

Investment in Westwood Investment Funds plc involves risk and your attention is drawn to the Section headed "Risk Warnings" of this Prospectus. Such investment is suitable for institutional investors and individuals who have taken appropriate professional advice.

## **WESTWOOD INVESTMENT FUNDS PLC**

### **PROSPECTUS**

**25 January 2017**

The Company is an umbrella type open-ended self-managed investment company with variable capital incorporated on 8 May 2013 with limited liability under the laws of Ireland with registered number 527304 and segregated liability between Funds. The Company is authorised in Ireland by the Central Bank of Ireland (the "**Central Bank**") pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the "**UCITS Regulations**"). Accordingly, the Company is supervised by the Central Bank.

## IMPORTANT INFORMATION

This Prospectus and the Key Investor Information Documents are issued as an invitation to investors to subscribe for Shares in Westwood Investment Funds plc ("the Company") at the prevailing subscription price for Shares in the relevant Fund (including any applicable sales fee) during the applicable initial offer period, or following the closure of the initial offer period, on any Dealing Day for any Class of Shares for the relevant Fund, as designated in the Appendix to this Prospectus.

The Directors of the Company, whose names appear under the section headed "Management and Administration", accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus (as complemented, modified or supplemented) is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

No person is authorised to issue any advertisement or to give any information or to make any representations in connection with the offering, issue or sale of Shares, other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company. Neither the delivery of this Prospectus nor the offer, issue or sale of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof. This Prospectus may from time to time be updated and intending subscribers should enquire of the Administrator as to the issue of any subsequent Prospectus or as to the issue of any reports and accounts of the Company.

**Authorisation of the Company and approval of its Funds by the Central Bank is not an endorsement or guarantee of the Company or of its Funds by the Central Bank, nor is the Central Bank responsible for the contents of this Prospectus. The authorisation of the Company and approval of its Funds by the Central Bank shall not constitute a warranty as to the performance of the Company or of its Funds and the Central Bank shall not be liable for the performance or default of the Company or of its Funds.**

**The difference at any time between the sale price and the redemption price of Shares means that an investment in the Company should be viewed as a medium- to long-term investment.**

**The Investments of the Company are subject to market fluctuations and the risks inherent in all investments and there can be no assurance that an investment will retain its value or that appreciation will occur. The price of Shares and the income from Shares can go down as well as up and investors may not realise the value of their initial investment. Prospective investors should consult a stockbroker, bank manager, solicitor, accountant, financial adviser or their professional advisers accordingly.**

The contents of this Prospectus are not to be construed as a recommendation or advice to any prospective investor in relation to the subscription, purchase, holding or disposition of Shares. There can be no guarantee that the Company's investment objectives will be achieved or that Shares, when redeemed, will be worth more than when they were purchased. **An investment in a Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.** An investment should only be made by those persons who could sustain a loss on their investment.

In emerging markets the legal, judicial and regulatory infrastructure is still developing and there is much legal uncertainty both for local market participants and their overseas counterparts. Some markets carry significant risks for investors who should therefore ensure that, before investing, they understand the relevant risks and are satisfied that an investment is suitable. **Price volatility in emerging markets may be higher than in more developed markets. As a result, the Net Asset Value of a Fund is likely to have a high volatility.** Price discrepancies can be common and market dislocation is not uncommon in such markets. Additionally, as news about a particular country becomes available, financial markets may react significantly in a very short period of time. Emerging markets generally lack the level of transparency, liquidity, efficiency and levels of regulation found in

more developed markets. There may be a higher level of political risk attached to investing in emerging markets also.

Certain conflicts of interest may arise in the operation of the Company. See "Conflicts of Interest". In addition, any subscription for Shares may only be made on the terms of the Application Form, and all investors will be bound by such terms.

The distribution of this Prospectus and the offering or purchase and holding of the Shares may be restricted in certain jurisdictions.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

Distribution of this Prospectus is not authorised in any jurisdiction after publication unless accompanied by a copy of the then latest annual report and audited accounts and if published after such report and accounts, a copy of the then latest semi-annual report and unaudited accounts. Such reports will form part of this Prospectus.

In the event that an investor moves to a jurisdiction different from the jurisdiction in which the Shares were originally promoted and purchased or where the Shares are owned directly or beneficially, in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory the Company may compulsorily redeem or transfer such shares ("**Affected Shares**") (see paragraph 9(H)(Compulsory redemption) below). A Shareholder who becomes aware that he is holding or owns Affected Shares shall immediately notify the Company and either transfer all of the Affected Shares to a person qualified to own them or submit a request in writing to the Company for the redemption of all their Affected Shares unless the Company has already given notice the Affected Shares are to be compulsorily redeemed or transferred.

This Prospectus should be read in its entirety before making any application for Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Constitution of the Company, copies of which are available as set out in the section entitled "General Information".

Prospective investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters. The distribution of this Prospectus and the offering of the Shares in certain jurisdictions may be restricted. Accordingly, prospective investors should inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of the Shares (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of the Shares. Prospective investors must rely upon their own representatives, including their own legal advisers, stockbrokers, bank manager and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein. Such prospective investors must rely on their own evaluation of the investment and the terms of the offering, including the merits and risks involved in making an investment decision with respect to Shares.

Any translation of this Prospectus in another language will be based on the English language version of this Prospectus and in the event of any inconsistency between the other language Prospectus and the English language Prospectus, the latter will prevail.

The Shares have not been and will not be registered under the US Securities Act of 1933 (the "**1933 Act**") as amended and the Company has not been and will not be registered under the US Investment Company Act of 1940 as amended (the "**1940 Act**"). Further important information in respect of the US is set out in the section entitled "Selling Restrictions".

The Shares of the Company will not be publicly offered in Canada. Any offering of Shares in Canada will be made only by way of private placement: (i) pursuant to a Canadian offering memorandum containing certain prescribed disclosure, (ii) on a basis which is exempt from the requirement that the Company prepare and file a prospectus with the relevant Canadian securities regulatory authorities

pursuant to applicable requirements in the relevant Canadian jurisdictions, and (iii) to persons or entities that are "permitted clients" (as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and On-going Registrant Obligations). The Company is not registered in any capacity in any jurisdiction in Canada and may rely on one or more exemptions from various registration requirements in certain Canadian jurisdictions. If a Canadian-resident Investor, or an Investor that has become a Canadian-resident after purchasing Shares, is required to be a "permitted client" and does not qualify, or no longer qualifies, as a "permitted client", the Investor will not be able to purchase any additional Shares and may be required to redeem its outstanding Shares.

The Company has applied to be recognised for distribution in the United Kingdom by the Financial Conduct Authority under Section 264 of the Financial Services and Markets Act, 2000 of the United Kingdom. Most or all of the protection provided by the United Kingdom regulatory structure will not apply. The rights of Shareholders may not be protected by the Financial Services Compensation Scheme established in the United Kingdom. In connection with the Company's recognition under section 264 of the FSMA, the Company maintains the facilities required of a recognised scheme by the rules contained in the Financial Conduct Authority's Collective Investment Schemes Sourcebook at the offices of the UK Facilities Agent, KB Associates Consulting (UK) LLP. Such facilities enable, among other things (during normal business hours):

- (a) a Shareholder to redeem his Shares and to obtain the payment of the price on redemption;
- (b) information to be obtained orally and in writing about the Company's most recently published Share prices;
- (c) any person who has a complaint to make about the operation of the Company to submit his complaint in writing for transmission to the Company; and
- (d) the inspection (free of charge) and the obtaining (free of charge in the case of (iii) and (iv) below, and otherwise at no more than reasonable charge) copies in English of:
  - (i) the instrument constituting the Company;
  - (ii) any instrument amending the instrument constituting the Company;
  - (iii) the latest prospectus;
  - (iv) the latest Key Investor Information Document; and
  - (v) the latest annual and half-yearly reports.

Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes therein.

A Key Investor Information Document is available for the Funds of the Company. In addition to summarising some important information in this Prospectus, the Key Investor Information Document may contain information on the historical performance and the ongoing charges for each of the Funds. The Key Investor Information Document can be obtained from the Administrator which is set out in the section "DIRECTORY". Investors must receive and review a copy of the Key Investor Information Document in respect of the Fund in which they wish to invest before their subscription will be accepted.

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## 1. DIRECTORY

### Directors of the Company

Bronwyn Wright (Chairman)  
Adrian Waters  
Brian O. Casey  
William R. Hardcastle, Jr

### Distributor

Westwood Management Corp  
200 Crescent Court, Suite 1200  
Dallas, Texas 75201  
United States of America

### Administrator

RBC Investor Services Ireland Limited  
4th Floor  
One George's Quay Plaza  
George's Quay  
Dublin 2  
Ireland

### Auditors

KPMG  
1 Stokes Place,  
St. Stephen's Green,  
Dublin 2  
Ireland

### UCITS Operational and Compliance Support

KB Associates  
Ground Floor  
5 George's Dock  
IFSC  
Dublin 1  
Ireland

### UK Facilities Agent

KB Associates Consulting (UK) LLP  
42 Brook Street  
London W1K 5DB  
United Kingdom

### Registered Office

The Anchorage  
17-19 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### Depository

RBC Investor Services Bank S.A., Dublin  
Branch  
4th Floor  
One George's Quay Plaza  
George's Quay  
Dublin 2  
Ireland

### Legal Advisers to the Company as to matters of Irish law:

Walkers  
The Anchorage  
17-19 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### Company Secretary

Walkers Corporate Services (Ireland) Limited  
The Anchorage  
17-19 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### Listing Agent

J&E Davy  
Davy House  
49 Dawson Street  
Dublin 2  
Ireland

## 2. SUMMARY OF PRINCIPAL FEATURES

**The Company:** Westwood Investment Funds plc is an umbrella type open-ended self-managed investment company with variable capital incorporated on 8 May 2013 with limited liability under the laws of Ireland with registered number 527304. The Company is authorised in Ireland by the Central Bank pursuant to the UCITS Regulations.

**Distributor:** The Company has appointed Westwood Management Corp as Distributor of the Company. The Distributor was incorporated in 1983 under the laws of the United States of America. Westwood Management Corp is a wholly-owned subsidiary of Westwood Holdings Group, Inc., a Delaware corporation listed on the New York Stock Exchange.

**Investment Objective:** The principal investment objective of the Company is to achieve long-term capital growth. The investment objective and policies of each Fund are described in further detail in the relevant Appendix.

**Investment Manager:** The Investment Manager appointed for each Fund is listed in the appropriate Appendix.

**Subscriptions and Redemptions:** Shares may be subscribed for, redeemed or switched on any Dealing Day as further described in the appropriate Appendix.

**Minimum Subscription:** Unless otherwise determined by the Directors, the minimum initial subscription for Shares in each Fund is as listed in the appropriate Appendix. Thereafter, unless otherwise determined by the Directors and notified in advance, there is no minimum subscription for additional Shares.

**Borrowings:** Under the Articles, the Directors are empowered to exercise all of the borrowing powers of the Company, subject to any limitations under the UCITS Regulations, and to charge the assets of the Company as security for any such borrowings. The Company may borrow such percentage amount of the Net Asset Value of a Fund at any time for the account of the relevant Fund by way of a short-term loan up to a maximum of 10% of the Net Asset Value of the relevant Fund, provided such borrowing is on a temporary basis and is solely used to meet redemption requests.

**Fees and Expenses:** Fees and expenses payable by each Fund are set out in Section 11 of this Prospectus.

**Accounting Period:** The annual accounting period for the Company will end on 31 October in each calendar year.

**Reports:** Annual audited financial statements of the Company will be available within four months of the end of the Accounting Period. In addition, an unaudited interim report will be prepared to 30 April each year and made available within two months of the period to which it relates.

**Listing:** Details of the Share Classes of each Fund which have been admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange are set out in the relevant Appendix.

**Dividend Policy:** The dividend policy of each Fund of the Company is set out in the relevant Appendix.

**Taxes:** See section entitled "Taxation".

**Shareholders** should rely only upon advice received from their own tax advisors based upon their own individual circumstances and the laws applicable to them.

**Administrator:** RBC Investor Services Ireland Limited has been appointed to act as Administrator of the Company

**Depository:** RBC Investor Services Bank S.A., Dublin Branch has been appointed to act as Depository of the Company.

**Auditors:** KPMG have been retained as the independent auditors of the Company.

**Risk Warnings:** The specialised investment programme of each Fund involves certain risks, including the risk of loss of some or the entire amount invested. No guarantee or representation is made that a Fund will achieve its investment objective.



### 3. DEFINITIONS

For the purposes of this Prospectus, the following expressions have the following meanings:

<b>“Accounting Period”</b>	means the annual accounting period for the Company ending on 31 October in each calendar year.
<b>“Accumulation Share(s)”</b>	means Shares (of whatever Class) of the Company as may be in issue from time to time in respect of which income and capital gains allocated thereto is re-invested in the relevant Class and reflected in its Net Asset Value per Share.
<b>“Act”</b>	means the Companies Act 2014 and every statute or other provision of law amending, supplementing or re-enacting them or any of them, from time to time.
<b>“Administrator”</b>	means RBC Investor Services Ireland Limited and any other person or persons for the time being duly appointed Administrator by the Company in accordance with the requirements of the Central Bank.
<b>“Administration Agreement”</b>	means the agreement by which the Company has appointed the Administrator to provide administrative services to the Company and each Fund.
<b>“Application Form”</b>	means the form of application for subscription of Shares in a Fund.
<b>“Base Currency”</b>	means, in relation to each Fund, the currency in which the Net Asset Value of that Fund is to be calculated as disclosed in the relevant Appendix.
<b>“Board”</b>	means the board of directors of the Company.
<b>“Business Day”</b>	means a day on which banks in Ireland, United Kingdom, Canada and the US are open for normal banking business or in any other financial centre that the Directors may determine to be relevant for the operations of any Fund or such other day or days as may be specified by the Directors and disclosed in the relevant Appendix if applicable.
<b>“Canadian Dollars” and “CD”</b>	means a unit of the Canadian currency.
<b>“Central Bank”</b>	means the Central Bank of Ireland or any successor entity thereto.
<b>“Central Bank UCITS Regulations”</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (as may be amended from time to time) and any guidance issued by the Central Bank in relation to a UCITS from time to time.
<b>“Class”</b>	means a particular class of Share.
<b>“Class A Shares”</b>	means participating shares in a Fund, issued as Class A Shares and denominated in US Dollars or Swiss Franc or Great Britain Pounds or Canadian Dollars or European Euro.
<b>“Class F Shares”</b>	means participating shares in a Fund, issued as Class F Shares and denominated in US Dollars or Swiss Franc or Great Britain

Pounds or Canadian Dollars or European Euro.

<b>“Class I Shares”</b>	means participating shares in a Fund, issued as Class I Shares and denominated in US Dollars or Swiss Franc or Great Britain Pounds or Canadian Dollars or European Euro.
<b>“Class K Shares”</b>	means participating shares in a Fund, issued as Class K Shares and denominated in European Euro.
<b>“Class X Shares”</b>	means participating shares in a Fund, issued as Class X Shares and denominated in US Dollars or Swiss Franc or Great Britain Pounds or Canadian Dollars or European Euro issued to investors who have in place an agreement with the Investment Manager in relation to the collection of an investment management fee or similar fee arrangement, which is not payable from the Net Asset Value of the Fund.
<b>“Company”</b>	means Westwood Investment Funds plc.
<b>"Constitution"</b>	means the memorandum and articles of association of the Company;
<b>"Data Protection Legislation"</b>	means the Data Protection Act 1988 as amended by the Data Protection (Amendment Act) 2003;
<b>“Dealing Day”</b>	means every Business Day or such other days as the Directors may determine, and notify in advance to Shareholders, provided that there shall be at least one Dealing Day per fortnight.
<b>“Dealing Deadline”</b>	means in relation to applications for subscription, redemption or switches of Shares in a Fund, the dates and times specified in the relevant Appendix.
<b>“Depositary”</b>	means RBC Investor Services Bank S.A., Dublin Branch and any other person or persons for the time being duly appointed depositary with the prior approval of the Central Bank.
<b>“Depositary Agreement”</b>	means the agreement by which the Depositary was appointed to provide depositary services to the Company in respect of all of the assets of each Fund.
<b>“Directors”</b>	means a director or the directors of the Company for the time being and any duly constituted committee thereof.
<b>“Distribution Agreement”</b>	means the agreement by which the Company has appointed the Distributor to provide global distribution services to the Company.
<b>“Distributor”</b>	means Westwood Management Corp.
<b>"Duties and Charges"</b>	In relation to any Fund, all stamp and other duties, taxes, governmental charges, brokerage, bank charges, foreign exchange spreads, interest, Depositary or sub-custodians 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 Shares or the sale or purchase of Investments or in respect of certificates or otherwise which may have become or may be payable in respect of or prior to or in connection with or arising out of or upon the

occasion of the transaction or dealing in respect of which such duties and charges are payable, which, for the avoidance of doubt, includes, when calculating subscription and redemption prices, any provision for spreads (to take into account the difference between the price at which assets were valued for the purpose of calculating the Net Asset Value and the estimated price at which such assets shall be bought as a result of a subscription and sold as a result of a redemption), but shall not include any commission payable to agents on sales and purchases of Shares or any commission, taxes, charges or costs which may have been taken into account in ascertaining the Net Asset Value of Shares in the relevant Fund.

**"ESMA"**

means the European Securities and Markets Authority.

**"ESMA Guidelines"**

means ESMA's Guidelines on sound remuneration policies under the UCITS Directive 2009/65 EC as amended from time to time, and Alternative Investment Fund Manager Directive published on 31 March 2016 as may be amended from time to time;

**"EEA Member State"**

means any of a Member State, Norway, Iceland or Liechtenstein.

**"Euros" and "EUR"**

means the unit of the single European currency.

**"Exempt Irish Shareholder"**

- (a) a qualifying management company within the meaning of section 734(1) TCA;
- (b) a specified company within the meaning of section 734(1) TCA;
- (c) an investment undertaking within the meaning of section 739B(1) TCA;
- (d) an investment limited partnership (within the meaning of section 739J TCA).
- (e) a pension scheme which is an exempt approved scheme within the meaning of section 774 TCA, or a retirement annuity contract or a trust scheme to which section 784 or 785 TCA applies;
- (f) a company carrying on life business within the meaning of section 706 TCA;
- (g) a special investment scheme within the meaning of section 737 TCA;
- (h) a unit trust to which section 731(5)(a) TCA applies;
- (i) a charity being a person referred to in section 739D(6)(f)(i) TCA;
- (j) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 784A(2) TCA and the Shares held are assets of an approved retirement fund or an approved minimum retirement fund;
- (k) a qualifying fund manager within the meaning of section 784A TCA or a qualifying savings manager within the meaning of section 848B TCA, in respect of Shares which are assets of a special savings incentive account within the meaning of section

848C TCA;

- (l) a person who is entitled to exemption from income tax and capital gains tax by virtue of section 787I TCA and the Shares held are assets of a personal retirement savings account as defined in section 787A TCA;
- (m) the National Pensions Reserve Fund Commission;
- (n) the National Asset Management Agency;
- (o) the Courts Service;
- (p) a credit union within the meaning of section 2 of the Credit Union Act 1997;
- (q) an Irish resident company, within the charge to corporation tax under Section 739G(2) TCA, but only where the fund is a money market fund;
- (r) a company which is within the charge to corporation tax in accordance with section 110(2) TCA in respect of payments made to it by the Company; and
- (s) any other person as may be approved by the Directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under Part 27, Chapter 1A TCA; and the Company is in possession of a Relevant Declaration in respect of that Shareholder.

**"FDI"**

means financial derivative instruments;

**"Fund"**

means each Fund representing a particular Portfolio which may be further sub-divided into Classes of Shares within a Fund.

**"Great Britain Pounds" or "GBP"**

means a unit of the United Kingdom currency.

**"Initial Offer Period"**

means the initial offer period for a Class of Shares in a Fund, the dates of which are set out in the relevant Appendix.

**"Intermediary"**

means a person who:

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

**"Institutional Accredited Investor"**

means an "accredited investor" as defined in Rule 501(a) (1), (2), (3) or (7) of Regulation D under the 1933 Act.

**"Investment"**

means any asset capable of investment for the time being and which is permitted under the UCITS Regulations including any investment or contractual entitlements and obligations made or entered into by the Company.

<b>“Investment Manager</b>	means the Investment Manager for a Fund listed in the appropriate Appendix or any other person, firm or company as may be appointed from time to time in accordance with the requirements of the Central Bank to provide investment management services to the Company or a Fund.
<b>“Investment Management Agreement”</b>	means the agreement by which the Company has appointed the Investment Manager to manage each Fund’s Investments.
<b>“Investment Management Fee”</b>	means the fees payable to the Investment Manager calculated as described under “Fees and Expenses”.
<b>“Investor Money Regulations”</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers.
<b>“Irish Resident”</b>	means any person resident in Ireland or ordinarily resident in Ireland other than an Exempt Irish Shareholder.
<b>“Irish Stock Exchange”</b>	means the Irish Stock Exchange plc.
<b>“Main Securities Market”</b>	means the main securities market of the Irish Stock Exchange.
<b>“Member State”</b>	means a Member State of the European Union.
<b>“Minimum Fund Size”</b>	means the minimum value of a Fund as may be determined by the Directors.
<b>“Minimum Subscription”</b>	means the minimum amounts specified in an Appendix in relation to a particular Fund or Class within a Fund.
<b>“Net Asset Value”</b>	means the net asset value of the relevant Fund or of the Company determined by the Administrator under delegated authority from the Directors as described herein.
<b>“OECD Member State”</b>	means a member state of the Organisation for Economic Co-operation and Development.
<b>“Portfolio”</b>	means the separate portfolio of Investments and liabilities attributable to a Fund of the Company determined according to the Constitution.
<b>“Prospectus”</b>	means this document, the Appendices and the Application Form.
<b>“Qualified Purchaser”</b>	means a “qualified purchaser” as defined in Section 2(a)(51)(A) of the 1940 Act.
<b>“Recognised Exchange”</b>	means any regulated market or exchange (which is an exchange within the meaning of the laws of the country concerned relating to exchanges) in the European Union, the Organisation for Economic Co-operation and Development, Hong Kong, Singapore, South Africa, NASDAQ, NASDAQ Europe, the market in US government securities which is conducted by primary dealers which are regulated by the Federal Reserve Bank of New York, the market in transferable securities conducted by primary dealers and secondary dealers which are regulated by the US Securities and Exchange Commission and by the National Association of Securities Dealers and the over-the-counter market in Tokyo regulated by the

		Securities Dealers Association of Japan and any other regulated exchange or market contained in Appendix A – Part 1.
<b>“Redemption Price”</b>		means the price, at which Shares will normally be redeemed, calculated in the manner described below under the section headed “Valuation and Prices”, being the Net Asset Value per Share, less any Duties and Charges, if applicable.
<b>“Relevant Declaration”</b>		means the declaration relevant to the Shareholder as set out in Schedule 2B TCA.
<b>“Revenue Commissioners”</b>		means the Irish Revenue Commissioners.
<b>“RMP” or “Risk Management Process”</b>		means a risk management process cleared by the Central Bank in connection with the Company's investment in FDI;
<b>“SEC”</b>		means the United States of America Securities and Exchange Commission.
<b>“Shareholder”</b>		means a person who is registered on the register of members of the Company as the holder of a Share.
<b>“Shares”</b>		means participating shares in any Fund.
<b>“Subscriber Share”</b>		means a non-participating share in the capital of the Company issued in accordance with the Constitution and with the rights provided for under the Constitution;
<b>“Subscription Price”</b>		means the price, calculated in the manner described below under the section headed “Valuation and Prices”, at which Shares will be issued, being the Net Asset Value per Share, plus any Duties and Charges, if applicable.
<b>“Swiss Franc” or “CHF”</b>		means a unit of the Swiss currency.
<b>“TCA”</b>		means the Irish Taxes Consolidation Act, 1997, as amended from time to time.
<b>“UCITS Operational and Compliance Support”</b>		means KB Associates and any other person or persons for the time being duly appointed by the Company to advise the Company on operational and compliance issues relevant to the establishment and ongoing management of the Funds;
<b>“UCITS Regulations”</b>		means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as may be amended or replaced from time to time .
<b>“UK Facilities Agent”</b>		means KB Associates Consulting (UK) LLP.
<b>“Umbrella Accounts”</b>	<b>Cash</b>	means the single, omnibus account for all Funds in the name of the Company through which subscription and redemption proceeds and dividend income (if any) for each Fund are channelled, operated in accordance with the Central Bank's requirements and the details of which are specified in the Application Form;
<b>“US” or “United States”</b>		means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

<b>“US Dollars”, “USD” and “US\$”</b>	means the currency of the United States of America.
<b>“US Person”</b>	has the meaning ascribed to it in Regulation S promulgated under the United States Securities Act of 1933, as amended from time to time or a person that is not a “Non-United States person” as such term is defined in Part 4 of the CFTC’s regulations.
<b>“Valuation Point”</b>	means the date and time specified in the relevant Appendix or such other time on a Business Day as the Directors may from time to time determine and which they will notify to Shareholders in advance for the purposes of valuing investments.
<b>“1933 Act”</b>	means the US Securities Act of 1933, as amended.
<b>“1940 Act”</b>	means the US Investment Company Act of 1940, as amended.

#### **4. STRUCTURE**

The Company is an umbrella type open-ended self managed investment company with variable capital incorporated on 8 May 2013 with limited liability and segregated liability between Funds under the laws of Ireland with registered number 527304 under the Act. The Company is authorised in Ireland by the Central Bank pursuant to the UCITS Regulations. The minimum authorised share capital of the Company is €2 represented by 2 (two) Subscriber Shares of no par value and the maximum authorised share capital of the Company is 500,000,000,002 Shares of no par value initially designated as unclassified Shares. The Directors are empowered to issue up to 500,000,000,002 Shares of no par value designated as Shares of any Class on such items as they think fit.

The issued capital of the Company as of the date of this Prospectus is €2 represented by 2 Subscriber Shares of no par value issued for €1 each. The Subscriber Shares entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up. The Shares entitle the holders to attend and vote at general meetings of the Company and to participate in the profits and assets of the Company. There are no pre-emption rights attaching to the Shares.

Under the Constitution, the Directors have power to issue Shares in a Fund. Each Fund may have one or more Classes. Different Classes may be issued from time to time with the prior notification to and clearance in advance by the Central Bank. Each Class represents interests in a Fund. Prior to the issue of any Shares, the Company will designate the Fund in relation to which such Shares will be issued. Each Share will represent a beneficial interest in respect of the Fund in which it is issued. A separate Portfolio with separate records and accounts will be maintained in respect of each Fund. Separate Portfolios will not be maintained in respect of different Classes.

Any change in the investment objective or any material change to the investment policy of a Fund may only be made with the approval of an ordinary resolution of the Shareholders of that Fund. Subject and without prejudice to the preceding sentence of this paragraph, in the event of a change of investment objective and/or policy of a Fund, a reasonable notification period must be given to each Shareholder of a Fund to enable a Shareholder to have its Shares repurchased prior to the implementation of such change.

As at the date of this Prospectus, the Company has four Funds; Westwood Emerging Markets Fund, Westwood Strategic Global Convertibles Fund, Westwood Absolute Return Global Convertibles Fund and Westwood Emerging Markets Plus Fund.

The Company’s principal object, as set out in Clause 3 of the Constitution, is the collective investment in either or both transferable securities or other liquid financial assets of capital raised from the public, operating on the principal of risk-spreading.

Additional Funds (each comprising a Portfolio) may be added to the Company by the Directors from time to time with the prior approval of the Central Bank, each with separate investment objectives and policies. The Company may issue Shares of more than one Class in each Fund. All Shares of each Class will rank *pari passu inter se* save as provided for herein. On the introduction of any new Fund, the Directors will amend this Prospectus setting out the relevant details of each such Fund or new Class of Shares, as the case may be. All such changes will be subject to approval by the Central Bank. A segregated pool of assets will be maintained for each Portfolio and will be invested in accordance with the investment objectives and policies applicable to such Portfolio.

The Company is structured as an umbrella fund with segregated liability between Funds. Notwithstanding the segregation of assets and liabilities within each Fund, the Company is a single legal entity and no Fund constitutes a legal entity separate from the Company itself.

The Base Currency of the Company for accounting purposes will be GBP.

The Board is responsible for managing the business affairs of the Company. Under the Constitution, the Directors have delegated: (i) the management of the assets and investments of the Company to the Investment Manager; and (ii) the day-to-day administration of the Company's affairs (including the calculation of the Net Asset Value and the Net Asset Value per Share, Shareholder registration and transfer agency services and related services) to the Administrator.



## **5. INVESTMENT OBJECTIVE AND POLICIES FOR EACH FUND**

The investment objectives and policies of each Fund of the Company will vary and full details thereof will be contained in the Appendix issued in respect of the relevant Fund.

### **(A) Investment Objectives**

The object for which the Company is established is to achieve long term capital growth through the collective investment in either or both transferable securities or other liquid financial assets of capital raised from the public, operating on the principle of risk-spreading. The Company aims to provide investors with the opportunity to invest in a variety of Funds.

### **(B) Amendment to the Investment Objectives and Strategy**

The investment objective and policies for each Fund will be formulated by the Directors at the time of the creation of such Fund. The Directors shall not make any changes to the investment objective of a Fund and/or material changes to the investment policy without the approval, on the basis of a majority of votes cast at a general meeting, of Shareholders. In the event of a change in investment objective and/or policy, a reasonable notification period will be provided by the Company to enable Shareholders to redeem their Shares prior to the implementation of such change. The assets of each Fund will be invested separately in accordance with the investment objective, policies and guidelines of that Fund which are set out in the Appendices. Appendices may be added to or removed from this Prospectus from time to time as Funds are approved or as approval is revoked, as the case may be.

The Company will adhere to the investment objective and approach set out above for a period of at least three years from the date of admission of the Shares to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange. Within those three years, such investment objective and approach may only be changed in exceptional circumstances and then only with the consent of a majority of Shareholders.

## **6. EFFICIENT PORTFOLIO MANAGEMENT**

### **(A) Use of FDI and Portfolio Management Techniques**

The Company will employ an investment risk management process, which enables it to accurately monitor, measure and manage the risks attached to financial derivative instrument positions. If FDI are to be utilised by any Fund in the future, full details will be provided in an Appendix to this Prospectus. None of the Funds will use FDI until such time as a risk management process has been reviewed and cleared by the Central Bank. Efficient portfolio management means investment decisions involving transactions that are entered into for one or more of the specific aims:

1. the reduction of risk;
2. the reduction of cost; or
3. the generation of additional capital or income for the UCITS with an appropriate level of risk, taking into account the risk profile of the UCITS as described in this Prospectus and the general provisions of the UCITS directives.

Direct and indirect operational costs/fees arising from efficient portfolio management techniques may be deducted from the revenue delivered to the Fund. These costs and fees will not include hidden revenue. The Fund will disclose in the financial statements the identity of the entity(ies) to which the direct and indirect costs and fees are paid and indicate if these are related parties to the Company or the Depositary. The Company shall ensure that all revenues from Efficient Portfolio Management techniques, net of direct or indirect operational costs, will be returned to the Fund, if any such techniques are used.

FDI which have not been included in this Prospectus will not be utilised until a risk management process and prospectus incorporating those instruments has been prepared and submitted to the Central Bank. A description of the main techniques and instruments that may be used at a future point, subject to the provisions of the above paragraph, for efficient portfolio management and/or investment purposes are set out below.

Where and to the extent specified in an Appendix to this Prospectus only, each Fund may invest in FDI and/or utilise techniques and instruments for hedging and/or investment purposes and/or efficient portfolio management and/or to manage foreign exchange risks, subject to the conditions and within the limits laid down by the Central Bank. Any proposed investment in FDI is subject to a risk management process document being submitted to, and approved by the Central Bank in advance.

The FDIs which may be used for hedging and/or investment purposes and/or efficient portfolio management and/or to manage foreign exchange risks include warrants and participatory notes. Performance may be strongly influenced by movements in currency rates because a Fund may have exposure to a particular currency that is different to the currency in which the securities held by that Fund are denominated. Each Fund may utilise repurchase/reverse repurchase agreements for efficient portfolio management subject to the conditions and within the limits laid down by the Central Bank.

A description of the main techniques and instruments that may be used for efficient portfolio management and/or investment purposes are set out below.

#### **Warrants; including Equity Warrants**

Warrants are a type of option issued by corporations giving the holder of the option the right to buy shares of the corporation for a pre-specified price. When exercised, the corporation is obligated to issue new shares of its stock and deliver these to the holder of the warrant in exchange for the strike price. The main conceptual difference between a standard exchange traded option and a warrant is that the exercise of a warrant results in the issuance of new stock whereas the writer of an exchange traded option delivers previously issued stock upon exercise, which can result in a drop in the price

of the underlying stock when the warrant is exercised (known as the dilution effect). Typically warrants possess a much longer life until expiry than regular options. Warrants may be used to gain exposure to the underlying equity or bond.

### **Participatory Notes**

Participatory notes are purchased where access to an underlying security is difficult or more risk is involved in the local settlement process. The notes are only used to obtain access to a specific security, primarily in less liquid markets, including China, India, Brazil and Turkey. Normally such an investment will involve the purchase of the local security by a local branch of an internationally recognised investment bank/broker who will issue a note on the underlying security. The counterparty to a Fund is normally an internationally recognised investment bank/broker or else the note may be listed and traded through a Recognised Exchange.

### **Stock lending**

Stock lending entitles the lender to receive a payment equivalent to the income generated by the stock plus an additional fee from the borrower. Stock lending may be used as a means of increasing returns from assets.

### **Securities Financing Transactions**

Where set out in the relevant Appendix only, a Fund may use contracts for difference ("**CFD**") or total return swaps ("**TRS**") (together "**Securities Financing Transactions**")

The counterparties to such transactions are typically banks, investment firms or other financial institutions or intermediaries that meet the Central Bank's criteria (including legal status, country of origin and minimum credit rating) set out in the Central Bank UCITS Regulations and the criteria described below in point 4 under the heading "**Permitted FDI**" (each an "**Approved Counterparty**"). The risk of the Approved Counterparty defaulting on its obligations under the TRS and/or CFD and its effect on investor returns are described in the sections entitled "Derivative Instrument Risk", "Financial Derivatives, Techniques and Instrument Risks", "Counterparty Credit Risk" and "Counterparty Risk" in this Prospectus.

The Approved Counterparty may provide collateral to the Fund in accordance with the requirements of the Central Bank UCITS Regulations, in order to ensure that the Fund's risk exposure to the Approved Counterparty does not exceed the counterparty exposure limits set out in the UCITS Regulations. The fees paid to the Approved Counterparty will be at normal commercial rates. All collateral received under any Securities Financing Transactions entered into by the Fund will comply with the collateral provisions set out below in section (D).

All of the revenue generated by Securities Financing Transactions will be returned to the relevant Fund. All costs and fees of the counterparty, in relation to Securities Financing Transactions will be payable at normal commercial terms. No counterparty is a related party to the Investment Manager.

### **(B) Permitted FDIs**

Where specified in an Appendix:-

1. Each Fund may invest in FDI provided that:
  - (i) the relevant reference items or indices, consist of one or more of the following: instruments referred to in Section 7(A), paragraphs 1.1 to 1.5 of this Prospectus, deposits, financial indices, interest rates, foreign exchange rates or currencies;
  - (ii) the FDI do not expose a Fund to risks which it could not otherwise assume (e.g. gain exposure to an instrument/issuer/currency to which a Fund cannot have a direct exposure);
  - (iii) the FDI do not cause a Fund to diverge from its investment objectives; and
  - (iv) the reference to financial indices above shall be understood as a reference to indices which fulfil the criteria set out in the Central Bank UCITS Regulations and the

Central Bank's guidance on "UCITS Financial Indices" and "UCITS Financial Derivative Instruments and Efficient Portfolio Management".

2. Credit derivatives as permitted in the circumstances outlined in the Central Bank's guidance on "UCITS Financial Derivative Instruments and Efficient Portfolio Management".
3. FDI must be dealt in on a market which is regulated, operating regularly, recognised and open to the public in a Member State or non-Member State, and included at Appendix A – Part 1 hereto.
4. Notwithstanding paragraph 3, each Fund may invest in FDI dealt in over-the-counter, "OTC derivatives" provided that:
  - (i) the counterparty is (i) a Relevant Institution listed in Section 7(A), paragraph 2.7 of this Prospectus; (ii) or an investment firm, authorised in accordance with the Markets in Financial Instruments Directive, in an EEA Member State or (iii) is a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve.
  - (ii) where a counterparty which is not a Relevant Institution is subject to a credit rating by an agency registered and supervised by ESMA, that rating shall be taken into account by the Company in the credit assessment process and where such a counterparty is downgraded to A-2 or below (or comparable rating) by that credit rating agency, this shall result in a new credit assessment being conducted by the Company without delay;
  - (iii) risk exposure to the counterparty does not exceed the limits set out in Section 7(A), paragraph 2.8 of this Prospectus and Regulation 70(1)(c) of the Regulations. In this regard the Fund shall calculate the exposure using the positive mark-to-market value of the OTC derivative contract with that counterparty. The Fund may net the derivative positions with the same counterparty, provided that the Fund is able to legally enforce netting arrangements with the counterparty. Netting is only permissible with respect to OTC derivative instruments with the same counterparty and not in relation to any other exposures the Fund may have with the same counterparty;
  - (iv) a Fund is satisfied that the counterparty will value the transaction with reasonable accuracy and on a reliable basis and will close out the transaction at any time at the request of a Fund at fair value; and
  - (v) a Fund must subject its OTC derivatives to reliable and verifiable valuation on a daily basis and ensure that it has appropriate systems, controls and processes in place to achieve this. Reliable and verifiable valuation shall be understood as a reference to a valuation, by a Fund, corresponding to fair value which does not rely only on market quotations by the counterparty and which fulfils the following criteria:
    - (a) the basis for the valuation is either a reliable up-to-date market value of the instrument, or, if such value is not available, a pricing model using an adequate recognised methodology;
    - (b) verification of the valuation is carried out by one of the following:
      - (i) an appropriate third party which is independent from the counterparty of the OTC derivative, at an adequate frequency and in such a way that a Fund is able to check it;
      - (ii) a unit within a Fund which is independent from the department in charge of managing the assets and which is adequately equipped for the purpose.

