms of the relevant OTC derivative contract”. The obligation is one that falls on the financial counterparty (i.e. the Company) to the relevant contract. Most of the specifics of this obligation are subject to separate regulatory technical standards which provide, inter alia, that financial counterparties must have procedures in place to report on a monthly basis the number of unconfirmed, relevant OTC derivative transactions that have been outstanding for more than 5 Business Days.

The principal risks associated with using derivatives in managing a portfolio are:

- higher absolute market exposures for Funds that make extensive use of derivatives;
- difficulty of determining whether and how the value of a derivative will correlate to market movements and other factors external to the derivative;
- difficulty of pricing a derivative, especially a derivative that is traded over-the-counter or for which there is a limited market;
- difficulty for a Fund, under certain market conditions, to acquire a derivative needed to achieve its objectives; and
- difficulty for a Fund, under certain market conditions, to dispose of certain derivatives when those derivatives no longer serve their purposes.

### **More Information about Non-U.S. Hedging Transactions**

The Funds may engage in non-U.S. dollars currency exchange transactions for efficient portfolio management purposes or for direct investment purposes where disclosed in the investment policy of any Fund, to protect the value of specific portfolio positions or in anticipation of changes in relative values of currencies in which current or future Fund portfolio holdings are denominated or quoted. For example, to protect against a change in the non- U.S. dollars currency exchange rate between the date on which a Fund contracts to purchase or sell a security and the settlement date for the purchase or sale, or to “lock in” the equivalent of a dividend or interest payment in another currency, a Fund might purchase or sell a non-U.S. dollars currency on a spot (that is, cash) basis at the prevailing spot rate. If conditions warrant, the Funds may also enter into private contracts to purchase or sell non-U.S. dollars currencies at a future date (“forward contracts”). The Funds might also purchase exchange-listed and over-the-counter call and put options on foreign currencies. Over-the-counter currency options are generally less liquid than exchange-listed options, and will be treated as illiquid assets. The Funds may not be able to dispose of over-the-counter options readily.



Non-U.S. dollars currency transactions involve costs and may result in losses.

### **More information about Swap Transactions**

The Funds may enter into swaps transactions for the purposes of efficient portfolio management or direct investment where disclosed in the investment policy of any Fund. The Funds will typically enter into these transactions as part of their principal investment strategy to help pursue their investment objectives, subject to the conditions and within the limits laid down by the Central Bank. For example, these transactions may be used to preserve a return or spread on a particular investment or portion of a Fund's portfolio, to protect against currency fluctuations, as a duration management technique or to protect against any increase in the price of securities a Fund anticipates purchasing at a later date or to provide access to issuers when securities are not available due to supply constraints. Because swap agreements are not exchange-traded, but are private contracts into which a Fund and a swap counterparty enter as principals, a Fund may experience a loss or delay in recovering assets if the counterparty were to default on its obligations.

### **More Information about Options and Futures Transactions**

The Funds may, for efficient portfolio management purposes or for direct investment purposes where disclosed in the investment policy of any Fund, buy, sell or write options on securities, securities indices, currencies or futures contracts and may buy and sell futures contracts on securities, securities indices or currencies. The Funds may engage in these transactions to hedge against changes in the value of other assets that the Funds own or intend to acquire. Options and futures fall into the broad category of financial instruments known as "derivatives" and involve special risks. Use of options or futures for other than hedging purposes may be considered a speculative activity, involving greater risks than are involved in hedging.

Options can generally be classified as either "call" or "put" options. There are two parties to a typical options transaction: the "writer" and the "buyer". A call option gives the buyer the right to buy a security or other asset (such as an amount of currency or a futures contract) from, and a put option gives the buyer the right to sell a security or other asset to, the option writer at a specified price, on or before a specified date. The buyer of an option pays a premium when purchasing the option, which reduces the return on the underlying security or other asset if the option is exercised, and results in a loss if the option expires unexercised. The writer of an option receives a premium from writing an option, which may increase its return if the option expires or is closed out at a profit. If a Fund as the writer of an option is unable to close out an unexpired option, it must continue to hold the underlying security or other asset until the option expires, to "cover" its obligation under the option.

A futures contract creates an obligation by the seller to deliver and the buyer to take delivery of the type of instrument or cash at the time and in the amount specified in the contract. Although many futures contracts call for the delivery (or acceptance) of the specified instrument, futures are usually closed out before the settlement date through the purchase (or sale) of a comparable contract. If the price of the sale of the futures contract by a Fund exceeds (or is less than) the price of the offsetting purchase, the Fund will realise a gain (or loss).

The value of options purchased by a Fund and futures contracts held by a Fund may fluctuate based on a variety of market and economic factors. In some cases, the fluctuations may offset (or be offset by) changes in the value of securities held in a Fund's portfolio. All transactions in options and futures involve the possible risk of loss to the Fund of all or a significant part of the value of its investment. In some cases, the risk of loss may exceed the amount of the Fund's investment. When a Fund writes a call option or sells a futures contract without holding the underlying securities, currencies or futures contracts, its potential loss is unlimited.

The successful use of options and futures will usually depend on the Investment Manager's or any Delegate Investment Manager's ability to forecast stock market, currency or other financial market

movements correctly. A Fund's ability to hedge against adverse changes in the value of securities held in its portfolio through options and futures also depends on the degree of correlation between changes in the value of futures or options positions and changes in the values of the portfolio securities. The successful use of futures and exchange traded options also depends on the availability of a liquid secondary market to enable a Fund to close its positions on a timely basis. There can be no assurance that such a market will exist at any particular time.

### **Counterparty default risk**

Derivative positions (such as swaps or other derivatives with similar characteristics) may be entered into on an over the counter basis. Trading in such derivatives results in credit risk exposure to counterparties with which a Fund trades (i.e. the risk that the counterparty will fail to discharge its obligations under the terms of the trade in respect of the relevant Fund). Where the Investment Manager enters into over the counter derivative trades it may seek to mitigate much of its credit risk to the counterparty by receiving collateral from that counterparty. To the extent that any such derivatives are not fully collateralised, a default by the counterparty may result in a reduction in the value of the relevant Fund and thereby a reduction in the value of an investment in the Fund.

Where the Investment Manager uses techniques and instruments for the purposes of efficient portfolio management, companies related to the Investment Manager may act as principal or may provide banking, brokerage or other services to a Fund, thereby deriving benefit. Related companies may be used where the Investment Manager considers that the best net results will be obtained for the Fund from these related companies.

In the case of options that are not traded on an exchange ("over-the-counter" options), a Fund is at risk that the other party to the transaction will default on its obligations, or will not permit a Fund to terminate the transaction before its scheduled maturity.

### **More Information about Repurchase Agreements**

Each Fund may, for efficient portfolio management purposes or for direct investment purposes where disclosed in the investment policy of any Fund, invest in repurchase agreements. In repurchase agreements, a Fund buys securities from a seller, usually a bank or brokerage firm, with the understanding that the seller will repurchase the securities at a higher price at a later date. Such transactions afford an opportunity for a Fund to earn a return on available cash at minimal market risk, although the Fund may be subject to various delays and risks of loss if the seller is unable to meet its obligations to repurchase.

## MANAGEMENT AND ADMINISTRATION

### Directors

The Company shall be managed and its affairs supervised by the Directors whose details are set out below and whose address is at the registered office of the Company. The Directors are all non-executive directors of the Company.

*John F. Gallagher III (U.S.).* Mr Gallagher is an Executive Vice President of Institutional Sales and a Director of the Delegate Investment Manager. He co-ordinates the sales effort of all of the Delegate Investment Manager's equity and fixed income offerings. Mr Gallagher joined the Delegate Investment Manager in 1990. Prior to that, he spent two years working for the New England Investment Associates as Vice President in the institutional marketing group. Additionally, he was employed for five years at First Winthrop Corporation, where he served as a vice president in their sales group. Mr Gallagher earned a BS from Boston University and received his MBA and JD from Suffolk University in Boston.

*Daniel Morrissey (Irish).* Mr Morrissey is a partner in the law firm, William Fry, Dublin. He was educated at University College Dublin graduating with a Bachelor of Civil Law (Hons) Degree in 1976. He was subsequently awarded a Diploma in European Law by University College Dublin and qualified as a Solicitor in 1977. He has been a partner in William Fry since 1981 specialising in corporate law initially with an emphasis on cross-border mergers, acquisitions and joint ventures. In 1992, he established the asset management and investment funds business in the firm and has been head of that business to date. Mr Morrissey is a former Chairman of the Irish Funds Industry Association and has been a member of its Council from 2000 to 2006. He is also a non-executive director of a number of Irish companies.

*John Nolan (Irish).* Mr Nolan is a former Director and Deputy Chief Investment Officer of Bank of Ireland Asset Management (BIAM) where he was primarily responsible for BIAM's US equity portfolio. Mr Nolan later spent almost eight years as Co-Chief Investment Officer with Pi Investment Management with responsibility for formulation of investment strategy and US equity management. He graduated with a Master's degree in Economics from University College Dublin in 1981.

*Lynda Wood (née Schweitzer) (U.S.).* Mrs Wood is a vice president and portfolio manager of the Delegate Investment Manager. Mrs Wood has worked in the investment industry since 1986. Mrs Wood co-manages several of the Delegate Investment Manager's global bond funds. Mrs Wood joined the Delegate Investment Manager in 2001. Prior to that, she worked at Putnam Investments as a global bond trader for both developed and emerging markets. Additionally, she worked at State Street Bank and Trust Co. as a fund accountant, responsible for custody pricing and global fixed income funds. Mrs Wood earned a BA from the University of Rochester and an MBA from Boston University. Mrs Wood is a CFA charterholder.

*Jason Trepanier (U.S.).* Mr Trepanier is Chief Operating Officer of NGAM Distribution. He joined the Natixis Global Asset Management Group in 2006. Previously, he was a financial lawyer at Barep Asset Management, a French-based alternative investment manager until 2000 and Deputy General Counsel, Head of International Corporate and Business Development of Société Générale Asset Management until 2006. He began his career as an associate at the law firm Salans Hertzfeld & Heilbronn in Paris. He received a law degree from the University of Paris II and a degree from the Institut d'Etudes Politiques in Paris.

No Director:

- (i) has any unspent convictions in relation to indictable offences;

- (ii) has become bankrupt or entered into any voluntary arrangement or has had a receiver appointed to any asset of such Director;
- (iii) has been a director of any company or a partner of any firm which, at that time or within twelve months after his ceasing to become a director or a partner (as the case may be), had a receiver appointed or went into compulsory liquidation, or creditors voluntary liquidation or went into administration, or entered into company or partnership voluntary arrangements or made any composition or arrangement with its creditors;
- (iv) has been disqualified by a Court from acting as a director or from acting in the management or conduct of affairs of any company;
- (v) has had any public criticism against him by any statutory or regulatory authority (including recognised professional bodies) or has been disqualified by a Court from acting as a director or acting in the management or conduct of the affairs of any company;
- (vi) has been a Partner of any Partnership, which while he was Partner or within 12 months after he ceased to be a Partner went into compulsory liquidation, administration or Partnership voluntary arrangement, or had a receiver appointed to any Partnership assets.

### **Investment Manager and Distributor**

The Company has appointed NGAM S.A as its investment manager pursuant to the Investment Management Agreement between the Company and the Investment Manager. Under the terms of the Investment Management Agreement, the Investment Manager has responsibility for the management and investment of the assets and Investments of the Company in accordance with the investment objectives, policies and strategies described in this Prospectus, subject always to the supervision and direction of the Directors.

The Investment Manager is a company incorporated on 25 April 2006 under the laws of Luxembourg as a *Société Anonyme*. The Investment Manager is authorised with and regulated by the Luxembourg *Commission de Surveillance du Secteur Financier* (“CSSF”) as a management company under Chapter 15 of the Luxembourg law of 17 December 2010 on undertakings for collective investment, as amended. Its principal business is collective portfolio management.

The Investment Management Agreement provides for the provision of investment management services and advice to the Funds by the Investment Manager. This Agreement provides that the appointment of the Investment Manager will continue in force unless and until terminated (a) by either party, giving to the other not less than ninety (90) days notice or such shorter period as the parties may agree and (b) without any prior notice in the event that the Investment Manager is the object of a court-ordered or voluntary liquidation or ceases to hold any required authorisation or license.

The Company has appointed NGAM S.A. as distributor of the Company’s Shares, on a non-exclusive basis, pursuant to the Distribution Agreement.

The Distribution Agreement with NGAM S.A. provides that NGAM S.A. may appoint sub-distributors and agents.

The appointment of NGAM S.A. as distributor will continue in force unless and until terminated by either party to the agreement giving to the other not less than three (3) months written notice although in certain circumstances (e.g. the insolvency of any party, unremedied breach after notice, etc.) the Distribution Agreement with NGAM S.A. may be terminated forthwith by notice in writing

NGAM S.A. is a subsidiary of Natixis Global Asset Management, which is ultimately controlled by Natixis, Paris, France.

The directors of the Investment Manager (who are also key executives) of the Investment Manager are as follows:

*Mr Hervé Guinamant (FR) – Chairman of the Board of Directors of NGAM S.A. and President and Chief Executive Officer of NGAM Distribution, a branch of NGAM SA*

Mr Hervé Guinamant joined the Natixis Global Asset Management Group in 1998. Previously, he was Head of Marketing at Fimagest until 1996 and Director of Global Marketing and Communication at Indosuez Asset Management until 1998. He began his career as a financial engineer and portfolio manager at Société Générale Asset Management in Paris. He received an engineering degree from L'Ecole Nationale Supérieure des Arts et Métiers, and a degree from the Institute des Actuaire Français.