5. Risk exposure to an OTC derivative counterparty may be reduced where the counterparty will provide a Fund with collateral in accordance with the requirements of the Central Bank as set out in Part 2, Chapter 1, Section 8(6)(iii) of the Central Bank UCITS Regulations. Collateral received must at all times meet the requirements set out in Schedule 3 of the Central Bank UCITS Regulations. Collateral passed to an OTC derivative counterparty by or on behalf of a Fund must be taken into account in calculating exposure of the Fund to counterparty risk as referred to in UCITS Regulation 70(1)(c). Collateral passed may be taken into account on a net basis only if the UCITS is able to legally enforce netting arrangements with this counterparty.
6. Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments or CIS, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in Regulation 71(1) of the UCITS Regulations.
7. A transferable security or money market instrument embedding a FDI shall be understood as a reference to financial instruments which fulfil the criteria for transferable securities or money market instruments set out in Central Bank UCITS Regulations and which contain a component which fulfils the following criteria:
  - (a) by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or money market instrument which functions as a host contract can be modified according to a specific interest rate, financial instrument price, foreign exchange rate, index of prices or rate, credit rating or credit index, or other variable, and therefore vary in a way similar to a stand alone derivative;
  - (b) its economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract;
  - (c) it has significant impact on the risk profile and pricing of the transferable security or money market instrument.
8. A transferable security or a money market instrument shall not be regarded as embedding a FDI where it contains a component which is contractually transferable independently of the transferable security or the money market instrument. Such a component shall be deemed a separate financial instrument.
9. The method used to calculate global exposure for each Fund is set out in the respective Appendix.

#### **Cover requirements**

10. A Fund must, at any given time, be capable of meeting all its payment and delivery obligations incurred by transactions involving FDI. A transaction in FDI which gives rise, or may give rise, to a future commitment on behalf of a Fund must be covered as follows:
  - (i) in the case of FDI which automatically, or at the discretion of a Fund, are cash settled a Fund must hold, at all times, liquid assets which are sufficient to cover the exposure.
  - (ii) in the case of FDI which require physical delivery of the underlying asset, the asset must be held at all times by the relevant Fund. Alternatively a Fund may cover the exposure with sufficient liquid assets where:
    - the underlying assets consists of highly liquid fixed income securities; and/or

- a Fund considers that the exposure can be adequately covered without the need to hold the underlying assets, the specific FDI are addressed in the Risk Management Process, which is described in paragraph 11 below, and details are provided in the Prospectus.

### **Risk Management**

11. (i) Each Fund must employ a Risk Management Process to monitor, measure and manage the risks attached to FDI positions.
  - (ii) Each Fund must provide the Central Bank with details of its proposed Risk Management Process with details of its FDI activity. The initial filing is required to include information in relation to:
    - Permitted types of FDI, including embedded derivatives in transferable securities and money market instruments;
    - Details of the underlying risks; and
    - Relevant quantitative limits and how these will be monitored and enforced;
    - Methods for estimating risks.
  - (iii) Material amendments to the initial filing must be notified to the Central Bank in advance. The Central Bank may object to the amendments notified to it and amendments and/or associated activities objected to by the Central Bank may not be made.
12. Each Fund must submit a report to the Central Bank on its FDI positions on an annual basis. The report, which must include information under the different categories identified in paragraph 11(ii) above, must be submitted with the annual report of the Company. A Fund must, at the request of the Central Bank, provide this report at any time.
  13. The Company will, on request, provide supplementary information to shareholders relating to the risk management methods employed including the qualitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments

### **(C) Use of Repurchase/Reverse Repurchase, Stocklending Agreements and Securities Financing Transactions**

- 1 Where set out in the relevant Appendix only, repurchase/reverse repurchase agreements, ("repo contracts"), stocklending and Securities Financing Transactions may only be effected by a Fund in accordance with normal market practice and conditions and limits set out in the UCITS Regulations and the Central Bank UCITS Regulations for the purposes of efficient portfolio management.
- 2 A Fund can at any time recall any security that has been lent out or terminate any securities lending agreement into which it has entered.
- 3 A Fund that enters into a reverse repurchase agreement will be able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement will be used for the calculation of the Net Asset Value.
- 4 A Fund that enters into a repurchase agreement will ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered. Fixed-term repurchase and reverse repurchase agreements that do not exceed seven days should be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

- 5 Repurchase/reverse repurchase agreements or securities lending do not constitute borrowing or lending for the purposes of UCITS Regulation 103 and UCITS Regulation 111 respectively.
- 6 All the revenues arising from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Fund.
- 7 The counterparty to a repurchase/reverse repurchase agreement or securities lending agreement must comply with the requirements set out above at paragraph 4 of Section 6(B).

**(D) Collateral**

- 1 All assets received 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 pre-sale valuation. Collateral received should also comply with the provisions of UCITS 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 high quality. Where the issuer is subject to a credit rating by an agency registered and supervised by the European Securities and Markets Authority, that rating shall be taken into account by the Company in the credit assessment process. Where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in the preceding sentence, this shall result in a new credit assessment being conducted of the issuer by the Company without delay.
  - (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): (i) Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value. When exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer and (ii) a Fund may be fully collateralised in different transferable securities and money market instruments issued or guaranteed by a Member State, one or more of its local authorities, a third country, or a public international body to which one or more Member States belong. Such a Fund should receive securities from at least 6 different issues, but securities from any single issue should not account for more than 30 per cent of the Fund's net value. Where a Fund intends to be fully collateralised in securities issued or guaranteed by a Member State, this will be disclosed in the relevant Appendix in the Prospectus with respect to that Fund. The Appendix with respect to a Fund should also identify the Member States, local authorities, or public international bodies or guaranteeing securities which the Fund is able to accept as collateral for more than 20 per cent of its net asset value.
  - (vi) Immediately available: Collateral received should be capable of being fully enforced at any time without reference to or approval from the counterparty.
3. Risks linked to the management of collateral, such as operational and legal risks, should be identified, managed and mitigated by the risk management process.

4. All collateral received in the context of efficient portfolio management techniques should be received on a title transfer basis and should be held by the Depository in accordance with the UCITS Regulations.
5. For other types of collateral arrangement, the collateral can be held by a third party depository which is subject to prudential supervision, and which is unrelated to the provider of the collateral.
6. Non-cash collateral cannot be sold, pledged or re-invested.
7. 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 fund 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).

Invested cash collateral should be diversified in accordance with the diversification requirement applicable to non-cash collateral. Invested cash collateral may not be placed on deposit with the counterparty or a related entity.

8. A Fund receiving collateral for at least 30% of assets should have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to assess the liquidity risk attached to the collateral. The liquidity stress testing policy should at least prescribe the following:
  - a) design of stress test scenario analysis including calibration, certification and sensitivity analysis;
  - b) empirical approach to impact assessment, including back testing of liquidity risk estimates;
  - c) reporting frequency and limit/loss tolerance threshold/s; and
  - d) mitigation actions to reduce loss including haircut policy and gap risk protection.
9. A clear haircut policy will be adapted for each class of assets received as collateral. When devising the haircut policy, the Company and its delegate, the Investment Manager on behalf of the Fund, will take into account the characteristics of the assets such as the credit standing or the price volatility, as well as the outcome of the stress tests performed in accordance with paragraph 8. This policy will be documented and should justify each decision to apply a specific haircut, or to refrain from applying any haircut, to a certain class of assets.



## **7. INVESTMENT RESTRICTIONS**

The permitted investments and investment restrictions applying to the Company, in accordance with the qualifications and exemptions contained in the UCITS Regulations, and in the Central Bank UCITS Regulations, are set out below. The Directors may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Shareholders, in order to comply with the laws and regulations of the countries where Shares of the Company are placed. Any such further restrictions shall be in accordance with the requirements of the Central Bank UCITS Regulations.

### **(A) General**

#### **1. Permitted Investments**

Investments of the Company are confined to:

- 1.1 Transferable securities and money market instruments, as prescribed in the Central Bank UCITS Regulations, 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 Central Bank UCITS Regulations, other than those dealt on a regulated market.
- 1.4 Units/shares of UCITS.
- 1.5 Units/shares of non-UCITS as set out in the Central Bank UCITS Regulations.
- 1.6 Deposits with credit institutions as prescribed in the Central Bank UCITS Regulations.
- 1.7 FDI as prescribed in the Central Bank UCITS Regulations.

#### **2. Investment Restrictions**

- 2.1 Each Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments other than those referred to in paragraph 1.
- 2.2 Each Fund may invest no more than 10% of its Net Asset Value 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 each Fund in certain US securities known as rule 144A securities provided that:
  - the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and
  - the securities are not illiquid securities i.e. they may be realised by a Fund within seven days at the price, or approximately at the price, at which they are valued by a Fund.
- 2.3 Each Fund may invest no more than 10% of its Net Asset Value in transferable securities and money market instruments issued by the same body provided that the total value of transferable securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.

- 2.4 Subject to the prior approval of the Central Bank, 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 Asset Value in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the Net Asset Value of a Fund. If a Fund intends to avail of this increased flexibility, it may only do so with the prior approval of the Central Bank.
- 2.5 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.
- 2.6 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.
- 2.7 Each Fund may not invest more than 20% of its Net Asset Value in deposits made with the same credit institution. Deposits with any one credit institution, other than credit institutions authorised in an EEA Member State 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 (each a "**Relevant Institution**") held as ancillary liquidity, must not exceed 10% of net assets. This limit may be raised to 20% in the case of deposits made with the Depositary.
- 2.8 The risk exposure of each Fund to a counterparty to an over the counter derivative may not exceed 5% of its Net Asset Value. This limit is raised to 10% in the case of a credit institution authorised in the an EEA Member State, a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988 or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of the Net Asset Value of a Fund:-
- investments in transferable securities or money market instruments;
  - deposits, and/or
  - counterparty risk exposures arising from OTC derivatives transactions.
- 2.10 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 Asset Value.
- 2.11 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 Asset Value may be applied to investment in transferable securities and money market instruments within the same group.
- 2.12 Each Fund may invest up to 100% of its Net Asset Value in transferable securities and money market instruments issued by 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. The following are permitted issuers for the purpose of the investment restriction:-

OECD Governments (provided the relevant issues are investment grade), Government of Brazil (provided the relevant issues are investment grade), Government of India (provided the issues are of investment grade), the European Investment Bank, the European Bank for Reconstruction and Development, the International Finance Corporation, the International Monetary Fund, Euratom, the Asian Development Bank, the European Central Bank, the Council of Europe, Eurofima, the African

Development Bank, the International Bank for Reconstruction and Development (The World Bank), the Inter American Development Bank, the European Union, the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), the Government National Mortgage Association (Ginnie Mae), the Student Loan Marketing Association (Sallie Mae), the Federal Home Loan Bank, the Federal Farm Credit Bank, the Tennessee Valley Authority, the Government of Singapore, and Straight A-Funding LLC.

However, a Fund must hold securities from at least six different issues, with securities from any one issue not exceeding 30% of the Net Asset Value of that Fund.

### **3. Investment in Collective Investment Schemes ("CIS")**

Save in respect of a Fund which has an investment objective and policy that is more restrictive in respect of its investment in CIS, the following will apply:-

- 3.1 Each Fund may invest no more than 20% of its Net Asset Value, in any one CIS.
- 3.2 Investment by a Fund in Non-UCITS may not, in aggregate, exceed 30% of its Net Asset Value in other open-ended CIS.
- 3.3 The CIS are prohibited from investing more than 10% of their net assets in other open-ended CIS.
- 3.4 When a Fund invests in the shares/units of other CIS that are managed, directly or by delegation, by the Investment Manager or by any other company with which the Investment Manager is linked by common management or control, or by a substantial direct or indirect holding, the Investment Manager or other company may not charge subscription, conversion or redemption fees on account of the a Fund's investment in the shares/units of such other CIS.
- 3.5 Where a commission (including a rebated commission) is received by the Investment Manager by virtue of an investment in the units/shares of another CIS, this commission must be paid into the property of the relevant Fund.
- 3.6 When a Fund (the "**Investing Fund**") invests in the Shares of other Funds of the Company (the "**Receiving Fund**"), that investment is subject to the following requirements, in addition to the above:
  - 3.6.1 the Receiving Fund cannot hold Shares in any other Fund within the Company; and
  - 3.6.2 the rate of the annual management fee which investors in the Investing Fund are charged in respect of that portion of the Investing Fund's assets invested in Receiving Funds (whether such fee is paid directly at the Investing Fund level, indirectly at the level of the Receiving Funds or a combination of both) shall not exceed the rate of the maximum annual management fee which investors in the Investing Fund may be charged in respect of the balance of the Investing Fund's assets, such that there shall be no double charging of the annual management fee to the Investing Fund as a result of its investments in the Receiving Fund. This provision is also applicable to the annual fee charged by an investment manager where this fee is paid directly out of the assets of the Fund.

### **4. Index Tracking UCITS**

- 4.1 Each Fund may invest up to 20% of its Net Asset Value in shares and/or debt securities issued by the same body where the investment policy of the UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.

4.2 The limit in paragraph 4.1 may be raised to 35%, and applied to a single issuer, where this is justified in exceptional market conditions.

## 5. General Provisions

5.1 Each Fund may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.

5.2 Each Fund may acquire no more than:

- (i) 10% of the non-voting shares of any single issuing body;
- (ii) 10% of the debt securities of any single issuing body;
- (iii) 25% of the shares/units of any single CIS;
- (iv) 10% of the money market instruments of any single issuing body.

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 securities in issue cannot be calculated.

5.3 5.1 and 5.2 shall not be applicable to:

- (i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
- (ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;
- (iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
- (iv) shares held by any Fund in the capital of a company incorporated in a non-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 a 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, 5.5 and 5.6 are observed;
- (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 redemption of shares / units at shareholders / unitholders' request exclusively on their behalf.

5.4 Each 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.

5.5 The Central Bank may allow recently authorised Fund to derogate from the provisions of 2.3 to 2.12, 3.1 and 3.2, 4.1 and 4.2 for six months following the date of its authorisation, provided it observes the principle of risk spreading.

5.6 If the limits laid down herein are exceeded for reasons beyond the control of any Fund, or as a result of the exercise of subscription rights, then that 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.

5.7 Neither the Investment Manager, nor any of the Funds, may carry out uncovered sales of:

- transferable securities;
- money market instruments;\*
- units of CIS; or
- FDI.

In addition, for sales of FDI, each Fund must comply with the coverage requirements of the Central Bank UCITS Regulations, as may be amended from time to time, and the Company's risk management process.

\*any short selling of money market instruments by a Fund is prohibited.

5.8 Each Fund may hold ancillary liquid assets.

## **6 FDI**

6.1 The method used to calculate global exposure for each Fund must be set out in the respective Appendix.

6.2 Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the Central Bank UCITS Regulations. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)

6.3 Each Fund may invest in FDIs dealt in over-the-counter ("OTCs") provided that the counterparties to OTCs are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.

6.4 Investment in FDIs is subject to the conditions and limits laid down by the Central Bank.

It is intended that any Fund should have power to avail of any change in the investment restrictions laid down in the UCITS Regulations which would permit investment by a Fund in securities, derivative instruments or in any other forms of investment in which investment is as at the date of this Prospectus, restricted or prohibited under the UCITS Regulations. Any change in investment restrictions will be reflected in an updated Prospectus.

### **(B)Restrictions on Borrowing, Lending and Dealing**

(1) Under the Constitution, the Directors are empowered to exercise all of the borrowing powers of the Company, subject to any limitations under the UCITS Regulations, and to charge the assets of the Company as security for any such borrowings. Each Fund may only borrow an amount which in the aggregate does not exceed 10% of the Net Asset Value of a Fund. Such borrowings may, however, only be made on a temporary basis.

(2) Each Fund 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 purposes of the borrowing restrictions contained in the UCITS Regulations and (1) above, provided that the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding.

However, where foreign currency borrowings exceed the value of the back-to-back deposit, the Fund will treat any excess as borrowing for the purpose of Regulation 103 of the UCITS Regulations and (1) above. Where a Fund maintains the offsetting balance in a different currency to the underlying currency of the Fund, a currency exposure risk will exist.

(3) Each Fund may not, save as set out in (1) above, mortgage, hypothecate or in any manner transfer as security for indebtedness, any securities owned or held by a Fund provided that the purchase or sale of securities on a when-issued or delayed-delivery basis, and margin paid with respect to the writing of options or the purchase or sale of forward or futures contracts, are not deemed to be the pledge of the assets.

(4) Without prejudice to the powers of each Fund to invest in transferable securities, each Fund may not lend or act as guarantor on behalf of third parties.

- (5) Each Fund may engage in stock lending for the purpose of efficient portfolio management, in accordance with the guidelines set out by the Central Bank.
- (6) Each Fund may not use borrowings to cover exposure to FDI.
- (7) The Company shall ensure that a Fund with foreign currency borrowings which exceed the value of a back-to-back deposit treats that excess as borrowing for the purpose of Regulation 103 of the UCITS Regulations.

## **8. RISK WARNINGS**

Potential investors should consider the following risks and any further risks set out in the relevant Appendix before investing in any of the Funds. The investment objectives and policies for each Fund are set forth in the relevant Appendix. Certain of the Funds' investment policies involve certain risks that a prospective investor should keep in mind. None of the Funds are intended to be a complete investment programme, and there is no assurance that any Fund will achieve its objective. However, these are not intended to be exhaustive and there may be other considerations that should be taken into account in relation to an investment.

### **General Considerations**

It should be remembered that the price of Shares and the income from them may fall as well as rise, and that investors may not get back the amount they have invested. In addition to market factors, changes in exchange rates may cause the value of Shares to go up or down. Persons interested in purchasing Shares should inform themselves as to (a) the legal requirements within their own countries of residence for the purchase of Shares, (b) any foreign exchange restrictions which may be applicable, and (c) the income and other tax consequences of the purchase and redemption of Shares.

Investment in certain securities markets involves a greater degree of risk than usually associated with investment in the securities of other major securities markets. Potential investors should consider the following risks and any further risks set out in the relevant Appendix before investing in any of the Funds.

Should supplementary information be required in respect of risk management methods, to include internal investment limits applied by the Investment Manager's risk management team, and any recent developments in the risk and yield characteristics of the main category of FDI, such supplementary information will be available from the Company upon request by the Shareholder.

### **Availability of Investment Opportunities**

The business of identifying and structuring investments of the types contemplated by a Fund is competitive, and involves a high degree of uncertainty. Market conditions as well as economic and political factors will have an impact on the opportunities for investment. Accordingly, there can be no assurance that a Fund will be able to identify and complete attractive investments in the future or that it will be able to invest fully its subscriptions or commitments, as the case may be. The securities in which a Fund invests may also involve high levels of complexity and uncertainty. Even if attractive investment opportunities are identified by the Investment Manager, there is no certainty that it will be permitted to invest in such opportunity (or invest in such opportunity to the fullest extent desired). The Investment Manager or its affiliates may sponsor, manage or advise on other funds with investment strategies similar to the relevant Fund. The Investment Manager, its affiliates and such funds are under no obligation to offer the opportunities to the relevant Fund identified in connection with these funds.

### **Basis Risk**

Basis risk may exist when there is a divergence between the price of a derivative and that of the underlying instrument in the cash market. This may result in market exposures even in instances where derivatives positions have been taken to hedge underlying exposures, due to the unforeseen divergence of the derivative and underlying security prices. This is only relevant if the underlying instrument is traded prior to maturity.

### **Cash Accounts Risk**

The Company has established the Umbrella Cash Account, through which subscription and redemption monies will be channelled. Monies in the umbrella cash account are considered assets of the Company and therefore the Investor Money Regulations will not apply.

Any failure to supply the Company or the Administrator with any documentation requested by them for anti-money laundering purposes, as described in the section entitled "Subscription and Redemption of Shares" below, may result in a delay in the settlement of redemption proceeds or dividend payments. In such circumstances, the Administrator will process any redemption request received by a Shareholder and by doing so that investor is no longer considered a Shareholder. Accordingly, Shareholders should note that any redemption proceeds and any sums payable by way of dividend being paid out by a Fund and held for any time in the Umbrella Cash Account shall remain an asset of the relevant Fund. In the event of the insolvency of the Company or the relevant Fund, the Shareholder will rank as an unsecured creditor of the Company until such time as the Administrator is satisfied that its anti-money-laundering procedures have been fully complied with, following which redemption proceeds will be released or the dividend paid (as applicable) to the relevant Shareholder. Accordingly, Shareholders are advised to promptly provide the Company or Administrator with all documentation requested to reduce the risk in this scenario.

As detailed under the heading "Subscription and Redemption of Shares" below, the Administrator also operates the Umbrella Cash Account with respect to receipt of subscription monies. In this scenario, the investor is subject to the risk of becoming an unsecured creditor in the event of the insolvency of the Company or the relevant Fund during the period between receipt of subscription monies and the Dealing Day on which the Shares are issued.

The Company reserves the right to reverse any allotment of Shares in the event of a failure by the Shareholder to settle the subscription monies on a timely basis. In such circumstances, the Company shall compulsorily redeem any Shares issued and the Shareholder shall be liable for any loss suffered by the Company in the event that the redemption proceeds are less than the amount originally subscribed for. For the avoidance of doubt, the relevant Shareholder shall not be entitled to any profit arising from such a redemption of shares in the event that the redemption proceeds are worth more than the amount originally subscribed for.

Shareholders in solvent Funds should not be impacted by the insolvency of a sister Fund as the Company is established with segregated liability. However, there can be no categorical assurance that, should an action be brought against the Company in the courts of another jurisdiction, that the segregated nature of the Funds will necessarily be upheld. Shareholders attention is drawn to the risk factor under the heading "Umbrella Structure of the Company and Cross-Liability Risk".

### **Conflicts of Interest**

Conflicts of interest may exist in the structure and operation of the Company's business. The attention of investors is specifically drawn to the potential conflict of interest implicit in the method of valuation of over-the-counter option contracts and similar tracts and derivative instruments other than spot and forward contracts where the Administrator relies on the counterparties to such contracts or instruments to provide a price for the relevant contract or instrument. See the section headed "Conflicts of Interest".

### **Counterparty Credit Risk**

Markets in which the Company and the Funds may effect their transactions in "over-the-counter" do not regulate participants to the same extent as "exchange-based" markets. Where a Fund carries out transactions in these markets they may be subject to a credit risk on the transaction counterparty and a risk of settlement default. Such transactions do not benefit from the same protections as exchange-based clearing organisation guarantees, daily marking-to-market and settlement, and segregation and minimum capital requirements applicable to intermediaries. This may subject a Fund to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract or because of a credit or liquidity problem. Such "counterparty risk" is increased for contracts with longer maturities when events may intervene to prevent settlement. The ability of a Fund to transact business with any one or any number of counterparties, the lack of any independent evaluation of the counterparties or their financial capabilities, and the absence of a regulated market to facilitate settlement, may increase the potential for losses by a Fund.



## **Counterparty Risk**

Each Fund may have credit exposure to counterparties by virtue of investment positions in options, forward exchange rate and other contracts held by a Fund. To the extent that a counterparty defaults on its obligation and a Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights.

## **Currency Risk**

Assets of a Fund may be denominated in a currency other than the Base Currency of a Fund. Changes in the exchange rate between the Base Currency and the currency of such assets may lead to a depreciation of the value of a Fund's assets as expressed in the Base Currency. A Fund's Investment Manager may or may not try to mitigate this risk by using financial instruments. Funds may from time to time enter into currency exchange transactions either on a spot (i.e. cash) basis or by buying currency exchange forward contracts. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the prices of a Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. A Fund may enter into currency exchange transactions in an attempt to protect against changes in currency exchange rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions or for speculative purposes.

A Fund may also enter into forward contracts to hedge against a change in such currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a currency other than the Base Currency of that Fund. For example, a Fund could enter into a forward contract to sell the currency in which the investment is denominated or principally traded in exchange for the Base Currency of that Fund. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, at the same time they limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the forward contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the forward contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of any Fund cannot be assured.

## **Custodial Risk**

As a Fund may invest in markets where the trading, settlement and custodial systems are not fully developed, the assets of a Fund which are traded in such markets and which have been entrusted to sub-custodians in such markets in circumstances where the use of such sub-custodians is necessary may be exposed to risk in circumstances in which the Depositary will have no liability. The relevant markets are Argentina, Bahrain, Bangladesh, Belgium (private bonds), Botswana, Brazil, Bulgaria (treasury bills and government bonds), Chile, China, Colombia, Costa Rica (equities), the Czech Republic, Cyprus, Ecuador, Egypt, Estonia, France (some equities), Greece, Hungary, Iceland, India, Indonesia, Israel, Italy, Japan, Jordan, Kazakhstan, Korea, Lebanon, Malaysia, Malta, Morocco, Netherlands (registered securities), Oman, Palestinian Autonomous Area, Pakistan, Panama, Peru, Poland, Qatar, Romania, Russia, Serbia, Slovenia, Slovak Republic, South Africa, South Korea, Sri Lanka, Switzerland (registered securities), Taiwan, Thailand, Tunisia, Turkey, United Arab Emirates, Vietnam and Venezuela.

## **Derivative Instrument Risk**

A Fund may be invested in certain derivative instruments, which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

## **Effects of Substantial Redemptions**

Substantial voluntary redemptions of Shares by Shareholders within a limited period of time could require a Fund to liquidate interests in securities sooner than would otherwise be desirable. Regardless of the period of time in which redemptions occur, the resulting reduction in the Net Asset Value of a Fund and thus in its equity base, could make it more difficult for a Fund to diversify its holdings and achieve its investment objective. Under the Constitution, if redemption requests on any Dealing Day equal or exceed 10% of the Net Asset Value of a Fund in issue on that Dealing Day, the Directors may limit redemptions to 10% of Net Asset Value on that Dealing Day as they deem necessary in their sole discretion. Any redemptions in excess of 10% of Net Asset Value may be held over to the next Dealing Day where they will be effected with priority over any new redemptions received.

### **Emerging Market Risk**

In emerging markets the legal, judicial and regulatory infrastructure is still developing and there is much legal uncertainty both for local market participants and their overseas counterparts. "Frontier Markets" are a subset of emerging markets, and are differentiated from other emerging markets in that they typically are considered to be somewhat less economically developed. Some markets carry significant risks for investors who should therefore ensure that, before investing, they understand the relevant risks and are satisfied that an investment is suitable.

Price volatility in emerging markets may be higher than in more developed markets. Price discrepancies can be common and market dislocation is not uncommon in such markets. Additionally, as news about a particular country becomes available, financial markets may react significantly in a very short period of time. Emerging markets generally lack the level of transparency, liquidity, efficiency and levels of regulation found in more developed markets. There may be a higher level of political risk attached to investing in emerging markets also.

### **Investing in Russia**

Investments in Russia either through the Russian Trading System (RTS) and Moscow Interbank Currency Exchange (MICEX) or on other non-Regulated Markets are subject to increased risk with regard to ownership and custody of securities. There are significant risks inherent in investing in Russia and including: (a) delays in settling transactions and the risk of loss arising out of the systems of securities registration and custody; (b) the lack of corporate governance provisions or general rules or regulations relating to investor protection; (c) pervasiveness of corruption, insider trading, and crime in the Russian economic systems; (d) difficulties associated in obtaining accurate market valuations of many Russian securities, based partly on the limited amount of publicly available information; (e) tax regulations are ambiguous and unclear and there is a risk of imposition of arbitrary or onerous taxes; (f) the general financial condition of Russian and CIS companies, which may involve particularly large amounts of inter-company debt; (g) banks and other financial systems are not well developed or regulated and as a result tend to be untested and have low credit ratings and (h) the risk that the government or other executive or legislative bodies may decide not to continue to support the economic reform programs implemented since the dissolution of the Soviet Union. The concept of fiduciary duty on the part of a company's management is generally non-existent. Local laws and regulations may not prohibit or restrict a company's management from materially changing the company's structure without shareholder consent. Foreign investors cannot be guaranteed redress in a court of law for breach of local laws, regulations or contracts. Regulations governing securities investment may not exist or may be applied in an arbitrary and inconsistent manner. Evidence of legal title in many cases will be maintained in "book-entry" form and a Fund could lose its registration and ownership of securities through fraud, negligence or even oversight. Securities in Russia are issued only in book entry form and ownership records are maintained by registrars who are under contract with the issuers. The registrars are neither agents of, nor responsible to the Company, any Fund, the Depositary or their local agents in Russia. Transferees of securities have no proprietary rights in respect of securities until their name appears in the register of holders of the securities of the issuer. The law and practice relating to registration of holders of securities are not well developed in Russia and registration delays and failures to register securities can occur. Although Russian sub-custodians will maintain copies of the registrar's records ("Records") on its premises, such Records may not, however, be legally sufficient to establish

ownership of securities. Further a quantity of forged or otherwise fraudulent securities, Records or other documents are in circulation in the Russian markets and there is therefore a risk that a Fund's purchases may be settled with such forged or fraudulent securities. In common with other emerging markets, Russia and the CIS have no central source for the issuance or publication of corporate actions information. The Depository therefore cannot guarantee the completeness or timeliness of the distribution of corporate actions notifications. Although exposure to these equity markets is substantially hedged through the use of ADRs and GDRs, Funds may, in accordance with their investment policy, invest in securities which require the use of local depository or custodial services.

### **Investing in China**

Investments in China are currently subject to certain additional risks. The Chinese economy is subject to a considerable degree of economic, political and social instability therefore there are political, social and economic risks. Certain Funds may be invested in Chinese securities through the Hong Kong Exchange. As a result, these Funds may be subject to increased risk of loss caused by lower levels of liquidity, greater security price volatility and exchange rate fluctuation.

### **Fees and Expenses**

Whether or not the investment portfolio of a Fund is profitable, it is required to pay fixed fees and expenses including organisation and offering expenses, administrative and operating expenses and advisory fees.

Details of the fee payable by the Company out of the assets of each Fund as disclosed in the relevant Appendix, to the Investment Manager under the Investment Management Agreement in respect of each Fund, are set out in the Appendix for each Fund.

### **Financial Derivatives, Techniques and Instruments Risks**

The prices of derivative instruments, are highly volatile. Price movements of derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, amongst other things, interest rate fluctuations. The use of these techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the price movements of the derivatives and price movements of related instruments, (3) the fact that skills needed to use these instruments are different from those needed to select the securities owned by any of the Funds, (4) the possible absence of a liquid market for any particular instrument at any particular time; which may result in possible impediments to effective portfolio management or the ability to meet redemption. Each Fund may invest in certain derivative instruments, which may involve the assumption of obligations as well as rights and assets. Assets deposited as margin with brokers may not be held in segregated accounts by the brokers and may therefore become available to the creditors of such brokers in the event of their insolvency or bankruptcy.

Each Fund may from time to time utilise both exchange traded and over the counter derivatives as part of its investment policy and for hedging purposes. These instruments may be volatile, involve certain special risks and expose investors to a high risk of loss. The low initial margin deposits normally required to establish a position in such instruments permit a high degree of leverage. As a result, a relatively small movement in the price of a contract may result in a profit or a loss that is high in proportion to the amount of the funds actually placed as initial margin and may result in unlimited further loss exceeding any margin deposited. Furthermore, when used for hedging purposes there may be an imperfect correlation between these instruments and the investment or market sectors being hedged. Transactions in over the counter derivatives, such as credit

derivatives, may involve additional risk as there is no exchange market on which to close out an open position.

### **Global Economic and Market Conditions - Emerging Markets Economies**

A Fund may invest in currencies, securities and instruments traded in various markets throughout the world, including in global emerging markets, some of which are highly controlled by governmental authorities. Such investments require consideration of certain risks typically not associated with investing in currencies or securities of developed markets. Such risks include, among other things, trade balances and imbalances and related economic policies, unfavourable currency exchange rate fluctuations, imposition of exchange control regulation by governments, withholding taxes, limitations on the removal of funds or other assets, policies of governments with respect to possible nationalisation of their industries, political difficulties, including expropriation of assets, confiscatory taxation and social, economic or political instability in foreign nations. These factors may affect the level and volatility of securities prices and the liquidity of the investments. Unexpected volatility or illiquidity could impair the investments and thus, the Company's profitability, or result in losses. The economies of countries differ in such respects as growth of gross domestic product, rate of inflation, currency depreciation, asset reinvestment, resource self-sufficiency and balance of payments position. Further, certain economies are heavily dependent upon international trade and, accordingly, have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures impose or negotiated by the countries with which they trade. The economies of certain countries may be based, predominantly, on only a few industries and may be vulnerable to changes in trade conditions and may have higher levels of debt or inflation.

### **Inadequate Return Risk**

There can be no assurance that the returns on a Fund's investment will be commensurate with the risk of an investment therein. Investors should not commit money to a Fund unless they have the resources to sustain the loss of their entire investment in a Fund.

### **Inside Information**

From time to time, the Investment Manager or its affiliates may come into possession of material, non-public information concerning an entity in which a Fund has invested, or proposes to invest. This may occur, for instance, where an entity solicits the opinions of significant shareholders in respect of major corporate events (acquisitions, rights issues, changes to the board of directors etc). In such cases the possession of such information may limit the ability of a Fund to buy or sell securities of such entity both for legal reasons and also because of the internal policies of the Investment Manager.

### **Investment in Structured Notes**

A Fund may invest in structured notes, the returns on which are linked to companies in which the relevant Fund will have a direct equity investment, or will be referable to the cash flow characteristics of a pool of assets such as auto loans, credit cards, rents receivable and/or government receivables. These notes may be listed or unlisted. The structured notes will be freely transferable, will not be leveraged and will comply with the Central Bank's conditions and criteria for investment in such securities. If the notes are unlisted a Fund may invest no more than 10% of its net assets in such securities.

### **Investment Manager Risk**

The Company may consult the Investment Manager with respect to the valuation of unlisted investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Funds, the Investment Manager has in place a pricing committee charged with reviewing all pricing procedures and which follows industry standard procedures for valuing unlisted investments.

The Company in respect of the Funds will rely on the Investment Manager in formulating its investment strategies. The bankruptcy or liquidation of the Investment Manager or the discontinuance of the Investment Manager's association with any of the parties or otherwise with the operations of the Company, may have an adverse impact on the Net Asset Value. The Investment Manager and their principals and affiliates are not required to devote all their business time to the Company's business.

### **Investment Selections**

When making investments, each Fund or the Investment Manager, as the case may be, is reliant on information and data made directly available to it through other sources. Although the Investment Manager may evaluate such information and data and seek independent corroboration when it considers it appropriate and available, the Investment Manager cannot confirm the completeness, genuineness or accuracy of such information and data.

### **Investment Strategies**

The success of the investment strategies depends upon the ability to asset allocate, and understand and evaluate the investment strategies of individual funds and investment managers. Any factor which would make it more difficult to perform such analysis would be detrimental to profitability. As the investment strategies may be modified and altered from time to time, it is possible that the investment strategies used in the future may be different from those presently in use. No assurance can be given that the investment strategies used or to be used will be successful under all or any market conditions.

### **Lack of Independent Representatives**

The Company has consulted with counsel, accountants and other experts regarding the formation of the Company. Such personnel are accountable to the Company only and not to the Shareholders themselves. Each prospective investor should consult his own legal, tax and financial advisers regarding the desirability of an investment in the Company.

### **Legal and Documentation Risk**

This type of risk applies to OTC contracts. The risk of loss due to an unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

### **Lending of Securities**

The Company may lend its securities to brokers, dealers and other financial institutions needing to borrow securities to complete certain transactions. The Company continues to be entitled to payments of amounts equal to the interest, dividends or other distributions payable in respect of the loaned securities, which affords the Company an opportunity to earn interest on the amount of the loan and on the loaned securities' collateral. In connection with any such transaction, the Company will receive collateral that will be marked to market on a daily basis and maintained at all times in an amount equal or exceeding 100% of the current market value of the loaned securities at all times. However, the Company might experience loss if the institution with which the Company has engaged in a portfolio loan transaction breaches its agreement with the Company. This may occur if the counterparty were to default at a time when the value of securities lent increased. In this case it is possible that the collateral held by the Fund would not cover the value of securities lost. **It should be noted that the initial Fund will not engage in securities lending.**

### **Liquidity Risk**

Futures positions may be illiquid because certain commodity exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day, no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular future has increased or

decreased by an amount equal to the daily limit, positions in the future can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

### **Market Risk**

Some of the Recognised Exchanges on which the Funds may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which a Fund may liquidate positions to meet redemption requests or other funding requirements. Potential investors should also note that some Funds may have exposure to the securities of small capitalisation companies which are less liquid than larger capitalisation companies and this may result in fluctuations in the price of the Shares of the relevant Fund.

### **Over-the-Counter Markets Risk**

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

### **Past Performance Information Risk**

Market conditions and trading approaches are continually changing and the fact that any trading adviser or investment manager happened to be successful in the past may largely be irrelevant to its prospects for future profitability. The past investment performance of the Investment Manager may not be construed as an indicator of the future results of an investment in any Fund.

### **Political Risks**

The performance of a Fund may be affected by changes in economic and market conditions, uncertainties such as political developments, changes in government policies, the imposition of restrictions on the transfer of capital and in legal, regulatory and tax requirements. A Fund may also be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the level of foreign ownership.

### **Possible Indemnification Obligations**

The Company in respect of the Funds has agreed, or may agree to indemnify the Directors, the Investment Manager, the Distributor, the Administrator, the Depositary, and banks, brokers and dealers under its Constitution and various agreements entered into with such persons against certain liabilities they or their respective directors, officers, affiliates or agents may incur in connection with their relationship with the Company in respect of the Funds.

### **Regulatory and Accounting Standards Risks**

Disclosure and regulatory standards may be less stringent in certain securities markets than they are in developed OECD member countries and there may be less publicly available information on the issuers than is published by or about issuers in such OECD member countries. Consequently, some of the publicly available information may be incomplete and/or inaccurate. In some countries the legal infrastructure and accounting and reporting standards do not provide the same degree of shareholder protection or information to investors as would generally apply in many developed OECD member countries. In particular, greater reliance may be placed by the auditors on representations from the manager of a company and there may be less independent verification of information than would apply in many developed OECD member countries. The valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may also be treated differently from international accounting standards.

### **Settlement Risk**

The risk that the counterparty to a Fund will fail to deliver the terms of a contract at the time of the settlement. Settlement risk can be risk associated with default at settlement and any timing differences in settlement between two parties.

### **Settlement and Credit Risks**

The trading and settlement practices of some of the stock exchanges or markets on which the Funds may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by the Funds. In addition, Funds will be exposed to credit risk on parties with whom they trade and will bear the risk of settlement default. The Depositary may be instructed by the Investment Manager to settle transactions on a delivery free of payment basis where the Investment Manager believes that this form of settlement is appropriate. Shareholders should be aware, however, that this may result in a loss to a Fund if a transaction fails to settle and the Depositary will not be liable to a Fund or to the Shareholders for such a loss if the Depositary is acting pursuant to specific proper instructions and where this settlement is standard market practice.

### **Taxation Risk**

Any change in the Company's tax status or in taxation legislation could affect the value of the investments held by the Company and affect the Company's ability to provide the Investor Returns. Potential investors and Shareholders should note that the statements on taxation which are set out herein are based on advice which has been received by the Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely. The attention of potential investors is drawn to the tax risk associated with investing in the company. See section headed 'TAXATION'.