*Mr Jérôme Urvoy (FR) - Chief Financial Officer and Executive Vice President of NGAM International, LLC*

Mr Jérôme Urvoy joined the Natixis Global Asset Management Group in 2008. Previously, he was respectively a consolidation manager, then Vice President and group business controller at Natixis Global Asset Management until 2008. He began his career as an auditor at Mazars in Marseille and then became business controller and consolidation manager at Gemplus from 2000 to 2002. He received a Master's degree, major Audit, from L'Ecole Supérieure de Commerce de Marseille.

*Mr Jean-Christophe Morandau (FR) - Head of Legal, Monitoring (Compliance and Internal Control) and Risk of Natixis Asset Management*

Jean-Christophe Morandau began his career in 1988 as wealth manager at Paribas Bank. He then joined Paribas Asset Management as head of legal department for French UCITS in 1992. In 1999 he joined Credit Agricole Asset Management as the legal head of Products & Corporate-France and became in 2004, deputy head of the Legal and Fiscal department.

Jean-Christophe Morandau joined Natixis Asset Management in 2008 as general counsel. He was promoted as head of legal, monitoring (compliance and internal control) and risk in November 2014 executive committee member in February 2015.

*Mr Jason Trepanier (U.S.) – for details please refer to the section “Management and Administration – Directors” above.*

### **Delegate Investment Manager**

NGAM S.A. as Investment Manager of the Company has delegated investment making decisions for some or all of the Funds of the Company to the Delegate Investment Manager pursuant to the Investment Management Delegation Agreement.

The Delegate Investment Manager is a limited partnership established in the U.S. and is a subsidiary of Natixis Global Asset Management, which is ultimately controlled by Natixis. The Delegate Investment Manager is registered with and regulated by the Securities and Exchange Commission in the U.S. as an investment adviser, and its origins date back to 1926.

The Investment Management Delegation Agreement provides for the provision of investment management services and advice by the Delegate Investment Manager. The Investment Management Delegation Agreement provides that the appointment of the Delegate Investment Manager will continue in force unless and until terminated in accordance with its terms.

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

The Company has appointed the Administrator, Brown Brothers Harriman Fund Administration Services (Ireland) Limited, as administrator, registrar and transfer agent of the Company pursuant to the Administration Agreement. The Administrator will have responsibility for the administration of the Company's affairs including the calculation of the Net Asset Value per share and preparation of the accounts of the Company, subject to the overall supervision of the Directors.

The Administrator was incorporated as a limited liability company in Ireland on 29 March 1995. The Administrator has an issued and fully paid up capital of US\$700,000 and is a wholly-owned subsidiary of Brown Brothers Harriman & Co.

The Administration Agreement provides that the appointment of the Administrator will continue in force unless and until terminated by either party giving to the other not less than 90 days written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other. The Administration Agreement contains indemnities in favour of the Administrator except to the extent that the Administrator is negligent, fraudulent or acts with wilful misconduct or bad faith in the performance of its duties and obligations, and provisions regarding the Administrator's responsibilities.

## **Custodian**

Brown Brothers Harriman Trustee Services (Ireland) Limited has been appointed to act as custodian of the assets of the Company pursuant to the Custodian Agreement. The Custodian was incorporated in Ireland on 29 March 1995 as a limited liability company. The principal activity of the Custodian is to act as custodian and trustee of the assets of collective investment schemes. The Custodian will provide safe custody for the Company's assets and will collect any income arising on such assets on the Company's behalf. The Custodian may appoint sub-custodians if and when the need arises. The Custodian has full power to delegate the whole or any part of its custodial functions but the liability of the Custodian 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 Company has authorised the Custodian to employ sub-custodians used by the Custodian in connection with carrying out its functions in connection with the Company's assets. As the Company may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Company, which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Custodian will have no liability. The Custodian's capital is US\$1,500,000.

The Custodian Agreement provides that the appointment of the Custodian will continue in force unless and until terminated by either party giving to the other not less than 90 days written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other. In no event however will the Custodian's appointment terminate until either a new Custodian is appointed or until authorisation of the Company by the Central Bank has been revoked. The Custodian Agreement contains indemnities in favour of the Custodian excluding matters arising by reason of its unjustifiable failure to perform its obligations or its improper performance of its duties and obligations including any negligence and wilful misconduct of the Custodian and provisions regarding the Custodian's legal responsibilities.

## **Legal Advisers**

The Company is advised as to matters of Irish law by William Fry, 6<sup>th</sup> Floor, 2 Grand Canal Square, Dublin 2, Ireland.

## **Auditors**

The Company has appointed PricewaterhouseCoopers, One Spencer Dock, International Financial Services Centre, Dublin 1 as its auditors.

## **Secretary**

The Company has appointed Wilton Secretarial Limited, 6<sup>th</sup> Floor, 2 Grand Canal Square, Dublin 2, Ireland, as its Secretary.

## **Conflicts of Interest**

The Directors, Investment Manager, any Delegate Investment Manager, the Custodian, the Administrator and the Distributor and their holding companies, subsidiaries, affiliates, employees, officers and directors (collectively the “Parties” and individually a “Party”) are or may be involved in other financial investment and professional activities which may on occasion cause conflict of interest with the management of the Company. These include management of other funds, purchases and sales of securities, investment and management counselling, provision of administration and trustee/custodial services, brokerage services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which the Company may invest. The Parties, and in particular, the Investment Manager and any Delegate Investment Manager, are or may be involved in advising other investment funds which have similar or overlapping investment objectives to or with the Company and shall fairly allocate any investment opportunities which may arise. Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they may have and that any conflicts which may arise will be resolved fairly. If any of the assets of the Company are invested in any such investment funds, the Party involved in providing such management or other advisory services to such other investment funds will waive the preliminary or initial charges which it may otherwise be entitled to charge for its own account. In relation to such investment of the Company’s assets, if any commission or fees are or would be received by a Party by virtue of an investment of the assets of the Company in such investment fund, such commission will be paid to the Company for its own account.

Due to the widespread operations undertaken by the Parties, conflicts of interest may arise. The Investment Manager’s fee is based on a percentage of the Net Asset Value of each Fund. The Investment Manager and any Delegate Investment Manager may provide valuation services to the Administrator (to assist in calculating the Net Asset Value of a Fund) in relation to Investments which are not listed or traded on a Regulated Market. In addition, a Party may acquire or dispose of any investment notwithstanding that the same or similar investments may be owned by or for the account of or otherwise connected with the Company. Furthermore, a Party may acquire, hold or dispose of investments notwithstanding that such investments had been acquired or disposed of by or on behalf of the Company by virtue of a transaction effected by the Company in which the Party was concerned provided that the acquisition by a Party of such investments is effected on normal commercial terms negotiated on an arm’s length basis and the investments held by the Company are acquired on the best terms reasonably obtainable having regard to the interests of the Company. A Party may deal with the Company as principal or as agent, provided that any such dealings are in the best interests of Shareholders and are carried out as if effected on normal commercial terms negotiated on an arm’s length basis, i.e. if:-

- (a) a certified valuation of a transaction by a person approved by the Custodian (or the Directors in transactions involving the Custodian) as independent and competent; or
- (b) the transaction is executed on best terms on an organised investment exchange in accordance with the rules of such exchange; or

- (c) where (a) and (b) are not practical, execution on terms which the Custodian (or the Directors in transactions involving the Custodian) is satisfied conforms with the principle outlined in the preceding paragraph.

Transactions must be in the best interests of Shareholders.

### **Meetings**

Shareholders in the Company will be entitled to attend and vote at general meetings of the Company. The annual general meeting of the Company will normally be held in Ireland within six months of the end of each financial year of the Company. Notices convening each annual general meeting will be sent to Shareholders together with the annual accounts and reports not less than twenty-one days before the date fixed for the meeting.

### **Accounts and Information**

The Company's accounting period ends on 31 December in each year.

The Company prepares an annual report and audited annual accounts which are sent to Shareholders within four months of the end of the financial period to which they relate i.e. normally in April in each year. The annual report is sent to the Companies Announcements Office of The Irish Stock Exchange within six months of the end of the financial period to which they relate i.e. normally in June in each year. Copies of the unaudited half yearly reports (made up to 30 June) are also sent to Shareholders within two months of the end of the half year period to which they relate i.e. normally in August in each year.

Copies of this Prospectus, annual and half-yearly reports of the Company may be obtained from the Administrator at the address given under "Directors and Advisers" above.



## **VALUATION, SUBSCRIPTIONS AND REDEMPTIONS**

### **Calculation of Net Asset Value**

The Net Asset Value of each Fund is expressed in its base currency. The calculation of the Net Asset Value of each Share of each class of a Fund will be carried out by the Administrator in accordance with the requirements of the Articles and details are set out under the heading “Statutory and General Information” below. Except when the determination of the Net Asset Value of any Fund has been suspended or postponed in the circumstances set out under the heading “Temporary Suspensions” below, the calculation of the Net Asset Value of each Fund and of the Net Asset Value per Share in a Fund will be prepared as at each Valuation Point and will be available to Shareholders on request. The Net Asset Value of any class of Shares within a Fund will be published on a daily basis in the Financial Times and for any class of Shares within a Fund listed on the Irish Stock Exchange will, upon calculation, be notified immediately by the Administrator to the Irish Stock Exchange.

The Net Asset Value of any class of Shares within a Fund will be prepared by deducting that class’ proportionate share of the liabilities of the Fund from that class’ proportionate share of the assets of the Fund.

The Net Asset Value of each Share of each class will be determined by dividing the Net Asset Value of the class by the number of Shares of that class.

Shares may be subscribed for or redeemed at the Net Asset Value per Share (the “Price”). Shares are “single priced” such that the same Share price applies whether investors are subscribing or redeeming on any particular Dealing Day. As set out in the relevant Supplement, a sales charge is payable (in addition to the Price) when subscribing for certain Share Classes.

Where provided for in the relevant Supplement, a Fund may apply a single swing pricing mechanism instead of the single price mechanism described above. Where such a pricing methodology is in operation, the Price on a given Dealing Day may be adjusted in order to take into account the dilution impacts and to protect the Shareholders’ interests in the event of large subscriptions, redemptions and/or conversions in and/or out of a Fund on such Dealing Day. This means that, if on any Dealing Day, the aggregate transactions in Shares of a Fund exceed a threshold determined by the Directors, the Net Asset Value may be adjusted by an amount, not exceeding 2% of the relevant Net Asset Value, in order to reflect both the estimated fiscal charges and dealing costs that may be incurred by the Fund and the estimated dealing spread of the assets in which the Fund invests/disinvests. In such event, the official Net Asset Value per Share, as published, is the Net Asset Value for which the swing pricing has been applied. Where such an adjustment is applied, it will typically increase the Net Asset Value per Share when there are large net inflows into the Fund and decrease the Net Asset Value per Share when there are large net outflows.

### **Subscriptions**

The Directors may issue Shares of any class of any Fund and on such terms as they may from time to time determine. The terms and conditions applicable to the issue of Shares of any class together with subscription and settlement details and procedures will be set out in the relevant Supplement. All Shares will be registered in inscribed form and evidenced by entry on the Company’s register of shareholders and confirmations in writing will be sent to applicants following receipt of their application, setting out details of ownership of the Shares which have been issued. Certificates will not be issued. An advantage of this apart from avoiding the inconvenience of lost or damaged certificates is that Shareholders will be able to redeem Shares issued in inscribed form by facsimile. The Company may impose a charge of up to US\$50 in respect of each certificate to be issued, which charge may be waived in whole or in part at the discretion of the Directors.

Under the Articles, the Directors are given authority to effect the issue of Shares and have absolute discretion to accept or reject in whole or in part any application for Shares without assigning any reason therefor, including but not limited to cases where the Directors consider that the applying investor is engaging in excessive trading or market-timing. The Directors have power to impose such restrictions as they think necessary to ensure that no Shares are acquired by any person which might result in the legal and beneficial ownership of Shares by persons who are not Qualified Holders or expose the Company to adverse tax or regulatory consequences. Each of the Funds of the Company is managed for longer-term investment, as such, the Directors discourage excessive short-term trading that may be detrimental to the Funds and their Shareholders. Frequent purchases and redemptions of Shares may present certain risks for other Shareholders in a Fund. This includes the risk of diluting the value of Fund Shares held by long-term shareholders, interfering with efficient management of each Fund's portfolio and increasing brokerage and administrative costs. Funds investing in securities that require special valuation processes (such as foreign securities or below investment-grade securities), also may have increased exposure to these risks. Therefore, the Directors may, at their discretion, refuse to accept applications for purchase of, or requests for switching of, Shares where they believe such detriments to a Fund may arise.

The Directors may also impose restrictions on the subscription of Shares of any Fund by any person or entity (including but not limited to any person or entity in connection with an unauthorized structured, guaranteed or similar instrument, note or scheme) if the Directors believe that such subscription may have adverse consequences for such Fund's Shareholders or the fulfilment of such Fund's investment objectives and policies.

If an application is rejected, any monies received will be returned to the applicant (minus any handling charged incurred in any such return) as soon as possible by telegraphic transfer (but without interest, costs or compensation).

No Shares of any Fund will be issued or allotted during a period when the determination of Net Asset Value of that Fund is suspended.

Shareholders investing through financial advisors that use clearing platforms to process their trades should note that certain clearing platforms may process trades in batches once or twice a day after the Fund's dealing Cut-Off Time (which is indicated in the relevant Fund's Supplement). Please note that Application Forms received after the Fund's dealing Cut-Off Time will be held over until the next Dealing Day. Please contact your financial advisor if you have any questions.

## **Redemptions**

Shareholders may redeem their shares on any Dealing Day in accordance with the procedures set out in the relevant Supplement.

If total requests for redemption on any Dealing Day for any Fund exceed 10% of the total number of Shares outstanding in that Fund, each redemption request in respect of Shares in such Fund may, at the sole discretion of the Directors, be reduced so that the total number of Shares of each Fund for redemption on that Dealing Day shall not exceed 10% of the total number of Shares outstanding in that Fund. Any redemption or switching request so reduced shall be carried forward to the next Dealing Day and effected in priority to subsequent redemption requests on the following (and, if necessary, subsequent) Dealing Day(s). If redemption requests are to be carried forward, the Directors shall procure that the Shareholders whose dealings are affected thereby are promptly informed. The same provisions shall apply to requests for switching to the extent that requests for switching and redemption would necessitate the liquidation of more than 10% of the Net Asset Value of any Fund.

The Company will be required to withhold Irish tax on redemption monies, at the application rate, unless it has received from the Shareholder a Relevant Declaration in the prescribed form, confirming

that the Shareholder is not an Irish Resident and not an Irish Ordinary Resident in respect of whom it is necessary to deduct tax.

If the Company is required to deduct, withhold or account for tax including any penalties and interest thereon upon the occurrence of certain events such as the encashment, redemption, disposal or deemed disposal of Participating Shares by or payment of distribution to a Shareholder (whether upon a redemption or transfer of Participating Shares or payment of a dividend or deemed disposal of Participating Shares or otherwise) the Directors may make a deduction from the proceeds due to a Shareholder of a cash amount equal to the liability or may arrange for the compulsory redemption and cancellation of such number of Participating Shares of such Shareholder as is sufficient after the deduction of any redemption charges to discharge any such liability. The relevant Shareholder is required to indemnify the Company against any loss suffered by it in connection with any obligation or liability to deduct.

Shareholders redeeming through financial advisors that use clearing platforms to process their trades should note that certain clearing platforms may process trades in batches once or twice a day after the Fund's dealing Cut-Off Time (which is indicated in the relevant Fund's Supplement). Please note that redemption requests received after the Fund's dealing Cut-Off Time will be held over until the next Dealing Day. Please contact your financial advisor if you have any questions.

### **Compulsory Redemption**

The Directors may redeem Participating Shares compulsorily if they become aware or believe that such Participating Shares are held or beneficially owned by (i) a person who is not a Qualified Holder or exposes the Fund to adverse tax or regulatory consequences, (ii) a person or entity (including, but not limited to, a person or entity in connection with an unauthorized structured, guaranteed or similar instrument, note or scheme) whose continued presence in the Fund as a Shareholder could have adverse consequences for the other Shareholders or for the fulfilment of the Fund's investment objectives and policies; (iii) a Shareholder who is or has engaged in marketing and/or sales activities using the name of, or references to the Company, a Fund, the Investment Manager and/or the Delegate Investment Manager or any of its strategies or portfolio managers without the prior written consent of the Company or (iv) if no cheques, Share certificates or confirmations of ownership of shares have been cashed or acknowledged and no communication has been received by the Company from the Shareholder or the persons entitled by transmission for a period of at least six years.

In the event that a Shareholder's ownership of Shares causes the Company to make a Compulsory Redemption, as described above, and the Shareholder's ownership of Shares has caused the Company or Fund(s) to suffer any withholding tax which would not have been incurred but for the Shareholder's presence in the Fund, the Company shall have the right to redeem that Shareholder's Shares and withhold as much of the redemption proceeds as is required to satisfy the liability that arose solely due to the Shareholder's ownership of Shares. To the extent that there is more than one Shareholder similarly situated, proceeds will be withheld based on the relative value of redeemed Shares.

### **Currency of Payment and Foreign Exchange Transactions**

Where payments in respect of redemptions of Shares or dividend payments are tendered or requested in a major currency other than the currency of the relevant class of each Fund, any necessary foreign exchange transactions will be arranged by the Administrator for the account of, and at the risk and expense of, the applicant at the time, in the case of purchases at the time cleared funds are received, in the case of redemptions at the time the request for redemption is received and accepted, and in the case of dividends at the time of payment.

## **Total Redemption**

All of the Shares of any class of any Fund may be redeemed if:-

- (a) the holders of 75% in value of the relevant class of Shares of such Fund approve of the redemption at a meeting of the Shareholders thereof of which not more than twelve and not less than four weeks' notice has been given; or
- (b) at the discretion of the Directors, after the first anniversary of the first issue of Shares of the relevant class if the Net Asset Value of the Fund of which the class forms part falls below the amount for such period specified in the relevant Supplement in respect of such Fund.

All of the Shares of the Company shall be redeemed and the Directors shall apply for revocation of the authorisation of the Company by the Central Bank if the Custodian has served notice of its intention to retire under the terms of the Custodian Agreement (and has not revoked such notice) and no new custodian has been formally approved and appointed within 180 days of the date of service of such notice.

## **Transfer of Shares**

Shares are (save as hereinafter specified) fully transferable and may be transferred in writing in a form approved by the Directors. Prior to the registration of any transfer, transferees shall complete an Application Form and provide for such information (e.g. as to identity) as the Company may reasonably require. The Directors may decline to register any transfer of a Share where it appears that such transfer would be likely to result in the legal or beneficial ownership of such Share by a person who is not a Qualified Holder or expose the Company to adverse tax or regulatory consequences.

The Company will be required to account for Irish tax on the value of the Shares transferred at the applicable rate unless it has received from the Shareholder a Relevant Declaration in the prescribed form, confirming that the Shareholder is not an Irish Resident or an Irish Ordinary Resident in respect of whom it is necessary to deduct tax. The Company reserves the right to redeem such numbers of Shares held by a transferor as may be necessary to discharge the tax liability arising.

## **Temporary Suspensions**

The Company may temporarily suspend the determination of the Net Asset Value of any Fund and the issue and redemption of Shares of any class of any Fund:-

- (a) during the whole or any part of any period when any of the principal markets on which any significant portion of the Investments of the relevant Fund from time to time are quoted, listed, traded or dealt in is closed (otherwise than for customary weekend or ordinary holidays) or during which dealings therein are restricted or suspended or trading on any relevant futures exchange or market is restricted or suspended;
- (b) during the whole or any part of any period when, as a result of political, economic, military or monetary events or any other circumstances outside the control, responsibility and power of the Directors, any disposal or valuation of Investments of the relevant Fund is not, in the opinion of the Directors, reasonably practicable without this being seriously detrimental to the interests of owners of Shares in general or the owners of Shares of the relevant Fund or if, in the opinion of the Directors, the Net Asset Value cannot fairly be calculated or such disposal would be materially prejudicial to the owners of Shares in general or the owners of Shares of the relevant Fund;

- (c) during the whole or any part of any period during which any breakdown occurs in the means of communication normally employed in determining the value of any of the Investments of the Company or when for any other reason the value of any of the Investments or other assets of the relevant Fund cannot reasonably or fairly be ascertained;
- (d) during the whole or any part of any period when the Company is unable to repatriate funds required for the purpose of making redemption payments or when such payments cannot, in the opinion of the Directors, be effected at normal prices or normal rates of exchange or during which there are difficulties or it is envisaged that there will be difficulties, in the transfer of monies or assets required for subscriptions, redemptions or trading; or
- (e) upon the publication of a notice convening a general meeting of Shareholders for the purpose of resolving to wind up the Company.

The Company, where possible, will take all necessary steps to bring any period of suspension to an end as soon as possible.

In the event of any suspension as set out above, the Company will publish such fact in the publication(s) in which Share prices are being published and will immediately (and in any event during the Business Day on which the suspension occurred) notify The Irish Stock Exchange, the Central Bank and any other competent authority in a Member State or other country in which Shares are marketed.

### **Switching Between Classes and Funds**

Any Shareholder may request the conversion of Shares from one Fund or class of Shares to another Fund or class of Shares. Such conversion request will be operationally treated as a redemption of Shares and a simultaneous purchase of Shares. Consequently, any Shareholder requesting such conversion must comply with the procedures of redemption and subscription as well as all other requirements, notably relating to investor qualifications and minimum investment and holding thresholds, applicable to each of the Funds or classes of Shares concerned.

If Shares are converted for Shares of another Fund or class of Shares having the same or a lower sales charge, no additional charge shall be levied. If Shares are converted for Shares of another Fund or class of Shares having a higher sales charge, the conversion may be subject to a conversion fee equal to the difference in percentage of the sales charges of the relevant Shares. The actual amount of the conversion fee is determined by the financial institution through which the conversion of Shares is made. Such financial institution shall retain such conversion fee in remuneration for its intermediary activity.

The conversion of Shares between Funds or classes of Shares having different valuation frequencies may only be effected on a common Dealing Day. If Shares are converted for Shares of another Fund or class of Shares having a notice period for subscriptions different from the notice period required for redemptions for the original Shares, the longest notice period will be taken into account for the conversion.

In the event that a Shareholder is no longer entitled to be invested in the Shares he holds pursuant to the investor qualifications defined in this Prospectus, the Company may decide to convert, without any prior notice or charge, the Shares held by the Shareholder into such other Shares which maximum rate of fees is the lowest among the Share classes for which the Shareholder complies with the investor qualifications.

## **Subscriptions/Redemptions in Specie**

### **Subscription in Specie**

The Directors may issue Shares of any class of Fund by way of exchange for Investments provided that:-

- (f) in the case of a person who is not an existing Shareholder no Shares shall be issued until the person concerned shall have completed and delivered to the distributor an Application Form as required under this Prospectus (or otherwise) and satisfied all the requirements of the Directors, any distributor and the Administrator as to such person's application;
- (g) the nature of the Investments transferred into the Fund are such as would qualify as Investments of such Fund in accordance with the investment objectives, policies and restrictions of such Fund;
- (h) no Shares shall be issued until the Investments shall have been vested in the Custodian or any sub-custodian to the Custodian's satisfaction and the Custodian shall be satisfied that the terms of such settlement will not be such as are likely to result in any prejudice to the existing Shareholders of the Fund; and
- (i) any exchange shall be effected upon the terms (including provision for paying any expenses of exchange and any preliminary charge as would have been payable for Shares issued for cash) that the number of Shares issued shall not exceed the number which would have been issued for cash against payment of a sum equal to the value of the Investments concerned calculated in accordance with the procedures for the valuation of the assets of the Company. Such sum may be increased by such amount as the Directors may consider represents an appropriate provision for Duties and Charges which would have been incurred by the Fund in the acquisition of the Investments by purchase for cash or decreased by such amount as the Directors may consider represents any Duties or Charges to be paid to the Fund as a result of the direct acquisition by the Fund of the Investments.

### **Redemption in Specie**

The Company may redeem Shares of any class of a Fund by way of exchange for Investments provided that:

- (a) the Shareholder has notified the Administrator of its redemption request as required by this Prospectus and the redemption request otherwise satisfies all the requirements of the Directors and the Administrator as to such request and the Shareholder seeking redemption of Shares, agrees to such course of action;
- (b) the Administrator is satisfied that the terms of any exchange would not be such as would be likely to result in any prejudice to the remaining Shareholders, and elects that instead of the Shares being redeemed in cash, the redemption shall be satisfied in specie by the transfer to the Shareholder of Investments provided that the value thereof shall not exceed the amount which otherwise would have been payable on a cash redemption and provided that the transfer of Investments is approved by the Custodian. Such value may be reduced by such amount as the Directors may consider represents any Duties and Charges to be paid to the Fund as a result of the direct transfer by the Fund of the Investments or increased by such amount as the Directors may consider represents any appropriate provision for Duties and Charges which would have been incurred by the Fund in the disposition of the Investments to be transferred. The shortfall (if any) between the value

of the Investments transferred on a redemption in specie and the redemption proceeds which would have been payable on a cash redemption shall be satisfied in cash.

If the discretion conferred upon the Administrator by paragraph (b) is exercised, the Administrator shall notify the Custodian and shall supply to the Custodian particulars of the Investments to be transferred and any amount of cash to be paid to the Shareholder.

If a redeeming Shareholder requests redemption of a number of Shares that represents 5% or more of the Net Asset Value of a Fund, the Directors may in their sole discretion redeem the Shares by way of exchange for Investments and in such circumstances the Company will, if requested by the redeeming Shareholder, sell the Investments on behalf of the Shareholder. The cost of the sale can be charged to the Shareholder.

### **Disclosure of the Funds' Positions**

Shareholders and prospective investors may request information pertaining to a Fund's positions prior to the expiry of the standard disclosure period applied by each Fund. Each request will be reviewed on its merits and the Directors may, at their discretion, acting in the best interests of the Fund and in compliance with applicable laws and regulations (in particular those relating to the prevention of market timing and related practices), authorize such disclosure of information pertaining to a Fund's positions subject to (i) certain restrictions designed to protect the Fund's interests and (ii) the investor or the Shareholder's acceptance of the terms of a confidentiality agreement.