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

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

### **Valuation Risk**

Funds may invest some of their assets in unquoted securities or quoted securities for which there is no reliable price source available. Such investments will be valued at the probable realisation value as determined in accordance with the provisions set out in the section "Valuation and Prices". Estimates of the fair value of such investments are inherently difficult to establish and are the subject of substantial uncertainty. A Fund may, for the purpose of efficient portfolio management, invest in derivative instruments and there can be no assurance that the value as determined in accordance with the section "Valuation and Prices" reflects the exact amount at which those instruments may be "closed out". A Fund may not invest in derivative instruments unless and until a risk management process is filed and approved by the Central Bank.

### **Borrowings**

Under the UCITS Regulations, a Fund may borrow up to 10% of its Net asset Value, provided this borrowing is on a temporary basis. Such borrowings may increase the risks attached to an investment in Shares of a Fund.

### **Investment of Collateral**

Invested cash collateral is held at the credit risk of the Fund. Although the Fund only invests cash collateral in the relatively low risk asset classes as set out in this Prospectus, there can be no assurance that there is no risk of loss of some or all of the sums invested in such asset classes. The Fund will also be exposed to a credit risk in relation to the counterparties with whom they trade and may also bear the risk of settlement default

### **Repurchase/Reverse Repurchase Agreements and Securities Lending Agreements**

In the event of insolvency, bankruptcy or default of the seller under a repurchase agreement or securities lending agreement, a Fund may experience both delays in liquidating the underlying securities and losses, including the possible decline in the value of securities, during the period while it seeks to enforce its rights thereto, possible sub-normal levels of income and lack of access to income during the period and expenses in enforcing its rights.

### **Money Market Funds**

An investment in a Money Market Fund (“MMF”) is not a deposit in a bank and is not insured or guaranteed by a government deposit insurance or any other governmental agency. Although a MMF Fund seeks to preserve the value of your investment at a constant price per share, you may lose money by investing in a MMF. The risks associated with an investment in a MMF can increase during times of significant market volatility.

### **Cybersecurity Risk**

Cybersecurity breaches may occur allowing an unauthorized party to gain access to assets of the Funds, Shareholder data, or proprietary information, or may cause the Company, the Investment Managers, the Distributor, the Administrator or the Depositary to suffer data corruption or lose operational functionality.

The Funds may be affected by intentional cybersecurity breaches which include unauthorized access to systems, networks, or devices (such as through “hacking” activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of Shareholder data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the Company, the Investment Manager, the Distributor, the Administrator, the Depositary, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Consequently, Shareholders may lose some or all of their invested capital. In addition, such incidents could affect issuers in which a Fund invests, and thereby cause a Fund’s investments to lose value, as a result of which investors, including the relevant Fund and its Shareholders, could potentially lose all or a portion of their investment with that issuer.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved in an investment in the Company. Prospective shareholders should read this entire Prospectus, the Constitution and consult with their own advisers before deciding whether to invest in the Company.**



## **9. SUBSCRIPTION AND REDEMPTION OF SHARES**

The mechanisms for subscribing to and making redemptions from the Company are as set out in this section.

### **(A) Application Procedure**

Applications should be sent to the Administrator, on the Application Form (with supporting documentation relating to money laundering prevention checks), initially by fax with the signed originals to be sent promptly thereafter.

No transfer, redemption or dividend payment may be made until the original Application Form has been received by the Administrator and all necessary anti-money laundering checks have been completed. All applications must be received (by letter, by facsimile or such other means as may be prescribed by the Directors from time to time and in accordance with the requirements of the Central Bank) by the Administrator at its business address no later than the Dealing Deadline on the relevant Dealing Day. Any application received after that time will be dealt with on the following Dealing Day. The settlement monies must normally be paid in cleared funds in the designated currency of the relevant Class by telegraphic transfer to the bank account specified in the relevant application form within three days of the relevant Dealing Day however, with the agreement of the Administrator and the Company, settlement proceeds may be accepted at a later date. In the event that settlement monies are subsequently not paid, all costs and expenses will be borne by the applicant and the Shares will be cancelled.

The Company reserve the right to cancel without notice any application for Shares for which payment has not been received by the settlement date and to recover any losses that may be calculated by reference to movement in the NAV price, costs or expenses incurred from the applicant. Amendments to an investor's registration details and payment details will only be effected on receipt of original documentation. Purchase contract notes will be issued after the allotment of Shares. Share certificates will not be issued.

### **(B) Subscriptions**

Shares may be issued by the Company on any Dealing Day in respect of applications which are received prior to the Dealing Deadline on that Dealing Day. All applications must be received by the Administrator no later than the Dealing Deadline on the relevant Dealing Day. Subscription requests may be submitted by fax to the Administrator (in Ireland). Applications should be made on the Application Form (and supporting documentation relating to money laundering prevention checks) and the originals must be sent promptly to the Administrator. Applications received after the Dealing Deadline will be held over to the next Dealing Day. However, in exceptional circumstances only, a subscription request received after the deadline for receipt of subscription requests on any particular Dealing Day may be accepted for dealing on that Dealing Day (at the discretion of the Directors or their delegates) provided that any such request is received prior to the Valuation Point for such Dealing Day. No interest will be paid on early subscriptions.

No Shares may be issued during the period of any suspension of the determination of the Net Asset Value of the relevant Fund (for details see section 9(G)). Unless the applicant has made arrangements with the Company to make payment in some other currency or by some other method, payment must be made in the currency in which the Shares are denominated by telegraphic transfer to the account set out in the Application Form.

Each potential investor will be obligated to represent and warrant in an application that, among other things, such investor is purchasing Shares for its own account and that such investor is able to acquire Shares without violating applicable laws and failure to do so may result in the suspension of the processing of such application or any subsequent redemption request and that the investor has received and reviewed the applicable Key Investor Information Document. It is not the intention of the Directors to offer shares to US persons. However, should a US Person invest in a Fund, each potential investor that is a US person will be required to represent and warrant, among other things, that such investor is acquiring the Shares for investment purposes only and not with a view to, or for

offer or resale in connection with, any distribution in violation of the 1933 Act or other applicable securities law; that such investor, an "Institutional Accredited Investor", who is also a Qualified Purchaser, and that such investor agrees to certain restrictions on transfer applicable to the Shares.

The Company reserves the right to reject any application for Shares in whole or in part for any reason. If any application is not accepted in whole or in part, the application monies or (where an application is accepted in part only) the balance thereof will be returned (without interest) in the same currency in which the application monies for such Shares were received by telegraphic transfer to the account from which monies were received at the expense of the applicant.

The Directors may in their absolute discretion, issue Shares in a Fund in exchange for assets transferred into the account of the Fund, provided that they and the Depositary are satisfied that there is unlikely to be any material prejudice to any existing Shareholders and subject to the provisions of the Act, the Investments have been transferred to the Depositary or its nominee or sub-custodian to the Depositary's satisfaction, the Investments transferred are consistent with the investment objectives, policies and restrictions of the relevant Fund, which assets would form part of the Investments of the relevant Fund. The number of Shares to be issued in this way shall be the number which would have been issued for cash against the payment of a sum equal to the value of the investments transferred, such value to be determined on the date the Shares are issued, less such sum as the Directors may consider represents an appropriate provision for any fiscal, brokerage, registration or other expenses as aforesaid to be paid out of the assets of the relevant Fund in connection with the vesting of such investments. The value of the investments to be vested shall be calculated on such basis as the Directors may decide, but such value cannot exceed the highest amount on the relevant Dealing Day at which they would be valued by applying the valuation methods described in under the heading "Valuation and Prices".

Where the amount subscribed is not equivalent to an exact number of shares, fractions of Shares may be issued.

Shares shall be issued at the initial offer price during the initial offer period, and thereafter at the Net Asset Value per Share, plus any charges, as specified in the relevant Appendix. All Shares will be registered in inscribed form and evidenced by entry on the Company's register of shareholders. Share certificates will not be issued. Each Shareholder will be sent a written trade confirmation confirming ownership of the relevant Shares.

Subscription monies will become the property of the relevant Fund upon receipt and accordingly, in the event of the insolvency of the Company or the relevant Fund investors will be treated as an unsecured creditor of the Company during the period between the receipt of the Subscription monies and the Dealing Day of which the Shares are issued.

Investment in the Funds is intended for medium to long-term purposes only. Excessive, short-term (or market timing) or other abusive trading practices may disrupt portfolio management strategies, increase expenses and harm Fund performance for all Shareholders and the Company will take all reasonable steps to prevent such activity. To minimise harm to a Fund and its Shareholders, the Administrator as the delegate of the Directors, working in conjunction with the designated anti-money laundering reporting officer, reserves the right to reject any subscription (including any transfer) from any investor whom it believes has a history of abusive trading or whose trading, in its judgement, has been or may be disruptive to a Fund. In making this judgement, the Administrator may consider trading done in multiple accounts under common ownership or control.

### **Anti-Money Laundering Regulations**

Measures aimed at the prevention of money laundering and counter terrorism require prospective investors to verify their identity and address. The Directors and the Administrator reserve the right to request from any applicant such documentation as is necessary to comply with all applicable European and Irish legislation. The Directors have authorised the Administrator to request such information and documentation as it considers is necessary to verify the identity and address of any applicant. This obligation is absolute except where the subscription is being made through a regulated intermediary and the intermediary operates within a country recognized by applicable law

as having anti-money laundering regulations equivalent to Ireland. The Administrator will require written representations from the regulated intermediary with respect to the underlying prospective investor.

The Administrator will notify prospective investors as to the types of evidence of their identity that are required. By way of example only, an individual shall be required to produce a copy of a passport or identification card duly certified by a public authority (such as a lawyer or notary public), together with evidence of their address (such as a utility bill or bank statement). A corporate subscriber must produce a certified copy of its certificate of incorporation (including any name change) and constitution (or equivalent) as well as the names and residential and business addresses of all directors and certain beneficial owners.

The details given above are by way of example only and the Administrator will request such information and documentation as it considers is necessary to verify the identity and address of each applicant. In the event of delay or failure by the applicant to produce any information required by the Administrator to verify the applicant's identity, the Administrator may refuse to accept the application and the subscription funds relating thereto, and will, in any event, refuse to process a redemption request, until proper information has been provided. Any subscription funds received will be returned without interest to the account from which such funds were originally debited. Prospective investors should note specifically that where redemption proceeds are requested to be remitted to an account which is not in the name of the investor, the Administrator reserves the right to request such information as may be reasonably necessary in order to verify the identity and address of the investor and the owner of the account to which the redemption proceeds will be paid. Redemption proceeds will not be paid to a third party account if the investor and owner of the account is not in the name of the investor or if the investor fails to provide such information.

Each applicant acknowledges and agrees that the Administrator shall be held harmless against any loss arising as a result of a failure to process such investor's Application Form or redemption request if such information and documentation as has been requested by the Administrator has not been provided by such applicant. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Directors or the Administrator on their behalf may refuse to accept the application or cancel any Shares issued. The applicant shall bear any cost, loss or expense suffered by the Directors or the Administrator as a result of the applicant failing to provide the required information.

### **Market Timing**

The Directors may in their absolute discretion refuse to accept a new subscription. In particular, the Directors or the Administrator as their delegate may exercise this discretion if they believe the Shareholder has been or intends to engage in market timing activities. For these purposes, market timing activities include investment techniques which involve short term trading in and out of Shares in a Fund generally to take advantage of variations in the price of Shares between the daily valuation points of the Funds. Short term trading of this nature may often be detrimental to long term Shareholders; in particular the frequency of dealing may lead to additional dealing costs which can affect long term performance. Investments may be made into the Funds via nominee or similar omnibus accounts.

### **Cash Accounts**

The Company has established an Umbrella Cash Account, through which subscription and redemption monies will be channelled. Monies in the umbrella cash account are considered assets of the Company and therefore the Investor Money Regulations will not apply. The Umbrella Cash Account is subject to the same regulatory regime under UCITS Regulations as would be applicable to any fund bank account; this includes the monitoring of subscriptions and redemptions cash flows and investment compliance monitoring. The Company, in conjunction with the Depositary, will establish a policy to govern the operation of an Umbrella Cash Account. The policy should be reviewed by both parties, at least annually.

### **Data Protection Notice**

Prospective investors should note that by completing the Subscription Agreement they are providing to the Company personal information, which may constitute personal data within the meaning of Data Protection Legislation. This data will be used for the purposes of administration, transfer agency, statistical analysis, research and disclosure to, and in relation to, the Company, its delegates and duly authorised agents. By signing the Application Form, investors acknowledge that they are providing their consent to the Company, its delegates and duly authorised agents and any of their respective related, associated or affiliated companies obtaining, holding, using, disclosing and processing the data for any one or more of the following purposes:

to manage and administer the investor's holding in the Company and any related accounts on an on-going basis;

- (ii) for any other specific purposes where the investor has given specific consent;
- (iii) to carry out statistical analysis and market research;
- (iv) to comply with legal, tax and regulatory obligations applicable to the investor and the Company;
- (v) for disclosure or transfer whether in Ireland or countries outside Ireland including without limitation the United States of America, which may not have the same data protection laws as Ireland, to third parties including financial advisers, regulatory bodies, auditors, technology providers or to the Company and its delegates and its or their duly appointed agents and any of their respective related, associated or affiliated companies for the purposes specified above; and
- (vi) for other legitimate business interests of the Company.

By signing the Application Form, investors also specifically acknowledge (without prejudice to the generality of the foregoing paragraphs) that the Administrator may engage affiliated and unaffiliated third parties to evaluate and comply with any anti-money laundering, regulatory, administration (including data processing, which itself includes personal data processing, and storage), tax duties and tasks applicable to the Company and/or its Funds as deemed necessary or desirable by the Directors and/or the Administrator. This will include the use of parties and information technology ("IT") infrastructure located outside of Ireland and/or the European Union, including the United States.

Pursuant to Data Protection Legislation, investors have a right of access to their personal data kept by the Company and the right to amend and rectify any inaccuracies in their personal data held by the Company by making a request to the Company in writing.

The Company is a "data controller" within the meaning of Data Protection Legislation and undertakes to hold any personal information provided by investors in confidence and in accordance with Data Protection Legislation.

By signing the Application Form, prospective investors consent to the recording of telephone calls made to and received from investors by the Company, its delegates and duly appointed agents and any of their respective related, associated or affiliated companies for record keeping, security and/or training purposes.

### **(C) Redemption**

Shareholders may request a Fund to redeem their Shares on or with effect from any Dealing Day at the Net Asset Value per Share, less any applicable Duties and Charges as set out in the relevant Appendix.

Each request should be sent to the Administrator in advance of the relevant Dealing Deadline, should be given in writing or by facsimile and must specify the number of Shares to be redeemed. In

order for a redemption request to take effect on a particular Dealing Day, the redemption request must be received by the Administrator not later than the Dealing Deadline on the relevant Dealing Day. Redemption requests received after such time will be processed on the next following Dealing Day. However, in exceptional circumstances, a redemption request received after the deadline for receipt of redemption requests on any particular Dealing Day may be accepted for dealing on that Dealing Day (at the discretion of the Directors or their delegates) provided that any such request is received prior to the Valuation Point for such Dealing Day.

All requests for the redemption of Shares should be made to the Company c/o the Administrator in writing or by facsimile (containing a scanned copy of the completed document) and must quote the relevant account number, the relevant Fund(s) and Class of Share (if applicable), and be signed by or on behalf of the Shareholder before payment of redemption proceeds can be made. Redemption requests by facsimile will be treated as definite orders. No payment of redemption proceeds will be made without receipt of the original signed Application Form and all requested AML documentation and the anti-money laundering procedures have been completed. In such circumstances, the Administrator will process the redemption request received by the Shareholder, however the redemption proceeds shall remain an asset of the Fund and the Shareholder will rank as a general creditor of the Company until such time as the Administrator is satisfied that its AML procedures have been complied with, following which redemption proceeds will be released.

Shareholders' proceeds will normally be transmitted within 5 Business Days of the Dealing Day. Payments will only be made to the account of record specified in the Application Form or amended subsequently in the manner described in section 9 (A) above.

If a redemption would cause the value of a Shareholder's Shares to fall below the minimum initial subscription amount for each share class, then at the discretion of the Directors, they will have the right to compel the redemption of all Shares held by such Shareholder. The Directors, upon 7 days' prior written notice to a Shareholder, may compel redemption of all of a Shareholder's Shares at any time where such shareholding may, in the opinion of the Directors, result in regulatory, pecuniary, legal, taxation, material administrative or any other material disadvantage to the Company, relevant Fund or its Shareholders as a whole.

The redemption of Shares will be suspended whenever the calculation of the Net Asset Value is suspended. Any such suspension will be notified immediately to the Irish Stock Exchange, the Central Bank and, where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Unless the Directors, or their delegate, consent to the withdrawal of any redemption request, a redemption request will be irrevocable. If at any time the determination of Net Asset Value is suspended and redemption rights are also suspended, then, during the period of suspension, the redemption request may be withdrawn but if not so withdrawn, then redemption will take place on the next Dealing Day following the end of the period of suspension.

Payment of redemption proceeds will ordinarily be effected in accordance with the instructions given by the redeeming Shareholder, normally within 5 Business Days of the Dealing Day by wire transfer upon the request of the redeeming Shareholder. No interest will be paid on the redemption proceeds between the relevant Dealing Day and the date of actual payment

A Shareholder redeeming Shares will, except as referred to below, be paid an amount equal to the Redemption Price per Share calculated in the manner described below under the section headed "Valuation and Prices".

The Net Asset Value calculations shall be final, save in the case of manifest error.

Redemption proceeds will be paid in the currency in which the Shares are denominated by telegraphic transfer at the cost and risk of the redeeming Shareholder to the bank account specified in the name of the Shareholder.

All costs of effecting any telegraphic transfer will be borne by the Shareholder and may be deducted

from the monies to be paid. No redemption of Shares may be effected during the period of any suspension of the determination of the Net Asset Value (for details see the section headed "Valuation and Prices").

Shareholders should note that any redemption proceeds being paid by a Fund and which are held for any time in the Umbrella Cash Account shall remain an asset of the relevant Fund. On redemption, an investor is no longer a Shareholder and in the event of the insolvency of the Company or the relevant Fund will rank as an unsecured creditor of the Company during the period between receipt of the redemption request and the Dealing Day on which such Shares are redeemed. Redemption proceeds and dividend payments shall be held in the Umbrella Cash Account where the Shareholder has failed to provide the Administrator or the Company with any documentation requested by them for anti-money laundering purposes, as described above. Investors' attention is drawn to the risk factor under the heading "Cash Accounts". Furthermore, the operation of the Umbrella Cash Account will not compromise the ability of the Depositary to carry out its safe-keeping and oversight duties in accordance with the UCITS Regulations.

#### **(D) Substantial Redemptions**

The Directors may in their discretion limit the number of Shares of any Fund redeemed on any Dealing Day to Shares representing not more than 10% of the Net Asset Value of that Fund on that Dealing Day. In this event, the Directors may scale down the number of Shares to be redeemed to such extent as may be necessary to ensure such limit is not exceeded. The limitation will apply pro rata so that all Shareholders wishing to have Shares of that Fund redeemed on that Dealing Day realise the same proportion of their outstanding redemption request. Shares not redeemed, but which would otherwise have been redeemed, will be carried forward for redemption on each subsequent Dealing Day on a pro rata basis until all Shares relating to the original redemption requests have been redeemed.

The Constitution contains special provisions whereby the Directors may, with the consent of the redeeming Shareholder, satisfy a redemption request by a distribution of Investments of the relevant Fund in specie, provided that such a distribution would not be materially prejudicial to the interests of the remaining Shareholders of that Fund and the allocation of the Investments to be distributed is subject to the prior approval of the Depositary.

The Constitution also contains special provisions where a redemption request received from a Shareholder would result in Shares representing more than 5% of the Net Asset Value of any Fund being redeemed by the Company on any Dealing Day. In such a case, the Company may in its discretion satisfy the redemption request in whole or in part by a distribution of investments of the relevant Fund in specie, provided that such a distribution would not be materially prejudicial to the interests of the remaining Shareholders of that Fund and the allocation of the investments to be distributed is subject to the prior approval of the Depositary. Where a Shareholder requesting such redemption receives notice of the Company's intention to elect to satisfy the redemption request by such a distribution of assets, the Shareholder may require that the Company, instead of transferring those assets, arrange for their sale at the cost of the redeeming Shareholder and the payment of the net proceeds of sale to that Shareholder.

#### **(E) Switching**

Shareholders can switch between Funds and different Classes within the same Fund. Subject to the minimum investment and holding requirements of the relevant Class, Shareholders may switch some or all of their Shares in one Fund to Shares in another Fund or another Class in the same Fund. Shares switched will be issued and redeemed (as appropriate) at the Net Asset Value per Share subject to any applicable Duties and Charges. Instructions to switch Shares between Funds or Classes within a Fund may be made to the Administrator by letter, facsimile, email or by such other means as the Administrator may prescribe from time to time (where such means are in accordance with the requirements of the Central Bank). Instructions to switch should include full details of the number of Shares to be switched between named Funds or Classes within a Fund.

Unless otherwise stated in the relevant Appendix, switching instructions received by the Administrator up to the Dealing Deadline for a Dealing Day will be dealt with on that Dealing Day. Instructions received after the aforesaid time will be dealt with on the following Dealing Day.

The number of Shares will be rounded up or down to the nearest two decimal places.

#### **(F) Transfer of Shares**

The Shares issued by the Company are freely transferable except in certain circumstances (e.g. to a US Person) and, subject to the differences between different Classes, are entitled to participate equally in the profits and dividends of the relevant Fund and in its assets upon liquidation. The Shares, which are of no par value and which must be fully paid up on issue, carry no preferential or pre-emptive rights and are entitled to one vote each on a poll at all meetings of the Shareholders. Where there are Shares of a different Class in a Fund, the Net Asset Value per Share amongst such Classes may differ to reflect the fact that income has been reinvested or been distributed, that there are differing charges of fees and expenses, that they are designated in different currencies, or that the gains/losses on and if applicable, costs of different financial instruments employed for currency hedging between the currencies in which the assets of a Fund are designated and the designated currency of the Shares are attributed to them. All references to Shares include a fraction of a Share calculated to the nearest one-hundredth. Save as provided herein, all Shares of each Class within a Fund will rank pari passu. The Company may issue different Classes in each Fund which may be differentiated at the discretion of the Company, details of which will be set out in the relevant Appendix. Such Classes may be subject to different fees than those which apply to existing Classes. The fees applying to such Classes may be lower or higher than fees applying to existing Classes or such Classes may not be subject to any fees. The creation of additional Classes in a Fund will be notified in advance and cleared by the Central Bank.

#### **(G) TEMPORARY SUSPENSION OF NET ASSET VALUE**

The Directors may at any time with prior notification to the Depositary temporarily suspend the issue, valuation, sale, purchase, redemption or conversion of Shares during:

1. the whole or any part of any period when any Recognised Exchange on which a substantial portion of the Investments for the time being comprised in a Fund are quoted, listed or dealt in is closed otherwise than for ordinary holidays, or during which dealings in any such Recognised Exchange are restricted or suspended; or
2. the whole or any part of any period where, as a result of political, military, economic or monetary events or other circumstances beyond the control, responsibility and power of the Directors, including the unavailability of relevant prices, the disposal or valuation of any Investments for the time being comprised in a Fund cannot, in the opinion of the Directors, be effected or completed normally or without prejudicing the interest of Shareholders; or
3. any breakdown in the means of communication normally employed in determining the value of any Investments for the time being comprised in a Fund or during any period when for any other reason the value of Investments for the time being comprised in the Company cannot, in the opinion of the Directors, be promptly or accurately ascertained; or
4. the whole or any part of any period when a Fund is unable to repatriate funds for the purposes of making redemption payments or during which the realisation of any Investments for the time being comprised in a Fund, or the transfer or payment of funds involved in connection therewith 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 transfer of monies or assets required for subscriptions, redemptions or trading; or
5. any period in which the redemption of the Shares would, in the opinion of the Directors, result in a violation of applicable laws; or

6. the whole or any part of any period when, as a result of adverse market conditions, the payment of redemption proceeds may, in the sole opinion of the Directors, have an adverse impact on the relevant Fund or the remaining Shareholders in such Fund; or
7. the whole or any part of any period in which notice has been given to Shareholders of a resolution to wind up the Company; or
8. the whole or any part of any period during which dealings in a collective investment scheme in which the relevant Fund has invested a significant portion of its assets, as determined by the Directors, are suspended; or
9. the whole or any part of any period when the Directors determine that it is in the best interests of the Shareholders to do so.

The Directors will exercise this discretion only in circumstances in which the Directors believe that it is not possible to value or trade a material proportion of the securities held in the portfolio in respect of which such decision is being made.

Notice of any such suspension shall be published by the Company on [www.ise.ie](http://www.ise.ie), if in the opinion of the Directors, it is likely to exceed fourteen days, and shall be notified without delay to the Central Bank and the Shareholders. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible. Shareholders who have requested issue or redemption of Shares of any Class will have their subscription or redemption request dealt with on the first Dealing Day after the suspension has been lifted unless applications or redemption requests have been withdrawn prior to the lifting of the suspension.

Save where the determination of the Net Asset Value per Share has been temporarily suspended in the circumstances described above, the Net Asset Value per Share as of the most recent Valuation Day shall be made available at the office of the Administrator.

#### **(H) Compulsory Redemption**

Shares may be compulsorily redeemed or transferred if it comes to the notice of the Company that those Shares are owned directly or beneficially by any person in breach of any law or requirement of any country or governmental authority, by any person who shall belong to or be comprised within any class of persons from time to time determined by the Directors or in circumstances (whether directly or indirectly) which, in the opinion of the Directors, may result in regulatory, pecuniary, legal, tax or material administrative or other material disadvantage for the Company, relevant Fund or its Shareholders as a whole.

As mentioned above, if a redemption would cause the value of a Shareholder's Shares to fall below a certain level, which will be decided upon for each Fund at the discretion of the Directors, then the Directors will also have the right to compel redemption of all Shares held by such Shareholder.

Any Fund may be terminated by the Directors, at their discretion, by notice in writing to the Depositary and the holders of Shares in such Fund if the Net Asset Value of the relevant Fund is below the Minimum Fund Size, or below a level specified by the Directors in their discretion. In addition, the Directors may at their discretion decide to terminate any Fund if the Net Asset Value of such Fund falls below a specified amount after a specified period of time as may be disclosed in the relevant Appendix. With effect from the date as at which any Fund is to terminate, no Shares of the relevant Fund or Class or Classes within that Fund may be issued or sold by the Company and neither the Company nor any holder of the relevant Shares shall have any right to require the redemption of any such Shares.

The Company shall, on the instructions of the Directors, realise all the Investments then comprised in the relevant Fund and from time to time distribute (upon production of written confirmation of entry or other evidence as to title relating to the Shares as the Company may require) to the relevant Shareholders in proportion to their respective interests in the relevant Fund all net cash proceeds



derived from the realisation of the relevant Fund, subject to the retention of any monies in its hands as part of the relevant Fund to pay full provisions for all liabilities, costs, charges, expenses, claims and dividends incurred, made or apprehended by the Company or the Directors in connection with or arising out of the termination of the relevant Fund.

Any unclaimed proceeds or other cash held by the Company, at all times held in an account under the control of the Depository, hereunder may, at the expiration of twelve months from the date upon which the same were payable, be paid into a bank account subject to the right of the Company to deduct such expenses there from as is necessary to make such payment.

## **10. MANAGEMENT AND ADMINISTRATION**

### **(A) The Directors**

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

At the date of this Prospectus, the Directors of the Company, all of whom act in a non-executive capacity, are:

#### **Details of the Directors of the Company**

##### **Bronwyn Wright** – Chairman (Independent)

Bronwyn Wright (Irish) has over 20 years of experience working in the mutual funds industry and international financial services. She currently holds Non-executive Director positions in Irish and other jurisdiction companies. She was previously Managing Director for Citigroup working in Capital Markets and Banking, Securities and Fund Services. She was responsible for the management, growth and strategic direction of the Securities and Fund Services business in Citi Ireland, which covered Trustee, Custody, Fund Administration, Transfer Agency, Security Finance and Global Agency and Trust. Ms Wright has sat and chaired boards of applicable legal vehicles for the fiduciary businesses in different jurisdictions, director of alternative and traditional fund businesses and was an approved person by the local regulators. Ms Wright has extensive experience of all fund types (regulated and unregulated) in multiple jurisdictions across Europe and Asia. Ms Wright holds a degree in Economics and Politics and a Masters in Economics from University College Dublin. She is past chairperson of the Irish Funds Industry Association committee for Trustee Services. She has co-authored a textbook for Diploma in Mutual Funds, which is accredited by University College Dublin. She is a former lecturer for the Institute of Bankers certificate and diploma in Mutual Funds. She sat on an executive committee for a University in Ireland School of Accounting and Finance validating a post graduate diploma in finance. She has previously held multiple Directorships for legal entities across Europe that act as Trustee, Depository and Depository for mutual funds as well as hedge and traditional fund businesses.

##### **Adrian Waters** (Independent)

Mr. Adrian Waters (Irish), resident in Ireland, is a Fellow of The Institute of Chartered Accountants in Ireland and of The Institute of Directors. He is a Chartered Director (UK Institute of Directors) and he specializes in risk management and governance. He has over 20 years' experience in the funds industry. From 1993 to 2001, he held various executive positions within The BISYS Group, Inc. (now part of the Citi Group), including Chief Executive Officer of BISYS Fund Services (Ireland) Limited and finally as Senior Vice President – Europe for BISYS Investment Services out of London. From 1989 to 1993, he was employed by the Investment Services Group of PricewaterhouseCoopers in New York and prior to that by Oliver Freaney and Company, Chartered Accountants, in Dublin. Mr. Waters holds a Bachelor of Commerce degree and a Post Graduate Diploma in Corporate Governance both received from University College Dublin in 1985 and 2005, respectively. Additionally, in 2013, he has received a Master of Science degree in Risk Management from the Stern Business School at New York University.

### **Brian O. Casey**

Mr. Casey joined Westwood Management Corp. as a Vice President in 1992 and was appointed President and Chief Executive Officer of Westwood Trust in 1996. In 2001, he was named President and Chief Operating Officer and on October 1, 2005, he was named President and Chief Executive Officer of Westwood Holdings Group, Inc., a holding company that trades on the NYSE. Mr. Casey earned an MBA from the University of Texas at Dallas and a BS in Finance from Trinity University. Mr. Casey began his investment management career in 1985 and joined a private trust company as a balanced portfolio manager. Mr. Casey is a member of the Young Presidents' Organization (YPO) and a graduate of the Securities Industry Association's Institute at the Wharton School, University of Pennsylvania. He volunteered in the Big Brothers & Sisters Program of Metropolitan Dallas for sixteen years and is an active supporter of Habitat for Humanity. Mr. Casey serves on the Tartan Board of Directors, a group exclusively devoted to raising money for the Texas Scottish Rite Hospital for Children. He is a member of the board of the Baylor Health Care System Foundation which helps raise money to support Baylor Health Care System's mission of patient care, education, research and community service. Mr. Casey also serves on the Board of Trustees of the Cooper Institute, an organization that is dedicated to scientific research in the field of preventive medicine, public health and communicating the results of research to the scientific and medical communities as well as to the general public.

### **William R. Hardcastle, Jr., CFA**

Mr. Hardcastle joined Westwood in 2001 and currently serves as Senior Vice President focusing on various strategic growth initiatives for Westwood including the Company's U.S. mutual fund business and pooled funds in Europe and Canada. Mr. Hardcastle is also a member of Westwood's Business Management Committee. Mr. Hardcastle served as Westwood's Chief Financial Officer from 2005 to 2012 and as Treasurer prior to 2005. Since 2005, Mr. Hardcastle has had primary responsibility for the ongoing relationship and interface with SEI, the administrator and distributor for Westwood's U.S. registered mutual funds. Prior to joining Westwood, Mr. Hardcastle was an Associate with Broadband Venture Partners, a Dallas-based venture capital firm, where he was responsible for sourcing, screening and managing investments in early stage technology companies. From 1994 to 2000, Mr. Hardcastle worked for Southern Company, where he worked with the Chief Strategy Officer and President of the North America Group on core business strategy, financial reporting and business unit management. He also held other positions in the areas of finance and corporate development. From 1989 to 1992, Mr. Hardcastle served as Portfolio Manager for Discovery Management, Ltd., a Dallas-based hedge fund. Mr. Hardcastle earned an MBA from the Fuqua School of Business at Duke University and a BBA from Southern Methodist University. He is a member of the CFA Institute and the CFA Society of Dallas-Fort Worth.

The Constitution does not stipulate a retirement age for Directors and do not provide for retirement of Directors by rotation.

The Constitution provides that every Director and officer of the Company shall be indemnified out of the assets of the Company against any liability incurred as a result of any act or failure to act in carrying out his or her functions other than such liability (if any) that may be incurred by reason of the fraud or wilful default of such Director or officer. The Constitution also provides that no such Director or officer shall be liable to the Company for any loss or damage in carrying out his or her functions unless that liability arises through the negligence, fraud, wilful default or dishonesty of such Director or officer.

No Director has:

- (i) any unspent convictions in relation to indictable offences; or
- (ii) been bankrupt or the subject of a liquidation, administration or involuntary arrangement, or the subject to an individual voluntary arrangement, or has had a receiver appointed to any asset of such Director; or

- (iii) been a director of any company which, while he was a director with an executive function or within 12 months after he ceased to be a director with an executive function, been bankrupt, had a receiver appointed or went into liquidation, administration or voluntary arrangements; or
- (iv) been a partner of any partnership, which while he was a partner or within 12 months after he ceased to be a partner, been bankrupt, went into liquidation, administration or voluntary arrangement, or had a receiver appointed to any partnership asset; or
- (v) had any official public incrimination and/or sanction by statutory or regulatory authorities (including designated professional bodies); or
- (vi) been disqualified by a court from acting as a director or from acting in the management or conduct of the affairs of any company.

Save for the information disclosed herein no further information is required to be given in respect of the Directors pursuant to the listing requirements of the Irish Stock Exchange.

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

#### **(B) Distributor**

The Distributor of the Company is Westwood Management Corp a New York corporation formed in 1983, with its principal place of business located at 200 Crescent Court, Suite 1200, Dallas, Texas 75201. Westwood Management Corp, which is also the promoter of the Company, is a wholly owned subsidiary of Westwood Holdings Group, Inc., an institutional asset management company. As of 31 December 2015, the Distributor had approximately \$16.0 billion in assets under management.

Under the terms of the Distribution Agreement, the Distributor has been appointed as distributor of Shares of the Funds to distribute, promote and market the Shares of the Funds on an exclusive basis in any part of the world. The Distribution Agreement states that the appointment of the Distributor shall continue unless and until terminated by either part giving not less than 90 days' notice. In certain circumstances set out in the Distribution Agreement, either party may terminate the Distribution Agreement upon the occurrence of certain events, such as the insolvency or liquidation of either party. The Distribution Agreement contains certain indemnities in favour of the Distributor, which are restricted to exclude matters to the extent that they are attributable to the fraud, bad faith, negligence, wilful default or recklessness of the Distributor.

#### **(C) Investment Manager**

Details of the Investment Manager relating to each Fund are set out in the relevant Appendix.

#### **(D) Depositary**

The Company has appointed RBC Investor Services Bank S.A., Dublin Branch ("RBC"), as the Depositary with responsibility for the safekeeping of the assets, oversight duties and cash flow monitoring pursuant to the Depositary Agreement dated 21 November 2016.

The Depositary is RBC Investor Services Bank S.A., which is a company incorporated with limited liability in Luxembourg, operating through its Dublin Branch. The Depositary is a wholly-owned subsidiary of the Royal Bank of Canada Group and its head office is 14, Porte de France L 4360 Esch sur Alzette Luxembourg, Luxembourg. The Depositary has been approved and regulated by the Central Bank to act as Depositary for the Company and in performing its tasks as Depositary to the Company, it will act honestly, fairly, professionally, independently and in the interest of the Company and the Shareholders.

Under its oversight duties, the Depositary is required to carry out the duties listed in the UCITS Regulations, including but not limited to:

- (i) ensure that the sale, issue, repurchase, redemption and cancellation of Shares effected on behalf of the Company are carried out in accordance with the UCITS Regulations and the Constitution;
- (ii) ensure that the value of Shares is calculated in accordance with the UCITS Regulations and the Constitution,
- (iii) carry out the instructions of the Company, unless they conflict with the UCITS Regulations or the Constitution,
- (iv) ensure that in transactions involving the Company's assets, the consideration is remitted to the Company within the usual time limits; and
- (v) ensure that the Company's revenues are allocated in accordance with the Constitution.

The Depositary Agreement provides that the Depositary shall be liable to the Company and the Shareholders in respect of an ascertained loss of a financial instrument held in its custody (or that of its duly appointed sub-custodian) unless it can prove that the loss has arisen as a result of an external event beyond the Depositary's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary. The Depositary will be liable to the Company and the Shareholders for other losses as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations.

The Depositary is authorized to delegate its safekeeping duties to delegates and sub-custodians and to open accounts with such sub-custodians provided that (i) the requirements of the UCITS Regulations are met, (ii) the services are not delegated with the intention of avoiding the requirements of the UCITS Regulations, (iii) the Depositary can demonstrate that there is an objective reason for the delegation and (iv) the Depositary has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate parts of the services, and keeps exercising all due skill, care and diligence in the periodic review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it. The liability of the Depositary will not be affected by virtue of any such delegation. A list of these sub-custodians is set out at Appendix A – Part 2 attached. An up to date list of any such delegate(s) or sub-custodians, together with further information on the Depositary and its duties and obligations, may be obtained, free of charge and upon request, from the Depositary.

In order to address any situations of conflicts of interest, the Depositary has implemented and maintains a management of conflicts of interest policy, aiming namely at identifying and analysing potential situations of conflicts of interest, recording, managing and monitoring the conflict of interest situations either in (i) relying on the permanent measures in place to address conflicts of interest such as maintaining separate legal entities, segregation of duties, separation of reporting lines, insider lists for staff members; or (ii) implementing a case-by-case management to take the appropriate preventive measures such as drawing up a new watch list, implementing a new Chinese wall, making sure that operations are carried out at arm's length and/or informing the concerned Shareholders of the Company, or to refuse to carry out the activity giving rise to the conflict of interest.

#### **(E) Administrator**

The Company has appointed RBC Investor Services Ireland Limited to act as administrator of each Fund to pursuant to the Administration Agreement.