### **Personal Data Protection**

Shareholders and prospective investors should note that information obtained in relation to them handled by the Administrator, on the Company's behalf, in accordance with the Data Protection Act 1988 and 2003, may in the future be transferred for processing in connection with the investment to countries outside the European Economic Area that either do not have data protection laws or have data protection laws that do not provide the same level of protection as European Union data protection law. Details of countries to which such information may be transferred are available from the Administrator of the Company.

By signing an Application Form, investors acknowledge that they authorise the Administrator of the Company, to collect, use, process, share, store and transmit data, such as personal data, identification documents and details as to the investors' investments in a Fund, to the Company, NGAM S.A. and its affiliates as well as to certain of the Company's authorized agents.

These data will be collected, used, processed, shared, stored and transmitted for the following purposes:

- (i) to facilitate the investors' subscriptions, redemptions and conversions in the Company or the other funds of NGAM S.A.;
- (ii) to process, manage and administer the investors' holdings in a Fund and any related accounts on an on-going basis;
- (iii) to provide the investors with reporting, communications and other shareholder services related to their investments in a Fund;
- (iv) to comply with legal or regulatory requirements applicable to the Company, its service providers or the investors themselves; and
- (v) where applicable, for the purposes of notification to the relevant revenue authorities in accordance with the EU Directive 2003/48/EC and applicable local regulations on taxation of savings income in the form of interest payments.

Shareholders have the right at any time to access to their personal data that is obtained within the meaning of the Data Protection Act 1988 and 2003 (as amended or re-enacted from time to time) that

the Administrator holds in relation to them and have the right to amend and rectify any inaccuracies in their personal data by making a request in writing to the Company at the Administrator's address provided herein.



## FEES AND EXPENSES

### General

All fees and expenses relating to the reconstitution of the Company and the fees of the advisers to the Company have been borne by the Company. The fees and expenses within each Fund and class thereof will be set out in the relevant Supplement.

Value added tax (if any) on fees payable to the Investment Manager, the Distributor, the Custodian and the Administrator will be borne by the Company.

The Company will pay out of the assets of each Fund:-

- (a) the fees, transaction charges and expenses payable to the Investment Manager, the Distributor, the Administrator and the Custodian (including sub-custodians) appointed in respect of such Fund;
- (b) the fees and expenses of the Directors;
- (c) fees in respect of publication and circulation of details of the Net Asset Value;
- (d) stamp duties, taxes, brokerage or other expenses incurred in acquiring and disposing of Investments;
- (e) the fees and expenses of the auditors, tax, legal and other professional advisers and company secretarial fees;
- (f) the Central Bank's industry funding levy;
- (g) fees and expenses in respect of the distribution of Participating Shares and costs of registration of the Company in jurisdiction outside Ireland, including any fees and expenses of representative, facilities or paying agents in any such country or territory (fees and expenses of any such representative, facilities or paying agent shall be payable at normal commercial rates);
- (h) the fees connected with listing on The Irish Stock Exchange;
- (i) the costs of printing and distributing the Prospectus, Fund supplements, key investor information documents issued in accordance with the Regulations ("**Key Investor Information Document**"), reports, accounts and any explanatory memoranda, publishing prices and any costs incurred as a result of periodic updates of the Prospectus and supplement, Key Investor Information Document, and any other administrative expenses;
- (j) any necessary translation fees;
- (k) any other fees and expenses relating to the management and administration of the Company or attributable to the Company's investments;
  - a. in respect of each financial year of the Company in which expenses are being determined, such proportion (if any) of the establishment and reconstruction expenses as are being amortised in that year;
  - b. all sums payable in respect of any policy of insurance taken out by the Company including, without limitation, any policy in respect of directors' and officers' liability insurance cover;

- c. the costs of any amalgamation or restructuring of the Company or any Fund; and
- d. fees connected with the winding up of the Company and/or any Fund;

in each case plus any applicable value added tax.

The above expenses shall be charged as between each Fund and class thereof on such terms and in such manner as the Directors (with the consent of the Custodian) deem fair and equitable.

The aggregate fees of the Investment Manager, Distributor, Administrator, Custodian (including sub-custodians) and Directors in respect of each Fund will not exceed a certain percentage per annum of the Net Asset Value of the relevant Fund (together with all reasonable properly vouched out-of-pocket expenses and all Value Added Tax payable on such fees and expenses) as set out in the relevant Supplement. This percentage may be increased up to a maximum of 1.5% per annum of the Net Asset Value of the Company provided that such increase is agreed by the Directors and one month's written notice thereof is provided to Shareholders of the relevant Fund. The Investment Manager may also rebate all or a portion of the Investment Management fee to such investors and on such terms as it may at its sole discretion determine.

The Distributor will be responsible for the fees and expenses of any sub-distributor or intermediary appointed by them. The Distributors may also rebate all or a portion of the Distribution fee to such investors and on such terms as it may at its sole discretion determine.

### **Sales Charge**

The Directors may charge a sales charge on the issue of Shares in any Fund up to a maximum of 3% of the Price to defray sales and marketing costs. The maximum sales charge for Shares in each Fund will be set out in the relevant Supplement. The Directors have the discretion to waive the subscription fee in whole or in part.

## **ALLOCATION OF ASSETS AND LIABILITIES**

The Articles require the establishment of a separate Fund which has different classes of Shares to be operated in the following manner:

- (a) the records and accounts of each Fund shall be maintained separately in the base currency of the relevant Fund;
- (b) the liabilities of each Fund shall be attributable exclusively to that Fund;
- (c) the assets of each Fund shall belong exclusively to that Fund, shall be segregated in the records of the Custodian from the assets of other Funds and shall not (save as permitted by the Act) be used to discharge directly or indirectly the liabilities of or claims against any other Fund;
- (d) the proceeds from the issue of each class of Share shall be applied to the relevant Fund established for that class or classes of Share, and the assets and liabilities and income and expenditure attributable thereto shall be applied to such Fund subject to the provisions of the Articles;
- (e) where any asset is derived from another asset, the derived asset shall be applied to the same Fund as the assets from which it was derived, and on each revaluation of an asset the increase or diminution in value shall be applied to the relevant Fund;

- (f) in the case where an asset or a liability of the Company cannot be considered as being attributable to a particular Fund, the Directors shall have the discretion, subject to the approval of the Auditors, to determine the basis upon which such asset or liability shall be allocated between the Funds and the Directors shall have power at any time and from time to time subject to the approval of the Auditors to vary such basis, provided that the approval of the Auditors shall not be required in any case where the asset or liability is allocated between all Funds pro rata to their Net Asset Values;

## TAXATION

### General

*The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Shares under the laws of the jurisdictions in which they may be subject to tax.*

The following is a brief summary of certain aspects of Irish taxation law and practice relevant to the transactions contemplated in this Prospectus. It is based on the law and practice and official interpretation currently in effect, all of which are subject to change.

Dividends, interest and capital gains, (if any) which any of the Funds receive with respect to their Investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of Investments are located. It is anticipated that the Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company, the Net Asset Value will not be re-stated and the benefit will be allocated to the existing Shareholders rateably at the time of the repayment.

Shareholders who are not Irish residents may be taxed in accordance with the laws of other jurisdictions. This Prospectus does not make any statement regarding those jurisdictions. Before investing in the Company, investors should discuss with their tax advisers the implications of acquiring, holding, transferring and redeeming Shares.

### Irish Taxation

The Directors have been advised that on the basis that the Company is resident in Ireland for taxation purposes the taxation position of the Company and the Shareholders is as set out below.

#### Definitions

For the purposes of this section, the following definitions shall apply.

#### “Courts Service”

The Courts Service is responsible for the administration of moneys under the control or subject to the order of the Courts.

#### “Equivalent Measures”

apply to an investment undertaking where the Irish Revenue have given the investment undertaking notice of approval in accordance with Section 739D (7B) of the Taxes Act and the approval has not been withdrawn.

#### “Exempted Irish Investor” means

- an Intermediary within the meaning of Section 739B of the Taxes Act;
- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or Section 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act.

- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a qualifying management company within the meaning of Section 734(1) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a specified company within the meaning of Section 734(1) of the Taxes Act;
- a person who is entitled to exemption from income tax and capital gains tax under Section 784A(2) of the Taxes Act where the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Shares are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Pensions Reserve Fund Commission or a Commission investment vehicle;
- the National Asset Management Agency being a person referred to in Section 739D(6)(ka) of the Taxes Act;
- 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 the State acting through the National Treasury Management Agency;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a company that is or will be within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act, in respect of payments made to it by the Company;
- an Irish Resident company investing in a money market fund being a person referred to in Section 739D(6)(k) of the Taxes Act; or
- any other Irish Resident or Irish Ordinary Resident who may be permitted to own Shares under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company.

provided in each case that they have completed the Relevant Declaration.

**“Intermediary”**, means a person who:-

- carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or
- holds shares in an investment undertaking on behalf of other persons.

**“Ireland”**, means the Republic of Ireland/the State.

**“Irish Ordinary Resident”**

- in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes.
- in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.

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 s/he is not resident.

## **“Irish Resident”**

- in the case of an individual, means an individual who is resident in Ireland for tax purposes.
- in the case of a trust, means a trust that is resident in Ireland for tax purposes.
- in the case of a company, means a company that is resident in Ireland for tax purposes.

### *Residence – Individual*

An individual will be regarded as being resident in Ireland for a particular twelve month tax year if s/he:

- spends 183 days or more in Ireland in that twelve month tax year; or
- has a combined presence of 280 days in Ireland, taking into account the number of days spent in Ireland in that twelve month tax year together with the number of days spent in Ireland in the preceding twelve month tax year.

Presence in a twelve month tax year by an individual of not more than 30 days in Ireland will not be reckoned for the purpose of applying the two year test. Presence in Ireland for a day means the personal presence of an individual at any time during that day.

### *Residence – Company*

It should be noted that the determination of a company’s residence for tax purposes can be complex in certain cases and declarants are referred to the specific legislative provisions that are contained in Section 23A of the Taxes Act.

### *Companies incorporated on or after 1 January 2015*

Finance Act 2014 introduced changes to the above residency rules. From 1 January 2015, a company incorporated in Ireland will be automatically considered resident in Ireland for tax purposes, unless it is considered resident in a jurisdiction with which Ireland has a double tax agreement. A company incorporated in a foreign jurisdiction that is centrally managed and controlled in Ireland will continue to be treated as resident in Ireland for tax purposes, unless otherwise resident by virtue of a double tax agreement.

Companies incorporated prior to 1 January 2015 have until 1 January 2021 before the new corporate residency provisions take effect.

### *Companies incorporated prior to 1 January 2015*

The Irish tax rules for companies incorporated prior to 1 January 2015 provides that a company incorporated in Ireland will be regarded for all tax purposes as being resident in Ireland. Irrespective of where a company is incorporated a company which has its central management and control in Ireland is resident in Ireland. A company which does not have its central management and control in Ireland but which is incorporated in Ireland is resident in Ireland except where:-

- the company or a related company carried on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU Member States or in countries with which Ireland has a double taxation treaty, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a taxation treaty country;

or

- the company is regarded as not resident in Ireland under a double taxation treaty between Ireland and another country.

#### *Residence – Trust*

Determining the tax residence of a trust can be complex. A trust will generally be regarded as resident in Ireland for tax purposes if a majority of its trustees are resident for tax purposes in Ireland. Where some, but not all, of the trustees are resident in Ireland, the residency of the trust will depend on where the general administration of the trust is carried on. In addition, the provisions of any relevant double tax agreement would need to be considered. As a result, each trust must be assessed on a case by case basis.

#### **“PPIU”**

means, Personal Portfolio Investment Undertaking, a personal portfolio investment undertaking in respect of a Shareholder where some or all of the property of the undertaking, may be or was, selected by, or the selection of some or all of the property may be, or was, influenced by

- (i) the Shareholder;
- (ii) a person acting on behalf of the Shareholder;
- (iii) a person connected with the Shareholder;
- (iv) a person connected with a person acting on behalf of the Shareholder;
- (v) the Shareholder and a person connected with the Shareholder; or
- (vi) a person acting on behalf of both the Shareholder and a person connected with the Shareholder.

An investment undertaking is not a PPIU if the only property which may be or has been selected was available to the public at the time that the property is available for selection by an investor and is clearly identified in the investment undertaking's marketing or other promotional material. The investment undertaking must also deal with all investors on a non-discriminatory basis. In the case of investments deriving 50% or more of their value from land, any investment made by an individual is limited to 1% of the total capital required.

**“Relevant Declaration”**, means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act. The Relevant Declaration for investors who are neither Irish Resident nor Irish Ordinary Resident (or Intermediaries acting for such investors) is set out in the application form accompanying the relevant Supplement to this Prospectus.

**“Relevant Period”**, means a period of 8 years beginning with the acquisition of a Share by a Shareholder and each subsequent period of 8 years beginning immediately after the preceding relevant period.

**“Taxes Act”**, The Taxes Consolidation Act, 1997 (of Ireland) as amended.

#### **The Company**

The Company will be regarded as resident in Ireland for tax purposes if the central management and control of its business is exercised in Ireland and the Company is not regarded as resident elsewhere. It is the intention of the Directors that the business of the Company will be conducted in such a manner as to ensure that it is Irish Resident for tax purposes.