The Administrator is a company incorporated with limited liability in Ireland on 31st January 1997 with its registered office at 4th Floor, One George's Quay Plaza, George's Quay, Dublin 2, Ireland and is authorised by the Central Bank under the Investment Intermediaries Act 1995. The Administrator is a wholly-owned subsidiary of the Royal Bank of Canada Group.

The Administrator is engaged in the business of, inter alia, providing fund administration services to collective investment undertakings. The Administrator has responsibility for the administration of the Company's affairs including the calculation of the Net Asset Value and preparation of the accounts of the Company, subject to the overall supervision of the Directors.

The Administration Agreement is effective as of 18 June 2013 (the "Effective Date") and shall remain in effect from the Effective Date. Thereafter the Agreement may be terminated by any party by written notice of at least ninety days. In certain circumstances (e.g. the insolvency of any party, unremedied breach after notice, etc.) 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, its directors, officers, employees, servants or agents excluding matters arising by reasons of fraud, negligence, wilful default, unjustifiable failure to perform its obligations under the Administration Agreement or its improper performance of them.

#### **(F) UCITS Operational and Compliance Support**

The Company has appointed KB Associates to advise the Board on operational and compliance issues relevant to the establishment and ongoing management of the Funds.

The UCITS Operational and Compliance Support is a company incorporated under the name Clifton Fund Consulting Limited but trading as KB Associates with limited liability in Ireland on 5 October 2005 with its registered office at 5 George's Dock, IFSC, Dublin 1, Ireland.

The duties of the UCITS Operational and Compliance Support include but are not limited to the provision of assistance and advice to the Board with regard to the management functions, advice on compliance and corporate governance matters generally and compliance with the UCITS Regulations. Furthermore, the services of Frank Connolly and Ross Allen (both employees of the UCITS Operational and Compliance Support) will be provided to the Company pursuant to a management services agreement between the UCITS Operational and Compliance Support and the Company whereby Frank Connolly and Ross Allen are seconded to the Company on a part-time basis (each a "**Designated Person**"). Frank Connolly and Ross Allen have been approved by the Central Bank to act as Designated Persons to the Company. This agreement may be terminated by either party on three month's written notice to the other. Notwithstanding the foregoing, if the Company or any of the Funds are terminated or liquidated for any reason, this agreement will terminate at the end of the month in which such termination is effective

#### **(F) Local Paying Agents and Distributors**

The Company may appoint paying agents and distributors. Local regulations in certain countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscription and redemption monies may be paid. Investors who choose, or are obliged under local regulations to pay subscription monies or receive redemption monies via an intermediary entity rather than the directly to the Depositary bear a credit risk against that intermediate entity with respect to (a) subscription monies, prior to the transmission of such monies to the Depositary for the relevant Fund and (b) redemption monies payable by such intermediate entity to the relevant investor. Fees payable to any such paying agent or distributor shall be payable out of the assets of the Company at normal commercial rates.

#### **(G) REMUNERATION**

The Company has remuneration policies and practices in place consistent with the requirements of the Regulations and the ESMA Guidelines when they become effective on 1 January 2017 and will procure that any delegate, including the Investment Manager to whom such requirements also apply pursuant to the ESMA Guidelines will have equivalent remuneration policies and practices in place as required and when applicable.

The Company's remuneration policy reflects the Company's objective for good corporate governance, promotes sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the Funds or the Constitution. It is also aligned with the

investment objectives of the each Fund and includes measures to avoid conflicts of interest. The Company's remuneration policy is reviewed on an annual basis (or more frequently, if required) by the Board, led by the independent non-executive chairman of the Board, to ensure that the overall remuneration system operates as intended and that the remuneration pay-outs are appropriate for each Fund. This review will also ensure that the policy reflects best practice guidelines and regulatory requirements, as may be amended from time to time.

Details of the Company's up-to-date remuneration policy are available on [www.westwoodgroup.com/non-us-investors/](http://www.westwoodgroup.com/non-us-investors/) and a paper copy will be available to Shareholders free of charge upon request.

## **11. FEES AND EXPENSES**

### **Subscription Fee**

No Subscription Fee shall be levied in respect of subscription for Class A Shares, Class F Shares, Class I Shares, Class K Shares and Class X Shares.

If the Company was to offer Shares on subsequent Funds in the future, on subscription for those Shares in a Fund, the Subscription Price may include a Subscription Fee of up to 5.00% of the Subscription Price for the Shares, which will be payable to the Distributor. At its discretion, the Distributor may pay some or all of the Subscription Fee to financial intermediaries, in respect of investments made into a Fund through these intermediaries, or any distributor of Shares. The Distributor has the right to determine that all or any part of such Subscription Fee may be waived in respect of any investor.

### **Rebate of Fees**

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate to some or all Shareholders, part or all of the investment management fee owing to the Investment Manager. In addition the Investment Manager and Distributor may also out of their fees and/or initial charge, decide to pay commissions to third parties in respect of arranging the introduction of investors to the benefit of the Company.

### **The Investment Manager's Fee**

Details of the fees and expenses payable to the Investment Manager relating to each Fund are set out in the relevant Appendix.

### **The Administrator's Fee (Fund Accounting, Financial Reporting and Transfer Agent Fees)**

The Administrator, in relation to the provision of its services shall be entitled to a fee payable out of the assets of each Fund accruing daily and payable monthly in arrears at the end of each calendar month at the following rates:

- Fund Accounting fee – 0.010% per Fund per annum which is based on two Share Classes per Fund with additional Share Classes incurring a fee of \$400 each. This is subject to a minimum annual fee for each Fund of \$40,000
- Transfer Agent fee – \$5,500 per annum and \$3,000 per share class per annum subject to a minimum monthly fee of \$2,500. Account maintenance and servicing fees will be charged at normal commercial rates.
- The Administrator shall also be entitled to reimbursement of all reasonable out-of-pocket expenses incurred for the benefit of the Fund out of the assets of the Fund in respect of which such charges and expenses were incurred.
- The Administrator shall also be entitled to receive a fee of up to \$10,000 for the preparation of financial statements.

### **The Depositary's Fee**

Transaction fees and safekeeping fees based on the Net Asset Value of the Company's assets that vary, from 0.006% to 1.10%, depending on the country in which the security is traded and held, subject to a minimum annual fee, exclusive of transaction charges and out-of-pocket expenses, of \$37,000 per annum in total. The Funds shall also bear the cost of all sub-custodian charges and transaction charges incurred by the Depositary, or any sub-custodian, which shall not exceed normal commercial rates. The Depositary shall also be entitled to reimbursement of properly vouched out of pocket expenses incurred by the Depositary, or any sub-custodian, for the benefit of the Funds out of the assets of the relevant Fund in respect of which such charges and expenses were incurred. Depositary Fees will be accrued daily and paid monthly in arrears.

### **The Trustee's Fee**

The Depositary, as Trustee, shall be entitled to a fee payable out of the assets of each Fund accruing daily and payable monthly in arrears at the end of each calendar month at an annual rate of up to 0.02% for a Net Asset Value per Fund below \$500,000,000 and up to 0.015% for a Net Asset Value per Fund in excess of \$500,000,000. The charges are subject to a minimum annual fee for each Fund, exclusive of out-of-pocket expenses, of \$12,000.

### **UCITS Operational and Compliance Support**

The UCITS Operational and Compliance Support officers shall be entitled to an annual fee of up to €50,000 payable quarterly in arrears.

### **UK Facilities Agent Fee**

The Company will discharge the fees and expenses of the UK Facilities Agent.

### **Company Secretarial Fees**

The Company Secretary will be paid €6,000 per annum to be paid in equal installments paid quarterly in arrears.

### **Formation and Organisation Costs**

The costs of forming the Company including the fees and expenses of legal advisers, product development fees and expenses, regulatory and listing fees and expenses and any other fees and expenses arising on the formation and launch of the Company, which are expected to amount to approximately €100,000 (plus VAT where applicable), will be borne by the Company and amortised over a period of five financial years. In the event that new Funds are created within the Company, each such Fund will pay its own establishment expenses as will be outlined in the relevant Appendix.

### **Ongoing Charges and Expenses**

The Company may also pay the following expenses out of the property of any one or more of the Funds:-

- (a) expenses incurred in acquiring and disposing of Investments;
- (b) expenses incurred in distributing income to Shareholders;
- (c) fees in respect of the publication and circulation of details of the Net Asset Value of each Fund and each Class of Shares of each Fund;
- (d) the fees and expenses of the auditors, any UCITS operational and compliance support officers, legal, money laundering reporting officer, tax and other professional advisers of the Company and of the Directors;
- (e) the costs of convening and holding meetings of Shareholders (including meetings of Shareholders in any particular Fund or in any particular Class within a Fund);
- (f) the costs of printing and distributing reports, accounts and any Prospectus;
- (g) the costs of publishing prices and other information which the Company is required by law to publish and any other administrative expenses;
- (h) taxes and duties payable by the Company;

- (i) interest on and charges incurred in relation to borrowings;
- (j) fees and expenses in connection with the listing of Shares on any stock exchange;
- (k) the cost of obtaining and maintaining the listing of the Shares on the Irish Stock Exchange and any other exchange, including the fees of any sponsoring broker;
- (l) any costs incurred in modifying the Constitution or the Prospectus;
- (m) insurance which the Company may purchase and/or maintain for the benefit of and against any liability incurred by any Director of the Company in the performance his or her duties;
- (n) liabilities on amalgamation or reconstruction arising where the property of a body corporate or another collective investment scheme is transferred to the Depositary in consideration for the issue of Shares to the shareholders in that body or to participants in that other scheme, provided that any liability arising after the transfer could have been paid out of that other property had it arisen before the transfer and, in the absence of any express provision in the Constitution forbidding such payment, the Directors are of the opinion that proper provision was made for meeting such liabilities as were known or could reasonably have been anticipated at the time of transfer;
- (o) any costs incurred in forming a Fund or a Class of Shares (details of which will be set out in the relevant Appendix);
- (p) any other costs or expenses that may be taken out of the Company's property in accordance with the Constitution;
- (q) any fees payable to the Central Bank;
- (r) any costs incurred in relation to the verification of securities prices; and
- (s) any administrative costs associated with compliance with local companies legislation and tax residency where required by the Company or any Fund

Under the Articles, the Directors are entitled to remuneration which will be accrued at the Valuation Point for each Dealing Day of each Fund and paid quarterly for their services as Directors provided however that the aggregate emoluments of such Directors in respect of any twelve month Accounting Period shall not exceed €90,000 plus any VAT or such other amount as the Directors may determine from time to time and notify to Shareholders in advance. Any Director will be entitled to be reimbursed for their reasonable out of pocket expenses (including travelling expenses) incurred in discharging their duties as directors. In the case of the Company, all Directors who are full time employees of any company of the Westwood Holdings Group, Inc group of companies have elected to waive their entitlement to receive such remuneration.

## 12. CONFLICTS OF INTEREST

Investors' attention is drawn to the following potential conflicts of interest:

The Investment Manager, Distributor, Administrator and Depositary and any of their directors, officers, employees, agents, affiliates and the Directors ("**Interested Parties**") may be involved in other financial, investment or other professional activities which may on occasion cause conflicts of interest with the Company. These include management of other funds, purchases and sales of securities, investment and management advisory services, brokerage services, and serving as directors, officers, advisers, or agents of other funds or other companies. In particular it is envisaged that the Investment Manager may be involved in advising other investment funds which may have similar or overlapping investment objectives to or with the Company. The Investment Manager may provide services to third parties similar to those provided to the Company and shall not be liable to account for any profit earned from any such services. Where a conflict arises the Investment Manager will endeavour to ensure that it is resolved fairly. In relation to the allocation of investment opportunities to different clients, including the Company the Investment Manager may be faced with conflicts of interest with regard to such duties; however, they will ensure that investment opportunities in those circumstances will be allocated fairly.

Transactions and dealings in the Investments of any Fund may take place with entities related to the Depositary, the Administrator, the Investment Manager or any agent of any of them. The Investment Manager may buy and deal in Shares and sell securities and other property from and to the Company. Banking and similar transactions may also be undertaken with or through the Depositary or any associate of the Depositary. Any transaction carried out with the Company by the Investment Manager, Depositary, an investment adviser and/or associated or group companies of these



("connected parties") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the Shareholders.

The Company will not enter into a transaction with any of the connected parties unless at least one of the following conditions is complied with:

- (i) the value of the transaction is certified by a person approved by the Depositary, or the Company in the case of transactions involving the Depositary, as independent and competent; or
- (ii) the transaction has been executed on best terms on organised investment exchanges under their rules; or
- (iii) the transaction has been executed on terms which the Depositary is (or in the case of any such transaction entered into by the Depositary, the Directors are) satisfied conform with the requirement to be conducted at arm's length and in the best interests of the Shareholders.

The Depositary or the Directors, in case of transactions involving the Depositary must document how it complied with (i), (ii) or (iii) above. Where transactions are conducted in accordance with paragraph (iii), the Depositary or the Company in the case of transactions involving the Depositary, must document the rationale for being satisfied that the transaction conformed to the principles outlined here.

The Depositary may hold funds for the Company subject to the provisions of Section 30 of the Central Bank Act, 1989. Funds held by a Depositary for the Company must be held on terms which comply with the previous paragraph above.

The Directors, Investment Manager, the Depositary, the Administrator and/or associated or group companies of any of them may buy, hold and deal in any Investments of any kind, nature or description whatsoever notwithstanding that similar Investments may be held by the Company, provided that any such dealings are carried out as if effected on normal commercial terms negotiated at arm's length.

Any Interested Party may contract or enter into any financial or other transaction with any Shareholder or with any entity any of whose securities are held by or for the account of the Company, or is interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions and benefits which it may negotiate in relation to any sale or purchase of any investments of the Company effected by it for the account of the Company and which may or may not be for the benefit of the Company.

Certain of the Directors are also directors of related parties and other collective investment schemes. The fiduciary duties of the Directors may compete with or be different from the interests of the Company. Only the Directors may terminate the services of the Investment Manager and other agents of the Company. The Directors and the service providers may have conflicts of interest in relation to their duties to the Company. However, each shall, at all times, pay regard to its obligation to act in the best interests of the Company and the Directors will endeavour to ensure that all such potential conflicts of interest are resolved fairly and in the best interests of Shareholders.

The Investment Manager shall be entitled to effect transactions with or through the agency of another person with whom the Investment Manager has an arrangement under which that person will from time to time provide to or procure for the Investment Manager services or other benefits, the nature of which are such that they are lawful and appropriate aids to the Investment Manager in carrying out its investment decision making responsibilities and in the provision of investment services to the Company and for which it makes no direct payment but instead undertakes to place business with that person. Any such arrangements shall provide for best execution standards. A report shall be included in the Company's annual reports which shall describe the Investment Manager's soft commission practices. Such benefits may not directly accrue to the Company. The Investment Manager may not retain cash rebates and any cash rebates received must revert back to the Company.

Where a "competent person" appointed to value unlisted securities is a related party to the

Company, a conflict of interest may arise where the valuation provided by the Investment Manager increases because the investment manager's fee will increase as the value of the asset for the Fund increases.

At the date of this Prospectus, the Directors have the following conflicts of interest with the Company:

Mr. Casey is the President and Chief Executive Officer of Westwood Holdings Group Inc., the parent company of Westwood Management Corp. (the "**Parent Company**"). Mr. Hardcastle is a Senior Vice President of Westwood Management Corp.

### **13. DIVIDENDS, REPORTS, STATEMENTS AND MEETINGS**

#### **(A) Dividends**

The Constitution empowers the Directors to declare dividends in respect of any Shares. Dividends will, unless otherwise stated in the relevant Appendix, normally be declared and paid within four months of the Accounting Period to which they relate. The amount available for distribution shall depend on the profits, being the net income together with the net realised and unrealised capital gains (net of realised and unrealised losses) of the relevant Fund.

Dividends will normally be paid by telegraphic transfer.

All unclaimed dividends will be held in a distribution account until claimed. Payment by the Company of any unclaimed dividend into a separate account shall not constitute the Company a trustee in respect thereof. Any dividend unclaimed after six years from the date when it first became payable shall be forfeited automatically and shall revert back to the relevant Fund without the necessity for any declaration or other action by the Company.

If the dividend policy is changed in respect of any Fund or Class within a Fund in the future, full details will be provided in an Appendix to the Prospectus and all Shareholders of a Fund or Class will be notified in advance.

#### **(B) Reports, Statements and General Meetings**

The annual accounting period of the Company will end on 31 October. Annual reports of a Fund will be published within four months following the end of the annual accounting period. Half-yearly reports for the period to 30 April will be published within two months following the end of the half-yearly accounting period. Such reports and accounts will contain a statement of the Net Asset Value of each Fund and of the Investments comprised therein as at the year end or the end of such semi-annual period.

The annual audited financial reports for the Company will be available on [www.westwoodgroup.com/non-us-investors/](http://www.westwoodgroup.com/non-us-investors/) and will be sent to Shareholders and prospective investors upon request by either post or electronically. The financial statements of the Company will be prepared in accordance with the International Financial Reporting Standards.

Annual reports for the Company will be sent to the Central Bank and Irish Stock Exchange within four months of the end of the period to which they relate and semi-annual reports will be sent to the Central Bank and the Irish Stock Exchange within two months of the period to which they relate.

General meetings of the Company may be convened from time to time by the Directors by notice in writing to Shareholders.

All financial statements (if requested by shareholders), notices and other documents will be sent free of charge, in the case of joint holders of Shares, to the holder who is named first in the Register of Members of the Company at his registered address by the Administrator.

## 14. TAXATION

### General

**The following is a summary of relevant Irish, United Kingdom and United States tax law. It does not purport to be a complete analysis of all tax considerations relating to the holding of Shares. Shareholders and potential investors are advised to consult their professional advisors concerning possible taxation or other consequences of purchasing, holding, selling, exchanging or otherwise disposing of Shares under the laws of their country of incorporation, establishment, citizenship, residence, ordinary residence or domicile.**

The following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this document. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in a Fund of the Company is made will endure indefinitely as the bases for, and rates of, taxation can fluctuate.

Prospective Shareholders should familiarise themselves with and, where appropriate, take advice on the laws and regulations (such as those relating to taxation and exchange controls) applicable to the subscription for, and the holding and realisation of, Shares in the places of their citizenship, residence and domicile.

The receipt of dividends (if any) by Shareholders, the redemption, exchange or transfer of Shares, the conversion of Series Class Shares into Conversion Series of Shares and any distribution on a winding-up of the Fund may result in a tax liability for the Shareholders according to the tax regime applicable in their various countries of residence, citizenship or domicile. Shareholders resident in or citizens of certain countries which have anti-offshore fund legislation may have a current liability to tax on the undistributed income and gains of the Company, or Funds. The Directors, the Company, the Funds, and each of the Funds' agents shall have no liability in respect of the individual tax affairs of Shareholders.

### Irish Taxation

#### *Taxation of the Company*

##### *General*

The Company will be regarded as resident for tax purposes in Ireland if it is centrally managed and controlled in Ireland. It is intended that the Directors of the Company will conduct the affairs of the Company in a manner that will allow for this.

The Directors have been advised that the Company is an investment undertaking within the meaning of section 739B TCA and therefore is not chargeable to Irish tax on its relevant income or relevant gains so long as the Company is resident for tax purposes in Ireland only. On this basis, under current Irish law and practice it should generally not be chargeable to Irish tax on its income and gains. However, Irish tax may still arise on occurrence of a "Chargeable Event" in respect of the Company.

##### *Tax arising on occurrence of a "Chargeable Event"*

Tax may arise for the Company on the happening of a "chargeable event" in the Company ("appropriate tax"). A chargeable event includes:

1. any payments to a Shareholder by the Company in respect of their Shares;
2. any appropriation or cancellation of Shares for the purposes of meeting the amount of appropriate tax payable on any gain arising by virtue of a transfer of any Shares;
3. any repurchase, redemption, cancellation or transfer of Shares; and

4. any deemed disposal by a Shareholder of their Shares at the end of a "relevant period" (a "deemed disposal").

A relevant period means a period of eight years beginning with the acquisition of the Shares and each subsequent period of eight years beginning immediately after the preceding relevant period.

There are also certain express exclusions from the meaning of chargeable event. A chargeable event does not include:

1. any exchange by a Shareholder, effected by way of a bargain made at arm's length by the Company, of the Shares in the Company for other Shares in the Company;
2. any transaction in relation to Shares which are held in a recognised clearing system as designated by order of the Irish Revenue Commissioners;
3. certain transfers of Shares between spouses/civil partners and former spouses/civil partners; and
4. any exchange of Shares arising on a scheme of reconstruction or amalgamation (within the meaning of Section 739H TCA) of the Company with another investment undertaking, subject to certain conditions;

On the happening of a chargeable event the Company will deduct the appropriate tax on any payment made to the Shareholder in respect of the chargeable event. On the occurrence of a chargeable event where no payment is made, the Company may appropriate or cancel the required number of Shares to meet the tax liability.

Where the chargeable event is a deemed disposal and the percentage value of Shares held by Irish Residents who are not Exempt Investors (as defined below) is less than 10% of the total value of the Shares in the Company, and the Company has made an election to report annually to the Irish Revenue Commissioners certain details for each Irish Resident Shareholder, the Company will not be obliged to deduct appropriate tax. The Shareholder must instead pay tax on the deemed disposal on a self-assessment basis. Irish Resident Shareholders who are not Exempt Investors should contact the Company to ascertain whether the Company has made such an election in order to establish their responsibilities to account for Irish tax. To the extent that any tax arises on a deemed disposal, such tax will be allowed as a credit against any tax payable on a subsequent chargeable event in respect of the relevant Shares. On the eventual disposal by the Shareholder of their Shares, a refund of any unutilised credit will be payable. In the case of Shares held in a recognised clearing system, the Shareholders may have to account for the tax arising at the end of a relevant period on a self-assessment basis.

No gain will be treated as arising to the Company on the happening of a chargeable event in relation to a Shareholder who is not Irish Resident at the time of the chargeable event or in relation to an Irish Resident Shareholder which is an Exempt Investor (as defined below) provided in each case that the requisite tax declaration in the form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA, where applicable, (the "Declaration") has been provided to the Company by the Shareholder.

Income and capital gains in respect of assets of the Company situated in countries other than Ireland may be subject to taxes including withholding taxes imposed by such countries. The Company may not be able to benefit from a reduction in the rate of withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries. The Company may not therefore be able to reclaim withholding tax suffered by it in particular 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 of the Company or a Fund will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

### ***Taxation of Shareholders***

## 1. *Non-Irish Residents*

Non-Irish Resident Shareholders will not generally be chargeable to Irish income tax or capital gains tax in respect of their Shares.

No appropriate tax will be deducted by the Company provided that either:

- (a) the Company is in possession of a signed and completed Declaration from such Shareholder to the effect that the Shareholder is not an Irish Resident; or
- (b) the Company is in possession of written notice of approval from the Irish Revenue Commissioners to the effect that the requirement to provide a Declaration is deemed to have been complied with in respect of that Shareholder and the written notice of approval has not been withdrawn.

If the Company is not in possession of a Declaration or a written notice of approval, or the Company is in possession of information which would reasonably suggest that the information contained in the Declaration or written notice of approval is not or is no longer materially correct, the Company must deduct tax on the happening of a chargeable event in relation to such Shareholders. The tax deducted will generally not be refunded.

In the absence of such a Declaration or a written notice of approval, the Company must presume that the Shareholder is Irish Resident and the Company will deduct the appropriate tax (at the rates set out below) on the happening of a chargeable event in relation to such Shareholder.

Intermediaries acting on behalf of non-Irish Resident Shareholders can claim the same exemption (as above) on behalf of the Shareholders for whom they are acting provided that the Company is not in possession of any information which would reasonably suggest that the information provided by an Intermediary is incorrect. The Intermediary must state in the Declaration that to the best of its knowledge the Shareholders on whose behalf it acts are not Irish Resident.

A non-Irish Resident corporate Shareholder which holds Shares directly or indirectly by or for a trading branch or agency of the Shareholder in Ireland, will be liable to Irish corporation tax on income from the Shares or gains made on the disposal of the Shares.

## 2. *Taxable Irish Residents*

The following section describes the Irish tax treatment of Shareholders who are Irish Residents.

### (t) *Deductions by the Company*

An Irish Resident Shareholder who is not an Exempt Investor will have appropriate tax deducted at the rate of 41% in respect of any distributions made by the Company and on any gain arising on a sale, transfer, deemed disposal (subject on election by the Company to the 10% threshold outlined above), redemption, repurchase or cancellation of Shares. Any gain will be computed on the difference between the value of the Shareholder's investment in the Company at the date of the chargeable event and the original cost of the investment as calculated under special rules. The Company will be entitled to deduct such appropriate tax from payments or, where no payment is made on the occurrence of a chargeable event, appropriate and cancel such number of Shares as are required to meet the appropriate tax in respect of the relevant Shareholder and will pay the appropriate tax to the Irish Revenue Commissioners.

Where the Shareholder is an Irish resident company which is not an Exempt Investor and the Company is in possession of a Declaration from the Shareholder that it is a company and which includes the company's tax reference number, tax will be deducted by the Company from any distributions made by the Company to the

Shareholder and from any gains arising on a sale, transfer, deemed disposal redemption, repurchase, cancellation or other disposal of shares by the Shareholder at the rate of 25%.

Refunds of tax where a Declaration could be made but was not in place at the time of a chargeable event are generally not available except in the case of certain corporate Shareholders within the charge to Irish corporation tax.

(u) *Residual tax Liability*

An Irish Resident Shareholder who is not a company and who is not an Exempt Investor (and has therefore had appropriate tax deducted), will not be liable to any further Irish income or capital gains tax in respect of any sale, transfer, deemed disposal, redemption, repurchase, cancellation of Shares or the making of any other payment in respect of their Shares.

Where an Irish Resident Shareholder is not a company and appropriate tax has not been deducted, the payment shall be treated as if it were a payment from an offshore fund and the Shareholder will be liable to account for Irish income tax at the rate of 41% on the payment or on the amount of the gain under the self-assessment system and in particular, Part 41A TCA. No further Irish tax will be payable by the Shareholder in respect of that payment or gain.

Where an Irish Resident Shareholder is a company which is not an Exempt Investor (and has therefore had appropriate tax deducted), and the payment is not taxable as trading income under Schedule D Case I, the Shareholder will be treated as having received an annual payment chargeable to tax under Case IV of Schedule D from which tax at the rate of 25% (or 41% if no Declaration has been made) has been deducted. In practice, where tax at a rate higher than 25% has been deducted from payments to a corporate Shareholder resident in Ireland, a credit of the excess tax deducted over the higher corporation tax rate of 25% should be available.

Where an Irish Resident Shareholder is a company which is not an Exempt Investor (and has therefore had appropriate tax deducted), and the payment is taxable as trading income under Schedule D Case I, the following provisions apply:

- (i) the amount received by the Shareholder is increased by any amount of appropriate tax deducted and will be treated as income of the Shareholder for the chargeable period in which the payment is made;
- (ii) where the payment is made on the redemption, repurchase or cancellation of Shares, such income will be reduced by the amount of consideration in money or money's worth given by the Shareholder for the acquisition of those Shares; and
- (iii) the amount of appropriate tax deducted will be set off against the Irish corporation tax assessable on the Shareholder in respect of the chargeable period in which the payment is made.

Where an Irish Resident Shareholder is a company and appropriate tax has not been deducted, the amount of the payment will be treated as income arising to the Shareholder which is chargeable to Irish tax. Where the payment is in respect of the cancellation, redemption, repurchase or transfer of Shares, such income shall be reduced by the amount of the consideration in money or money's worth given by the Shareholder on the acquisition of the Shares. Where the payment is not taxable as trading income for the company, it will be chargeable to tax under Schedule D Case IV. Where the payment is taxable as trading income for the company, it will be chargeable to tax under Schedule D Case I.

Should an excess payment of appropriate tax arise on the occurrence of a Chargeable Event as a result of tax paid on an earlier deemed disposal in respect of the Shareholder, the Company, on notification in writing to the Shareholder, is not obliged to process the refund arising on behalf of the Shareholder provided if immediately before the chargeable event the value of Shares held by Irish Residents who are not Exempt Investors does not exceed 15% of the value of the total Shares in the Company. Instead the Shareholder should seek such a repayment directly from the Irish Revenue Commissioners. Irish legislation also provides in the case of a deemed disposal for the making of an irrevocable election by the Company to value the Shares in respect of all Shareholders at the later of 30 June or 31 December immediately prior to the date of the deemed disposal, rather than on the date of the deemed disposal.

Other than in the instances described above the Company will have no liability to Irish taxation on income or chargeable gains.

(v) *Reporting*

Pursuant to Section 891C TCA and the Return of Values (Investment Undertakings) Regulations 2013, the Company is obliged to report certain details in relation to Shares held by Shareholders to the Irish Revenue Commissioners on an annual basis. The details to be reported include the name, address and, in the case of individual Shareholders, date of birth if on record of, and the value of the Shares held by, a Shareholder. In respect of Shares acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual's PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. No details are to be reported in respect of Shareholders who are:

- (i) Exempt Investors;
- (ii) Non-Irish Resident Shareholders (provided a Declaration has been made);  
or
- (iii) Shareholders whose Shares are held in a recognised clearing system.

3. *Exempt Investors*

(a) Deductions by the Company

appropriate tax will not be deducted on the happening of a chargeable event in respect of Shares held by Exempt Investors where the Company is in possession of a Declaration in relation to such Shares. It is the Exempt Investor's obligation to account for any tax to the Irish Revenue Commissioners and return such details as are required to the Irish Revenue Commissioners. It is also the Exempt Investor's obligation to notify the Company if it ceases to be an Exempt Investor.

Exempt Investors in respect of whom the Company is not in possession of a Declaration will be treated by the Company in all respects as if they are not Exempt Investors (see above).

(b) Residual tax Liability

Exempt Investors may be liable to Irish tax on their income, profits and gains in relation to any sale, transfer, repurchase, redemption or cancellation of Shares or dividends or distributions or other payments in respect of their Shares.



## **Other Taxes – All Shareholders**

### *Personal Portfolio Investment Undertaking*

An investment undertaking such as the Company will be considered to be a personal portfolio investment undertaking ("PPIU") in relation to a specific Irish Resident Shareholder where that Shareholder is an individual and the Shareholder or certain persons connected with the Shareholder can select or influence the selection of some or all of the property of the undertaking. The appropriate tax deducted on the happening of a Chargeable Event in relation to a PPIU will be at the rate of 60% (or 80% where details of the payment/disposal are not correctly included in the individual's tax returns). An investment undertaking is not a PPIU if the only property which may be or has been selected was acquired on arm's length terms as part of a general offering to the public.

### *Currency Gains*

Where a currency gain is made by an Irish Resident Shareholder on the disposal of Shares, such Shareholder may be liable to Irish capital gains tax or corporation tax in respect of such gain in the year of assessment in which the Shares are disposed of.

### *Stamp Duty*

Generally no stamp, documentary, transfer or registration tax is payable in Ireland by the Shareholders on the issue, sale, transfer, redemption, repurchase, cancellation of or subscription for Shares on the basis that the Company qualifies as an investment undertaking within the meaning of Section 739B TCA. If any redemption is satisfied by the transfer in specie to any Shareholder of any Irish assets, a charge to Irish stamp duty may arise.

### *Capital Acquisitions Tax*

Provided the Company continues to qualify as an investment undertaking as defined by Section 739B TCA any Shares which are comprised in a gift or an inheritance will be exempt from capital acquisitions tax ("CAT") and will not be taken into account in computing CAT on any gift or inheritance taken by the donee or successor if (i) the Shares are comprised in the gift or inheritance at the date of the gift or at the date of the inheritance, and at the relevant valuation date; (ii) at the date of the disposition, the Shareholder making the disposition is neither domiciled nor ordinarily resident in Ireland; and (iii) at the date of the gift, or at the date of the inheritance, the donee or successor is neither domiciled nor ordinary resident in Ireland.

## **Residence and Ordinary Residence**

The following summary of the concepts of residence and ordinary residence under Irish tax law has been issued by the Irish Revenue Commissioners for the purposes of the Declaration set out in the Application Form. Shareholders and potential investors are advised to contact their professional advisers if they have any concerns in relation to the Declaration.

### **Residence – Company**

Prior to Finance Act 2014, company residence was determined with regard to the long-established common law rules based on central management and control. These rules were significantly revised in Finance Act 2014 to provide that a company incorporated in Ireland will be regarded as resident for tax purposes in Ireland, unless it is treated as resident in a territory with which Ireland has a double taxation agreement. While the common law rule based on central management and control remains in place, it is subject to the statutory rule for determining company residence based on incorporation in Ireland. A company which has its central management and control in Ireland is resident in Ireland irrespective of where it is incorporated.

The new incorporation rule for determining the tax residence of a company incorporated in Ireland will apply to companies incorporated on or after 1 January 2015. For companies incorporated in

Ireland before this date, a transition period will apply until 31 December 2020. Under these transitional arrangements, a further exception from the incorporation rule applies where the company or a related company carries on a trade in Ireland, and either the company is ultimately controlled by persons resident in EU Member States or, in countries with which Ireland has a double taxation treaty (a "taxation treaty country") or the company or a related company are quoted companies on a recognised stock exchange in the EU or in a taxation treaty country.

A company coming within this additional exception from the incorporation rule which has its central management and control outside of Ireland will still be regarded as resident in Ireland if (i) it would by virtue of the law of a taxation treaty country be tax resident in that taxation treaty country if it were incorporated in that taxation treaty country but would not otherwise be tax resident in that taxation treaty country, (ii) it is managed and controlled in that taxation treaty country and (iii) it would not otherwise by virtue of the law of any territory be regarded as resident in that territory for tax purposes.

As noted above, the additional exception from the incorporation rule of tax residence in respect of a company incorporated before 1 January 2015 will however cease to apply or be available after 31 December 2020, or, if earlier, from the date, after 31 December 2014, of a change in ownership (direct or indirect) of the company where there is a major change in the nature or conduct of the business of the company within the period beginning on the later of 1 January 2015 or the date which occurs one year before the date of the change in ownership of the company, and ending 5 years after the date of the change in ownership. For these purposes a major change in the nature or conduct of the business of the company includes the commencement by the company of a new trade or a major change arising from the acquisition by the company of property or of an interest in or right over property. These rules are relatively complex and we would recommend that any Irish incorporated company that considers it is not Irish tax resident seeks professional advice before asserting this in any Declaration given to the Company.

### ***Residence – Individual***

The normal rule is an individual will be regarded as being resident in Ireland for a tax year if that individual:

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

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

### ***Ordinary Residence – Individual***

The Irish tax year operates on the calendar year basis.

The term "ordinary residence" (as distinct from 'residence') denotes residence in a place with some degree of continuity.

An individual who has been resident in Ireland for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year. An individual who has been ordinarily resident in Ireland ceases to be ordinarily resident at the end of the third consecutive tax year in which the individual is not resident in Ireland. For example, an individual who is resident and ordinarily resident in Ireland in 2015 and departs Ireland in that year will remain ordinarily resident in Ireland up to the end of the year in 2018.

### ***Common Reporting Standard***

The common reporting standard framework was first released by the OECD in February 2014 as a result of the G20 members endorsing a global model of automatic exchange of financial account information in order to increase international tax transparency. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters was published by the OECD and this includes the text of the Common Reporting Standard ("**CRS**" or the "**Standard**"). The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local reporting financial institutions (as defined) ("**FIs**") relating to account holders who are tax resident in other participating jurisdictions.

Over 100 jurisdictions have committed to exchanging information under the Standard and a group of 50 countries, including Ireland, have committed to the early adoption of the CRS from 1 January 2016 (known as the "**Early Adopter Group**"), with the first data exchanges expected to take place in September 2017. All EU Member States (with the exception of Austria) are members of the Early Adopter Group.

Ireland became a signatory to the Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information on 29 October 2014. Enabling legislation for CRS was included in Ireland's Finance Act 2014 and the Returns of Certain Information By Reporting Financial Institutions Regulations 2015 came into effect on 31 December 2015 (the "**Irish CRS Regulations**"). The Irish CRS Regulations provide for the collection and reporting of certain financial account information by Irish FIs, being FIs that are resident in Ireland (excluding any non-Irish branch of such FIs), Irish branches of Irish resident FIs and branches of non-Irish resident FIs that are located in Ireland. Ireland has elected to adopt the 'wider approach' to the Standard. This means that Irish FIs will collect and report information to the Irish Revenue Commissioners on all non-Irish and non-U.S. resident account holders rather than just account holders who are resident in a jurisdiction with which Ireland has an exchange of information agreement. The Irish Revenue Commissioners will exchange this information with the tax authorities of other participating jurisdictions, as applicable.

It is expected that the Company will be classified as an Irish FI for CRS purposes and will be obliged to report certain information in respect of certain of its equity holders and debt holders to the Irish Revenue Commissioners in respect of CRS. The relevant information must be reported to the Irish Revenue Commissioners by 30 June in each year, with the first CRS return due on 30 June 2017 in respect of the 2016 calendar year.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation ("**DAC II**") implements CRS in a European context and creates a mandatory obligation for all EU Member States (with a one year extension for Austria) to exchange certain financial account information on residents in other EU Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year. Finance Act 2015 confirmed the transposition of DAC II into Irish law. The Irish Revenue Commissioners issued regulations to implement the requirements of DAC II into Irish law on 31 December 2015 and have indicated that Irish FIs (such as the Company) will be obliged to make a single return in respect of CRS and DAC II using the Revenue Online Service (ROS). Failure by an Irish FI to comply with its CRS or DAC II obligations may result in an Irish FI being deemed to be non-compliant in respect of its CRS or DAC II obligations and monetary penalties may be imposed on a non-compliant Irish FI under Irish legislation.

For the purposes of complying with its obligations under CRS and DAC II, an Irish FI (such as the Company) shall be entitled to require Shareholders to provide any information regarding their (and, in certain circumstances, their controlling persons') tax status, identity, jurisdiction of residence, taxpayer identification number and, in the case of individual shareholders, their date and place of birth in order to satisfy any reporting requirements which the Company may have as a result of CRS and DAC II and Shareholders will be deemed by their holding, to have authorised the automatic disclosure of such information, together with certain financial account information in respect of the Shareholder's investment in the Company (including, but not limited to, account number, account balance or value and details of any payments made in respect of the Shares) by the Company (or any nominated service provider) or any other person on the Company's behalf to the Irish Revenue Commissioners and any other relevant tax authorities.

The Company (or any nominated service provider) agrees that information (including the identity of any Shareholder (and its controlling persons (if applicable)) supplied for the purposes of CRS or DAC II is intended for the Company's (or any nominated service provider's) use for the purposes of satisfying its CRS and DAC II obligations and the Company (or any nominated service provider) agrees, to the extent permitted by applicable law, that it will take reasonable steps to treat such information in a confidential manner, except that the Company may disclose such information (i) to its officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving CRS and DAC II compliance, (iii) to any person with the consent of the applicable Shareholder, or (iv) as otherwise required by law or court order or on the advice of its advisors.

Prospective investors should consult their advisors about the potential application of CRS.

### ***U.S. Foreign Account Tax Compliance Act***

The foreign account tax compliance provisions contained in Sections 1471 to 1474 of the United States Internal Revenue Code and the regulations promulgated thereunder ("**FATCA**") impose a reporting regime which may impose a 30% withholding tax on certain U.S. source payments, including interest (and original issue discounts), dividends, other fixed or determinable annual or periodical gains, profits and income, made on or after 1 July 2014 and the gross proceeds from a disposition of property of a type which can produce U.S. source interest or dividends made on or after 1 January 2019 (collectively, "**Withholdable Payments**"), if paid to certain non-U.S. financial institutions (any such non-U.S. financial institution, an "**FFI**") that fail to enter into, or fail to comply with once entered into, an agreement with the U.S. Internal Revenue Service to provide certain information about their U.S. accountholders, including certain account holders that are non-U.S. entities with U.S. owners. The Company expects that it will constitute an FFI. This withholding tax will not be imposed on payments made under obligations that constitute debt (for U.S. federal income tax purposes) outstanding on 1 July 2014 unless such obligations are deemed reissued as a result of a "significant modification" on or after 1 July 2014.

The United States and the Government of Ireland have entered into an intergovernmental agreement to facilitate the implementation of FATCA (the "**IGA**"). An FFI (such as the Company) that complies with the terms of the IGA, as well as applicable local law requirements will not be subject to withholding under FATCA with respect to Withholdable Payments that it receives. Further, an FFI that complies with the terms of the IGA (including applicable local law requirements) will not be required to withhold under FATCA on Withholdable Payments it makes to accountholders of such FFI (unless it has agreed to do so under the U.S. "qualified intermediary," "withholding foreign partnership," or "withholding foreign trust" regimes). Pursuant to the IGA, an FFI is required to report certain information in respect of certain of its accountholders to its home tax authority, whereupon such information will be provided to the U.S. Internal Revenue Service. The Company will undertake to comply with the IGA and any local implementing legislation, but there is no assurance that it will be able to do so.

The Company (or any nominated service provider) shall be entitled to require Shareholders to provide any information regarding their (and, in certain circumstances, their controlling persons') tax status, identity or residency in order to satisfy any reporting requirements which the Company may have as a result of the IGA or any legislation promulgated in connection with the agreement and Shareholders will be deemed, by their shareholding to have authorized the automatic disclosure of such information by the Company (or any nominated service provider) or any other person on the Company's behalf to the relevant tax authorities.

The Company (or any nominated service provider) agrees that information (including the identity of any Shareholder) (and its controlling persons (if applicable)) supplied for purposes of FATCA compliance is intended for the Company's (or any nominated service provider) use for purposes of satisfying FATCA requirements and the Company (or any nominated service provider) agrees, to the extent permitted by applicable law, that it will take reasonable steps to treat such information in a confidential manner, except that the Company may disclose such information (i) to its officers, directors, agents and advisors, (ii) to the extent reasonably necessary or advisable in connection with tax matters, including achieving FATCA compliance, (iii) to any person with the consent of the

applicable Shareholder, or (iv) as otherwise required by law or court order or on the advice of its advisors.

Prospective investors should consult their advisors about the potential application of FATCA.

### ***EU Savings Directive***

On 10 November 2015 the Council of the European Union adopted a Council Directive repealing the EU Savings Directive from January 1, 2017 in the case of Austria and from January 1, 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, or accounting for withholding taxes on, payments made before those dates and to certain other transitional provisions in the case of Austria). This is to prevent overlap between the EU Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on administrative cooperation in the field of taxation (as amended by Council Directive 2014/107/EU (DAC II)). The new regime under DAC II is aligned with the CRS released by the OECD in July 2014 and essentially imports CRS into EU legislation. Council Directive 2011/16/EU (as amended) is generally broader in scope than the EU Savings Directive, although it does not impose withholding taxes.

## **The United Kingdom**

### General

Brief details of the taxation treatment in the United Kingdom are set out below. The summary is relevant only to persons holding Shares who are resident for tax purposes in the United Kingdom (except in so far as express reference is made to the treatment of non-United Kingdom residents). The application of the information set out below can vary according to individual circumstances of Shareholders in the Company and is subject to change. It is intended as a guide only and not as a substitute for professional advice. It does not purport to be a complete analysis of all tax considerations relating to the holding of Shares, nor does it constitute legal or tax advice. Prospective Shareholders should therefore consult their own professional advisers as to the overall legal and tax implications of subscribing for, purchasing, holding, switching or disposing of Shares under the laws of any jurisdiction in which they may be subject to tax.

This summary in particular does not address the tax consequences for non UK resident persons who hold the shares in connection with a trade, profession or vocation carried on in the UK (whether through a branch, agency or permanent establishment). In addition, the summary only addresses the tax consequences for UK Shareholders holding Shares as an investment and not as trading stock. It does not deal with the position of individuals who are UK resident but non UK domiciled.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The statements below are based on current UK tax legislation, together with HM Revenue & Customs ("HMRC") practice, which are subject to change at any time, possibly with retrospective effect.

### Taxation of The Company

The Directors intend to conduct the affairs of the Company so that it does not become resident in the United Kingdom and does not carry on a trade within the United Kingdom for United Kingdom taxation purposes. Accordingly, whilst the position cannot be guaranteed, the Company should not be subject to United Kingdom income tax or corporation tax other than on certain United Kingdom source income.

Further comfort in this regard can be obtained from the provisions of s363A Taxation (International and Other Provisions) Act 2010 which provide that, where a corporate fund is authorised as a UCITS in an EU Member State other than the United Kingdom, and is also treated as tax resident in that

other Member State, then the corporate fund should not be resident for UK income tax, corporation tax or capital gains tax purposes even if it would be so viewed under general UK tax principals.

If the Company invests in UK investments, any UK source income arising on those investments may be subject to a deduction of UK withholding tax at source. The entitlement of the Company to reclaim any such withholding tax from HMRC will depend on the nature of those investments and whether the Company can make a valid treaty claim to avoid or minimise such withholding tax.

#### Taxation of Shareholders who are resident for tax purposes in the United Kingdom

Each Share Class of the Company should be treated as an “offshore fund” for the purposes of the UK Offshore Company’s tax regime, as set out in Section 355 of the Taxation (International and Other Provisions) Act 2010. The UK reporting fund regime, as set out in the Offshore Funds (Tax) Regulations 2009 (Statutory Instrument 2009/3001) can therefore apply to the Share Classes of the Company.

The tax treatment applicable to a UK tax resident Shareholder in the Company will depend on whether the Shareholder is a taxable UK resident Shareholder and also whether the Share Class is which the Shareholder has an interest has received certification as a reporting fund from HMRC.

#### Overview of the UK reporting fund regime

Under the UK reporting fund regime, taxable UK resident Shareholders can secure capital gains tax treatment on disposal of their investment in Shares of the Company, where the Share Class has been certified by HMRC as a “reporting fund” through the entire period over which the taxable UK resident Shareholder held their investment. Otherwise, an offshore income gain is likely to arise.

An application for UK reporting fund status for any Share Class of the Company must be received by HMRC by the later of (i) the end of the first period of account in which that share class is launched and (ii) the expiry of a period of three months beginning with the first day on which interests in the relevant Share Class are made available to taxable UK resident investors, where the expectation is that the Share Class will have UK reporting fund status effective from the beginning of the first period of account in which the relevant Share Class is launched.

It is important to note that no assurance can be given as to whether approval as a reporting fund will, in practice, be granted in the first instance, and retained in respect of any particular accounting period, especially since the exact conditions that must be fulfilled for the Company to obtain that reporting fund status may be affected by changes in HM Revenue & Customs practice or by subsequent changes to the relevant provisions of UK tax legislation. Reporting fund status must be maintained on an annual basis by each Share Class which has received approval as such. If reporting fund status is revoked by HMRC for any Share Class which has received approval, that Share Class will be unable to regain reporting fund status and will thereafter be permanently outside the reporting fund regime.

In the event that any future Share Class does not apply to HMRC for UK reporting fund status for the period of account in which the Share Class is launched it should be noted that UK reporting fund status cannot be obtained retrospectively for any period and would therefore generally only be available from the period in which the Directors made the appropriate applications to HMRC (and future periods).

#### *Taxation of UK registered pension scheme investors*

UK registered pension funds are broadly exempt from:

(i) UK income tax on income derived from investments/deposits held for the purposes of the registered pension scheme (Section 186 FA 2004), and

(ii) UK capital gains tax on gains accruing on investments held for the purposes of the registered pension scheme (Section 271 (1A) TCGA 1992).

However, there are a number of exceptions/exclusions to these general exemptions from UK tax for UK registered pension schemes. These circumstances are relatively limited, but do include, amongst other exceptions, all trading related activity. Shareholders and potential investors who are concerned as to the potential application of such legislation should consult their tax advisors for more details.

In certain circumstances, the sale of Shares in the Company that are capital assets in the hands of a Shareholder could give rise to an 'offshore income gain' rather than a capital gain for UK tax purposes. However, HMRC guidance indicates that: "if a UK registered pension scheme .... disposes of an interest in a non-reporting fund, any (offshore income) gain arising will be exempt from the charge to tax" – again subject to any of the exceptions/exclusions referred to above applying. Therefore, if the Shares are viewed as capital assets in the hands of a UK resident, HMRC registered UK pension fund Shareholder, gains on sale should be exempt from tax irrespective of whether they are viewed as capital or offshore income gains for UK tax purposes

#### Taxation of UK resident taxable individual investors in a reporting fund Share Class

The relevance of reporting fund status for UK investors is that gains realized by investors on disposals of investments in reporting funds, which retain their reporting fund status for the entire period in which the investors holds the investment, will in most circumstances be treated as a 'capital disposal' for UK taxation purposes.

Shareholders who are resident or, if applicable, ordinarily resident in the UK for tax purposes may therefore be liable to capital gains tax (as opposed to income tax) in respect of capital disposals of their Shares where those shares are in a Share Class which has received approval as a reporting fund.

Any capital increase in the value of the Shares realised on eventual sale (when compared to deductible costs) is likely to be taxable under the UK capital gains code (current headline rate of 28%), subject to the availability of various exemptions and/ or reliefs. Deductible costs should include the amount initially paid for the Shares, as well as any accumulated and not distributed amounts that have been taxable as income in the hands of the individual on the basis set out below.

There are currently three rates of UK income tax charged on gross dividends received by UK individuals. From 6 April 2013 these are: basic rate of 10% (for dividends within the first slice of taxable income up to £32,010), higher rate of 32.5% (for dividends within the next £117,990 of taxable income; £150,000 cumulatively) and additional rate of 37.5% (for the dividends within any income over £150,000). A tax credit equivalent to 1/9<sup>th</sup> of the deemed net distribution may be available in certain circumstances. This tax credit, if available, can be offset against the income tax payable on the deemed dividend but cannot give rise to a cash refund from HMRC.

An investor will be taxed on income accruing in a RFSC on an annual basis irrespective of whether any income is physically distributed/ accumulated to a RFSC shareholder in any period in respect of his/ her holding.

UK investors will be viewed as receiving income equivalent to their proportionate share of the "reported income" of the RFSC; which will be the excess of the reportable income over any distributions/ accumulations actually made by the RFSC in respect of that reporting period. If actual dividends/ accumulations received by the Investor for any period exceed their proportionate share of the "reportable income" of the share class for that period then the UK investor will be taxed on the higher amount.

The tax point for distributions/ accumulations actually received by investors should be the date such distributions/ accumulations were paid/ made. The tax point for any "reported income" should be the date falling 6 months after the end of the reporting period (i.e. 30 April each year on the basis that the year end of the Company remains 31 October).

For any share class that is not a 'bond fund' (discussed in greater detail below) the excess of reported income over actual distributions/ accumulations should be viewed as foreign dividends for UK taxation purposes. For any share class that is a 'bond fund' the excess of reported income over actual distributions/ accumulations should be viewed as interest income for UK taxation purposes.

In certain specified circumstances, investors in receipt of dividends can be viewed as receiving trading income. The above summary assumes that all investors will be viewed as holding the shares as investment assets and that the dividends are treated as investment, rather than trading, income for tax purposes.

#### *Taxation of UK resident taxable individual investors in a non reporting fund*

Shareholders who are resident or, if applicable, ordinarily resident in the UK for tax purposes may be liable to capital gains tax in respect of capital disposals of Shares which have not been approved as reporting funds. However, gains realised on disposals of investments in non reporting fund Share Classes are likely to be taxable as an income receipt (without credit for any indexation which would otherwise be available) in the hands of the investors as an offshore income gain under the UK offshore fund regime and any amounts taxable as an income receipt should be deducted from the proceeds from a capital gains tax perspective.

A UK resident investor in a non reporting fund Share Class should only have a potential liability to UK tax in respect of actual distributions received. The tax point for such distributions is likely to be the date on which such distributions were paid. These distributions should be viewed as foreign dividend income for UK individual investors.

Dividends and other income distributions paid or deemed to be paid to UK resident and domiciled individual Shareholders in respect of Shares in the Company which are deemed to be 'bond funds' (discussed below) may instead be taxed as 'interest' (as opposed to 'dividends'). If such dividends are taxed as 'interest' no tax credit would be available in respect of the dividend and the current applicable rates of tax would be 20% for basic rate tax payers, 40% for higher rate taxpayers and 45% for additional rate taxpayers.

#### *Taxation of UK corporate investors*

UK corporate investors in reporting fund share classes may be exempt from UK corporation tax on the excess of reported income over actual distributions/accumulations if any actual distribution would fall within one of the dividend exemption categories for corporate recipients. If the deemed dividends do not fall within one of the dividend exemption categories, they are likely to represent taxable income in the hands of the corporate investor at their marginal rate of UK corporation tax.

Deemed distributions received by the corporate investor throughout their period of ownership of reporting fund Shares may in certain circumstances represent additional base cost on sale of Shares in a Share Class which has been approved as a reporting fund.

UK corporate investors may be liable to UK corporation tax at their marginal rate in respect of capital disposals of Shares in a Share Class which has received approval as a reporting fund.

Similarly, UK corporate investors may be exempt from UK corporation tax on distributions in respect of non reporting fund Shares if they fall within one of the dividend exemption categories. If the distributions do not fall within one of the dividend exemption categories, then they are likely to represent taxable income in the hands of the corporate investor at their marginal rate of UK corporation tax.

UK resident corporate Shareholders within the charge to UK corporation tax should note that under the loan relationships regime, if at any time in an accounting period they hold an interest in a 'bond fund' (discussed below) that interest will be treated for that period as if it were rights under a creditor relationship for the purposes of the regime – which is likely to mean total returns from the Share Class are subject to corporation tax on a mark-to-market basis, and the offshore income gain regime should not apply.



### *Overview of taxation of investors in 'bond funds'*

The general comments set out above are prepared on the basis that no Share Class in the Company which receive certification as reporting funds are categorised as 'bond funds' under the relevant UK legislation.

Broadly speaking, a Share Class is likely to be viewed as a 'bond fund' under UK tax legislation for an accounting period if at any time in that accounting period the market value of its 'qualifying investments' being broadly government and corporate debt, securities or cash on deposit (other than cash awaiting investment) or certain derivative contracts or holdings in other funds which at any time in the relevant accounting period are categorised as 'bond funds' exceed more than 60% of the market value of its total assets.

Whether a reporting fund Share Class is a 'bond fund' for any period would need to be formally confirmed on an annual basis by review of the proportional weighting of the 'qualifying investments' to total assets throughout that period on a sub-fund basis (as a separate pool of assets is maintained for each sub-fund).

There are specific rules applicable to investors in 'bond funds'. Under these rules, dividends and other income distributions paid or deemed to be paid to UK resident and domiciled individual Shareholders in respect of Shares in the Company which are deemed to be 'bond funds' may instead be taxed as 'interest' (as opposed to 'dividends'). If such dividends are taxed as 'interest' no tax credit would be available in respect of the dividend and the current applicable rates of tax would be 20% for basic rate tax payers, 40% for higher rate taxpayers and 45% for additional rate taxpayers.

UK resident corporate Shareholders within the charge to UK corporation tax should note that under the loan relationships regime, if at any time in an accounting period they hold an interest in a 'bond fund' that interest will be treated for that period as if it were rights under a creditor relationship for the purposes of the regime – which is likely to mean total returns from the share class are subject to corporation tax on a mark-to-market basis, and the offshore income gain regime should not apply.

#### Certain UK anti-avoidance legislation

UK tax legislation contains a wide range of anti-avoidance legislation which could, depending on the specific circumstances of an investor, apply to Shareholdings in the company. The comments below are not intended to be an exhaustive list of such anti-avoidance legislation, or a comprehensive summary of any of the provisions referred to. Investors who are concerned about the potential application of these provisions, or any other UK anti-avoidance provisions should seek detailed tax advice based on their own circumstances. However, as a high level guide the attention of prospective investors resident or ordinarily resident in the United Kingdom for taxation purposes is particularly drawn to the following anti-avoidance provisions.

##### *i) Section 13 of the Taxation of Chargeable Gains Act 1992 ("Section 13").*

Section 13 applies to a "participator" in a Company for UK taxation purposes (the term "participator" includes, but is not limited to, a Shareholder) if the Company is controlled by a sufficiently small number of persons such that, if it were a body corporate resident in the UK for taxation purposes, it would be a "close company".

If at any time when (i) a gain accrues to the Company which constitutes a chargeable gain for UK purposes (such as on a disposal by the Company of any of its investments) and (ii) the provisions of Section 13 apply; a participator can be treated for the purposes of UK taxation as if a part of any chargeable gain accruing to the Company had accrued to that Shareholder directly. The gain accruing to the Shareholder is equal to the proportion of the gain that corresponds to that Shareholder's proportionate interest in the Company as a participator. A Shareholder could therefore incur a liability to tax even if the gain accruing to the Company had not been distributed by the Company. No liability under Section 13 will be incurred by such a Shareholder, however, where

the proportionate interest of the Shareholder in the company, together with their associates, means that 10% or less (anticipated to increase to 25% post signing of Finance Act 2013) of the chargeable gain is apportioned to them under the Section 13 rules.

*ii) Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 (transfer of assets abroad).*

The attention of individuals ordinarily resident in the UK for taxation purposes is drawn to the provisions of Chapter 2 of Part 13 of the United Kingdom Income Tax Act 2007 (transfer of assets abroad). These provisions are aimed at preventing the avoidance of income tax by individuals through the transfer of assets or income to persons (including companies) resident or domiciled outside the UK. These provisions may render them liable to taxation in respect of undistributed amounts which would be treated as UK taxable income and profits of the Company (including, if the Company or any Company thereof were treated as carrying on a financial trade, profits on the disposition of securities and financial profits) on an annual basis. We would not expect these provisions to apply to income relating to a Share Class which has been certified by HMRC as a reporting fund. Where a Share Class has not been certified as a reporting fund, the provisions could apply but there are potential exemptions available where the transactions are genuine commercial transactions and avoidance of tax was not the purpose or one of the purposes for which the transactions were effected.

*iii) Transaction in Securities*

The attention of Shareholders is drawn to anti-avoidance legislation in Chapter 1, Part 13 of the Income Tax Act 2007 and Part 15 of the Corporation Tax Act 2010 that could apply if Shareholders are seeking to obtain tax advantages in prescribed conditions.

UK stamp duty

The following comments are intended as a guide to the general UK stamp duty position and may not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depositary arrangements or clearance services to whom special rules apply.

No UK stamp duty will be payable on the issue of the Shares. Legal instruments transferring the Shares should not be subject to UK stamp duty provided that such instruments are executed outside the UK and do not relate to matters done or to be done in the UK.

## **15. VALUATION AND PRICES**

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

The Net Asset Value for each Fund and the Net Asset Value of each Fund attributable to each Class shall be determined separately by reference to the Portfolio appertaining to that Fund and to each such determination the following provisions shall apply.

In respect of each Dealing Day, the Net Asset Value of each Fund shall be determined and shall be equal to the value as at the Valuation Point for that Dealing Day of all the Investments, less all the liabilities, of that Fund.

The Investments of a Fund shall be deemed to include:

- (i) all cash in hand, on loan or on deposit, or on call including any interest accrued thereon,
- (ii) all bills, demand notes, promissory notes and accounts receivable,
- (iii) all bonds, certificates of deposit, shares, stock, debentures, debentures stock, subscription rights, warrants, options and other Investments and securities owned and contracted for, (other than rights and securities issued by it),

- (iv) all stock and cash dividends and cash distributions which the Directors consider will be received by the Company in respect of the Portfolio but which have not yet been received by it but have been declared payable to stockholders of record on a date before the day as of which the investments are being valued,
- (v) all interest accrued on any interest-bearing securities forming part of the Portfolio,
- (vi) all prepaid expenses relating to that Fund and a proportion of any prepaid expenses relating to the Company generally, such prepaid expenses to be valued and defined from time to time by the Directors.

Any expense or liability of the Company may be amortised over such period as the Directors (with the approval of the Auditors) may determine (and the Directors may at any time and from time to time determine with the approval of the auditors to lengthen or shorten any such period), and the unamortised amount thereof at any time shall also be deemed to be an asset of the Company.

The Constitution provides for the method of valuation of the assets and liabilities of each Fund. Assets shall be valued as follows:

The value of any Investment which is listed or quoted on any securities exchange shall be valued at its last traded price on the relevant exchange at the relevant Valuation Point or, if no trades occurred on such day it shall be valued at the last available traded price. Where any security is listed or quoted on more than one exchange the Directors shall select the exchange which constitutes the main securities market or the exchange which they determine provides the fairest criteria in a value for the security. The Directors shall apply this policy on a consistent basis. If an exchange is closed, any security which is listed or quoted on that exchange will be valued at its last traded price on the trading day prior to the closure of the exchange.

The value of any Investment which is not listed or quoted on a securities exchange or where the securities exchange price does not in the opinion of the Directors represent fair market value shall be valued at the probable realisation value thereof estimated with care and in good faith by the Directors or by a competent person appointed by the Directors and approved for such purpose, by the Depositary or by any other means provided the value is approved by the Depositary. In determining the probable realisation value of any such security, a certified valuation thereof provided by a competent independent person or in the absence of any independent person, the investment manager, who in the each case shall have been approved for such purposes by the Depositary, shall be sufficient.

The value of any Investment listed on a market but acquired or traded at a premium or at a discount outside the relevant market may be valued taking into account the level of premium or discount as at the date of valuation of the Investment and the Depositary must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value for the security.

**Cash and other liquid assets will be valued at their face value plus interest accrued, where applicable.**

**The value of any prepaid expenses, cash dividends and interest declared or accrued and not yet received as at a Valuation Point shall be deemed to be the face value 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 may consider appropriate in such case to reflect the true value thereof as at any Valuation Point.**

Derivative instruments dealt in or traded on an exchange or market will be valued at the settlement price for such instruments on the relevant exchange or market. If no settlement price is currently available, such instruments shall be valued on the basis of their probable realisation value determined with care and with good faith by the Directors or a competent person appointed by the Directors provided that the Depositary shall approve such competent person for the purpose of making such valuation or by any other means provided the value is approved by the Depositary.

Derivative instruments which are not dealt in or traded on an exchange or market will be valued on the basis of the latest valuation provided by the counterparty and the counterparty shall value these instruments daily. The valuation of off-exchange derivative instruments will be verified at least weekly by a person independent of the counterparty approved for that purpose by the Depositary.

The value of any demand notes, promissory notes and accounts receivable shall be deemed to be the face value or full amount thereof after making such discount as the Directors may consider appropriate to reflect the true current value thereof as at any Valuation Point.

Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments shall be valued at the closing last traded price at the Valuation Point or if unavailable, the last known market price for such certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments.

Forward foreign exchange contracts shall be valued with reference to the prevailing market maker quotations, namely, the price at which a new forward contract could be undertaken, or, if unavailable, at the latest valuation provided by the counterparty and the counterparty shall value such contracts daily. The valuation of such contracts will be verified at least weekly by a person independent of the counterparty approved for that purpose by the Depositary.

Notwithstanding the valuation provisions above:-

- (i) The Directors or their delegate may, at their discretion in relation to any particular Fund which is a short-term money market fund, value any investment using the amortized cost method of valuation where the Fund complies with the Central Bank 's requirements for short-term money market funds and where a review of the amortized cost valuation *vis-à-vis* market valuation will be carried out in accordance with the Central Bank's guidelines.
- (ii) The Directors or their delegate may at their discretion in relation to any particular Fund which is not a short-term money market fund but which invests in money market instruments on the basis of amortised cost provided it is in accordance with the Central Bank's requirements.

Notwithstanding the valuation policy above the pricing hierarchy adopted by the Administrator for the shares / units of a collective investment scheme is (in descending order of preference) as follows:

- (1) the latest available net asset value per share or unit, as published by the relevant collective investment scheme; where this is not available;
- (2) the latest bid prices per share or unit, as published by the relevant collective investment scheme; or where this is not available; and
- (3) if listed or quoted on a securities exchange, in accordance with the valuation policy above.

Notwithstanding any of the foregoing, the Directors (or their delegates) may, where required, with the approval of the Depositary adjust the value of any Investment or other Asset if, taking into account currency, marketability and/or such other considerations as they (or their delegates) may deem relevant such as applicable rate of interest, anticipated rate of dividend, maturity or liquidity they (or their delegates) consider that such adjustment is required to reflect the fair value thereof.

If in any case a particular value is not ascertainable as provided above the method of valuation of the relevant Investment shall be such as the Directors, with the approval of the Depositary, decide.

Any value expressed otherwise than in the base currency of the relevant Fund (whether of any investment or cash) and any non-base currency borrowing shall be converted into the base currency at the rate (whether official or otherwise) appropriate in the circumstances.

In calculating the value of any investment the Directors, or the Administrator as their delegate, may rely upon such automatic pricing services as it may in its absolute discretion determine. The Directors or the Administrator as their delegate shall not, in any circumstances, be liable for any loss suffered by reason of any error in the calculation of the value of any investment resulting from any

inaccuracy in the information provided by any such pricing service, broker, market maker or other intermediary. The Directors have delegated to the Administrator the determination of Net Asset Value of a Fund and the exercise of its discretion in relation thereto.

In the case of a Fund having more than one Class of Shares, the Net Asset Value of a Fund attributable to each Class of Shares within such Fund shall be determined by taking into account such adjustments to the Net Asset Value of the relevant Portfolio as the Directors shall specify by reference to the different rights attaching to each such Class of Shares and the Net Asset Value per Share per Class shall be determined by dividing the resulting Net Asset Value of the Portfolio attributable to the particular Class by the total number of Shares of such Class then in issue.

In respect of any Class of Shares, the Net Asset Value Per Share, before any performance fees if applicable, for any relevant Valuation Day will be determined by dividing the Net Asset Value of the relevant Class of Shares as at the Valuation Point on that Dealing Day by the number of Shares of the relevant Class then in issue. The Net Asset Value will be rounded naturally to two decimal places.

In the absence of negligence, fraud or willful default, every decision taken by the Administrator, the Directors or any committee of the Directors or any duly authorised person on behalf of the Company in calculating the Net Asset Value of a Fund or Class or the Net Asset Value per Share shall be final and binding on the Company and on present, past or future Shareholders.

(B) Notification of Prices

The up-to-date Net Asset Value per Share of each Class in each Fund will be available daily from the Administrator and on [www.ise.ie](http://www.ise.ie) and will be notified without delay to the Irish Stock Exchange following calculation.

## 16. CONSTITUTION

The Memorandum and Articles of Association comprise the constitution of the Company. The objects of the Company are set out in full in Clause 3. The Constitution provides, *inter alia*, as follows:

### (A) Incorporation and Share Capital

The minimum authorised share capital of the Company is €2 represented by 2 (two) Subscriber Shares of no par value and the maximum authorised share capital of the Company is 500,000,000,002 Shares of no par value initially designated as unclassified Shares. The Directors are empowered to issue up to 500,000,000,002 Shares of no par value designated as Shares of any Class on such items as they think fit.

The issued capital of the Company as of the date of this Prospectus is €2 represented by 2 Subscriber Shares of no par value issued for €1 each. The Subscriber Shares entitle the holders to attend and vote at general meetings of the Company but do not entitle the holders to participate in the profits or assets of the Company except for a return of capital on a winding-up. The Shares entitle the holders to attend and vote at general meetings of the Company and to participate in the profits and assets of the Company. There are no pre-emption rights attaching to the Shares.

### (B) Variation of Share Capital

The Company may from time to time by Ordinary Resolution increase its capital, consolidate its shares or any of them into a smaller number of shares, sub-divide shares or any of them into a larger number of shares or cancel any shares not taken or agreed to be taken by any person. The Company may by Special Resolution from time to time reduce its share capital in any way permitted by Irish law.

### (C) Variation of Rights

The rights attached to each Class (and for these purposes, reference to any Class shall include reference to any Class) may, whether or not the Company is being wound up be varied with the consent in writing of the holders of three fourths of the issued Shares of that Class or with the sanction of a Special Resolution passed at a separate general meeting of the holders of the Shares of that Class. The provisions of the Constitution in relation to general meetings shall apply to every such separate general meeting except that the necessary quorum at any such meeting shall be two persons holding or representing by proxy at least one third of the issued Shares of the Class in question or, at an adjourned meeting, one person holding Shares of the Class in question or his proxy. Any holder of Shares representing one tenth of the Shares in issue of the Class in question present in person or by proxy may demand a poll. The rights attaching to any Class shall not be deemed to be varied by the creation or issue of further Shares of that Class ranking *pari passu* with Shares already in issue, unless otherwise expressly provided by the terms of issue of those Shares.

### (D) Fund

Each Share when allotted and issued must be designated by reference to a Fund and the proceeds from the allotment and issue of each such share shall be applied in the books of the Company to a Fund established for that share and designated by reference to it. The assets and liabilities and income and expenditure attributable thereto shall be applied to each Fund by the Directors.

The assets of each Fund shall belong exclusively to the relevant Fund and shall not be used to discharge directly or indirectly the liabilities of or claims against any other Fund and shall not be available for such purpose.

### (E) Quorum and Voting rights

The Constitution provides that on a show of hands at a general meeting of the Company every Shareholder and Subscriber Shareholder present in person or by proxy shall have one vote and on a poll at a general meeting every Shareholder and Subscriber Shareholder shall have one vote in respect of each Share or Subscriber Share, as the case may be, held by him; provided, however, that, in relation to a resolution which in the opinion of the Directors affects more than one Class or gives or may give rise to a conflict of interest between the shareholders of the respective Classes, such resolution shall be deemed to have been duly passed, only if, in lieu of being passed at a single meeting of the Shareholders of all of those Classes, such resolution shall have been passed at a separate meeting of the Shareholders of each such Class.

**(F) Dividends**

Dividends shall only be payable to the holders of Shares and out of the asset of the relevant Fund lawfully available therefore. Any dividend unclaimed after a period of six years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

**(G) Directors**

The Directors shall be entitled to such sums (if any) by way of fees as shall from time to time be determined by the Directors. Such sums shall be divided among the Directors as the Directors may determine.

Each Director may be paid his reasonable travelling, hotel and incidental expenses of attending and returning from meetings of the Directors or committees of the Directors or general and Class meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director.

A Director may hold any other office or place of profit under the Company (other than the office of Depositary or Auditor) in conjunction with his office of Director, or may act in a professional capacity to the Company, on such terms as to tenure of office, remuneration and otherwise as the Directors may determine.

No Director or intending Director shall be disqualified from his office by contracting with the Company either as vendor, purchaser or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office, or of the fiduciary relation thereby established, provided that the nature of his interest shall be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement, then at the next meeting of the Directors held after he becomes so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made then at the first meeting of the Directors held after he becomes so interested.

The chairman of a director's meeting shall have a casting vote at any meetings of the Directors.

The Directors may exercise the Company's powers to borrow and to charge its assets.

**(H) Alteration of the Constitution**

The Constitution may at any time be altered or added to by resolution of the Shareholders and in accordance with the requirements of the Central Bank.

## **(I) Termination of a Fund**

Any Fund may be terminated by the Directors, in their sole and absolute discretion, by notice in writing to the Depositary in any of the following events:-

- (i) if at any time the Net Asset Value of the relevant Fund shall be less than such amount as may be determined by the Directors in respect of that Fund;
- (ii) if any Fund shall cease to be authorised or otherwise officially approved;
- (iii) if any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the relevant Fund;
- (iv) if there is a change in material aspects of the business, in the economic or political situation relating to a Fund which the Directors consider would have material adverse consequences on the investments of a Fund; or
- (v) if the Directors shall have resolved that it is impracticable or inadvisable for a Fund to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders.

The decision of the Directors in any of the events specified herein shall be final and binding on all the parties concerned but the Directors shall be under no liability on account of any failure to terminate the relevant Fund pursuant to the Constitution or otherwise.

## **(J) Liquidation**

The Constitution contains provisions to the following effect:

1. if the Company shall be wound up the liquidator shall, subject to the provisions of the Act apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors claims.
2. the assets available for distribution among the Shareholders shall then be applied in the following priority:
  - (1) First, in the payment to the holders of the Shares of each Class 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 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 to enable such payment to be made.
  - (2) 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.
  - (3) Thirdly, in the payment to the holders of each Class of any balance then remaining, such payment being made in proportion to the number of Shares of that Class held.
3. 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 Shareholders 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 member or different classes of Shareholders. The liquidator will only make such distributions if he considers that they will not materially prejudice the interests of the Shareholders as a whole and the Depositary is satisfied that the assets distributed are equivalent to the amount of the distribution to which the liquidator has deemed the



Shareholder to be entitled. If a Shareholder so requests, the liquidator shall procure the sale of assets to be distributed and shall distribute the proceeds to the Shareholders. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of shareholders 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.

#### **(K) Electronic Communication**

The Directors have arranged for electronic communication by the Company or any other person on behalf of the Company as the case may be of:

1. notices of annual or extraordinary general meetings;
2. the annual reports and audited accounts;
3. unaudited half-yearly accounts;
4. confirmations; and
5. the Net Asset Value.

If the Shareholder elects for electronic communication, all communication of notices, accounts, confirmations and Net Asset Value by the Company or any other person on behalf of the Company will be by way of electronic communication.

Shareholders electing to receive electronic communications will be required to provide the Company with their e-mail address. Hard copies of these documents continue to be available.

The Company or the Administrator on behalf of the Company is required to deliver to the investors of the Company certain notices and documents from time to time, such as net asset value statements, notices of meetings and annual audited financial statements. The Company, or the Administrator on behalf of the Company, may in the future elect to deliver such notices and documents by e-mail to the address in the Company's records or by posting them on a password protected website. When delivering documents by e-mail, the Company will generally distribute them as attachments to e-mails in Adobe's Portable Document Format (PDF) (Adobe Acrobat Reader software is available free of charge from Adobe's web site at [www.adobe.com](http://www.adobe.com) and the Reader software must correctly be installed on the investor's system before the investor will be able to view documents in PDF format). Investors who do not wish to receive such documents electronically, or who wish to change the method of notice, should elect to do so by notifying the Administrator in writing

#### **17. GENERAL INFORMATION**

The Company may appoint a securities lending agent to provide securities lending services on the Company's behalf. The securities lending agent will be authorised to lend the securities of the Company subject to the limitations referred to in Section 6(C). Details of the value of securities on loan by the Company, the value of collateral held by the Company, and income earned by the Company from stocklending activities are disclosed in the annual report of the Company.

None of the Shares of the Company are under option, or agreed, conditionally or unconditionally to be put under option.

As at the date of this Prospectus the Company has no loan capital (including term loans) outstanding or created but unissued, and no outstanding mortgages, charges, debentures or other borrowings, including bank overdrafts and liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities.

**(A) Material Contracts**

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

- 1) The Investment Management Agreement between Westwood Management Corp and the Company dated 20 November 2014 pursuant to which Westwood Management Corp was appointed as investment manager to Westwood Strategic Global Convertibles Fund and Westwood Absolute Return Global Convertibles Fund;
- 2) the Investment Management Agreement between Westwood International Advisors Inc. and the Company dated 14 January 2015 pursuant to which Westwood International Advisors Inc. was appointed as investment manager to the Westwood Emerging Markets Fund and the Westwood Emerging Markets Plus Fund as described in this Prospectus;
- 3) the Distribution Agreement between the Distributor and the Company dated 18 June 2013 (as amended by the addendum dated 20 February 2014) pursuant to which the Distributor was appointed as distributor of the Shares of the Fund.
- 4) the Administration Agreement between the Company and the Administrator dated 18 June 2013 pursuant to which the Administrator was appointed as Administrator of the Company as described in this Prospectus;
- 5) the Depositary Agreement between the Depositary and the Company dated 21 November 2016 pursuant to which the Depositary was appointed as Depositary to the Company, as described in this Prospectus; and
- 6) the Agreement for between the UCITS Operational and Compliance Support and the Company dated 8 April 2014

**(B) Miscellaneous**

The Company has not established and does not intend to establish a place of business in the United Kingdom or the United States.

**(C) Litigation**

The Company is not engaged in any litigation or arbitration and no litigation or claim is known to the Directors to be pending or threatened by or against the Company.

**(D) Directors**

Since the incorporation of the Company, no benefits in kind or loans have been granted to the Directors, and the Company has not provided any guarantee for the benefit of any Director. Save as disclosed elsewhere herein:

- (i) no Director has any interest, direct or indirect, in the promotion of or in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company;
- (ii) no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature or significant in relation to the business of the Company; and
- (i) no Director (nor any spouse or child under 18 of a Director or any connected person of a Director the existence of which is known or could with reasonable diligence be ascertained by that Director) has been granted any options or has any interests in respect of Shares of the Company. Such persons may acquire Shares on the same terms as other investors.

The Directors may vote on any transaction in which they have a material interest if they first disclose

the nature of their interest to the Company. The Constitution contains no provision requiring Directors to retire on attaining a particular age.

#### **(E) Disclosure of Interests**

Save as may result from the entry by the Company into the agreements listed under "Material Contracts" above or any other fees, commissions or expenses discharged, reimbursed or paid as disclosed elsewhere in this document, no amount or benefit has been paid or given or is intended to be paid or given to any promoter of the Company.

#### **(F) Inspection of Documents**

Copies of this Prospectus, the Key Investor Information Documents, the Constitution of the Company, the Act, the reports of the auditors, the annual reports and half-yearly reports of the Company, a list of past and current directorships and partnerships held by each Director over the last 5 years and the agreements with the Investment Manager, the Distributor, the Administrator, and the Depositary summarised herein may be inspected and copied and are obtainable from the office of the Company Secretary at the address set out in the Directory in Section 1 by Shareholders and prospective investors, free of charge, during normal business hours on weekdays (Saturdays and public holidays excepted).