The Directors have been advised that the Company qualifies as an investment undertaking as defined in Section 739B of the Taxes Act. Under current Irish law and practice, on that basis it is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a “chargeable event” in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation or

transfer of Shares or appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of the tax payable on a gain arising on a transfer of an entitlement to a Share. It also includes the ending of a Relevant Period.

No tax will arise on the Company in respect of chargeable events in respect of a Shareholder who is neither Irish Resident nor Irish Ordinary Resident at the time of the chargeable event provided that a Relevant Declaration is in place and the Company is not in possession of any information which would reasonably suggest that the information contained therein is not or, is no longer materially correct.

A chargeable event will not be deemed to arise if at the time of the chargeable event Equivalent Measures have been formally agreed with the Revenue Commissioners and the approval has not been withdrawn. In the absence of a Relevant Declaration or Equivalent Measures there is a presumption that the investor is Irish Resident or Irish Ordinary Resident.

A chargeable event does not include:

- an exchange by a Shareholder, effected by way of an arm's length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company;
- any transactions (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;
- a transfer by a Shareholder of the entitlement to a Share where the transfer is between spouses, former spouses, civil partners or former civil partners, subject to certain conditions; or
- an exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Company with another investment undertaking.

The holding of Shares at the end of the Relevant Period will also constitute a chargeable event. To the extent that any tax arises on such chargeable event, such tax will be allowed as a credit against any tax payable on the subsequent encashment, redemption, cancellation or transfer of the relevant Shares. Should an excess payment of appropriate tax arise on the redemption of Shares as a result of tax paid on an earlier deemed chargeable event, the Company, on election, is not obliged to process the refund arising on behalf of a relevant Shareholder provided the value of the Shares does not exceed 15% of the total value of the Shares in the Company. Instead the Shareholder should seek such a repayment directly from the Revenue Commissioners.

Where the value of the Shares held by non-exempt Irish Shareholders is less than 10% of the value of the total Shares of the Company, the Company will not be obliged to deduct tax on the happening of a chargeable event on the ending of a Relevant Period, provided the Company elects to report certain information to the Revenue Commissioners and the Shareholder. In such circumstances, the Shareholder will have to account for the appropriate tax arising on the happening of the chargeable event on a self-assessment basis.

Where the chargeable event is the ending of a Relevant Period, the Company has the option of electing to value the Shares at certain dates other than at the date of the deemed eight year disposal itself.

If the Company becomes liable to account for tax if a chargeable event occurs, the Company shall be entitled to deduct from the payment giving rise to a chargeable event an amount equal to the appropriate tax and/or where applicable, to appropriate or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against the loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Please see the "Shareholders" section below dealing with the tax consequences for the Company and the Shareholders of chargeable events in respect of:-



- Shareholders who are neither Irish Residents nor Irish Ordinary Residents; and
- Shareholders who are either Irish Residents or Irish Ordinary Residents.

Dividends received by the Company from investment in Irish equities may be subject to Irish dividend withholding tax at the standard rate of income tax (currently 20%). However, the Company can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

There is an obligation on the Company to provide an annual report to the Irish Revenue Commissioners in relation to certain Shareholders and the value of their investments in the Company. The obligation arises only in relation to Shareholders who are either Irish Resident or Irish Ordinary Resident.

Anti avoidance provisions apply where an investment undertaking is regarded as a PPIU in respect of Irish tax resident individual Shareholders. In such circumstances any payment to a Shareholder will be taxed at a rate of 60%. It is a matter of fact whether or not the Shareholder or a connected person has a right of selection as envisaged in the anti avoidance measures. Individual Shareholders should seek independent legal advice to ascertain whether the investment undertaking, as a result of their personal circumstances, could be regarded as a PPIU.

## **Shareholders**

### **(i) Shareholders who are neither Irish Residents nor Irish Ordinary Residents**

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Irish Ordinary Resident, (b) the Shareholder has made a Relevant Declaration and (c) the Company is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct. In the absence of a Relevant Declaration or approval from Revenue to operate Equivalent Measures, tax will arise on the happening of a chargeable event in the Company regardless of the fact that a Shareholder is neither Irish Resident nor Irish Ordinary Resident. The appropriate tax that will be deducted is as described in paragraph (ii) below.

To the extent that a Shareholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Irish Ordinary Resident no tax will have to be deducted by the Company on the occasion of a chargeable event provided that the Intermediary has made a Relevant Declaration that they are acting on behalf of such person and the Company is not in possession of any information that would reasonably suggest that the information contained therein is not, or is no longer materially correct or if the Directors have received approval from the Revenue Commissioners that Equivalent Measures are in place

A gain shall not be treated as arising to the Company on the happening of a chargeable event in respect of Shareholders who are neither Irish Residents nor Irish Ordinary Residents and who have made Relevant Declarations in respect of which the Company is not in possession of any information which would reasonably suggest that the information contained therein is not, or is no longer materially correct. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from the Shares or gains made on disposal of the Shares.

Where taxes are withheld by the Company on the basis that no Relevant Declaration has been filed with the Company by the Shareholder, Irish legislation does not provide for a refund of tax except in the following circumstances;

- i. The appropriate tax has been correctly returned by the Company and within one year of making of the return the Company can prove to the satisfaction of the Revenue Commissioners that it is just and reasonable for such tax which has been paid to be repaid to the Company.
- ii. Where a claim is made for a refund of Irish tax under Section 189, 189A and 192 of the Taxes Act (relieving provisions relating to incapacitated persons, trusts in relation thereto and persons incapacitated as a result of drugs containing thalidomide) the income received will be treated as net income chargeable to tax under Case III of Schedule D from which tax has been deducted.

**(ii) Shareholders who are Irish Residents or Irish Ordinary Residents**

Unless a Shareholder is an Exempted Irish Investor and provides a Relevant Declaration to that effect or unless the Shares are purchased by the Courts Service or the Shareholder is a corporate which has provided a declaration of its corporate status, tax at the rate of 41% will have to be deducted by the Company on distributions and gains arising to the Shareholder on an encashment, redemption, cancellation or transfer of Shares by a Shareholder. Tax at a rate of 41% will also be required to be deducted by the Company on the ending of a Relevant Period at which time there is a deemed disposal of Shares by the Shareholder. Tax at a rate of 25% will have to be deducted by the Company where the Shareholder is a company regardless of the nature of the distribution and the Shareholder has provided a formal declaration of its corporate status.

In general, non-corporate Shareholders who are Irish Resident or Irish Ordinary Resident will not be subject to further Irish tax on income from their Shares or gains made on disposal of the Shares where tax has been deducted by the Company on payments received. Where a currency gain is made by a Shareholder on the disposal of his or her Shares, such a Shareholder may be liable to capital gains tax in the year assessment in which the Shares are disposed of. Irish Resident corporate Shareholders who receive distributions from which tax has been deducted will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D of the Taxes Act from which tax at the 25% rate has been deducted. An Irish Resident corporate Shareholder whose Shares are held in connection with a trade will be taxable on any income or gains as part of that trade with a set-off against corporation tax payable for any tax deducted by the Company. Any Shareholder who is Irish Resident or Irish Ordinary Resident and receives a distribution or a gain on any encashment, redemption, cancellation or transfer of Shares from which tax has not been deducted may be liable to income tax or corporation tax on the amount of such distribution or gain.

**(iii) Irish Courts Service**

Where Shares are held by the Courts Service no tax is deducted by the Company on payments made to the Courts Service. Where money under the control or subject to the order of the Court Service is applied to acquire Shares in the Company, the Courts Service assumes, in respect of those Shares acquired, the responsibilities of the Company with regard to, inter alia, deduction of tax in respect of chargeable events, filing returns and collection of the tax.

In addition, the Courts Service must make, in respect of each year of assessment, on or before 28 February in the year following the year of assessment, a return to the Revenue Commissioners which:

- (a) specifies the total amount of gains arising to the investment undertaking in respect of the Shares acquired; and
- (b) specifies in respect of each person who is or was beneficially entitled to those Shares:
  - where available, the name and address of the person,
  - the amount of total gains to which the person has beneficial entitlement, and
  - such other information as the Revenue Commissioners may require.

### **Stamp Duty**

Generally, no stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or property.

No Irish stamp duty will be payable by the Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B of the Taxes Act) which is registered in Ireland.

No Stamp Duty will arise on reconstructions or amalgamations of investment undertakings under Section 739H of the Taxes Act, provided the reconstructions or amalgamations are undertaken for bona fide commercial purposes and not for the avoidance of tax.

### **Capital Acquisitions Tax**

The disposal of Shares may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the Company falls within the definition of investment undertaking (within the meaning of Section 739B of the Taxes Act), the disposal of Shares by a Shareholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither Irish domiciled nor Irish Ordinary Resident and (b) at the date of the disposition the Shareholder disposing of the Shares is not Irish domiciled nor Irish Ordinary Resident in Ireland and (c) the Shares are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

### **European Union Taxation of Savings Income Directive**

Dividends and other distributions of income made by the Company, together with payment of the proceeds of sale and/or redemption of Shares in the Company, may (depending on the investment portfolio of the Company) be subject to the withholding tax and/or information providing regime imposed by EU Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "EU Savings Directive"), where payment is made to a Shareholder who is an individual resident for tax purposes in a Member State of the European Union for the purposes of the EU Savings Directive (or a "residual entity" established in a Member State) by a paying agent resident in another such Member State.

The majority of Member States including Ireland have opted for exchange of information rather than a withholding tax system.

Accordingly, the Custodian, Administrator or such other entity considered a "paying agent" for the purposes of the Savings Directive may be required to disclose details of payments of interest or other similar income to investors in the Company to the Irish Revenue Commissioners. In that regard, the Custodian, Administrator or such other entity considered a "paying agent" will require proof of identity, residence and relevant tax documentation from individual investors. Failure to provide the

above information may result in the refusal of an application for a subscription or a request for a redemption.

In March 2014, the EU Council adopted a directive amending and expanding the Savings Directive. A broader range of investment funds are now within scope of the Savings Directive. Payments made to a larger number of entities, trusts, foundations and other legal arrangements will now also be reportable. The revised Savings Directive also provides for a "look-through" approach to certain EU and non-EU entities or similar legal arrangements to identify who is benefiting from interest payments. The changes adopted must be transposed into national law by 1 January 2016 and should apply from 1 January 2017. Investors who are in any doubt as to their position should consult their professional advisers.

### **FATCA and other cross-border reporting systems**

The Company (or each Fund) may be subject to the Hiring Incentives to Restore Employment Act which was signed into US law on 18 March 2010 and includes foreign account tax compliance provisions generally known as "FATCA".

The thrust of these provisions is that details of US investors holding assets outside the US will be reported by financial institutions to the US Internal Revenue Services ("IRS") as a safeguard against US tax evasion. To discourage non-US financial institutions ("Foreign Financial Institutions" or "FFIs") from staying outside this regime, FATCA provides that US securities held by a financial institution that does not enter and comply with the regime will be subject to a US tax withholding of 30% (a "FATCA Deduction") on certain U.S. source income and gross sales proceeds. This regime is effective from 1 July 2014. To be relieved from these withholding taxes, the FFIs will need to comply with the provisions of FATCA under the terms of the applicable legislation implementing FATCA.

The basic terms of FATCA appear to include the Company (or each Fund) as a 'Financial Institution', such that, in order to comply, the Company may require all Shareholders to provide mandatory documentary evidence of their tax residence.

The US has developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed a Model I intergovernmental agreement ("Irish IGA") on 21 December 2012.

The Irish IGA is intended to reduce the burden for Irish financial institutions of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information about relevant US investors will be provided on an annual basis by each Irish financial institution (unless the financial institution is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners, who will then provide such information to the IRS.

Accordingly, in order to comply with its FATCA obligations, the Company may require investors to provide the Company with information and documentation prescribed by applicable law and such additional documentation as reasonably requested by the Company. To this extent, the Company (or each Fund) may need to obtain and verify information on all of its investors, and shareholders may be requested to provide additional information to the Company to enable the Company (or each Fund) to satisfy these obligations. Any Shareholder that fails to comply with the Fund's documentation requests may be subject to liability for any resulting U.S. withholding taxes, U.S. tax information reporting and/or mandatory redemption, transfer or other termination of the Shareholder's interest in its shares and other administrative or operational costs, or penalties imposed on the Company (or each Fund) and attributable to such shareholder's failure to provide the information.

In particular, a failure for the Company (or each Fund) to obtain such information from any shareholder and to transmit it to the authorities may trigger the FATCA Deduction on payments made to such shareholder. In certain cases, the Company (or each Fund) may, in its sole discretion,

compulsorily redeem or transfer any share of such shareholder and take any action required to ensure that the FATCA Deduction or other financial penalty and associated costs (including but not limited to administrative or operational costs related to shareholders' non-compliance), expenses and liabilities are economically borne by such shareholder. Such action may (without limitation) include the relevant Fund reducing or refusing to make payment to such shareholder of any redemption proceeds. In certain conditions when the investor does not provide sufficient information, the Company (or each Fund) will take actions to comply with FATCA. This may result in the obligation for the Company (or each Fund) to disclose the name, address and taxpayer identification number (if available) of the investor as well as information like account balances, income and capital gains (non-exhaustive list) to its local tax authority under the terms of the applicable IGA.

Each prospective investor should consult their own tax advisor regarding the requirements under FATCA with respect to their particular circumstances.