#### **(G) Soft Dollar Commission Policy**

Soft dollars generally refers to arrangements whereby a discretionary investment manager is allowed to pay for and receive research, research-related or execution services from a broker-dealer or third-party provider, in addition to the execution of transactions, in exchange for the brokerage commissions from transactions for client accounts.

The Investment Manager does utilise research, research-related products and other brokerage services on a soft dollar commission basis. The Investment Manager will make a good faith determination of the value of the research product or services in relation to the commissions paid. The Investment Manager maintains soft dollar arrangements for those research products and services that assist it in its investment decision-making process in relation to the Company and the Fund. For transactions undertaken under a soft dollar commission arrangement the broker dealer or third party provider has agreed to provide best execution.

### **18. SELLING RESTRICTIONS**

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any shares by any person in any jurisdiction: (i) in which such offer or invitation is not authorised; or (ii) in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

Potential subscribers and purchasers of Shares should inform themselves as to (i) the possible tax consequences, (ii) the legal requirements, (iii) any foreign exchange restrictions or exchange control requirements and (iv) any other requisite governmental or other consents or formalities which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, purchase, holding or disposal of Shares.

The Constitution gives powers to the Directors to impose restrictions on the holding of Shares by (and consequently to redemption Shares held by), or the transfer of Shares to, any United States Persons or by any person who appears to be in breach of the laws or requirements of any country or government authority or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company, relevant Fund or its Shareholders as a whole, incurring any liability to taxation or suffering any other pecuniary, regulatory legal or material administrative disadvantage which the Company, relevant Fund or its Shareholders as a whole might

not otherwise have incurred or suffered. The Constitution also permits the Directors where necessary to redeem and cancel Shares (including fractions thereof) held by a person who is Irish Resident or ordinarily resident in Ireland on the occurrence of a Chargeable Event for Irish taxation purposes.

### **United Kingdom**

An application was made for the Company to be recognised for distribution in the United Kingdom by the Financial Conduct Authority under Section 264 of the Financial Services and Markets Act, 2000 of the United Kingdom. Most or all of the protection provided by the United Kingdom regulatory structure will not apply. The rights of Shareholders may not be protected by the Financial Services Compensation Scheme established in the United Kingdom.

### **United States**

The Shares have not been and will not be registered under the 1933 Act or the securities laws of any of the states of the United States. The Shares may not be offered, sold, transferred, pledged or delivered, directly or indirectly, in or into the United States or to or for the account or benefit of any US Person except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the 1933 Act and any applicable state laws. Any re-offer or resale of any of the Shares in the United States or to US Persons may constitute a violation of US law. Applicants for Shares will be required to certify whether they are a "US Person". The Shares may not be offered, sold, transferred, pledged or delivered except (i) outside the United States to non-US Persons in reliance on Regulation S under the 1933 Act or (ii) inside the United States or to US Persons to a limited number of Institutional Accredited Investors who are also Qualified Purchasers in a transaction not involving any public offering within the meaning of Section 4(2) of the 1933 Act, in each case in accordance with any applicable securities laws of any state or other jurisdiction of the United States.

The Company has not been and will not be registered under the 1940 Act and Shareholders will not be entitled to the benefits of those Act. Based on interpretations of the 1940 Act by the staff of the SEC relating to foreign investment companies, if the Company limits its beneficial owners who are US Persons to Qualified Purchasers within the meaning of the 1940 Act, it will not become subject to the registration requirements under the 1940 Act. The Directors will not knowingly permit investments by US Persons that are not Qualified Purchasers. To ensure this requirement is maintained the Directors may require the mandatory redemption of Shares beneficially owned by US Persons.

The Company may arrange or permit the private sale of a portion of the Shares to Institutional Accredited Investors that are Qualified Purchasers in the United States or US Persons under restrictions and other circumstances designed to preclude a distribution that would otherwise require registration of the Shares under the 1933 Act, cause the Company to become subject to the registration requirements of the 1940 Act or cause the assets of the Company to be "plan assets" for the purposes of ERISA. Each prospective purchaser of the Shares who is located in the United States or is a US Person, and each subsequent purchaser of such Shares who is located in the United States or a US Person, will be required to sign the US Application Form in the form attached hereto representing that it is acquiring the Shares for investment purposes only and not with a view to, or for offer or resale in connection with, any distribution in violation of the 1933 Act or other applicable securities law; confirming his or her status as an Institutional Accredited Investor who is also a Qualified Purchaser and agreeing to certain restrictions on transfer applicable to the Shares.

Persons receiving this Prospectus are responsible for informing themselves about and complying with restrictions on the transfer of the Shares.

The Company is an umbrella type open-ended self managed investment company with variable capital incorporated with limited liability under the laws of Ireland. As a result it may not be possible for Shareholders to effect service of process within the United States upon the Company or such persons or to enforce against any of them in the US courts judgments obtained in US courts, including judgments predicated upon the civil liability provisions of the securities laws of the United

States or any state or territory within the United States.

The Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Shares. Any representation to the contrary is a criminal offence in the United States.

### **Canada**

The Shares of the Company will not be publicly offered in Canada. Any offering of Shares in Canada will be made only by way of private placement: (i) pursuant to a Canadian offering memorandum containing certain prescribed disclosure, (ii) on a basis which is exempt from the requirement that the Company prepare and file a prospectus with the relevant Canadian securities regulatory authorities pursuant to applicable requirements in the relevant Canadian jurisdictions, and (iii) to persons or entities that are "permitted clients" (as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and On-going Registrant Obligations). The Company is not registered in any capacity in any jurisdiction in Canada and may rely on one or more exemptions from various registration requirements in certain Canadian jurisdictions. If a Canadian-resident Investor, or an Investor that has become a Canadian-resident after purchasing Shares, is required to be a "permitted client" and does not qualify, or no longer qualifies, as a "permitted client", the Investor will not be able to purchase any additional Shares and may be required to redeem its outstanding Shares.

## APPENDIX A

### PART 1 - RECOGNISED EXCHANGES

#### Markets

The markets and exchanges are set out below in accordance with the requirements of the Central Bank which does not issue a list of approved markets and exchanges. With the exception of permitted investments in unlisted securities, the Company will only invest in securities traded on a stock exchange or market which meets with the regulatory criteria (regulated, operate regularly, be recognised and open to the public) and which is listed in the Prospectus. The stock exchanges and/or markets will be drawn from the following list:-

(A) any stock exchange which is:

- located in any Member State; or  
located in a member state of the European Economic Area (Norway, Iceland and Liechtenstein); or
- located in any of the following countries:-
  - Australia
  - Canada
  - Hong Kong
  - Japan
  - New Zealand
  - Switzerland
  - United States of America
  - Turkey; or

(B) any stock exchange included in the following list:-

Argentina	Bolsa de Comercio de Buenos Aires, Cordoba, Mendoza, Rosario and La Plata Stock Exchange;
Bahrain	Bahrain Stock Exchange;
Bangladesh	Chittangong Stock Exchange and Dhaka Stock Exchange;
Bermuda	Bermuda Stock Exchange
Botswana	Serowe Stock Exchange;
Brazil	Borsa de Mercadorias e Futuro Bolsa de Valores de Sao Paulo, Bolsa de Valores de Brasilia, Bolsa de Valores de Bahia-Sergipe - Alagoas, Bolsa de Valores de Extremo Sul Porto Alegre, Bolsa de Valores de Parana Curitiba, Bolsa de Valores de Regional Fortaleza, Bolsa de Valores de Santos, Bolsa de Valores de Pernambuco e Bahia Recife and Bolsa de Valores de Rio de Janeiro;
Bulgaria	First Bulgarian Stock Exchange
Chile	Santiago Stock Exchange and Valparaiso Stock Exchange;
China	Shanghai Securities Exchange, Fujian Stock Exchange, Hainan Stock Exchange and Shenzhen Stock Exchange;

Colombia	Bolsa de Bogota, Bolsa de Medellin and Bolsa de Valores de Colombia;
Costa Rica	San Jose Stock Exchange and Bolsa Nacional de Valores;;
Croatia	Zagreb Stock Exchange;
Ecuador	Quito Stock Exchange and Guayaquil Stock Exchange;
Egypt	Egyptian Stock Exchange, Cairo Stock Exchange and Alexandria Stock Exchange;
Ghana	Accra Stock Exchange;
Hong Kong	Hong Kong Stock Exchange
Iceland	Iceland Stock Exchange
India	Mumbai Stock Exchange, Madras Stock Exchange, Delhi Stock Exchange, Ahmedabab Stock Exchange, Bangalore Stock Exchange, Cochin Stock Exchange, Guwahati Stock Exchange, Magadh Stock Exchange, Pune Stock Exchange, Hyderabad Stock Exchange, Ludhiana Stock Exchange, Uttar Pradesh Stock Exchange, Calcutta Stock Exchange and the National Stock Exchange of India;
Indonesia	Indonesia Stock Exchange, Jakarta Stock Exchange and Surabaya Stock Exchange;
Israel	Tel Aviv Stock Exchange;
Jordan	Amman Stock Exchange;
Kazakstan	Alma Ata Stock Exchange;
Kenya	Nairobi Stock Exchange;
Kuwait	Kuwait Stock Exchange;
Lebanon	Beirut Stock Exchange;
Malaysia	Bursa Malaysia , Kuala Lumpur Stock Exchange;
Mauritius	Port Louis Stock Exchange;
Mexico	Bolsa Mexicana de Valores;
Morocco	Casablanca Stock Exchange;
Namibia	Windhoek Stock Exchange;
Nigeria	Lagos Stock Exchange, Kaduna Stock Exchange and Port Harcourt Stock Exchange;
New Zealand	New Zealand Stock Exchange;
Oman	Muscat Stock Exchange;

Pakistan	Lahore Stock Exchange and Karachi Stock Exchange;
Palestine	Nablis Stock Exchange;
Panama	Borsa de Valores de Panama Panama City Stock Exchange;
Peru	Bolsa de Valores de Lima ;
Philippines	Philippines Stock Exchange, Manila Stock Exchange and Makati Stock Exchange;
Romania	Bucharest Stock Exchange;
Quatar	Doha Stock Exchange;
Russia	RTS Stock Exchange, MICEX;
Saudi Arabia	Riyadh Stock Exchange;
Singapore	Singapore Stock Exchange;
South Africa	JSE Securities Exchange, Johannesburg Stock Exchange;
South Korea	Korea Exchange
Swaziland	Mbaene Stock Exchange;
Sri Lanka	Colombo Stock Exchange;
Taiwan	Taiwan Stock Exchange Corporation, Taipei Stock Exchange Corporation;
Thailand	The Stock Exchange of Thailand, Bangkok Stock Exchange;



Trinidad & Tobago	Port of Spain Stock Exchange;
Tunisia	Tunis Stock Exchange;
Turkey	Istanbul Stock Exchange
Ukraine	Kiev Stock Exchange;
United Arab Emirates	Nasdaq Dubai, Dubai Financial Market, Abu Dhabi Securities Exchange
Uruguay	Montevideo Stock Exchange;
Venezuela	Caracas Stock Exchange and Maracaibo Stock Exchange;
Vietnam	Ho Chi Minh City Securities Trading Centre;
Zambia	Lusaka Stock Exchange;
Zimbabwe	Harare Stock Exchange;

any of the following:

(C) The following markets:

The market organised by the International Capital Markets Association;

The (i) market conducted by banks and other institutions regulated by the Financial Conduct Authority (FCA) and subject to the Inter-Professional Conduct provisions of the FCA's Market Conduct Sourcebook and (ii) market in non-investment products which is subject to the guidance contained in the Non Investment Products Code drawn up by the participants in the London market, including the FCA and the Bank of England;

The market in US government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York and the US Securities and Exchange Commission;

The over-the-counter market in the United States conducted by primary and second dealers regulated by the Securities and Exchange Commission and by the Financial Industry Regulatory Authority (and by banking institutions regulated by the US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

NASDAQ Europe (this is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges);

SESDAQ (the second tier of the Singapore Stock Exchange).

NASDAQ;

The over-the-counter market in Japan regulated by the Securities Dealers Association of Japan.

The Over-the-Counter market in Canadian Government Bonds as regulated by the Investment Industry Regulatory Organisation of Canada.

The French market for "Titres de Creance Negotiable" (over-the-counter market in negotiable debt instruments).

The market conducted by "listed money market institutions" as described in the Bank of England publication "The Regulations of the Wholesale Cash and OTC Derivatives Markets in Sterling, Foreign Exchange and Bullion" dated April 1988, (as amended from time to time).

AIM-the Alternative Investment Market in the UK regulated and operated by the London Stock Exchange.

any of the following electronic exchanges:

NASDAQ.

(D) Derivative Markets

All stock exchanges listed in (A) and (B) above on which permitted financial derivative instruments may be listed or traded and the following derivatives exchanges;

Any exchange traded financial derivative contract, any stock exchange on which such contract may be acquired or sold and which is regulated, operates regularly, is recognised and open to the public and which is (i) located in an EEA Member State, (ii) located in Australia, Canada, Hong Kong, Japan, New Zealand, Switzerland, United States (iii) the Channel Islands Stock Exchange (iv) or (v) any of the following:

American Stock Exchange

Bolsa de Mercadorias & Futuros, Brazil

The Chicago Board of Trade;

The Chicago Mercantile Exchange;

The Chicago Board Options Exchange;

The Chicago Stock Exchange

EDX London;

Hong Kong Futures Exchange;

Kansas City Board of Trade;

Korea Futures Exchange;

Kuala Lumpur Options and Financial Futures Exchange;

Jakarta Futures Exchange;

Mid-American Commodity Exchange;

Minneapolis Grain Exchange,

Mexican Derivatives Exchange (MEXDER);

New York Mercantile Exchange;

New York Board of Trade;

New York Futures Exchange;

New York Stock Exchange;  
New Zealand Futures and Options Exchange;  
Pacific Exchange;  
Philadelphia Stock Exchange;  
Shanghai Futures Exchange;  
Singapore Exchange  
Singapore Commodity Exchange;  
South African Futures Exchange.  
SWX Swiss Exchange US;  
The Taiwan Futures Exchange;  
Tokyo International Financial Futures Exchange; and  
USFE (U.S. Futures Exchange) and SWX Swiss Exchange US.

## PART 2 - LIST OF SUB-CUSTODIAL AGENTS APPOINTED BY THE DEPOSITARY

### MARKET

Argentina  
 Australia  
 Austria  
 Bahrain  
 Bangladesh  
 Belgium  
 Bermuda  
 Bosnia & Herzegovina  
 Botswana  
 Brazil  
 Bulgaria  
 Canada  
 Chile  
 China – A Shares  
 China - Shanghai  
 China - Shenzhen  
 Colombia  
 Croatia  
 Cyprus  
 Czech Republic  
 Denmark  
 Egypt  
 Estonia  
 Euromarket  
 Finland  
 France  
 Germany  
 Ghana  
 Greece  
 Hong Kong  
 Hungary  
 Iceland (suspended market)  
 India  
  
 Indonesia  
 Ireland  
 Israel  
 Italy  
 Japan  
 Jordan  
 Kazakhstan  
 Kenya  
 Kuwait  
 Latvia  
 Lebanon  
 Lithuania  
 Luxembourg  
 Malaysia  
 Mauritius  
 Mexico  
 Morocco  
 Namibia  
 Nasdaq Dubai Ltd  
 Netherlands

### SUBCUSTODIAN

Citibank N.A.  
 HSBC Bank Australia Limited  
 UniCredit Bank Austria AG  
 HSBC Bank Middle East Limited  
 Standard Chartered Bank  
 BNP Paribas Belgium  
 HSBC Securities Services  
 UniCredit Bank Austria AG  
 Standard Chartered Bank Botswana Ltd  
 HSBC Bank Brazil S.A. – Banco Múltiplo  
 UniCredit Bulbank AD  
 Royal Bank of Canada  
 Banco Itau Chile  
 Citibank (China) Co. Ltd  
 HSBC Bank (China) Company Limited  
 HSBC Bank (China) Company Limited  
 Cititrust Colombia S.A.  
 UniCredit Bank Austria AG  
 HSBC Bank plc  
 UniCredit Bank Czech Republic a.s.  
 Danske Bank A/S  
 HSBC Bank Egypt S.A.E.  
 Swedbank  
 Clearstream Banking S.A.  
 Nordea Bank Finland Plc  
 BNP Paribas Securities Services  
 Deutsche Bank A.G.  
 Standard Chartered Bank Ghana Ltd.  
 HSBC Bank Plc Greece  
 Standard Chartered Bank (Hong Kong) Limited  
 UniCredit Bank Hungary Zrt.  
 Islandsbanki hf  
 The Hongkong and Shanghai Banking Corporation Limited  
  
 Standard Chartered Bank  
 Citibank Ireland  
 Citibank N.A. Tel Aviv Branch  
 BNP Paribas Securities Services  
 Citibank, Tokyo  
 Standard Chartered Bank  
 JSC Citibank Kazakhstan  
 Standard Chartered Bank Kenya  
 HSBC Bank Middle East Limited  
 Swedbank  
 HSBC Bank Middle East Limited  
 Swedbank  
 Clearstream  
 Standard Chartered Bank Malaysia Berhad  
 The Hongkong and Shanghai Banking Corporation Limited  
 Banamex S.A.  
 Société Générale Marocaine de Banques  
 Standard Bank Namibia Ltd  
 HSBC Bank Middle East Limited  
 BNP Paribas Securities Services

New Zealand	The Hongkong and Shanghai Banking Corporation Limited
Nigeria	Citibank Nigeria Limited
Norway	DNB Bank ASA
Oman	HSBC Bank Middle East Limited
Pakistan	Deutsche Bank A.G.
Peru	Citibank del Peru S.A.
Philippines	Standard Chartered Bank
Poland	Bank Polska Kasa Opieki S.A.
Portugal	BNP Paribas Securities Services
Qatar	HSBC Bank Middle East Limited
Romania	UniCredit Tirioc Bank S.A.
Russia	Deutsche Bank Ltd.
Serbia	UniCredit Bank Austria AG
Singapore	DBS Bank Ltd
Slovak Republic	UniCredit Bank Slovakia a.s.
Slovenia	UniCredit Bank Austria AG
South Africa	Société Générale
South Korea	The Hong Kong and Shanghai Banking Corporation Limited
Spain	RBC Investor Services España S.A.
Sri Lanka	The Hongkong and Shanghai Banking Corporation Limited
Sweden	Skandinaviska Enskilda Banken AB (publ)
Switzerland	Bank Julius Baer
Taiwan	HSBC Bank (Taiwan) Limited
Thailand	Standard Chartered Bank (Thai) Plc
Tunisia	Societe Generale Securities Service UIB Tunisia
Turkey	Citibank A.S.
UAE - Abu Dhabi	HSBC Bank Middle East Limited
UAE - Dubai	HSBC Bank Middle East Limited
UK	The Bank of New York Mellon
Ukraine	Public Joint Stock Company UniCredit Bank
Uruguay	Banco Itaú Uruguay S.A.
USA	The Bank of New York Mellon
Vietnam	HSBC Bank (Vietnam) Ltd
Zambia	Standard Chartered Bank Zambia PLC

## APPENDIX B - WESTWOOD EMERGING MARKETS FUND

This Appendix contains specific information in relation to the **Westwood Emerging Markets Fund** (the "**Fund**"), a sub-fund of the Company which is an open ended umbrella self-managed investment company with variable capital incorporated with limited liability and segregated liability between Funds.

**This Appendix forms part of the Prospectus and should be read in the context of and together with the Prospectus including the general description of**

- **the Company and its management and administration;**
- **its general management and fund charges;**
- **the taxation of the Company and of its Shareholders; and**
- **its risk warnings**

**which is contained in the Prospectus dated 25 January 2017 for the Company and which is available from the office of the Administrator at the address set out in the List of Parties and Addresses in Section 1 of the Prospectus. Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Appendix.**

The Directors of the Company, whose names appear under the section headed "Management and Administration" accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus (as complemented, modified or supplemented) is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

Application has been made to The Irish Stock Exchange for the Class X Great Britain Pounds Accumulation Shares, the Class I Canadian Dollars Accumulation Shares and the Class I US Dollars Accumulation Shares to be admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange. The Class X Great Britain Pounds Accumulation Shares listed on 1 August 2013, the Class I Canadian Dollars Accumulation Shares listed on 3 March 2014 and the Class I US Dollars Accumulation Shares listed on 28 May 2015.

Application was previously made to The Irish Stock Exchange for the remaining Share Classes listed below in the Section entitled "Listing" however these Classes have not yet been admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange.

### **1. Classes:**

Class I, Class X and Class K Shares in the Fund are being offered. Share Classes are denominated as follows:

<b>Class</b>	<b>CCY</b>	<b>Income/Accumulation</b>	<b>Hedged/Non-Hedged</b>	<b>Minimum Initial Investment (subject to reduction at discretion of Directors)</b>
Class I	GBP	Accumulation	Non-Hedged	US\$10,000,000
Class I	GBP	Income	Non-Hedged	US\$10,000,000
Class I	CAD	Accumulation	Hedged	US\$10,000,000
Class I	CAD	Income	Hedged	US\$10,000,000
Class I	CAD	Accumulation	Non-Hedged	US\$10,000,000
Class I	CAD	Income	Non-Hedged	US\$10,000,000
Class I	USD	Accumulation	Hedged	US\$10,000,000
Class I	USD	Income	Hedged	US\$10,000,000
Class I	USD	Accumulation	Non-Hedged	US\$10,000,000
Class I	USD	Income	Non-Hedged	US\$10,000,000
Class I	EUR	Accumulation	Hedged	US\$10,000,000
Class I	EUR	Income	Hedged	US\$10,000,000
Class I	EUR	Accumulation	Non-Hedged	US\$10,000,000
Class I	EUR	Income	Non-Hedged	US\$10,000,000
Class X	GBP	Accumulation	Non-Hedged	US\$50,000,000
Class X	GBP	Income	Non-Hedged	US\$50,000,000
Class X	CAD	Accumulation	Hedged	US\$50,000,000
Class X	CAD	Income	Hedged	US\$50,000,000
Class X	CAD	Accumulation	Non-Hedged	US\$50,000,000
Class X	CAD	Income	Non-Hedged	US\$50,000,000
Class X	USD	Accumulation	Hedged	US\$50,000,000
Class X	USD	Income	Hedged	US\$50,000,000
Class X	USD	Accumulation	Non-Hedged	US\$50,000,000
Class X	USD	Income	Non-Hedged	US\$50,000,000
Class X	EUR	Accumulation	Hedged	US\$50,000,000
Class X	EUR	Income	Hedged	US\$50,000,000

Class X	EUR	Accumulation	Non-Hedged	US\$50,000,000
Class X	EUR	Income	Non-Hedged	US\$50,000,000
Class K	EUR	Accumulation	Non-Hedged	US\$200,000,000

The Investment Manager may hedge the foreign currency exposure of Classes denominated in a currency other than the Base Currency of a Fund in order that investors in that Class receive a return in the currency of that Class substantially in line with the investment performance of the relevant Fund. As foreign exchange hedging may be utilised for the benefit of a particular Class, its cost and related liabilities and/or benefits shall be for the account of that Class only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share for shares of any such Class. While holding a hedged Share Class will protect investors in such Share Class from a decline in the value of a currency other than the Base Currency of the Fund, investors in such Share Class will not benefit when that other currency appreciates against the relevant Base Currency. The Investment Manager shall limit hedging to the extent of the particular Share Class' currency exposure. Foreign exchange hedging shall not be used for speculative purposes.

The Investment Manager will utilise various techniques to hedge the Share Class currency exposures including financial swaps and/or forward currency exchange contracts deemed appropriate in its discretion but which are within the limits laid down by the Central Bank.

The costs associated with hedged Share Class transactions (including transaction costs relating to the instruments and contracts used to implement the hedge) will be attributed to the specific Class and will be reflected in the Net Asset Value of that Class.

Currency Hedges will be set at least monthly or at any other time that the Investment Manager may deem appropriate. It is not possible to hedge fully or perfectly against market fluctuations and there is no assurance or guarantee that such hedging will be effective. No intentional leveraging should result from the hedged share class currency transactions of a Class, however hedging may for short periods result in a currency exposure in excess of the value of the hedged Share Class (following a significant redemption for example). Investors should note that a dilution adjustment may be charged on a hedged Share Class if the effect on the Net Asset Value as a result of Share Class hedging activities exceeds 5% of the Net Asset Value of the Fund or any other threshold determined by the Board (having considered prevailing market conditions) of the issued Shares linked to that Fund.

Investors should also note that the hedging of Share Classes by the Investment Manager is distinct from the strategies and techniques that may be adopted at the level of the portfolio of securities held within the Fund.

The creation of further Share Classes must be notified to, and cleared, in advance with the Central Bank.

## **2. Dealing Days for Subscriptions and Redemptions:**

Every Business Day meaning a day on which banks in Ireland, United Kingdom, Canada and the United States are open for normal banking business and in any other financial centre that the Directors may determine to be relevant for the operations of the Fund, and such additional Business Day or Business Days as the Directors may determine, and notify in advance to Shareholders.

## **3. Dealing Deadline and Valuation Point**

The Dealing Deadline shall be 14:00 (Irish time) on the Dealing Day or such other time as the Directors may determine and notify in advance to Shareholders provided always that the Dealing Deadline is not later than the Valuation Point. The Valuation Point will be US close of business 16:00 (Eastern Standard Time) on the Dealing Day.



#### **4. Base Currency:**

The base currency of the Fund is Great Britain Pounds.

#### **5. Dividends:**

Dividends will normally be declared and paid within four months of the Accounting Period to which they relate on Income Shares. The amount available for distribution shall depend on the profits, being the net income together with the net realised and unrealised capital gains (net of realised and unrealised losses) of the relevant Fund. The Company may, at its discretion, declare dividends from the income of the Fund on the Class I Shares and Class X Shares annually and/or at such other periodic intervals as shall be determined by the Company, and notified to Shareholders. The dividend distributions shall be in the form of cash issued to the relevant Investors.

Dividends will not normally be declared and paid on Accumulation Shares.

Dividends will not be paid where there is any failure to supply the Company or the Administrator with any documentation requested by them for anti-money laundering or anti-fraud purposes (as further described in the sub-section entitled "Application Procedure" of the section entitled "Subscription and Redemption of Shares"). Any sums payable by way of dividend to Shareholders shall remain an asset of the relevant Fund until such time as the Administrator is satisfied that its anti-money laundering and anti-fraud procedures have been fully complied with, following which such dividends will be paid.

Those investors who decide to reinvest their dividends will receive new shares calculated at the NAV on the date that the dividend is paid.

The Directors may, at their sole discretion, refrain from making any distributions to Investors if it deems it appropriate in the interests of the Investors. No dividend will be payable where realised or accrued income from underlying securities does not make such payments possible.

The choice of opting for either a dividend paid out or a dividend reinvestment will be at the discretion of the Investor at the time of application.

#### **6. Investment Objective and Policy:**

##### *Investment Objective*

The objective of the Fund is to achieve long-term capital appreciation by primarily investing in equity securities of emerging market companies.

##### *Investment Policy*

Under normal circumstances, the Fund invests at least 80% of its net assets in equity securities of emerging market companies on Recognised Exchanges. The Fund considers a company to be an emerging market company if (i) at least 50% of the company's assets are located in emerging markets; (ii) at least 50% of the company's revenues are generated in emerging markets; or (iii) the company is domiciled in an emerging market. "Emerging markets" include countries in the MSCI Emerging Markets Index, and other countries that the Fund considers to be equivalent to those in that index based on their level of economic development or the size and experience of their securities markets.

The Fund may also invest in exchange-traded funds ("**ETFs**"), American Depositary Receipts ("**ADRs**"), Global Depositary Receipts ("**GDRs**"), preferred stock, warrants and real estate investment trusts ("**REITs**") to gain exposure to emerging markets. No more than 5% of the Fund's net assets will be invested in ETFs. Equity securities also include participatory notes, which are derivative instruments with economic characteristics similar to equity securities designed to replicate equity market exposure in certain foreign markets where direct investment is either impossible or

difficult due to local investment restrictions. The Fund typically invests in companies with market capitalizations exceeding \$500 million.

The Fund may invest up to 20% of its assets in cash or cash equivalent instruments (such as a government bond or units in money market funds). The Investment Manager uses its discretion as to when to invest in these asset classes, based on conditions in equity markets from time to time and will do so with the aim of reducing the effects of the volatility of equity markets on the Fund's portfolio and preserving the capital of the Fund

The Fund may invest up to 10% of its assets in CIS.

The Fund invests in approximately 70-90 transferable securities to achieve its investment objective. The Investment Manager utilises a fundamental, bottom-up investment process and seeks to invest in transferable securities of sound businesses that it believes are currently undervalued in the market and can generate positive and sustainable earnings growth and, thus, economic profits over time. Key characteristics that the Investment Manager looks for in evaluating an investment may include management aligned with an Economic Value Added ("**EVA**") philosophy, strong core franchise value, above average cash flow generation, consistency of earnings growth and the ability, or prospective ability, to pay dividends. The Investment Manager has disciplines in place that serve as sell signals, such as a security reaching its estimated fair value, an adverse change in a company's fundamentals, or when more attractive alternatives exist.

**EVA** is an estimate of a firm's economic profit being the value created in excess of the required return of the company's investors. EVA is the profit earned by the firm less the cost of financing the firm's capital. The idea is that value is created when the return on the firm's economic capital employed is greater than the cost of that capital.

No investment will be made in another Fund of the Company.

The Fund may invest in Russian equities provided that they are listed and/or traded on the Russian Trading System ("**RTS**") or The Moscow Interbank Currency Exchange ("**MICEX**"). No more than 20% of the Net Asset Value of the Fund will be invested in such Russian securities at any time.

The Fund will not hedge against currency fluctuations.

ETFs will be considered as CIS and will be subject to the limitations of investing in CIS. The Fund will only invest in warrants and participation notes, to gain access to equities exposure in limited circumstances where it is appropriate to do so.

The Fund will calculate global exposure using the commitment approach and therefore will ensure that its global exposure relating to FDI does not exceed its total Net Asset Value. The Fund's global exposure will be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. The Fund will not be leveraged in excess of 100% of Net Asset Value.

#### *Performance benchmark*

Performance of the Fund will be measured against the MSCI Emerging Markets Index. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. Any change to the benchmark index against which performance of the Fund is measured will be disclosed in the periodic reports of the Fund.

## **7. Investor Profile**

A typical investor in the Westwood Emerging Markets Fund is an institutional investor who wishes to allocate a portion of its total assets to investment in emerging markets and who is seeking a portfolio which has a medium to long term horizon.

## **8. Investment Manager for the Fund**

The Investment Manager is Westwood International Advisors Inc. ("WIA"), based in Toronto, Canada, was established in 2012 and provides global and emerging markets equity investment advisory services to institutional clients, the Westwood Funds™ (US-registered mutual funds), other mutual funds and clients of Westwood Trust (Texas chartered Trust company and another subsidiary of Westwood Holdings Group, Inc.). WIA has the following registrations with the Ontario Securities Commission: Portfolio Manager, Exempt Market Dealer and Investment Fund Manager. WIA is a wholly-owned subsidiary of Westwood Holdings Group, Inc., a Delaware corporation listed on the New York Stock Exchange.

The Investment Manager will discharge any investment management or marketing related expenses out of its own fee.

The Investment Manager makes investment decisions for the Fund and continuously reviews, supervises and administers the Fund's investment program. The Board supervises the Investment Manager and establishes policies that the Investment Manager must follow in its management activities.

Pursuant to the Investment Management Agreement dated 14 January 2015 between the Company and the Investment Manager, the Investment Manager has been appointed to provide investment management services to the Fund.

The Investment Management Agreement states that the appointment of the Investment Manager shall continue unless and until terminated by either part giving not less than 90 calendar days' notice. In certain circumstances set out in the Investment Management Agreement, either party may terminate the Investment Management Agreement upon the occurrence of certain events, such as the insolvency or liquidation of either party. The Investment Management Agreement contains certain indemnities in favour of the Investment Manager, which are restricted to exclude matters to the extent that they are attributable to the fraud, bad faith, negligence, wilful default or recklessness of the Investment Manager.

## **9. Issue of Shares:**

The Initial Offer Period for Class X Great Britain Pounds Accumulation Shares, Class I Canadian Dollars Accumulation Shares, Class I US Dollars Accumulation Shares and Class K European Euro Accumulation Shares has now closed and accordingly, Class X Great Britain Pounds Accumulation Shares, Class I Canadian Dollars Accumulation Shares, Class I US Dollars Accumulation Shares and Class K European Euro Accumulation Shares will be issued at the Net Asset Value per Share, plus any charges, as specified herein.

The continuing Initial Offer Period for the remaining Share Classes shall be the period ending at 5.30pm (Irish time) on 26 May 2017 unless such period is shortened or extended by the Directors and notified to the Central Bank.

The Class I Shares and Class X Shares will be offered at an initial offer price per Share of £1,000.00 for those Shares denominated in GBP, US\$1,000.00 for those Shares denominated in USD, C\$1,000.00 for those Shares denominated in C\$ and €1,000.00 for those Shares denominated in Euro.

After the close of the Initial Offer Period for a Class of Shares, all applications for Shares must be received by the Dealing Deadline (as defined above) in the manner set out in the Prospectus. For further information, please see the section headed "Subscription" in this Prospectus.

All applications must be received by the Administrator no later than the Dealing Deadline on the relevant Dealing Day. Subscription requests may be submitted by fax to the Administrator (in Ireland). Applications should be made on the Application Form (and supporting documentation relating to money laundering prevention checks) and the originals must be sent promptly to the Administrator. Applications received after the Dealing Deadline will be held over to the next Dealing Day. No interest will be paid on early subscriptions.

Unless otherwise specified, the minimum initial subscription is US\$10,000,000 for Class I Shares, US\$50,000,000 for Class X Shares and US\$200,000,000 for Class K Shares or an equivalent amount in another currency. No minimum will be applied for additional subscriptions for Class I Shares, Class X Shares and Class K Shares. However, minimum initial subscriptions which do not meet the threshold may be accepted by the Board. The price at which Shares will be issued on any particular Dealing Day will be the Subscription Price per Share calculated in the manner described under the Prospectus section headed "Valuation and Prices". The Company may issue fractional shares, expressed as two decimal place fractions of a Share. Application monies representing smaller fractions of a Share will be retained by the Company.

Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager in relation to the collection of an investment management fee or similar fee arrangement, which is not payable from the Net Asset Value of the Fund. No Subscription Fee shall be levied in respect of subscription for Class I Shares and Class X Shares.

## **10. Redemption of Shares**

Shares in the Fund may be redeemed on every Dealing Day at the Net Asset Value per Share of the relevant Class subject to the procedures, terms and conditions set out in the Prospectus under the section heading "Redemption". All requests for the redemption of Shares must be received by the Dealing Deadline (as defined above) in the manner set out in the Prospectus.

Redemption monies will normally be paid within 5 Business Days of the relevant Dealing Day for redemptions.

## **11. Fees and Expenses**

The following fees and expenses are payable out of the Fund. Details of how the fees and expenses are accrued and paid as well as details of other general management and fund charges are set out in the Prospectus under the heading "Fees and Expenses".

### **Net Total Operating Fees and Expenses**

#### **Investment Manager Fees**

Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager in relation to the collection of an investment management fee or similar fee arrangement, which is not payable from the Net Asset Value.

The Investment Manager will be paid a fee from the Company monthly in arrears at the rate of 0.90% per annum of the Net Asset Value of Class I Shares of the Fund on the Valuation Point accrued daily. The Investment Manager will be paid a fee from the Company monthly in arrears at the rate of a maximum 0.80% per annum of the Net Asset Value of Class K Shares of the Fund on the Valuation Point accrued daily. Reasonable out-of-pocket expenses incurred by the Investment Manager in the performance of its duties will be reimbursed by the Company as may be approved from time to time by the Directors.

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

The Directors may in their sole discretion make an adjustment to the subscription and/or redemption price of Shares to reflect the fact that the actual cost of purchasing or selling assets may vary due to

duties and charges being applied and spreads between the buying and selling price of assets which would otherwise have an adverse effect on the value of the Fund, known as "dilution". To mitigate the effects of dilution, the Directors may, at their discretion (at all times acting reasonably and in accordance with their fiduciary duties to the Fund), make a dilution adjustment of up to 3% to the subscription and / or redemption price of Shares on any Dealing Day where there have been net subscriptions / redemptions by adding / deducting therefrom such a figure as the Directors reasonably consider represents the dealing costs, duties, charges and spreads so as to preserve the value of the underlying assets of the Fund ("**ADL Fee**"). Such ADL Fee will be paid into the assets of the Fund.

## **12. Specific Risk Warnings:**

Persons interested in purchasing Shares in the Fund should read the section headed "Risk Warnings" in the main body of this Prospectus.

A Fund which invests more than 20% in emerging markets involves a higher than normal level of risk.

**The value of investments and income from them can go down as well as up (this may partly be the result of exchange rate fluctuations in investments which have an exposure to foreign currencies) and investors may not get back the full amount invested.**

**Performance may be strongly influenced by movements in FX rates due to the nature of the diverse global emerging market securities held. It is not the intention of the Fund to hold currency positions that do not correspond with the securities positions.**

### **Emerging Market Risk**

In emerging markets the legal, judicial and regulatory infrastructure is still developing and there is much legal uncertainty both for local market participants and their overseas counterparts. Frontier Markets are differentiated from emerging markets in that Frontier Markets are considered to be somewhat less economically developed than emerging markets. Some markets carry significant risks for investors who should therefore ensure that, before investing, they understand the relevant risks and are satisfied that an investment is suitable.

Price volatility in emerging markets may be higher than in more developed markets. Price discrepancies can be common and market dislocation is not uncommon in such markets. Additionally, as news about a particular country becomes available, financial markets may react significantly in a very short period of time. Emerging markets generally lack the level of transparency, liquidity, efficiency and levels of regulation found in more developed markets. There may be a higher level of political risk attached to investing in emerging markets also.

The trading volume on emerging markets through which the Fund may invest may be substantially less than in the world's leading stock markets, accordingly the accumulation and disposal of holdings in some investments may be time-consuming and may need to be conducted at unfavourable prices. Liquidity in such markets may also be less and volatility of prices greater than in the leading markets as a result of a high degree of concentration of market capitalisation and trading volume in a small number of companies.

The value of the Fund's assets may be affected by uncertainties such as changes in government policies, taxation, interest rates, exchange rates, currency repatriation restrictions, social and religious instability and other political, economic or other developments in the law or regulations of the countries in which the Fund may invest and, in particular, by changes in legislation relating to the level of foreign ownership in the companies in India and countries in which the Fund may invest.

The trading and settlement practices of some of the stock exchanges or markets on which the Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by the Fund. In addition, the Fund will be exposed to credit risk on parties with whom they trade and will bear the risk of

settlement default. The Depositary may be instructed by the Investment Manager to settle transactions on a delivery free of payment basis where the Investment Manager believes that this form of settlement is appropriate. Shareholders should be aware, however, that this may result in a loss to the Fund if a transaction fails to settle and the Depositary will not be liable to the Fund or to the Shareholders for such a loss if the Depositary is acting pursuant to specific proper instructions and where this settlement is standard market practice.

Some of the Recognised Exchanges on which the Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which the Fund may liquidate positions to meet redemption requests or other funding requirements. Potential investors should also note that the Fund may have exposure to the securities of small capitalisation companies which are less liquid than larger capitalisation companies and this may result in fluctuations in the price of the Shares of the Fund.

### **Risk warnings specific to Russian securities**

The Fund may invest in regulated markets in Russia which are subject to increased risk with regard to ownership and custody of securities.

Investments in Russia through the Moscow Exchange or on other non-Regulated Markets are subject to increased risk with regard to ownership and custody of securities. There are significant risks inherent in investing in Russia and including: (a) delays in settling transactions and the risk of loss arising out of the systems of securities registration and custody; (b) the lack of corporate governance provisions or general rules or regulations relating to investor protection; (c) pervasiveness of corruption, insider trading, and crime in the Russian economic systems; (d) difficulties associated in obtaining accurate market valuations of many Russian securities, based partly on the limited amount of publicly available information; (e) tax regulations are ambiguous and unclear and there is a risk of imposition of arbitrary or onerous taxes; (f) the general financial condition of Russian and CIS companies, which may involve particularly large amounts of inter-company debt; (g) banks and other financial systems are not well developed or regulated and as a result tend to be untested and have low credit ratings and (h) the risk that the government or other executive or legislative bodies may decide not to continue to support the economic reform programs implemented since the dissolution of the Soviet Union. The concept of fiduciary duty on the part of a company's management is generally non-existent. Local laws and regulations may not prohibit or restrict a company's management from materially changing the company's structure without shareholder consent. Foreign investors cannot be guaranteed redress in a court of law for breach of local laws, regulations or contracts. Regulations governing securities investment may not exist or may be applied in an arbitrary and inconsistent manner. Evidence of legal title in many cases will be maintained in "book-entry" form and a Fund could lose its registration and ownership of securities through fraud, negligence or even oversight. Securities in Russia are issued only in book entry form and ownership records are maintained by registrars who are under contract with the issuers. The registrars are neither agents of, nor responsible to the Company, the Depositary or their local agents in Russia. Transferees of securities have no proprietary rights in respect of securities until their name appears in the register of holders of the securities of the issuer. The law and practice relating to registration of holders of securities are not well developed in Russia and registration delays and failures to register securities can occur. Although Russian sub-custodians will maintain copies of the registrar's records ("Records") on its premises, such Records may not, however, be legally sufficient to establish ownership of securities. Further a quantity of forged or otherwise fraudulent securities, Records or other documents are in circulation in the Russian markets and there is therefore a risk that a Fund's purchases may be settled with such forged or fraudulent securities. In common with other emerging markets, Russia and the CIS have no central source for the issuance or publication of corporate actions information. The Depositary therefore cannot guarantee the completeness or timeliness of the distribution of corporate actions notifications. Although exposure to these equity markets is substantially hedged through the use of ADRs and GDRs, Funds may, in accordance with their investment policy, invest in securities which require the use of local depository or custodial services.

### **Investing in China**

Investments in China are currently subject to certain additional risks. The Chinese economy is subject to a considerable degree of economic, political and social instability therefore there are political, social and economic risks. The Fund may be invested in Chinese securities through the Hong Kong Exchange. As a result, the Fund may be subject to increased risk of loss caused by lower levels of liquidity, greater security price volatility and exchange rate fluctuation.

### **Share Class Hedging**

A Class may be designated in a currency other than the Base Currency of a Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Investment Manager will try to mitigate this risk by using any of the efficient portfolio management techniques and instruments, including currency options and forward currency exchange contracts, set out in this Prospectus and within the conditions and limits imposed by the Central Bank. A Class may not be leveraged as a result of the use of such techniques and instruments, the value of which may be up to but may not exceed 105% of the Net Asset Value attributable to the relevant Class. While it is not the intention of the Company to have over or under hedged positions, this may arise due to circumstances outside the Company's control. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level. Positions in excess of 100% will not be carried forward from month to month. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Company are denominated. In such circumstances, Shareholders of the Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gain/loss on and the costs of the relevant financial instruments.

Although hedging strategies may not necessarily be used in relation to each Class within a Fund, the financial instruments used to implement such strategies shall be assets/liabilities of the Fund as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Any currency exposure of this Class may not be combined with or offset against that of any other Class of the Company. The currency exposures of the assets of a Fund will not be allocated to separate Classes.

### **13. Listing**

The following Share Classes have been admitted to the official list and trading on the main securities market of the Irish Stock Exchange: Class X Great Britain Pounds Accumulation Shares, Class I Canadian Dollar Accumulation Shares and the Class I US Dollars Accumulation Shares.

Application has been made to The Irish Stock Exchange for the remaining Share Classes (with the exception of the Class K Shares), issued and available for issue, to be admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange. It is not expected that there will be a secondary market in the Shares of the Company.

The Class K Shares will not be admitted to the Official List.

## APPENDIX C - WESTWOOD STRATEGIC GLOBAL CONVERTIBLES FUND

This Appendix contains specific information in relation to the **Westwood Strategic Global Convertibles Fund** (the "**Fund**"), a sub-fund of the Company which is an open ended umbrella self-managed investment company with variable capital incorporated with limited liability and segregated liability between Funds.

**This Appendix forms part of the Prospectus and should be read in the context of and together with the Prospectus including the general description of**

- **the Company and its management and administration;**
- **its general management and fund charges;**
- **the taxation of the Company and of its Shareholders; and**
- **its risk warnings**

**which is contained in the Prospectus dated 25 January 2017 for the Company and which is available from the office of the Administrator at the address set out in the Directory in Section 1 of the Prospectus. Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Appendix.**

The Directors of the Company, whose names appear under the section headed "Management and Administration", accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus (as complemented, modified or supplemented) is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

Application has been made to The Irish Stock Exchange for the Class I European Euro Accumulation Non-Hedged Shares, the Class F GBP Accumulation Hedged Shares, the Class F USD Accumulation Non-Hedged Shares, the Class F USD Accumulation Hedged Shares and the Class F EUR Accumulation Hedged Shares to be admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange. The Class I European Euro Accumulation Non-Hedged Shares listed on 25 November 2014, the Class F USD Accumulation Non-Hedged Shares listed on 18 March 2015 and each of the Class F GBP Accumulation Hedged Shares, Class F USD Accumulation Hedged Shares and Class F EUR Accumulation Hedged Shares listed on 28 May 2015.

Application was previously made to The Irish Stock Exchange for the remaining Share Classes listed below in the Section entitled "Listing" however these Classes have not yet been admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange.

#### 4. **Classes:**

Class A, Class F, Class I and Class X Accumulation Shares in the Fund are being offered. Share Classes are denominated as follows:

<b>Class</b>	<b>CCY</b>	<b>Income/ Accumulation</b>	<b>Hedged/ Non-Hedged</b>	<b>Minimum Initial Investment (subject to reduction at discretion of Directors)</b>
Class A	GBP	Accumulation	Non-Hedged	US\$25,000
Class A	GBP	Accumulation	Hedged	US\$25,000
Class A	CHF	Accumulation	Non-Hedged	US\$25,000
Class A	CHF	Accumulation	Hedged	US\$25,000



Class A	USD	Accumulation	Non-Hedged	US\$25,000
Class A	USD	Accumulation	Hedged	US\$25,000
Class A	EUR	Accumulation	Non-Hedged	US\$25,000
Class A	EUR	Accumulation	Hedged	US\$25,000
Class F	GBP	Accumulation	Non-Hedged	US\$20,000,000
Class F	GBP	Accumulation	Hedged	US\$20,000,000
Class F	CHF	Accumulation	Non-Hedged	US\$20,000,000
Class F	CHF	Accumulation	Hedged	US\$20,000,000
Class F	USD	Accumulation	Non-Hedged	US\$20,000,000
Class F	USD	Accumulation	Hedged	US\$20,000,000
Class F	EUR	Accumulation	Non-Hedged	US\$20,000,000
Class F	EUR	Accumulation	Hedged	US\$20,000,000
Class I	GBP	Accumulation	Non-Hedged	US\$1,000,000
Class I	GBP	Accumulation	Hedged	US\$1,000,000
Class I	CHF	Accumulation	Non-Hedged	US\$1,000,000
Class I	CHF	Accumulation	Hedged	US\$1,000,000
Class I	USD	Accumulation	Non-Hedged	US\$1,000,000
Class I	USD	Accumulation	Hedged	US\$1,000,000
Class I	EUR	Accumulation	Non-Hedged	US\$1,000,000
Class I	EUR	Accumulation	Hedged	US\$1,000,000
Class X	GBP	Accumulation	Non-Hedged	US\$50,000,000
Class X	GBP	Accumulation	Hedged	US\$50,000,000
Class X	CHF	Accumulation	Non-Hedged	US\$50,000,000
Class X	CHF	Accumulation	Hedged	US\$50,000,000
Class X	USD	Accumulation	Non-Hedged	US\$50,000,000
Class X	USD	Accumulation	Hedged	US\$50,000,000
Class X	EUR	Accumulation	Non-Hedged	US\$50,000,000
Class X	EUR	Accumulation	Hedged	US\$50,000,000

The creation of further Share Classes must be notified to, and cleared, in advance with the Central Bank.

### **Share Class Hedging**

The Investment Manager will hedge the Shares of the Hedged Share Classes in relation to the reference currency of the Fund or in relation to the currencies in which the underlying assets of the Fund are denominated in order that investors in that Class receive a return in the currency of that Class substantially in line with the investment performance of the relevant Fund net of currency effects. Where undertaken, the effects of this hedging will be reflected in the Net Asset Value and, therefore, in the performance of the relevant Share Classes. As a result, currency hedging may impact on the Net Asset Value of one Share Class as compared to the Net Asset Value of a Share Class denominated in another currency.

As hedging may be utilised for the benefit of a particular Share Class, its cost and related liabilities and/or benefits shall be for the account of that Class only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share for shares of any such Class. While holding a hedged Share Class will protect investors in such Share Class from a decline in the value of a currency other than the Base Currency of the Fund, investors in such Share Class will not benefit when that other currency appreciates against the relevant Base Currency.

The Investment Manager will engage, for the exclusive account of such hedged Share Classes, in currency forward transactions in order to preserve the value of the currency against the Base Currency of the Fund (or against the currencies in which the underlying assets of the Sub-Fund are denominated where applicable).

The costs associated with hedged Share Class transactions (including transaction costs relating to the instruments and contracts used to implement the hedge) will be attributed to the specific Class and will be reflected in the Net Asset Value of that Class. Any currency exposure of this Class may not be combined with or offset against that of any other Class of the Fund. The currency exposures of the assets of a Fund will not be allocated to separate Classes.

Currency hedges will be set at least monthly or at any other time that the Investment Manager may deem appropriate. It is not possible to hedge fully or perfectly against market fluctuations and there is no assurance or guarantee that such hedging will be effective. No intentional leveraging should result from the hedged share class currency transactions of a Class, however hedging may for short periods result in a currency exposure in excess of the value of the hedged Share Class (following a significant redemption for example). Investors should note that a dilution adjustment may be charged on a hedged Share Class if the effect on the Net Asset Value as a result of Share Class hedging activities exceeds 5% of the Net Asset Value of the Fund or any other threshold determined by the Board (having considered prevailing market conditions) of the issued Shares linked to that Fund.

A Class may not be leveraged as a result of the use of such hedging techniques and instruments; the value of the over-hedged positions may be up to but may not exceed 105% of the Net Asset Value attributable to the relevant Class. While it is not the intention of the Company to have over or under hedged positions, this may arise due to circumstances outside the Company's control. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level. Positions in excess of 100% will not be carried forward from month to month.

Investors should also note that the hedging of Share Classes by the Investment Manager is distinct from the strategies and techniques that may be adopted at the level of the portfolio of securities held within the Fund.

### **Non-Hedged Share Classes**

As no hedging strategy will be used to hedge currency risk in respect of the Non-Hedged Shares, a currency conversion will take place on subscription, redemption, switching and distributions at prevailing exchange rates. Investors should be aware that there is an exchange rate risk if such

other currencies depreciate against the base currency and consequently they may not realise the full amount of their investment in the Fund.

5. **Dealing Days for Subscriptions and Redemptions:**

Every Business Day meaning a day on which banks in Ireland and the United States are open for normal banking business and in any other financial centre that the Directors may determine to be relevant for the operations of the Fund, and such additional Business Day or Business Days as the Directors may determine, and notify in advance to Shareholders.

6. **Dealing Deadline and Valuation Point**

The Dealing Deadline shall be 14:00 (Irish time) on the Dealing Day or such other time as the Directors may determine and notify in advance to Shareholders provided always that the Dealing Deadline is not later than the Valuation Point. The Valuation Point will be US close of business 16:00 (Eastern Standard Time) on the Dealing Day.

7. **Base Currency:**

The base currency of the Fund is Euro.

8. **Dividends:**

There will be no dividend distributions in respect of any of the Share Classes in the Fund. Accordingly, income and capital gains arising in respect of all Share Classes will be re-invested in the Fund and reflected in the Net Asset Value per Share of these Classes.

9. **Investment Objective and Policy:**

*Investment Objective*

The objective of the Fund is to achieve long-term capital appreciation.

*Investment Policy*

The Fund will seek to achieve its investment objective by investing in a portfolio of long positions in convertible securities of worldwide issuers listed or traded on Recognised Exchanges. For the purpose of the investment policy, "convertible securities" refers to fixed income bonds of worldwide government and corporate issuers with a broad spectrum of ratings ranging from Aaa (Moody's, Fitch, S&P) through to non-rated paper and preference shares of worldwide corporate issuers that can be exchanged into shares of a company's common stock, which may include listed securities in real estate investment trusts ("**REITs**") which are structured as corporations. The Fund invests primarily in "balanced" convertible securities. A "balanced" convertible is one in which the structure retains both equity and fixed income like characteristics and are typically characterised by moderate yields, a good level of stock sensitivity and moderate conversion premiums.

The goal of a convertible bond strategy is to capture the equity-like upside potential of convertibles while benefiting from their bond-like defensive properties. As the price of the convertible securities is intrinsically related to the underlying stock, the Fund may be influenced by stock factors and bond factors. The Fund will seek to extract value from the global convertible market through active security selection. The majority of convertible bonds may be non-rated. It should be noted that convertible bonds are exposed to a number of risk factors, primarily equity risk and credit risk, but also other risk factors such as interest rate risk, volatility risk and currency risk.

The investment policy is globally focused on positions that offer higher and larger positive returns and lower and fewer negative returns. The Investment Manager will assess equity value, credit worthiness, convertible valuation and liquidity in determining whether a security is likely a candidate for investment by the Fund. The manager utilizes quantitative tools and fundamental research to support this analysis.

The Fund may dispose of a position due to changes in the fundamentals of the underlying company, unfavorable changes to the structure of a convertible security or underlying company or when it determines that portfolio positions are not likely to meet expectations regarding their value.

The Fund's investment strategy may involve active and frequent trading as the Investment Manager will take decisions about when to increase or decrease the exposure to equity markets. As a result, the Fund's portfolio turnover may exceed 100% on an annual basis, which will result in the Fund incurring transaction costs that could detract from performance and affect the tax treatment of the Fund's gains. Trading activity will be influenced by a number of items; firstly, the primary market for convertible securities will influence trading as the Investment Manager may find more value in new issues than in the existing secondary market. Secondly, the volatility within the equity market can affect trading volumes as the sensitivity of a convertible security is directly tied to the level of equity prices. The Investment Manager may need to adjust positioning to maintain a balanced portfolio.

**As the Fund may hold below investment-grade and unrated convertible securities, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

The Fund may invest up to 20% of the Net Asset Value in shares and equity securities in global corporations and REITs listed or traded on Recognised Exchanges and in fixed income non-convertible corporate bonds with a broad spectrum of ratings ranging from Aaa (Moody's, Fitch, S&P) through to non-rated paper. This allocation will include (i) where the Fund holds shares and equity securities in circumstances where a holding in a convertible security converts into shares of the underlying equity and the Investment Manager chooses to hold these shares for a period of time before disposing of them and (ii) where the Fund purchases these securities directly to gain exposure to certain markets for diversification purposes.

In addition, for temporary defensive purposes, the Fund may invest up to 20% of the Net Asset Value in cash or cash equivalent instruments such as short-term government obligations and fixed income government bonds with a minimum rating of Aa+ (Moody's, Fitch, S&P). The Investment Manager uses its discretion as to when to invest in these asset classes, based on conditions in equity markets and will do so with the aim of reducing the effects of the volatility of equity markets on the Fund's portfolio and preserving the capital of the Fund. **The Fund may invest substantially in deposits with credit institutions. An investment in the Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to the holder of a bank deposit account. The value of Shares may go down or up and investors may not get back the amount invested.**

The Fund may also invest up to 10% of the Net Asset Value in CIS such as money market funds for temporary defensive purposes or ETFs to gain market exposure in limited circumstances where it is impractical to get the desired exposure through investment in individual securities. No investment will be made in another Fund of the Company.

The Fund may, from time to time, and at the discretion of the Investment Manager hedge against currency fluctuations. The Investment Manager is not required to attempt to hedge portfolio positions in the Fund and in certain circumstances, the Investment Manager may not hedge the currencies in which the underlying assets of the Fund are denominated. In these circumstances, the value of the underlying assets, which may be designated in any currency, may rise and fall due to exchange rate fluctuations in respect of the relevant currencies against the Base Currency.

At a Share Class level and for the avoidance of doubt, the Fund will only hedge Share Class currency exposures in respect of the Hedged Share Classes. No hedging strategy will be used to hedge Share Class currency risk in respect of the Non-Hedged Share Classes.

The Investment Manager may also use financial derivative instruments ("FDI") namely futures, options and forwards, details of which are set out in the table below, for hedging purposes, mainly hedging equity and credit exposure, and techniques and instruments for efficient portfolio

management within the limits set forth in the section headed "Efficient Portfolio Management" in this Prospectus and in accordance with the Central Bank's requirements.

Derivative	Description	Specific Use	Where used for hedging purposes: risk being hedged	EPM?	How FDI will help achieve investment objectives?
Forward Currency Contracts	A binding contract in the foreign exchange market that locks in the exchange rate for the purchase or sale of a currency on a future date	To hedge certain risks of investment positions	Currency	Yes	Hedge foreign currency exposure and prevent NAV fluctuations caused by currency movements.
Equity Futures (including Equity Index)	Contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange.	Single equity futures are used to manage the Fund's exposure to equity market risk. Equity indices provide hedging benefits and are used to manage the correlation between convertible bond and equity markets and protect portfolio value.	Market Risk	Yes	Obtain desired market exposure in limited circumstances where it is impractical to get the desired exposure through investment in individual securities.
Equity Options (including Equity Index)	A contract which gives the contract buyer the right, but not the obligation, to either buy or sell a specified amount of an underlying security at a specified price within a specified time.	Single equity options are used to manage the Fund's exposure to equity market risk. Equity indices provide hedging benefits and are used to manage the correlation between convertible bond and equity	Market Risk Credit Risk	Yes	For diversification purposes, to generate income and for temporary defensive purposes.

		markets and protect portfolio value.			
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The Fund will only invest in warrants to gain access to equities exposure in limited circumstances where it is appropriate to do so.

The Fund will calculate global exposure using the commitment approach and therefore will ensure that its global exposure relating to FDI does not exceed its total Net Asset Value. The Fund's global exposure will be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. The Fund will not be leveraged in excess of 100% of Net Asset Value.

*Performance benchmark*

Performance of the Fund will be measured against the Thomson Reuters Global Focus Convertible Bond Index. The Thomson Reuters Global Focus Convertible Bond Index represents the global convertible asset class and is designed for investors wishing to track the global market. The Thomson Reuters Global Focus Convertible Bond Index is a sub-index of the Thomson Reuters Global Focus Convertible Bond Index. Any change to the benchmark index against which performance of the Fund is measured will be disclosed in the periodic reports of the Fund.

**7. Investment Manager and Distributor for the Fund**

The Investment Manager is Westwood Management Corp, a New York corporation formed in 1983, with its principal place of business located at 200 Crescent Court, Suite 1200, Dallas, Texas 75201. The Investment Manager provides investment advisory services to institutional clients, the Westwood Funds™ (US-registered mutual funds), other mutual funds and clients of Westwood Trust (Texas chartered Trust company and another subsidiary of Westwood Holdings Group, Inc.). The Investment Manager has the following registrations with the US Securities and Exchange Commission: Investment Adviser. The Investment Manager is a wholly-owned subsidiary of Westwood Holdings Group, Inc., a Delaware corporation listed on the New York Stock Exchange. As of June 30, 2014, Westwood Management Corp had approximately \$16.6 billion in assets under management.

The Investment Manager will discharge any investment management or marketing related expenses out of its own fee.

The Investment Manager makes investment decisions for the Fund and continuously reviews, supervises and administers the Fund's investment program. The Board supervises the Investment Manager and establishes policies that the Investment Manager must follow in its management activities.

With respect to its operation of the Fund, the Investment Manager is exempt from registration with the U.S. Commodity Futures Trading Commission ("CFTC") as a commodity pool operator ("CPO") pursuant to CFTC Regulation 4.13(a)(3). Therefore, unlike a registered CPO, the Investment Manager is not required to deliver a disclosure document and a certified annual report complying with CFTC regulations to Shareholders in the Fund.

CFTC Regulation 4.13(a)(3) exempts the Investment Manager from compliance with the requirements applicable to registered CPOs with respect to the Fund because, among other required elements, the Fund is operated pursuant to the following criteria: (1) Shares are exempt from registration under the 1933 Act, and such Shares are offered and sold without marketing to the public in the United States, (2) each participant in the Fund is an accredited investor as defined in Rule 501 of Regulation D under the 1933 Act, and (3) the Fund is not permitted to have commodity interest positions. For these purposes, commodity interest positions include futures contracts, commodity options (options on futures contracts and certain options on currencies and commodities), retail forex transactions and swaps.

Pursuant to the Investment Management Agreement dated 20 November 2014 between the Company and the Investment Manager, the Investment Manager has been appointed to provide investment management services to the Fund.

The Investment Management Agreement states that the appointment of the Investment Manager shall continue unless and until terminated by either part giving not less than 90 calendar days' notice. In certain circumstances set out in the Investment Management Agreement, either party may terminate the Investment Management Agreement upon the occurrence of certain events, such as the insolvency or liquidation of either party. The Investment Management Agreement contains certain indemnities in favour of the Investment Manager, which are restricted to exclude matters to the extent that they are attributable to the fraud, bad faith, negligence, wilful default or recklessness of the Investment Manager.

## **8. Investor Profile**

A typical investor in the Fund is an investor who wishes to allocate a portion of its total assets to investment in convertible bonds and convertible preference shares of worldwide issuers and who is seeking a portfolio which has a medium to long term horizon.

## **9. Issue of Shares**

The Initial Offer Period for Class I European Euro Accumulation Shares, Class F European Euro Accumulation Hedged Shares, Class F Great British Pounds Accumulation Hedged Shares, Class F US Dollars Accumulation Shares and Class F US Dollars Accumulation Hedged Shares, has now closed and accordingly, Class I European Euro Accumulation Shares, Class F European Euro Accumulation Hedged Shares, Class F Great British Pounds Accumulation Hedged Shares, Class F US Dollars Accumulation Shares and Class F US Dollars Accumulation Hedged Shares will be issued at the Net Asset Value per Share, plus any charges, as specified herein.

The continuing Initial Offer Period for the remaining Share Classes shall be the period ending at 5.30pm (Irish time) on 26 May 2017 unless such period is shortened or extended by the Directors and notified to the Central Bank.

The Class A Shares, Class F Shares, Class I Shares and Class X Shares will be offered at an initial offer price per Share of £1,000.00 for those Shares denominated in GBP, CHF1,000.00 for those Shares denominated in CHF, US\$1,000.00 for those Shares denominated in USD, and €1,000.00 for those Shares denominated in Euro.

After the close of the Initial Offer Period for a Class of Shares, Shares shall be issued at the Net Asset Value per Share on each Dealing Day provided that all applications for Shares must be received by the Dealing Deadline (as defined above) in the manner set out in the Prospectus. For further information, please see the section headed "Subscription" in this Prospectus.

All applications must be received by the Administrator no later than the Dealing Deadline on the relevant Dealing Day. Subscription requests may be submitted by fax to the Administrator (in Ireland). Applications should be made on the Application Form (and supporting documentation relating to money laundering prevention checks) and the originals must be sent promptly to the Administrator. Applications received after the Dealing Deadline will be held over to the next Dealing Day. No interest will be paid on early subscriptions.

The minimum initial subscription is US\$25,000 for Class A Shares, US\$20,000,000 for Class F Shares, US\$1,000,000 for Class I Shares and US\$50,000,000 for Class X Shares, or an equivalent amount in another currency. However, minimum initial subscriptions which do not meet the threshold may be accepted by the Board. No minimum will be applied for additional subscriptions for Class I Shares, Class X Shares, Class F Shares and Class A Shares. The price at which Shares will be issued on any particular Dealing Day will be the Subscription Price per Share calculated in the manner described under the Prospectus section headed "Valuation and Prices". The Company may issue fractional shares, expressed as two decimal place fractions of a Share. Application monies

representing smaller fractions of a Share will be retained by the Company.

Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager in relation to the collection of an investment management fee or similar fee arrangement, which is not payable from the Net Asset Value of the Fund.

No Subscription Fee shall be levied in respect of subscription for Class A Shares, Class F Shares, Class I Shares and Class X Shares.

## **10. Redemption of Shares**

Shares in the Fund may be redeemed on every Dealing Day at the Net Asset Value per Share of the relevant Class subject to the procedures, terms and conditions set out in the Prospectus under the section heading "Redemption". All requests for the redemption of Shares must be received by the Dealing Deadline (as defined above) in the manner set out in the Prospectus.

Redemption monies will normally be paid within 3 Business Days of the relevant Dealing Day for redemptions.

## **11. Fees and Expenses**

The following fees and expenses are payable out of the Fund. Details of how the fees and expenses are accrued and paid as well as details of other general management and fund charges are set out in the Prospectus under the heading "Fees and Expenses".

The Directors have imposed a voluntary cap on the fees and expenses payable in respect of each Class of Shares (the "**Cap**").

The Cap for the Class A Shares will be 1.50% per annum of the Net Asset Value of that Class, the Cap for the Class F Shares will be 0.65% per annum of the Net Asset Value of that Class, the Cap for the Class I Shares will be 0.85% per annum of the Net Asset Value of that Class and the Cap for the Class X Shares will be 0.25% per annum of the Net Asset Value of that Class.

The Cap for each Class will be reviewed on an annual basis by the Board. Any increase or removal of the Cap shall be notified to Shareholders of that Class in advance.

### **Net Total Operating Fees and Expenses**

#### **Investment Manager Fees**

Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager in relation to the collection of an investment management fee or similar fee arrangement, which is not payable from the Net Asset Value.

The Investment Manager will be paid a fee from the Company monthly in arrears at the following rates:

- (a) 1.25% per annum of the Net Asset Value of Class A Shares of the Fund on the Valuation Point accrued daily.
- (b) 0.40% per annum of the Net Asset Value of Class F Shares of the Fund on the Valuation Point accrued daily.
- (c) 0.60% per annum of the Net Asset Value of Class I Shares of the Fund on the Valuation Point accrued daily.

Reasonable out-of-pocket expenses incurred by the Investment Manager in the performance of its duties will be reimbursed by the Company as may be approved from time to time by the Directors.



## **Anti-Dilution Levy**

The Directors may in their sole discretion make an adjustment to the subscription and/or redemption price of Shares to reflect the fact that the actual cost of purchasing or selling assets may vary due to duties and charges being applied and spreads between the buying and selling price of assets which would otherwise have an adverse effect on the value of the Fund, known as "dilution". To mitigate the effects of dilution, the Directors may, at their discretion (at all times acting reasonably and in accordance with their fiduciary duties to the Fund), make a dilution adjustment of up to 3% to the subscription and / or redemption price of Shares on any Dealing Day where there have been net subscriptions / redemptions by adding / deducting therefrom such a figure as the Directors reasonably consider represents the dealing costs, duties, charges and spreads so as to preserve the value of the underlying assets of the Fund ("**ADL Fee**"). Such ADL Fee will be paid into the assets of the Fund.

## **Formation and Organisation Costs**

The formation expenses of the Fund will be approximately €15,000 and will be paid for from the assets of the Fund and amortised over the first five accounting periods or such shorter period as the Directors may determine.

### **12. Specific Risk Warnings:**

Persons interested in purchasing Shares in the Fund should read the section headed "Risk Warnings" in the main body of this Prospectus.

**The value of investments and income from them can go down as well as up (this may partly be the result of exchange rate fluctuations in investments which have an exposure to foreign currencies) and investors may not get back the full amount invested.**

**Performance may be strongly influenced by movements in FX rates due to the nature of the diverse global securities held. It is not the intention of the Fund to hold currency positions that do not correspond with the securities positions.**

## **Convertible Securities**

The Fund will invest in debt securities and preferred stocks which are convertible into, or carry the right to purchase, common stock or other equity securities. Convertible securities may be purchased where the Investment Manager believes that they have appreciation potential. The Investment Manager will assess income characteristics, liquidity, credit worthiness, volatility and equity value of a convertible security in determining whether it is a candidate for investment by the Fund. The manager utilizes quantitative tools and fundamental research to support this analysis. Generally speaking, the interest or dividend yield of a convertible security is somewhat less than that of a non-convertible security of similar quality issued by the same company.

## **Unrated and Below Investment-Grade Convertible Securities**

Below investment-grade securities sometimes called "junk bonds" are considered speculative. Issuers of bonds may select not to have an issue rated by an external agency. Unrated bonds may have the characteristics of either investment or sub-investment grade bonds. A lack of rating tends to adversely affect marketability. Unrated bonds may be secured on assets of the issuer. These securities have greater risk of default than higher rated securities.

The market value of below investment grade securities and unrated securities is more sensitive to individual corporate developments and economic changes than higher rated securities. The market for below investment-grade securities or unrated securities may be less active than for higher rated securities, which can adversely affect the price at which these securities may be sold. Less active markets may diminish the Fund's ability to obtain accurate market quotations when valuing the portfolio securities and calculating the Net Asset Value of the Fund. In addition, the Fund may incur

additional expenses if a holding defaults and the Fund has to seek recovery of its principal investment

### **Financial Derivative Instruments**

In the event that the Fund uses FDIs for efficient portfolio management, such use may increase the risk profile of the Fund.

Where the Fund uses FDIs for efficient portfolio management purposes, as more fully described in section 6 of the Prospectus, this may impact on the Fund's performance. However, FDIs are used to reduce the effects of any volatility in equity markets on the Fund and it is unlikely that the Fund's performance will be materially impacted as a result of their use. It is the Fund's policy to repay all direct and indirect operational costs and fees arising in the context of the use of FDIs for efficient portfolio management purposes into the Fund's assets. All revenues arising from efficient portfolio management techniques including direct and indirect operational costs, are returned into the assets of the Fund.

For further information in relation to the risks associated with the use of FDIs, please refer to the "Investment Risks" section of the Prospectus.

### **13. Listing**

The following Share Classes have been admitted to the official list and trading on the main securities market of the Irish Stock Exchange: Class I European Euro Accumulation Non-Hedged Shares, Class F USD Accumulation Non-Hedged Shares, Class F GBP Accumulation Hedged Shares, Class F USD Accumulation Hedged Shares and Class F EUR Accumulation Hedged Shares.

Application has been made to The Irish Stock Exchange for the remaining Share Classes, issued and available for issue, to be admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange. It is not expected that there will be a secondary market in the Shares of the Company.

## APPENDIX D - WESTWOOD ABSOLUTE RETURN GLOBAL CONVERTIBLES FUND

This Appendix contains specific information in relation to the **Westwood Absolute Return Global Convertibles Fund** (the "**Fund**"), a sub-fund of the Company which is an open ended umbrella self-managed investment company with variable capital incorporated with limited liability and segregated liability between Funds.

**This Appendix forms part of the Prospectus and should be read in the context of and together with the Prospectus including the general description of**

- **the Company and its management and administration;**
- **its general management and fund charges;**
- **the taxation of the Company and of its Shareholders; and**
- **its risk warnings**

**which is contained in the Prospectus dated 25 January 2017 for the Company and which is available from the office of the Administrator at the address set out in the Directory in Section 1 of the Prospectus. Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Appendix.**

**The Fund will invest principally in financial derivative instruments therefore prospective investors should ensure that, before investing, they understand the relevant risks and are satisfied that an investment is suitable.**

The Directors of the Company, whose names appear under the section headed "Management and Administration", accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus (as complemented, modified or supplemented) is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

Application was previously made to The Irish Stock Exchange for the Share Classes listed below in the Section entitled "Listing", however these Classes have not yet been admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange.

### 1. **Classes:**

Class A, Class I and Class X Accumulation Shares in the Fund are being offered. Share Classes are denominated as follows:

<b>Class</b>	<b>CCY</b>	<b>Income/ Accumulation</b>	<b>Hedged/ Non-Hedged</b>	<b>Minimum Initial Investment (subject to reduction at discretion of Directors)</b>
Class A	GBP	Accumulation	Hedged	US\$25,000
Class A	CHF	Accumulation	Hedged	US\$25,000
Class A	USD	Accumulation	Hedged	US\$25,000
Class A	EUR	Accumulation	Hedged	US\$25,000

Class I	GBP	Accumulation	Hedged	US\$1,000,000
Class I	CHF	Accumulation	Hedged	US\$1,000,000
Class I	USD	Accumulation	Hedged	US\$1,000,000
Class I	EUR	Accumulation	Hedged	US\$1,000,000
Class X	GBP	Accumulation	Hedged	US\$50,000,000
Class X	CHF	Accumulation	Hedged	US\$50,000,000
Class X	USD	Accumulation	Hedged	US\$50,000,000
Class X	EUR	Accumulation	Hedged	US\$50,000,000

The creation of further Share Classes must be notified to, and cleared, in advance with the Central Bank.

### Share Class Hedging

The Investment Manager will hedge the Shares of the Hedged Share Classes in relation to the reference currency of the Fund or in relation to the currencies in which the underlying assets of the Fund are denominated in order that investors in that Class receive a return in the currency of that Class substantially in line with the investment performance of the relevant Fund net of currency effects. Where undertaken, the effects of this hedging will be reflected in the Net Asset Value and, therefore, in the performance of the relevant Share Classes. As a result, currency hedging may impact on the Net Asset Value of one Share Class as compared to the Net Asset Value of a Share Class denominated in another currency.

As hedging may be utilised for the benefit of a particular Share Class, its cost and related liabilities and/or benefits shall be for the account of that Class only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share for shares of any such Class. While holding a hedged Share Class will protect investors in such Share Class from a decline in the value of a currency other than the Base Currency of the Fund, investors in such Share Class will not benefit when that other currency appreciates against the relevant Base Currency.

The Investment Manager will engage, for the exclusive account of such hedged Share Classes, in currency forward transactions in order to preserve the value of the currency against the Base Currency of the Fund (or against the currencies in which the underlying assets of the Sub-Fund are denominated where applicable).

The costs associated with hedged Share Class transactions (including transaction costs relating to the instruments and contracts used to implement the hedge) will be attributed to the specific Class and will be reflected in the Net Asset Value of that Class. Any currency exposure of this Class may not be combined with or offset against that of any other Class of the Fund. The currency exposures of the assets of a Fund will not be allocated to separate Classes.

Currency hedges will be set at least monthly or at any other time that the Investment Manager may deem appropriate. It is not possible to hedge fully or perfectly against market fluctuations and there is no assurance or guarantee that such hedging will be effective. No intentional leveraging should result from the hedged share class currency transactions of a Class, however hedging may for short periods result in a currency exposure in excess of the value of the hedged Share Class (following a significant redemption for example). Investors should note that a dilution adjustment may be charged on a hedged Share Class if the effect on the Net Asset Value as a result of Share Class hedging activities exceeds 5% of the Net Asset Value of the Fund or any other threshold determined

by the Board (having considered prevailing market conditions) of the issued Shares linked to that Fund.

A Class may not be leveraged as a result of the use of such hedging techniques and instruments; the value of the over-hedged positions may be up to but may not exceed 105% of the Net Asset Value attributable to the relevant Class. While it is not the intention of the Company to have over or under hedged positions, this may arise due to circumstances outside the Company's control. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level. Positions in excess of 100% will not be carried forward from month to month.

Investors should also note that the hedging of Share Classes by the Investment Manager is distinct from the strategies and techniques that may be adopted at the level of the portfolio of securities held within the Fund.

## **2. Dealing Days for Subscriptions and Redemptions:**

Every Business Day meaning a day on which banks in Ireland and the United States are open for normal banking business and in any other financial centre that the Directors may determine to be relevant for the operations of the Fund, and such additional Business Day or Business Days as the Directors may determine, and notify in advance to Shareholders.

## **3. Dealing Deadline and Valuation Point**

The Dealing Deadline shall be 14:00 (Irish time) on the Dealing Day or such other time as the Directors may determine and notify in advance to Shareholders provided always that the Dealing Deadline is not later than the Valuation Point. The Valuation Point will be US close of business 16:00 (Eastern Standard Time) on the Dealing Day.

## **4. Base Currency:**

The base currency of the Fund is US Dollars.

## **5. Dividends:**

There will be no dividend distributions in respect of any of the Share Classes in the Fund. Accordingly, income and capital gains arising in respect of all Share Classes will be re-invested in the Fund and reflected in the Net Asset Value per Share of these Classes.

## **6. Investment Objective and Policy:**

### *Investment Objective*

The objective of the Fund is to achieve long-term absolute (positive) returns.

### *Investment Policy*

The Fund adopts an absolute return strategy which aims to achieve a positive return under all market conditions by identifying mispricing opportunities largely in short-dated higher quality global convertible securities which are listed or traded on Recognised Exchanges. "Convertible security" refers to bonds of global, corporate and government issuers with a broad spectrum of ratings ranging from Aaa (Moody's, Fitch, S&P) through to non-rated paper and to preferred stock of global issuers that can be exchanged into shares of a company's common stock, which may include listed securities in real estate investment trusts ("**REITs**") which are structured as corporations.