Although the Company will use commercially reasonable efforts to comply with any requirements that are necessary to avoid the imposition of withholding taxes on payments to the Company pursuant to FATCA, no assurance can be given that the Company will be able to satisfy these obligations. If the Company becomes subject to a withholding tax as a result of FATCA, the return of all investors may be materially affected.

Ireland and a number of other jurisdictions have also announced that they propose to enter into multilateral arrangements modelled on the Common Reporting Standard for Automatic Exchange of Financial Account Information published by the Organisation for Economic Co-operation and Development (OECD). If implemented into Irish law, this would also require the Company to provide certain information to the Irish Revenue Commissioners about Shareholders from the jurisdictions which are party to such arrangements (which information will in turn be provided to the relevant tax authorities).

In light of the above, Shareholders in the Company will be required to provide certain information to the Company to comply with the terms of the reporting systems.

## STATUTORY AND GENERAL INFORMATION

### 1. Incorporation, Registered Office and Share Capital

- (a) The Company is an investment company with variable capital and having segregated liability between its Funds, which was incorporated in Ireland on 26 June 1997 under registration number 267219, under the name of “Loomis Sayles International Funds public limited company”. On 23 January 2001, the Company changed its name to “CDC AM-Loomis Sayles International Funds public limited company” and to “IXIS International Funds (Dublin) I public limited company” on 1 December 2004. On 20 July 2007, the Company changed its name to “Natixis International Funds (Dublin) I public limited company”. The Company was originally authorised as a “designated” investment company under part XIII Companies Act, 1990. By special resolution of the shareholders of the Company effective 24 August 2000 the Company was reconstituted as a UCITS with effect from that date.
- (b) The registered office of the Company is presently at 6<sup>th</sup> Floor, 2 Grand Canal Square, Dublin 2, Ireland.
- (c) On incorporation the authorised share capital of the Company was US\$70,000 divided into 70,000 Subscriber Shares of a par value of US\$1 each.
- (d) In order to provide for the minimum share capital on incorporation required under Irish law, the Delegate Investment Manager subscribed for 69,993 Subscriber Shares for cash at par fully paid up and a further seven Subscriber Shares have been issued fully paid up for cash at par to nominees. Subsequently, the issue of the participating shares the Delegate Investment Manager redeemed its 69,993 shares at par, no further Subscriber Shares will be issued. There are in addition 5,000,000,000 shares of no par value designated as unclassified shares. The unclassified shares were made available for issue as Participating Shares.
- (e) No capital of the Company is under option or agreed conditionally or unconditionally to be put under option. The unclassified shares do not carry pre-emption rights.

### 2. Share Rights

- (a) Subscriber Shares

The holders of the Subscriber Shares shall:-

- (i) on a vote taken on a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per Subscriber Share;
- (ii) not be entitled to any dividends whatsoever in respect of their holding of Subscriber Shares; and
- (iii) in the event of a winding up or dissolution of the Company, have the entitlements referred under “Distribution of Assets on a Liquidation” below.

- (b) Participating Shares

The holders of Participating Shares shall:-

- (i) on a vote taken on a show of hands, be entitled to one vote per holder and, on a poll, be entitled to one vote per whole Participating Share;

- (ii) be entitled to such dividends as the Directors may from time to time declare; and
- (iii) in the event of a winding up or dissolution of the Company, have the entitlements referred to under “Distribution of Assets on a Liquidation” below.

### **3. Voting Rights**

This is dealt with under the rights attaching to the Subscriber Shares and Participating Shares referred to at 2 above.

Subject to any special terms as to voting upon which any shares may be issued or may for the time being be held, at any general meeting on a show of hands every holder of shares who (being an individual) is present in person or (being a corporation) is present by duly authorised representative shall have one vote. On a poll every such holder present as aforesaid or by proxy shall have one vote for every share held.

To be passed, ordinary resolutions of the Company in general meeting will require a simple majority of the votes cast by the shareholders voting in person or by proxy at the meeting at which the resolution is proposed.

A majority of not less than 75% of the shareholders present in person or by proxy and (being entitled to vote) voting in general meetings is required in order to pass a special resolution including a resolution to (i) rescind, alter or amend an Article or make a new Article and (ii) wind up the Company.

### **4. Memorandum of Association**

The Memorandum of Association of the Company provides that the Company’s sole object is the collective investment in transferable securities and/or other liquid financial assets referred to in Regulation 68 of the Regulations of capital raised from the public operating on the principle of spreading investment risk in accordance with the Regulations. The objects of the Company are set out in full in Clause 3 of the Memorandum of Association which is available for inspection at the registered office of the Company.

### **5. Articles of Association**

The following Section is a summary of the principal provisions of the Articles of Association of the Company not previously summarised in this Prospectus (Defined terms in this Section bear the same meanings as defined in the Articles):-

- (j) Alteration of share capital

The Company may from time to time by ordinary resolution increase its capital, consolidate and divide its shares or any of them into shares of a larger amount, sub-divide its shares or any of them into shares of a smaller amount, or cancel any shares not taken or agreed to be taken by any person. The Company may also by special resolution from time to time reduce its share capital in any way permitted by law.

- (k) Issues of shares

The Participating Shares shall be at the disposal of the Directors and they may (subject to the provisions of the Act) allot, offer or otherwise deal with or dispose of them to such

persons, at such times and on such terms as they may consider in the best interests of the Company.

(l) Variation of rights

Whenever the share capital is divided into different classes of shares, the rights of any class may be varied or abrogated with the consent in writing of the holders of three quarters of the issued and outstanding shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of that class of shares and the necessary quorum shall be (other than an adjourned meeting) two persons holding shares issued in that class (and at the adjourned meeting the necessary quorum shall be one person holding shares of that class or his proxy).

The special rights attaching to any shares of any class shall not (unless the conditions of issue of such class of shares expressly provide otherwise) be deemed to be varied by the creation or issue of other shares ranking *pari passu* therewith.

(m) Transfers of Shares

- (i) All transfers of shares shall be effected by an instrument in writing in a form approved by the Directors (but need not be under seal) or by such other means as the Company may prescribe from time to time where such means are in accordance with the requirements of the Central Bank. No transfer of Subscriber Shares can be effected without the prior written consent of the Company.
- (ii) The instrument of transfer of a share must be signed by or on behalf of the transferor. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register in respect of such share.
- (iii) The Directors may decline to register a transfer of shares unless the instrument of transfer is deposited at the registered office of the Company together with such evidence as is required by the Directors to show the right of the transferor to make the transfer and satisfying the Directors as to their requirements to prevent money laundering as they may apply from time to time. The registration of transfers may be suspended for such times and at such periods as the Directors may determine provided always that such registration may not be suspended for more than thirty days in any one year.
- (iv) The Directors shall decline to register any transfer of a Share where:-
  - A. they are aware or believe that such transfer would be likely to result in the beneficial ownership of such Participating Shares by a person who is not a Qualified Holder or expose the Company to adverse tax or regulatory consequences; or
  - B. to a person who is not already a Shareholder if, as a result of such transfer, the proposed transferee would not be the holder of a Minimum Holding.

(n) Directors

- (i) Each Director shall be entitled to such remuneration for his services as the Directors shall from time to time resolve provided no Director may be paid in excess of the figure set out in this Prospectus without the approval of the Board. The Directors may also be paid, *inter alia*, for travelling, hotel and other expenses properly incurred by them in attending meetings of the Directors or in connection



with the business of the Company. Any Director who devotes special attention to the business of the Company may be paid such extra remuneration as the Directors may determine.

- (ii) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director, and may act in a professional capacity to the Company on such terms as the Directors may determine.
- (iii) Subject to the provisions of the Act, and provided that he has disclosed to the Directors the nature and extent of any material interest of his, a Director notwithstanding his office:-
  - A. may be a party to, or otherwise interested in, any transaction or arrangement with the Company or any subsidiary or associated company thereof;
  - B. may be a Director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company thereof is otherwise interested; and
  - C. shall not be accountable, by reason of his office, to the Company for any benefit which he derives from any such office or employment or from any such transaction or arrangement or from any interest in any such body corporate and no such transaction or arrangement shall be liable to be avoided on the ground of any such interest or benefit.
- (iv) A Director shall not generally be permitted to vote at a meeting of the Directors or a committee of Directors on any resolution concerning a matter in which he has, directly or indirectly, an interest which is material or a duty which conflicts or may conflict with the interests of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote. A Director shall be entitled to vote (and be counted in the quorum) in respect of resolutions concerning certain matters in which he has an interest including any proposal concerning any other company in which he is interested, directly or indirectly provided that he is not the holder of or beneficially interested in 10% or more of the issued shares of any class of such company or of the voting rights available to members of such company (or of a third company through which his interest is derived).
- (v) There is no provision in the Articles requiring a Director to retire by reason of any age limit and no share qualification for Directors.
- (vi) The number of Directors shall not be less than two (2).
- (vii) The quorum for meetings of Directors may be fixed by the Directors and unless so fixed shall be two (2).
- (viii) A Director is required to comply immediately with any suspension notice issued by the Central Bank in respect of such Director and shall cease performing any function of his office as may be specified in the notice. For so long as a suspension notice is in force any Director the subject of such notice is not permitted to attend any meetings of the Directors and shall not be counted in the quorum thereat.

- (ix) The office of a Director shall be vacated in any of the following circumstances i.e. if:-
- A. he ceases to be a Director by virtue of any provisions of the Act or becomes prohibited by law from being a Director;
  - B. he becomes a bankrupt or makes any arrangement or composition with his creditors generally;
  - C. in the opinion of a majority of the Directors he becomes incapable by reason of mental disorder of discharging his duties as a Director;
  - D. he resigns from his office by notice to the Company;
  - E. he is convicted of an indictable offence and the Directors determine that as a result of such conviction he should cease to be a Director;
  - F. he shall for more than six consecutive months have been absent without permission of the Directors from meetings of the Directors held during that period and the Directors pass a resolution that he has by reason of such absence vacated office;
  - G. the Central Bank has issued a prohibition notice in respect of such Director;
  - H. by a resolution of a majority of his co-Directors, he is requested to vacate office;
  - I. a majority of the Directors are satisfied on reasonable grounds that he no longer complies with any standards of fitness and probity in a code issued by the Central Bank from time to time.

The Company may also, as a separate power, in accordance with and subject to the provisions of the Act by ordinary resolution of the shareholders, remove any Director (including a Managing Director or other executive director) before the expiry of his period of office notwithstanding anything to the contrary contained in the Articles or in any agreement between the Company and any such Director.

(o) Borrowing powers

The Directors may exercise all borrowing powers on behalf of the Company and mortgage or charge its undertaking, property and assets or any part thereof and to issue debentures, debenture stock or other securities whether outright or as collateral security for any debt, liability or obligation of the Company. The Company may not borrow other than in accordance with the Regulations.

(p) Dividends

No dividends are payable on the Subscriber Shares. Subject to the provisions of the Act the Company may by ordinary resolution declare dividends on a class or classes of Participating Shares, but no dividends shall exceed the amount recommended by the Directors. If the Directors so resolve and in any event on the winding up of the Company or on the total redemption of Participating Shares, any dividend which has remained unclaimed for six years shall be forfeited and become the property of the relevant Fund.

(q) Distribution of assets on a liquidation

- (i) If the Company shall be wound up the liquidator shall, subject to the provisions of the Act, apply the assets of the Company on the basis that any liability incurred or attributable to a Fund shall be discharged solely out of the assets of that Fund.
- (ii) The assets available for distribution among the members shall then be applied in the following priority:-
  - A. firstly, in the payment to the holders of the Participating Shares of each class of each Fund of a sum in the currency in which that class is designated or in any other currency selected by the liquidator as nearly as possible equal (at a rate of exchange determined by the liquidator) to the Net Asset Value of the Participating Shares of such class held by such holders respectively as at the date of commencement to wind up provided that there are sufficient assets available in the relevant Fund to enable such payment to be made. In the event that, as regards any class of Shares, there are insufficient assets available in the relevant Fund to enable such payment to be made recourse shall be had to the assets of the Company (if any) not comprised in any of the Funds and not (save as provided for by the Act) to the assets comprised within any of the Funds;
  - B. secondly, in the payment to the holders of the Subscriber Shares of sums up to the nominal amount paid thereon out of the assets of the Company not comprised within any Funds remaining after any recourse thereto under subparagraph (ii)A above. In the event that there are insufficient assets as aforesaid to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;
  - C. thirdly, in the payment to the holders of each class of Participating Shares of any balance then remaining in the relevant Fund, such payment being made in proportion to the number of Participating Shares held;
  - D. fourthly, in the payment to the holders of the Participating Shares of any balance then remaining and not comprised within any of the Funds, such payment being made in proportion to the value of each Fund and within each Fund to the value of each class and in proportion and to the number of Shares held in each class.
  - E. fifthly, a Fund may be wound up in accordance with the Act and in such event, the provisions of this section (h) and article 122 of the Articles apply *mutatis mutandis* in respect of that Fund.
- (iii) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Act, divide among the members in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no member shall

be compelled to accept any assets in respect of which there is liability and any member may instruct the liquidator to sell any assets, to which he is entitled, on his behalf.

(r) Indemnities

The Directors (including alternates), Secretary and other officers of the Company shall be indemnified by the Company against losses and expenses which any such person may become liable to by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, negligence or wilful default).

(s) The assets of the Company and the calculation of the net asset value of the Participating Shares.

(i) The Net Asset Value of each Fund shall be expressed in the currency in which the particular Fund is denominated (translated where necessary at such rate of exchange as the Directors think fit) and shall be determined, subject to suspension as at each Valuation Point and shall be the value of all the assets comprised in the Fund less all the liabilities attributable to the Fund and subject to the Regulations.

(ii) The Net Asset Value of a class of Shares within a Fund shall be expressed in the base currency in which the Fund is designated (except, where the currency of the particular class is different to the base currency of the Fund, it shall be expressed in the currency in which that class is designated) (translated, where necessary at such rate of exchange as the Directors think fit) and shall be determined by dividing that class by the number of Shares in that class and deemed to be in issue).

(iii) The assets of the Company shall be deemed to include (a) all cash in hand, on deposit, or on call including any interest accrued thereon and all accounts receivable, (b) all bills, demand notes, certificates of deposit and promissory notes, (c) all bonds, forward currency transactions, commodities (of every description including precious metals and oils) time notes, shares, stock, units of or participation in collective investment schemes/mutual funds, debentures, debenture stock, subscription rights, warrants, futures contracts, options contracts, swap contracts, fixed rate securities, floating rate securities, securities in respect of which the return and/or redemption amount is calculated by reference to any index, price or rate, financial instruments and other investments and securities owned or contracted for in respect of the Company, other than rights and securities issued by it; (d) all stock and cash dividends and cash distributions to be received in respect of the Fund and not yet received by the Company but declared to stockholders on record on a date on or before the day as of which the net asset value is being determined, (e) all interest accrued on any interest-bearing securities attributed to the Company except to the extent that the same is included or reflected in, the principal value of such security, (f) all other Investments of the Company, (g) the establishment costs attributable to the Company and the cost of issuing and distributing Participating Shares of the Company in so far as the same have not been written off and (h) all other assets of the Company of every kind and nature including prepaid expenses as valued and defined from time to time by the Directors.

(iv) The valuation principles to be used in valuing the Company's assets are as follows:-

- A. in the case of non-money market sub-funds, the Directors may value money market instruments on an amortised cost basis, in accordance with the Central Bank's requirements;
- B. the value of an Investment which is quoted, listed or normally dealt in on a Regulated Market shall (save in the specific cases set out in paragraphs D., I. and K.) be the closing mid-market price on such Regulated Markets as at the Valuation Point, the last traded price or last bid quotation when no closing mid-market price is available, provided that:-
  - I. if an Investment (including units or shares in exchange-traded funds) is quoted, listed or normally dealt in on more than one Regulated Market, the Directors may, at their discretion, select any one of such markets for the foregoing purposes (provided that the Directors have determined that such market constitutes the main market for such Investment or provides the fairest criteria for valuing such securities) and once selected a market shall be used for future calculations of the Net Asset Value with respect to that Investment unless the Directors otherwise determine; and
  - II. in the case of any Investment which is quoted, listed or normally dealt in on a Regulated Market but in respect of which for any reason, prices on that market may not be available at any relevant time, or, in the opinion of the Directors, may not be representative, the value therefor shall be the probable realisation value thereof estimated with care and in good faith by a competent person, firm or association appointed by the Directors making a market in such Investment (approved for the purpose of the Custodian) and/or any other competent person appointed by the Directors (and approved for the purpose by the Custodian);
  - III. in the case of any Investment which is quoted, listed or normally dealt in on a Regulated Market but which was acquired at a premium or at a discount outside or off the relevant market, the level of premium or discount at the date of valuation may be taken into account when valuing such Investment provided the Custodian ensures that the adoption of such procedure is justifiable in the context of establishing the probable realisation value thereof; and
  - IV. there shall be taken into account interest on interest bearing Investments up to the Valuation Point.
- C. the value of any Investment which is not quoted, listed or normally dealt in on a Regulated Market shall be the probable realisable value estimated with care and in good faith by a competent person, firm or association making a market in such Investment (approved for the purpose by the Custodian) and/or any other competent person, in the opinion of the Directors (and approved for the purpose by the Custodian);
- D. the value of any Investment which is a unit of or participation in an open-ended collective investment scheme/mutual fund shall be the latest available net asset value of such unit/participation as published by such collective investment scheme/mutual fund, or, where such Investment is quoted, listed

or dealt in on a Regulated Market, may be a value determined in accordance with paragraph 5(j)(iv)(B);

- E. the value of any prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof unless in any case the Directors are of the opinion that the same is unlikely to be paid or received in full in which case the value thereof shall be arrived at after making such discount as the Directors (with the approval of the Custodian) may consider appropriate in such case to reflect the true value thereof;
- F. cash in hand and cash deposits shall be valued at their principal amount plus accrued interest from the date on which the same were acquired or made;
- G. treasury bills shall be valued at the closing bid price on the market on which same are traded or admitted to trading as at the Valuation Point, provided that where such price is not available, same shall be valued (with the approval of the Custodian) on the basis of their market yield taking into account currency and date of maturity;
- H. bonds, notes, debenture stocks, certificates of deposit, bank acceptances, trade bills and similar assets shall be valued at the closing bid price on the market on which these assets are traded or admitted for trading (being the market which is the sole market or in the opinion of the Directors the principal market on which the assets in question are quoted or dealt in) plus any interest accrued thereon from the date on which same were acquired;
- I. the value of any futures contracts and options which are dealt in on a Regulated Market shall be the settlement price as determined by the market in question, provided that if such settlement price is not available for any reason or is unrepresentative, same shall be valued at the probable realisation value estimated with care and good faith by a competent person (approved for the purpose by the Custodian);
- J. the value of any over the counter ("OTC") derivatives contracts shall be valued at least daily at a price obtained from the counterparty or by an alternative valuation provided by a competent person (which may be the Investment Manager) appointed by the Company and approved by the Custodian for such purpose, or by any other means provided the value is approved by the Custodian. If a derivative instrument is valued at a price obtained from the counterparty, such price shall be verified at least weekly by a party independent of the counterparty (which may be the Investment Manager) approved for such purpose by the Custodian. If a derivative instrument is valued in any other way, the Company will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA and such alternative valuation, provided by a competent person appointed by the Directors and approved for the purpose by the Custodian, shall be reconciled on at least a monthly basis to a valuation provided by the counterparty and any significant difference shall be promptly investigated and explained;
- K. forward foreign exchange and interest rate swaps contracts for which market quotations are freely available will be valued by reference to market quotations (in which case there is no requirement to have such prices independently verified or reconciled to the counterparty valuation). If no

such market quotations are available, forward foreign exchange and interest rate swaps contracts will be valued in accordance with the previous paragraph;

- L. if in any case a particular value is not ascertainable as above provided or if the Directors shall consider that some other method of valuation better reflects the fair value of the relevant Investment then in such case the method of valuation of the relevant Investment shall be such as the Directors shall decide with the approval of the Custodian and provided that such method is approved by the Custodian;
- M. notwithstanding the foregoing, where at any time of any valuation any asset of the Company has been realised or contracted to be realised there shall be included in the assets of the Company in place of such asset the net amount receivable by the Company in respect thereof provided that if such amount is not then known exactly then its value shall be the net amount estimated by the Directors as receivable by the Company and approved by the Custodian;
- N. any certificate as to Net Asset Value of Participating Shares given in good faith (and in the absence of negligence or manifest error) by or on behalf of the Directors shall be binding on all parties;
- O. notwithstanding any of the foregoing sub-paragraphs, the Directors
  - I. with the approval of the Custodian may adjust the value of any Investment if, having regard to currency, applicable rate of interest, maturity, marketability and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof; and/or
  - II. in order to comply with any applicable accounting standards, present the value of any assets of the Company in financial statements to Shareholders in a manner different to that set out in this section; and
- P. without prejudice to their general powers to delegate their functions herein certified, the Directors may delegate any of their functions in relation to the calculation of Net Asset Value to the Administrator, to a committee of the Directors or to any other duly authorised person. In the absence of wilful misconduct or manifest error, every decision taken by the Directors or any committee of the Directors or any duly authorised person on behalf of the Company in calculating the Net Asset Value shall be final and binding on the Company and on present, past or future Members.

## **6. Money Laundering**

Measures provided for in the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 and 2013 (the "AML/CTF Acts"), as may be amended from time to time, which are aimed towards the prevention of money laundering and counter terrorist financing require a subscriber to verify his/her identity to the Company.

The Directors have a responsibility to regulators for compliance with money laundering regulations around the world and, for that reason, existing Shareholders, potential subscribers for and transferees of Participating Shares may be asked for proof of identity. Until satisfactory proof of identity is provided by potential investors or transferees, as determined by the

Directors, the Directors reserve the right to withhold issuance and approval of transfers of Participating Shares.

In case of delay or failure to provide satisfactory proof of identity, the Directors may take such action as they see fit including the right to redeem issued Participating Shares compulsorily.

## **7. Commissions**

Save as disclosed under the heading “Fees and Expenses” above, no commissions, discounts, brokerages or other special terms have been granted or are payable by the Company in connection with the issue or sale of any capital of the Company.

## **8. Directors’ Interests**

No Director or connected person has any interest direct or indirect in the Shares but non-Irish resident Directors shall be entitled to acquire such an interest.

For the purposes of this paragraph “connected person” means in respect of any Director:-

- (i) his spouse, parent, brother, sister or child;
- (ii) a person acting in his capacity as the trustee of any trust, the principal beneficiaries of which are the Director, his spouse or any of his children or any body corporate which he controls;
- (iii) a partner of the Director; or
- (iv) a company controlled by that Director.

It is however intended that some or all of the Directors will hold Shares in the Company.

Save for the contracts listed in paragraph 10 below, no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.

Mr Trepanier is an employee of Natixis Global Asset Management. Mr Morrissey is a Partner in William Fry, the legal advisers to the Company. Mrs Wood (née Schweitzer) is a vice president and portfolio manager of the Delegate Investment Manager, Loomis, Sayles & Company, L.P. Mr Gallagher is an Executive Vice President of Institutional Sales and a Director of the Delegate Investment Manager, Loomis, Sayles & Company, L.P.

No Director:

- (i) has any unspent convictions in relation to indictable offences;
- (ii) has become bankrupt or entered into any voluntary arrangement or has had a receiver appointed to any asset of such Director;
- (iii) has been a director of any company or a partner of any firm which, at that time or within twelve months after his ceasing to become a director or a partner (as the case may be), had a receiver appointed or went into compulsory liquidation, or creditors voluntary liquidation or went into administration, or entered into company or partnership voluntary arrangements or made any composition or arrangement with its creditors;



- (iv) has been disqualified by a Court from acting as a director or from acting in the management or conduct of affairs of any company;
- (v) has had any public criticism against him by any statutory or regulatory authority (including recognised professional bodies) or has been disqualified by a Court from acting as a director or acting in the management or conduct of the affairs of any company;
- (vi) has been a Partner of any Partnership, which while he was a Partner or within 12 months after he ceased to be a Partner went into compulsory liquidation, administration or Partnership voluntary arrangement, or had a receiver appointed to any Partnership assets.

## **9. Litigation**

The Company is not engaged in any litigation or arbitration proceedings and the Directors are not aware of any litigation or claim pending or threatened by or against the Company since its incorporation.

## **10. Material Contracts**

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

- (a) the Investment Management Agreement;
- (b) the Investment Management Delegation Agreement;
- (c) the Custodian Agreement;
- (d) the Administration Agreement; and
- (e) the Distribution Agreement.

Details of the above contracts are given under the heading “Management and Administration” above.

## **11. Miscellaneous**

The Company does not have as at the date of this Prospectus any loan capital (including term loans) outstanding or created but unissued, or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdraft, liabilities under acceptances or acceptance credits, obligations under finance leases, hire purchase, commitments, guarantees or other contingent liabilities.

The Company does not have, nor has it had since its incorporation, any employees.

The Company has not and does not intend to purchase or acquire nor agree to purchase or acquire any real property.

## **12. Inspection of Documents**

Copies of the following documents will be available for inspection at any time during normal business hours on any day (excluding Saturdays, Sundays and Public Holidays) free of charge at the registered office of the Company in Dublin:-

- (a) the Memorandum and Articles of Association of the Company;

- (b) this Prospectus, the Key Investor Information Documents and any Supplements;
- (c) the Investment Management Agreement;
- (d) the Investment Management Delegation Agreement;
- (e) the Custodian Agreement;
- (f) the Administration Agreement;
- (g) the Distribution Agreement;
- (h) a Memorandum setting out details of other directorships and partnerships of the Directors;
- (i) the Regulations;
- (j) the relevant Notices issued by the Central Bank;
- (k) the Act; and
- (l) the latest annual and semi-annual reports of the Company.

### **13. Commitment Approach**

Each Fund's global risk exposure is calculated by using the standard commitment approach. "Standard commitment" takes into account the conversion of any financial derivative instrument (as well as embedded derivatives) position into the equivalent position in the underlying asset of that derivative with netting and hedging arrangements and leverage linked to efficient portfolio management transactions.

## **APPENDIX I**

### **Stock Exchanges and Regulated Markets**

With the exception of permitted investment in unlisted securities, investment will be restricted to those stock exchanges and markets listed below in this Prospectus or any supplement thereto or revision thereof. These stock exchanges and markets are set out in the Articles of Association and are listed in accordance with the requirements of the Central Bank, it being noted that the Central Bank does not issue a list of approved markets and exchanges.

#### **1. Stock Exchanges**

Stock exchanges in any Member State (with the exception of Cyprus), Norway, Iceland, Australia, Canada, Japan, Hong Kong, Malaysia (Kuala Lumpur Stock Exchange), New Zealand, South Africa (Johannesburg Stock Exchange), Switzerland, Thailand (Stock Exchange of Thailand) or the United States.

#### **2. Markets**

The following regulated markets:-

- (t) the market organised by the International Capital Market Association;
- (u) the market conducted by “listed money market institutions” as described in the Bank of England publication “The Regulation of the Wholesale Cash and OTC Derivatives Markets (in Sterling, foreign currency and bullion)”;
- (v) AIM – the Alternative Investment Market in the U.K., regulated and operated by the London Stock Exchange;
- (w) the over-the-counter market in Japan regulated by the Securities Dealers Association of Japan;
- (x) NASDAQ in the United States;
- (y) the market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York;
- (z) the over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc.
- (aa) the French market for “Titres de Créance Négociables” (over-the-counter market in negotiable debt instruments);
- (bb) EASDAQ (European Association of Securities Dealers Automated Quotation). EASDAQ is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges).
- (cc) South Korea (Korean Stock Exchange, KOSDAQ),
- (dd) the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;
- (ee) the over-the-counter market in Canadian corporate debt regulated by the Investment Dealers Association of Canada.

(ff) the Czech RM-System a.s., an off-exchange market in the Czech Republic regulated by the Czech Securities Commission.

3. Approved Derivatives Markets

Any approved derivative market within the EEA excluding Liechtenstein and Cyprus (being the Member States, Iceland and Norway) which is not listed in paragraph 1 and 2 above on which financial instruments are traded.

4. The following are regulated markets on which financial derivatives may be traded:-

Chicago Board of Trade  
Chicago Mercantile Exchange  
Montreal Stock Exchange  
the Stock Exchange of Singapore Limited  
Sydney Futures Exchange  
Tokyo Stock Exchange

## **APPENDIX II**

### **Investment in Financial Derivative Instruments (“FDIs”) - Efficient Portfolio Management/Direct Investment**

#### **A. Investment in Financial Derivatives Instruments**

The following provisions apply whenever a Fund proposes to engage in transactions in FDIs where the transactions are for investment purposes (and such intention is disclosed in the relevant Fund’s investment policy) or for the purposes of efficient portfolio management. The Company shall employ a risk management process to enable it to monitor and measure, on a continuous basis, the risk of all open derivative positions and their contribution to the overall risk profile of a Fund’s portfolio. The Company shall submit its risk management process to the Central Bank in accordance with the provisions of the Central Bank’s guidance note 3/03 prior to engaging in FDIs transactions. 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. A Fund’s global exposure (as prescribed in the Notices) relating to FDIs must not exceed its total Net Asset Value.
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 Notices. (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 Notices).
3. A Fund may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
4. Investments in FDIs are subject to the conditions and limits laid down by the Central Bank.

#### **B. Counterparty Policy**

Counterparties with whom the Investment Manager, on behalf of a Fund, transacts will be a credit institution which falls under one of the following categories:

1. a credit institution authorised in the European Economic Area (EEA) (European Union Member States, Norway, Iceland, Liechtenstein); or
2. a credit institution authorised within a signatory state, other than a Member State of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
3. a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand; or
4. an investment firm, authorised in accordance with the Markets in Financial Instruments Directive in an EEA Member State; or

5. is an entity subject to regulation as a Consolidated Supervised Entity (“CSE”) by the US Securities and Exchange Commission.

In the case of a counterparty which is not a credit institution, the counterparty has a minimum credit rating of A-2 or equivalent, or is deemed by the Company to have an implied rating of A-2 or equivalent. Alternatively, an unrated counterparty will be acceptable where the Company in respect of the Fund is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty, by an entity which has and maintains a rating of A-2 or equivalent.

### **C. Efficient Portfolio Management – Other Techniques and Instruments**

1. In addition to the investments in FDIs noted above, when disclosed in a Fund’s Supplement, the Company may employ other techniques and instruments relating to transferable securities in accordance with the investment objectives of each Fund.

Such techniques and instruments are set out below and are subject to the following conditions:-

2. Use of Repurchase/Reverse Repurchase and Stocklending Agreements

The Company may enter into repurchase/reverse repurchase agreements, and stock lending arrangements may only be effected in accordance with normal market practice.

- (a) All assets received by the Company on behalf of a Fund in the context of efficient portfolio management techniques should be considered as collateral and should comply with the following criteria::

- (i) Liquidity: collateral received other than cash should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to its pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74;
- (ii) Valuation: collateral received should be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place;
- (iii) Issuer credit quality: collateral received should be of a high quality;
- (iv) Correlation: collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;
- (v) Diversification (asset concentration): collateral should be officially diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Fund’s Net Asset Value. Where 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;
- (vi) Immediately available: collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the counterparty.

- (b) Non-cash collateral cannot be sold, pledged or reinvested.

- (c) Cash collateral may not be invested other than in the following:
- (i) deposits with relevant institutions;
  - (ii) high quality government bonds;
  - (iii) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on an accrued basis;
  - (iv) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049).

(d) Level of Collateral required

Until the expiry of the repurchase agreement, collateral obtained must be marked to market daily and must equal or exceed in value, at all times the value of the amount invested as securities/bonds.

(e) Haircut Policy

The collateral shall be valued at mark to market daily according to the Investment Manager's valuation policy principles. The following haircut policy shall be applied:

The haircut is a percentage discount deducted from the market value of a security that is being offered as collateral in an OTC transaction in order to calculate the purchase price. Thus, the formula for a haircut is:

$$\frac{\text{Market value of collateral} - \text{purchase price}}{\text{Market value of collateral}} * 100$$

Collateral is intended to hedge default risk. Haircuts are usually seen as hedging the risk on that collateral. From this point of view, haircuts are an adjustment to the quoted market value of a collateral security to take account of the unexpected loss that the buyer (seller) in an OTC transaction may face due to the difficulty of selling (buying) that security in response to a default by the seller (buyer).

Assets that exhibit price volatility will be accepted as collateral by applying the following minimum haircuts:

Eligible collateral	Haircuts
Cash and government debt with a remaining maturity of less than 1 year,	At least 0%
Government debt with a remaining maturity of 1-5 years	At least 1%
Government debt with a remaining maturity of 5-10 years	At least 3%
Government debt with a remaining maturity of more than 10 years	At least 4%

Minimum haircuts shall be increased when warranted by market conditions and/or counterparty concerns.

(f) Fees and Expenses

To the extent the Company takes advantage of the use of efficient portfolio management techniques in respect of a Fund, the Fund will bear the associated costs, including but not limited to broker fees and custody fees. All revenues arising from efficient portfolio management techniques, net of direct or indirect operational costs and fees (which costs/fees shall not include hidden revenue), shall be returned to the relevant Fund. The identity of the entity or entities to which such direct and indirect costs and fees are paid, together with confirmation as to whether or not these are related parties to the Investment Manager or to the Custodian shall be disclosed in the Company's audited annual accounts.



## APPENDIX III

### Investment and Borrowing Restrictions

Unless more restrictive rules are provided for in the investment policy of any specific Fund as detailed in its Supplement, each Fund shall comply with the rules and restrictions set forth below.

#### I – Specific Investment Guidelines

The Funds may not invest in Japanese domestic stocks (as defined below) including:

- (a) shares and subscription warrants issued by companies domiciled in Japan.
- (b) equity interests, preferred shares or depositary shares of companies domiciled in Japan.
- (c) beneficiary interests / investment securities in investment trusts / money trusts that invest in shares or other equity type securities issued by companies domiciled in Japan.
- (d) beneficiary interests in investment agreements, joint ventures or investment trusts, domiciled in Japan or otherwise, that invest in commodities; and
- (e) other Japanese investments that are similar in nature to (a) through (d) above.

#### II – General Investment Guidelines

Investment of the assets of the relevant Fund must comply with the Regulations. The Regulations provide:

1	Permitted Investments
1.1	Investments of each Fund are confined to: Transferable securities and money market instruments, as prescribed in the UCITS Notices, which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
1.2	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
1.3	Money market instruments, as defined in the Notices, other than those dealt on a regulated market.
1.4	Units of UCITS.
1.5	Units of Non-UCITS as set out in the Central Bank's Guidance Note 2/03.
1.6	Deposits with credit institutions as prescribed in the Notices.
1.7	Financial derivative instruments as prescribed in the Notices.
2	Investment Restrictions
2.1	Each 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	<p>Each Fund may invest no more than 10% of net assets in recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described in paragraph 1.1) within a year. This restriction will not apply in relation to investment by a Fund in certain US securities known as Rule 144A securities provided that:</p> <ul style="list-style-type: none"> <li>- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li> <li>- the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the Fund.</li> </ul>
2.3	<p>Subject to paragraph 4, each 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%.</p>
2.4	<p>The limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Fund. To avail of this provision, the prior approval of the Central Bank is required.</p>
2.5	<p>The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.</p>
2.6	<p>The transferable securities and money market instruments referred to in 2.4 and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.</p>
2.7	<p>Each Fund may not invest more than 20% of net assets in deposits made with the same credit institution.</p> <p>Deposits with any one credit institution, other than credit institutions authorised in the EEA (currently each European Union Member State, Norway, Iceland, Liechtenstein) or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 (currently Switzerland, Canada, Japan, United States) or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand, held as ancillary liquidity, must not exceed 10% of net assets.</p> <p>This limit may be raised to 20% in the case of deposits made with the trustee/custodian.</p>
2.8	<p>The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.</p> <p>This limit is raised to 10% in the case of 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 1988 or credit institutions authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.</p>
2.9	<p>Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed</p>

	<p>20% of net assets:</p> <ul style="list-style-type: none"> <li>- investments in transferable securities or money market instruments;</li> <li>- deposits, and/or</li> <li>- risk exposures arising from OTC derivatives transactions.</li> </ul>
<b>2.10</b>	The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
<b>2.11</b>	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
<b>2.12</b>	<p>Each Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.</p> <p>The individual issuers must be listed in the prospectus and may be drawn from the following list:</p> <p>OECD Governments, Government of Brazil (provided the relevant issues are investment grade), Government of India (provided the relevant issues are 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.</p> <p>Each Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes (“CIS”)</b>
<b>3.1</b>	Investments made by a Fund in units of a UCITS or other open-ended CIS may not exceed, in aggregate, 10% of the assets of the Fund.
<b>3.2</b>	<p>Notwithstanding the provisions of section 3.1, where the investment policy of a Fund states that it may invest more than 10% of its assets in other UCITS or CIS the follow up restrictions shall apply instead of the restrictions set out at Section 3.1 above:</p> <p>(a) Each Fund may not invest more than 20% of its Net Asset Value in any one CIS. In this case, the CIS may not, itself, invest more than 10% of its Net Asset Value in another CIS.</p> <p>(b) Investments in non-UCITS CIS may not, in aggregate, exceed 30% of its Net Asset Value.</p> <p>Where a Fund is investing more than 10% of its net asset value in a CIS it may not invest in aggregate more than 30% of its net asset value in non-UCITS collective investment schemes.</p>
<b>3.3</b>	When a Fund invests in the units of other CIS that are managed, directly or by delegation, by

	the Fund's management company or by any other company with which the Fund's management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other CIS.
<b>3.4</b>	Where a commission (including a rebated commission) is received by the Fund's manager/investment manager/investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Fund.
<b>4</b>	<b>Index Tracking UCITS</b>
	Not Applicable
<b>5</b>	<b>General Provisions</b>
<b>5.1</b>	An investment company, or management company acting in connection with all of the Funds it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
<b>5.2</b>	<p>A Fund may acquire no more than:</p> <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> <li>(ii) 10% of the debt securities of any single issuing body;</li> <li>(iii) 25% of the units of any single CIS;</li> <li>(iv) 10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments or the net amount of the securities in issue cannot be calculated.</p>
<b>5.3</b>	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</li> <li>(v) 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.</li> </ul>
<b>5.4</b>	A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
<b>5.5</b>	The Authority may allow recently authorised Funds to derogate from the provisions of 2.3 to 2.12, 3.1 and 3.2 for six months following the date of their authorisation, provided they observe

	the principle of risk spreading.
<b>5.6</b>	If the limits laid down herein are exceeded for reasons beyond the control of a Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.
<b>5.7</b>	Neither an investment company, nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- money market instruments<sup>1</sup>;</li> <li>- units of CIS; or</li> <li>- financial derivative instruments.</li> </ul>
<b>5.8</b>	A Fund may hold ancillary liquid assets.

### **III - Borrowing Restrictions**

The Regulations provide that the Company in respect of each Fund:

- (a) may not borrow, other than borrowings which in the aggregate do not exceed 10% of the Net Asset Value of the Fund and provided that this borrowing is for liquidity purposes and on a temporary basis. Borrowing may be secured on the assets of the Fund. Credit balances (e.g. cash) may not be offset against borrowings when determining the percentage of borrowings outstanding;
- (b) may acquire foreign currency by means of a back-to-back loan. Foreign currency obtained in this manner is not classed as borrowings for the purpose of the borrowing restriction in paragraph (a), provided that the offsetting deposit: (i) is denominated in the base currency of the Fund and (ii) equals or exceeds the value of the foreign currency loan outstanding. However, where foreign currency borrowings exceed the value of the back-to-back deposit, any excess is regarded as borrowing for the purposes of paragraph (a) above.

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