The Investment Manager seeks to extract value from the global convertible market through active security selection, identifying securities that are undervalued with supportive yields and adequate liquidity. The Investment Manager will hedge many of the risks inherent in convertible investing, so that the only remaining risks related to the portfolio management ie, the investment decision making of the Investment Manager itself. This hedging may include, but is not limited to, equity, credit,

interest rate, volatility and currency risks. The Investment Manager is not required to attempt to hedge portfolio positions in the Fund and in certain circumstances, the Investment Manager may not hedge the currencies in which the underlying assets of the Fund are denominated. In these circumstances, the value of the underlying assets, which may be designated in any currency, may rise and fall due to exchange rate fluctuations in respect of the relevant currencies against the Base Currency.

The Investment Manager will assess income characteristics, liquidity, credit worthiness, volatility and equity value of a convertible security in determining whether it is likely undervalued and therefore a candidate for investment by the Fund. The Investment Manager utilizes quantitative modelling tools and fundamental company research and financial statement analysis to support this determination.

The Fund will invest in a diversified portfolio of convertible bonds and preference shares directly or through the use of financial derivative instruments. The Fund will predominantly hold long positions, up to 100% of the Net Asset Value of the Fund, in convertible bonds, it may also hold corresponding short positions, typically up to 25% of the Net Asset Value of the Fund, in the underlying equity securities. The Fund may also hold long positions in equity securities and corresponding short positions in the related convertible securities. All short positions only be synthetically taken by the Fund will be solely through FDI and will be limited to circumstances where the Fund has a corresponding long position. The strategy is characterized as market neutral as the Fund takes both long and short positions on a global scale and exploits pricing inefficiencies to achieve this objective.

The price of convertible securities is intrinsically related to the underlying stock, the Fund may be influenced by stock factors and bond factors. It should be noted that convertible bonds are exposed to a number of risk factors, primarily equity risk and credit risk, but also other risk factors such as interest rate risk, volatility risk and currency risk.

For temporary defensive purposes, the Fund may invest up to 50% of its assets in cash or cash equivalent instruments such as short-term government obligations and fixed income government bonds with a minimum rating of Aa+ (Moody's, Fitch, S&P). The Investment Manager uses its discretion as to when to invest in these asset classes, based on conditions in equity markets and will do so with the aim of reducing the effects of the volatility of equity markets on the Fund's portfolio and preserving the capital of the Fund. **The Fund may invest substantially in deposits in credit institutions. An investment in the Fund is not in the nature of a deposit in a bank account and is not protected by any government, government agency or other guarantee scheme which may be available to the holder of a bank deposit account. The value of Shares may go down or up and investors may not get back the amount invested.**

The Fund may also invest up to 10% of the Net Asset Value in CIS such as money market funds for temporary defensive purposes or ETFs to gain market exposure in limited circumstances where it is impractical to get the desired exposure through investment in individual securities. No investment will be made in another Fund of the Company.

**As the Fund may hold below investment-grade and unrated convertible securities, an investment in the Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

The Investment Manager will consider "unwinding" a hedged position (e.g. selling a convertible security and closing the related synthetic short position in common stock), when it believes the convertible security no longer meets the valuation criteria relative to the Investment Manager's expectations. The Fund may also dispose of a position due to changes in the fundamentals of the underlying company, unfavorable changes to the structure of a convertible security or underlying company or when it determines that portfolio positions are not likely to meet expectations regarding their value.

In addition, the Fund may, in order to address the following scenarios, invest up to 30% of its assets in shares and equity securities in global corporations and REITs listed or traded on Recognised Exchanges and in fixed income non-convertible corporate bonds with a broad spectrum of ratings ranging from Aaa (Moody's, Fitch, S&P) through to non-rated paper:

- (i) where a holding in a convertible bond converts into shares of the underlying equity. When this occurs, the Fund may hold the shares for a period of time before disposing of them;
- (ii) where, as part of the hedging strategy, the Fund may, from time to time, find that convertible securities are expensive relative to the underlying equity and accordingly, may establish a short position via a contracts for difference ("**CFD**") or total return swaps ("**TRS**") (together "**Securities Financing Transactions**") in the convertible bond and hedge this with a long position in the equity. Subject to an upper limit of 60% of the Net Asset Value of the Fund, it is expected that 40% of the Net Asset Value of the Fund will be subject to Securities Financing Transactions.
- (iii) where the ability to generate yield via the convertible market is diminished to such a degree that the Investment Manager would supplement the yield of the Fund through purchase of corporate bonds.

To achieve the investment objective, the Investment Manager may use FDI such as futures, options, swaps, forwards, CFD, TRS and credit and interest rate derivatives, each of which may be traded either through Recognised Exchanges or via the over-the-counter market. The Investment Manager may also engage in currency forward transactions for hedging purposes and for efficient portfolio management within the limits set forth in the section headed "Efficient Portfolio Management" in this Prospectus and in accordance with the Central Bank's requirements.

Details of the FDI are set out in the table below.

Derivative	Description	Specific Use	Where used for hedging purposes: risk being hedged	EPM?	How FDI will help achieve investment objectives?
Equity Futures (including equity index)	Contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange.	Single equity futures are used to manage the Fund's exposure to equity market risk. Equity indices provide hedging benefits and are used to manage the correlation between convertible bond and equity markets and protect portfolio value.	Market Risk	Yes	Capital protection purposes which helps the Fund achieve its objective of generating positive returns in all market phases.
Interest Rate Futures	Contracts between the buyer and seller agreeing to the future delivery of any interest-bearing asset.	To hedge certain risks of investment positions	Market Risk Interest Rate Risk	Yes	Manages the Fund's exposure to interest rate fluctuations, hedge interest risk or take a directional

	The interest rate future allows the buyer and seller to lock in the price of the interest-bearing asset for a future date.				view on interest rates which helps the Fund achieve its objective of generating positive returns in all market phases
Credit Default Swap (CDS) (including equity index)	<p>Agreements between two counterparties in which the cash flows from two assets are exchanged as they are received for a fixed time period, with the terms initially set so that the present value of the swap is zero.</p> <p>Credit default swaps involve arrangements where the “buyer” in a credit default contract is obligated to pay the “seller” a stream of payments over the term of the contract provided that no event of default on an underlying reference asset has occurred.</p>	To hedge certain risks of investment positions	Market Risk Credit Risk	Yes	Manages the Fund's exposure to credit markets (hedge credit risk or take a directional view on the credit market) which helps the Fund achieve its objective of generating positive returns in all market phases.
Forward Currency Contracts	A binding contract in the foreign exchange market that locks in the exchange rate for the purchase or sale of a currency on a future date	To hedge certain risks of investment positions	Currency	Yes	Hedge foreign currency exposure and prevent NAV fluctuations caused by currency movements) which helps the Fund achieve its objective of generating positive returns in all market phases.
Bond Options	A contract which gives the contract buyer the right, but not the obligation, to exercise a feature of the option, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date).	To hedge certain risks of investment positions	Market risk Credit Risk	Yes	Manages the Fund's exposure to bond fluctuations, hedge credit risk or take a directional view on credit markets which helps the Fund achieve its objective of generating positive returns in all market phases.
Total Return Swaps ("TRS")	A swap agreement in which one party makes payments based on a set rate,	The TRS utilized by the Fund will generally	Market risk Credit Risk	Yes	Provides for the ability to arbitrage mispricing of convertible securities



	either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains.	consist of a long position in a convertible security and a short position in the related common stock.			relative to their underlying equity
Contracts for Difference (CFDs)	Swap arrangements made in a contract whereby differences in settlement are made through cash payments, rather than the delivery of physical goods or securities.	To hedge certain risks of investment positions.	Market Risk	Yes, where used to reduce cost to gain exposure	Replicate a bond return profile, where it is more favourable to do so via a CFD, which helps the Fund achieve its objective of generating positive returns in all market phases.
Equity Options and Swaps (including equity index)	Equity Options are contracts which give the contract buyer the right, but not the obligation, to either buy or sell a specified amount of an underlying security at a specified price within a specified time.  Equity Swaps are swap arrangements where a set of future cash flows are agreed to be exchanged between two counterparties at set dates in the future	Single equity options and/or swaps are used to manage the Fund's exposure to equity market risk. Equity indices provide hedging benefits and are used to manage the correlation between convertible bond and equity markets and protect portfolio value	Market risk Credit Risk	Yes	Primarily for capital protection purposes which help the Fund achieve its objective of generating positive returns in all market phases. Additionally, to generate income
Interest Rate Options	A contract which gives the contract buyer the right, but not the obligation, to exercise a feature of the option, such as buying a specified quantity of a particular product, asset or financial instrument, on, or up to and including, a future date (the exercise date). The particular date	To hedge certain risks of investment positions	Market risk Interest Rate Risk Credit Risk	Yes	Manages the Fund's exposure to interest rate fluctuations, hedge interest risk or take a directional view on interest rates which helps the Fund achieve its objective of generating positive returns in all market phases.

	depends on the future level of interest rates				
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The Fund will only invest in warrants to gain access to equities exposure in limited circumstances where it is appropriate to do so.

While the investment in FDI will result in varying amounts of leverage from day-to-day, the leverage generated through the use of FDIs will typically range between 200% and 300% of the Net Asset Value of the Fund on a long or short basis, and in any case shall not exceed 600% of the Net Asset Value of the Fund, as calculated based on the notional value of the FDI positions held. The Fund utilizes FDIs in such manner in order to generate absolute returns. However, the use of leverage through FDIs can magnify losses incurred by the Fund than if the Fund were not so leveraged, particularly in periods of abnormal and adverse market conditions. Accordingly, investors in the Fund can lose a substantial portion of their investment in such cases.

The Fund will calculate global exposure using the value at risk ("**VaR**") approach. VaR is used to assess the Fund's market risk volatility with the goal of ensuring that the "leverage effect" of utilizing FDIs is not significant enough to cause disproportionate losses to the Fund's total value.

The Fund will use the absolute VaR model whereby VaR shall not exceed 20% of the Net Asset Value of the Fund. The calculation of the absolute VaR should be carried out in accordance with the following parameters:

- (i) one-tailed confidence interval of 99%;
- (ii) 20 business day holding period;
- (iii) effective observation period (history) of risk factors of at least 1 year (250 business days) unless a shorter observation period is justified by a significant increase in price volatility (for instance extreme market conditions);
- (iv) quarterly data set updates, or more frequent when market prices are subject to material changes; and
- (v) at least daily calculation

## 7. **Investment Manager and Distributor for the Fund**

The Investment Manager is Westwood Management Corp., a New York corporation formed in 1983, with its principal place of business located at 200 Crescent Court, Suite 1200, Dallas, Texas 75201. The Investment Manager provides investment advisory services to institutional clients, the Westwood Funds™ (US-registered mutual funds), other mutual funds and clients of Westwood Trust (Texas chartered Trust company and another subsidiary of Westwood Holdings Group, Inc.). The Investment Manager has the following registrations with the US Securities and Exchange Commission: Investment Adviser. The Investment Manager is a wholly-owned subsidiary of Westwood Holdings Group, Inc., a Delaware corporation listed on the New York Stock Exchange. As of June 30, 2014, Westwood Management Corp had approximately \$16.6 billion in assets under management

The Investment Manager will discharge any investment management or marketing related expenses out of its own fee.

The Investment Manager makes investment decisions for the Fund and continuously reviews, supervises and administers the Fund's investment program. The Board supervises the Investment Manager and establishes policies that the Investment Manager must follow in its management activities.

With respect to its operation of the Fund, the Investment Manager is exempt from registration with the U.S. Commodity Futures Trading Commission (“**CFTC**”) as a commodity pool operator (“**CPO**”) pursuant to CFTC Regulation 4.13(a)(3). Therefore, unlike a registered CPO, the Investment Manager is not required to deliver a disclosure document and a certified annual report complying with CFTC regulations to Shareholders in the Fund.

CFTC Regulation 4.13(a)(3) exempts the Investment Manager from compliance with the requirements applicable to registered CPOs with respect to the Fund because, among other required elements, the Fund is operated pursuant to the following criteria: (1) Shares are exempt from registration under the 1933 Act, and such Shares are offered and sold without marketing to the public in the United States, (2) each participant in the Fund is an accredited investor as defined in Rule 501 of Regulation D under the 1933 Act, and (3) the Fund is not permitted to have commodity interest positions. For these purposes, commodity interest positions include futures contracts, commodity options (options on futures contracts and certain options on currencies and commodities), retail forex transactions and swaps.

Pursuant to the Investment Management Agreement dated 20 November 2014 between the Company and the Investment Manager, the Investment Manager has been appointed to provide investment management services to the Fund.

The Investment Management Agreement states that the appointment of the Investment Manager shall continue unless and until terminated by either part giving not less than 90 calendar days' notice. In certain circumstances set out in the Investment Management Agreement, either party may terminate the Investment Management Agreement upon the occurrence of certain events, such as the insolvency or liquidation of either party. The Investment Management Agreement contains certain indemnities in favour of the Investment Manager, which are restricted to exclude matters to the extent that they are attributable to the fraud, bad faith, negligence, wilful default or recklessness of the Investment Manager.

#### **8. Investor Profile**

A typical investor in the Fund is an investor who wishes to allocate a portion of its total assets to investment in convertible bonds and convertible preference shares of worldwide issuers and who is seeking a portfolio which has a medium to long term horizon.

#### **9. Issue of Shares:**

The continuing Initial Offer Period for all Classes of Shares shall be the period ending at 5.30pm (Irish time) on 26 May 2017 unless such period is shortened or extended by the Directors and notified to the Central Bank.

The Class A, Class I and Class X Shares will be offered at an initial offer price per Share of £1,000.00 for those Shares denominated in GBP, CHF1,000.00 for those Shares denominated in CHF, US\$1,000.00 for those Shares denominated in USD, and €1,000.00 for those Shares denominated in Euro.

After the close of the Initial Offer Period for a Class of Shares, Shares shall be issued at the Net Asset Value per Share on each Dealing Day provided that all applications for Shares must be received by the Dealing Deadline (as defined above) in the manner set out in the Prospectus. For further information, please see the section headed “Subscription” in this Prospectus.

All applications must be received by the Administrator no later than the Dealing Deadline on the relevant Dealing Day. Subscription requests may be submitted by fax to the Administrator (in Ireland). Applications should be made on the Application Form (and supporting documentation relating to money laundering prevention checks) and the originals must be sent promptly to the Administrator. Applications received after the Dealing Deadline will be held over to the next Dealing Day. No interest will be paid on early subscriptions.

The minimum initial subscription is US\$1,000,000 for Class I Shares, US\$50,000,000 for Class X

Shares and US\$25,000 for Class A Shares or an equivalent amount in another currency. However, minimum initial subscriptions which do not meet the threshold may be accepted by the Board. No minimum will be applied for additional subscriptions for Class I Shares, Class X Shares and Class A Shares. The price at which Shares will be issued on any particular Dealing Day will be the Subscription Price per Share calculated in the manner described under the Prospectus section headed "Valuation and Prices". The Company may issue fractional shares, expressed as two decimal place fractions of a Share. Application monies representing smaller fractions of a Share will be retained by the Company.

Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager in relation to the collection of an investment management fee or similar fee arrangement, which is not payable from the Net Asset Value of the Fund.

No Subscription Fee shall be levied in respect of subscription for Class I Shares, Class X Shares and Class A Shares.

#### **10. Redemption of Shares**

Shares in the Fund may be redeemed on every Dealing Day at the Net Asset Value per Share of the relevant Class subject to the procedures, terms and conditions set out in the Prospectus under the section heading "Redemption". All requests for the redemption of Shares must be received by the Dealing Deadline (as defined above) in the manner set out in the Prospectus.

Redemption monies will normally be paid within 3 Business Days of the relevant Dealing Day for redemptions.

#### **11. Fees and Expenses**

The following fees and expenses are payable out of the Fund. Details of how the fees and expenses are accrued and paid as well as details of other general management and fund charges are set out in the Prospectus under the heading "Fees and Expenses".

The Directors have imposed a voluntary cap on the fees and expenses payable in respect of each Class of Shares (the "**Cap**"). The Cap will not include the Performance Fee (as defined below) which will be charged separately to the relevant Class. The Cap for the Class I Shares will be 1.05% per annum of the Net Asset Value of that Class, the Cap for the Class X Shares will be 0.30% per annum of the Net Asset Value of that Class and the Cap for the Class A Shares will be 1.80% per annum of the Net Asset Value of that Class. The Cap for each Class will be reviewed on an annual basis by the Board. Any increase or removal of the Cap shall be notified to Shareholders of that Class in advance.

#### **Net Total Operating Fees and Expenses**

##### **Investment Manager Fees**

Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager in relation to the collection of an investment management fee or similar fee arrangement, which is not payable from the Net Asset Value.

The Investment Manager will be paid a fee from the Company monthly in arrears at the rate of 0.75% per annum of the Net Asset Value of Class I Shares of the Fund on the Valuation Point accrued daily. The Investment Manager will be paid a fee from the Company monthly in arrears at the rate of 1.50% per annum of the Net Asset Value of Class A Shares of the Fund on the Valuation Point accrued daily.

Reasonable out-of-pocket expenses incurred by the Investment Manager in the performance of its duties will be reimbursed by the Company as may be approved from time to time by the Directors.

##### **Performance Fees**

In addition to the above investment management fee, the Investment Manager will be entitled to receive a performance fee in respect of each Share Class, calculated as set out below (the "**Performance Fee**").

The Performance Fee will accrue at each Valuation Point and will be payable quarterly in arrears, calculated by the Administrator and verified by the Depositary as at the last Business Day in the three month periods ending on 31 March, 30 June, 30 September and 31 December in each year (each a "**Calculation Date**"). The first Calculation Date for the Shares will be 31 December 2014, which will be for a shorter period commencing on the Business Day immediately following the end of the Initial Offer Period and ending 31 December 2014. The Initial Offer Price will be taken as the starting price of the first Calculation Period.

For the purposes of calculating the Performance Fee, a performance period shall generally commence on the Business Day following the immediately preceding Calculation Date and end on the Calculation Date as at which the performance fee is to be calculated.

The Performance Fee is normally payable to the Investment Manager in arrears within 14 calendar days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 14 calendar days after the date of redemption.

The Performance Fee for all Share Classes is calculated on a Share-by-Share basis so that each such Share is charged a Performance Fee, which equates precisely with that Share's performance. This method of calculation ensures that (i) any Performance Fee paid to the Investment Manager is charged only to those Shares which have appreciated in value, (ii) all holders of Shares of the same Class have the same amount of capital per Share at risk in the Fund, and (iii) all Shares of the same Class have the same Net Asset Value per Share.

For each Calculation Period, the Performance Fee in respect of the Share Classes will be equal to 10% of the appreciation in the Net Asset Value per Share of each such Class respectively during that calculation period above the Peak Net Asset Value per Share of that Class (as defined below). No performance fee is accrued/paid until the net asset value per share exceeds the previous Peak Net Asset Value per Share on which the performance fee was paid/accrued (or the initial offer price if higher).

The Peak Net Asset Value per Share ("**Peak Net Asset Value per Share**") is the greater of (i) the Initial Offer Price and (ii) the highest Net Asset Value per Share of the relevant Class in effect immediately after the end of the previous calculation period in respect of which a Performance Fee (other than a Performance Fee Redemption, as defined below) was charged. The Performance Fee in respect of each Calculation Period will be calculated by reference to the Net Asset Value before deduction for any accrued Performance Fee.

#### *Adjustments*

If an investor subscribes for the Share Classes at a time when the Net Asset Value per Share of the relevant Class is other than the Peak Net Asset Value per Share of that Class, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber.

If such Shares are subscribed for at a time when the Net Asset Value per Share is less than the Peak Net Asset Value per Share of the relevant Class, the investor will be required to pay an adjustment allocation with respect to any subsequent appreciation in the value of those Shares. With respect to any appreciation in the value of those Shares from the Net Asset Value per Share at the date of subscription up to the Peak Net Asset Value per Share, the adjustment allocation will be charged at the end of each calculation period by redeeming at par value such number of the investor's Shares of the relevant Share Classes as have an aggregate Net Asset Value (after accrual for any Performance Fee) equal to 10% of any such appreciation (a "**Performance Fee Redemption**"). An amount equal to the aggregate Net Asset Value of the Shares so redeemed will be paid to the Investment Manager as a Performance Fee.

The Fund will not be required to pay to the investor the redemption proceeds of the relevant Shares, being the aggregate par value thereof. Performance Fee Redemptions are employed to ensure that the Fund maintains a uniform Net Asset Value per Share of each Class. As regards the investor's remaining Shares of that Class, any appreciation in the Net Asset Value per Share of those Shares above the Peak Net Asset Value per Share of that Class will be charged a Performance Fee in the normal manner described above.

If such Shares are subscribed for at a time when the Net Asset Value per Share is greater than the Peak Net Asset Value per Share of the relevant Class, the investor will be required to pay an amount in excess of the then current Net Asset Value per Share of that Class equal to 10% between the then current Net Asset Value per Share of that Class (before accrual for the Performance Fee) and the Peak Net Asset Value per Share of that Class (an "**Equalisation Credit**"). At the date of subscription the Equalisation Credit will equal the Performance Fee per Share accrued with respect to the other Shares of the same Class in the Fund (the "**Maximum Equalisation Credit**"). The Equalisation Credit is payable to account for the fact that the Net Asset Value per Share of that Class has been reduced to reflect an accrued Performance Fee to be borne by existing Shareholders of the same Class and serves as a credit against Performance Fees that might otherwise be payable by the Fund but that should not, in equity, be charged against the Shareholder making the subscription because, as to such Shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of Shares of the same Class have the same amount of capital at risk per Share.

The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the relevant Class subsequent to the issue of the relevant Shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any Valuation Day in the Net Asset Value per Share of those Shares, the Equalisation Credit will also be reduced by an amount equal to 10% of the difference between the Net Asset Value per Share of the relevant Class (before accrual for the Performance Fee) at the date of issue and as at that Valuation Day. Any subsequent appreciation in the Net Asset Value per Share of the relevant Class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit.

At the end of each Calculation Period, if the Net Asset Value per relevant Class Share (before accrual for the Performance Fee) exceeds the prior Peak Net Asset Value per Share of the relevant Class, that portion of the Equalisation Credit equal to 10% of the excess for the Class, multiplied by the number of Shares of that Class subscribed for by the Shareholder, will be applied to subscribe for additional Shares of that Class for the Shareholder. Additional Shares of that Class will continue to be so subscribed for at the end of each Calculation Period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for Shares of that Class was made, has been fully applied. If the Shareholder redeems his Shares of the relevant Class before the Equalisation Credit (as adjusted for depreciation and appreciation as described above) has been fully applied, the Shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of Shares of that Class being redeemed and the denominator of which is the number of Shares of that Class held by the Shareholder immediately prior to the redemption in respect of which an Equalisation Credit was paid on subscription.

The Performance Fee is based on net realised and net unrealised gains and losses as at the end of each calculation period. As a result, Performance Fees may be paid on unrealised gains which may subsequently never be realised.

### **Anti-Dilution Levy**

The Directors may in their sole discretion make an adjustment to the subscription and/or redemption price of Shares to reflect the fact that the actual cost of purchasing or selling assets may vary due to duties and charges being applied and spreads between the buying and selling price of assets which would otherwise have an adverse effect on the value of the Fund, known as "dilution". To mitigate the effects of dilution, the Directors may, at their discretion (at all times acting reasonably and in accordance with their fiduciary duties to the Fund), make a dilution adjustment of up to 3% to the subscription and / or redemption price of Shares on any Dealing Day where there have been net

subscriptions / redemptions by adding / deducting therefrom such a figure as the Directors reasonably consider represents the dealing costs, duties, charges and spreads so as to preserve the value of the underlying assets of the Fund ("**ADL Fee**"). Such ADL Fee will be paid into the assets of the Fund.

### **Formation and Organisation Costs**

The formation expenses of the Fund will be approximately €15,000 and will be paid for from the assets of the Fund and amortised over the first five accounting periods or such shorter period as the Directors may determine.

### **12. Specific Risk Warnings:**

Persons interested in purchasing Shares in the Fund should read the section headed "Risk Warnings" in the main body of this Prospectus.

**The value of investments and income from them can go down as well as up (this may partly be the result of exchange rate fluctuations in investments which have an exposure to foreign currencies) and investors may not get back the full amount invested.**

**Performance may be strongly influenced by movements in FX rates due to the nature of the diverse global securities held. It is not the intention of the Fund to hold currency positions that do not correspond with the securities positions.**

### **Convertible Securities**

The Fund will invest in debt securities and preferred stocks which are convertible into, or carry the right to purchase, common stock or other equity securities. Convertible securities may be purchased where the Investment Manager believes that they have appreciation potential. The Investment Manager will assess income characteristics, liquidity, credit worthiness, volatility and equity value of a convertible security in determining whether it is a candidate for investment by the Fund. The manager utilizes quantitative tools and fundamental research to support this analysis. Generally speaking, the interest or dividend yield of a convertible security is somewhat less than that of a non-convertible security of similar quality issued by the same company.

### **Unrated and Below Investment-Grade Convertible Securities**

Below investment-grade securities sometimes called "junk bonds" are considered speculative. Issuers of bonds may select not to have an issue rated by an external agency. Unrated bonds may have the characteristics of either investment or sub-investment grade bonds. A lack of rating tends to adversely affect marketability. Unrated bonds may be secured on assets of the issuer. These securities have greater risk of default than higher rated securities.

The market value of below investment grade securities and unrated securities is more sensitive to individual corporate developments and economic changes than higher rated securities. The market for below investment-grade securities or unrated securities may be less active than for higher rated securities, which can adversely affect the price at which these securities may be sold. Less active markets may diminish the Fund's ability to obtain accurate market quotations when valuing the portfolio securities and calculating the Net Asset Value of the Fund. In addition, the Fund may incur additional expenses if a holding defaults and the Fund has to seek recovery of its principal investment.

### **Financial Derivative Instruments**

In the event that the Fund uses FDIs for efficient portfolio management or investment purposes, such use may increase the risk profile of the Fund.

The Fund may be leveraged as a result of its use of FDIs, however, any such leverage will not exceed 600% of the Net Asset Value of the Fund at any time, as calculated based on the notional

value of the FDI positions held. The prices of derivative instruments are highly volatile. As a result, the Net Asset Value of the Fund is likely to have a high volatility.

Where the Fund uses FDIs for efficient portfolio management purposes, as more fully described in section 6 of the Prospectus, this may impact on the Fund's performance. However, FDIs are used to reduce the effects of any volatility in equity markets on the Fund and it is unlikely that the Fund's performance will be materially impacted as a result of their use. It is the Fund's policy to repay all direct and indirect operational costs and fees arising in the context of the use of FDIs for efficient portfolio management purposes into the Fund's assets. All revenues arising from efficient portfolio management techniques, including direct and indirect operational costs, are returned into the assets of the Fund.

For further information in relation to the risks associated with the use of FDIs, please refer to the "Investment Risks" section of the Prospectus.

### **Undervalued Securities**

One of the key objectives of the Fund is to identify and invest in undervalued securities ("mispriced securities"). The identification of investment opportunities in mispriced securities is a difficult task, and there can be no assurance that such opportunities will be successfully recognised. While purchases of undervalued securities offer opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Fund's investments may not adequately compensate for the business and financial risks assumed. The Fund may make certain speculative investments in securities which the Investment Manager believes to be mispriced; however, there can be no assurance that the securities purchased will in fact be mispriced. In addition, the Fund may be required to maintain positions in such securities for a substantial period of time before realising their anticipated value. During this period, a portion of the Fund's capital may be committed to the securities, thus possibly preventing the Fund from investing in other opportunities. In addition, the Fund may finance any such purchases with borrowed funds and thus will have to pay interest on such funds during such waiting period.

### **13. Listing**

Application has been made to The Irish Stock Exchange for the Class I Great Britain Pounds Accumulation Shares (Currency Hedged Share Class), Class I Swiss Francs Accumulation Shares (Currency Hedged Share Class), Class I US Dollars Accumulation Shares (Currency Hedged Share Class), Class I European Euro Accumulation Shares (Currency Hedged Share Class), Class X Great Britain Pounds Accumulation Shares (Currency Hedged Share Class), Class X Swiss Francs Accumulation Shares (Currency Hedged Share Class), Class X US Dollars Accumulation Shares (Currency Hedged Share Class), Class X European Euro Accumulation Shares (Currency Hedged Share Class), Class A Great British Pound Accumulation Shares (Currency Hedged Share Class), Class A Swiss Francs Accumulation Shares (Currency Hedged Share Class), Class A US Dollars Accumulation Shares (Currency Hedged Share Class), and Class A European Euro Accumulation Shares (Currency Hedged Share Class) issued and available for issue, to be admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange. It is not expected that there will be a secondary market in the Shares of the Company.



## APPENDIX E – WESTWOOD EMERGING MARKETS PLUS FUND

This Appendix contains specific information in relation to the Westwood Emerging Markets Plus Fund (the "**Fund**"), a sub-fund of the Company which is an open ended umbrella self-managed investment company with variable capital incorporated with limited liability and segregated liability between Funds.

**This Appendix forms part of the Prospectus and should be read in the context of and together with the Prospectus including the general description of**

- **the Company and its management and administration;**
- **its general management and fund charges;**
- **the taxation of the Company and of its Shareholders; and**
- **its risk warnings**

**which is contained in the Prospectus dated 25 January 2017 for the Company and which is available from the office of the Administrator at the address set out in the List of Parties and Addresses in Section 1 of the Prospectus. Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Appendix.**

The Directors of the Company, whose names appear under the section headed "Management and Administration", accept responsibility for the information contained in this Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Prospectus (as complemented, modified or supplemented) is in accordance with the facts and does not omit anything likely to affect the importance of such information. The Directors accept responsibility accordingly.

Application has been made to The Irish Stock Exchange for the Class X Canadian Dollars Accumulation Shares to be admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange. The Class X Canadian Dollars Accumulation Shares listed on 28 May 2015.

Application was previously made to The Irish Stock Exchange for the remaining Share Classes listed below in the Section entitled "Listing", however these Classes have not yet been admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange.

### **1. Classes:**

Class I and Class X Shares in the Fund are being offered. Share Classes are denominated as follows:

<b>Class</b>	<b>CCY</b>	<b>Income/Accumulation</b>	<b>Hedged/Non-Hedged</b>	<b>Minimum Initial Investment (subject to reduction at discretion of Directors)</b>
Class I	GBP	Accumulation	Non-Hedged	US\$10,000,000
Class I	GBP	Income	Non-Hedged	US\$10,000,000
Class I	CAD	Accumulation	Hedged	US\$10,000,000
Class I	CAD	Income	Hedged	US\$10,000,000
Class I	CAD	Accumulation	Non-Hedged	US\$10,000,000
Class I	CAD	Income	Non-Hedged	US\$10,000,000
Class I	USD	Accumulation	Hedged	US\$10,000,000
Class I	USD	Income	Hedged	US\$10,000,000
Class I	USD	Accumulation	Non-Hedged	US\$10,000,000
Class I	USD	Income	Non-Hedged	US\$10,000,000
Class I	EUR	Accumulation	Hedged	US\$10,000,000
Class I	EUR	Income	Hedged	US\$10,000,000
Class I	EUR	Accumulation	Non-Hedged	US\$10,000,000
Class I	EUR	Income	Non-Hedged	US\$10,000,000
Class X	GBP	Accumulation	Non-Hedged	US\$50,000,000
Class X	GBP	Income	Non-Hedged	US\$50,000,000
Class X	CAD	Accumulation	Hedged	US\$50,000,000
Class X	CAD	Income	Hedged	US\$50,000,000
Class X	CAD	Accumulation	Non-Hedged	US\$50,000,000
Class X	CAD	Income	Non-Hedged	US\$50,000,000
Class X	USD	Accumulation	Hedged	US\$50,000,000
Class X	USD	Income	Hedged	US\$50,000,000
Class X	USD	Accumulation	Non-Hedged	US\$50,000,000
Class X	USD	Income	Non-Hedged	US\$50,000,000
Class X	EUR	Accumulation	Hedged	US\$50,000,000
Class X	EUR	Income	Hedged	US\$50,000,000

Class X	EUR	Accumulation	Non-Hedged	US\$50,000,000
Class X	EUR	Income	Non-Hedged	US\$50,000,000

The Investment Manager may hedge the foreign currency exposure of Classes denominated in a currency other than the Base Currency of a Fund in order that investors in that Class receive a return in the currency of that Class substantially in line with the investment performance of the relevant Fund. As foreign exchange hedging may be utilised for the benefit of a particular Class, its cost and related liabilities and/or benefits shall be for the account of that Class only. Accordingly, such costs and related liabilities and/or benefits will be reflected in the Net Asset Value per Share for shares of any such Class. While holding a hedged Share Class will protect investors in such Share Class from a decline in the value of a currency other than the Base Currency of the Fund, investors in such Share Class will not benefit when that other currency appreciates against the relevant Base Currency. The Investment Manager shall limit hedging to the extent of the particular Share Class' currency exposure. Foreign exchange hedging shall not be used for speculative purposes.

The Investment Advisers will utilise various techniques to hedge the Share Class currency exposures including financial swaps and/or forward currency exchange contracts deemed appropriate in its discretion but which are within the limits laid down by the Central Bank.

The costs associated with hedged Share Class transactions (including transaction costs relating to the instruments and contracts used to implement the hedge) will be attributed to the specific Class and will be reflected in the Net Asset Value of that Class.

Currency Hedges will be set at least monthly or at any other time that the Investment Manager may deem appropriate. It is not possible to hedge fully or perfectly against market fluctuations and there is no assurance or guarantee that such hedging will be effective. No intentional leveraging should result from the hedged share class currency transactions of a Class, however hedging may for short periods result in a currency exposure in excess of the value of the hedged Share Class (following a significant redemption for example). Investors should note that a dilution adjustment may be charged on a hedged Share Class if the effect on the Net Asset Value as a result of Share Class hedging activities exceeds 5% of the Net Asset Value of the Fund or any other threshold determined by the Board (having considered prevailing market conditions) of the issued Shares linked to that Fund.

Investors should also note that the hedging of Share Classes by the Investment Manager is distinct from the strategies and techniques that may be adopted at the level of the portfolio of securities held within the Fund.

The creation of further Share Classes must be notified to, and cleared, in advance with the Central Bank.

## **2. Dealing Days for Subscriptions and Redemptions:**

Every Business Day meaning a day on which banks in Ireland, United Kingdom, Canada and the United States are open for normal banking business and in any other financial centre that the Directors may determine to be relevant for the operations of the Fund, and such additional Business Day or Business Days as the Directors may determine, and notify in advance to Shareholders.

## **3. Dealing Deadline and Valuation Point**

The Dealing Deadline shall be 14:00 (Irish time) on the Dealing Day or such other time as the Directors may determine and notify in advance to Shareholders provided always that the Dealing Deadline is not later than the Valuation Point. The Valuation Point will be US close of business 16:00 (Eastern Standard Time) on the Dealing Day.

## **4. Base Currency:**

The base currency of the Fund is Great Britain Pounds.

## 5. Dividends:

Dividends will normally be declared and paid within four months of the Accounting Period to which they relate on Income Shares. The amount available for distribution shall depend on the profits, being the net income together with the net realised and unrealised capital gains (net of realised and unrealised losses) of the relevant Fund. The Company may, at its discretion, declare dividends from the income of the Fund on the Class I Shares and Class X Shares annually and/or at such other periodic intervals as shall be determined by the Company, and notified to Shareholders. The dividend distributions shall be in the form of cash issued to the relevant Investors.

Dividends will not normally be declared and paid on Accumulation Shares.

Those investors who decide to reinvest their dividends will receive new shares calculated at the NAV on the date that the dividend is paid.

The Directors may, at their sole discretion, refrain from making any distributions to Investors if it deems it appropriate in the interests of the Investors. No dividend will be payable where realised or accrued income from underlying securities does not make such payments possible.

The choice of opting for either a dividend paid out or a dividend reinvestment will be at the discretion of the Investor at the time of application.

## 6. Investment Objective and Policy:

### *Investment Objective*

The objective of the Fund is to achieve long-term capital appreciation by primarily investing in equity securities of emerging market companies.

### *Investment Policy*

Under normal circumstances, the Fund invests at least 80% of its net assets in equity securities of emerging market companies on Recognised Exchanges. The Fund considers a company to be an emerging market company if (i) at least 50% of the company's assets are located in emerging markets; (ii) at least 50% of the company's revenues are generated in emerging markets; or (iii) the company is domiciled in an emerging market. "Emerging markets" include countries in the MSCI Emerging Markets Index, and other countries that the Fund considers to be equivalent to those in that index based on their level of economic development or the size and experience of their securities markets.

The Fund may also invest in exchange-traded funds ("**ETFs**"), American Depositary Receipts ("**ADRs**"), Global Depositary Receipts ("**GDRs**"), preferred stock, warrants and real estate investment trusts ("**REITs**") to gain exposure to emerging markets. Equity securities also include participatory notes, which are derivative instruments with economic characteristics similar to equity securities designed to replicate equity market exposure in certain foreign markets where direct investment is either impossible or difficult due to local investment restrictions. The Fund typically invests in companies with market capitalizations exceeding \$1.5 billion.

The Fund may invest up to 20% of its assets in cash or cash equivalent instruments (such as government bonds or units in money market funds). The Investment Manager uses its discretion as to when to invest in these asset classes, based on conditions in equity markets from time to time and will do so with the aim of reducing the effects of the volatility of equity markets on the Fund's portfolio and preserving the capital of the Fund

The Fund may invest up to 10% of its assets in CIS.

The Fund invests in approximately 50-70 transferable securities to achieve its investment objective. The Investment Manager utilises a fundamental, bottom-up investment process and seeks to invest in transferable securities of sound businesses that it believes are currently undervalued in the market and can generate positive and sustainable earnings growth and, thus, economic profits over time. Key characteristics that the Investment Manager looks for in evaluating an investment may include management aligned with an Economic Value Added (“EVA”) philosophy, strong core franchise value, above average cash flow generation, consistency of earnings growth and the ability, or prospective ability, to pay dividends. The Investment Manager has disciplines in place that serve as sell signals, such as a security reaching its estimated fair value, an adverse change in a company’s fundamentals, or when more attractive alternatives exist.

**EVA** is an estimate of a firm's economic profit being the value created in excess of the required return of the company's investors. EVA is the profit earned by the firm less the cost of financing the firm's capital. The idea is that value is created when the return on the firm's economic capital employed is greater than the cost of that capital.

No investment will be made in another Fund of the Company.

The Fund may invest in Russian equities provided that they are listed and/or traded on the Russian Trading System (“**RTS**”) or The Moscow Interbank Currency Exchange (“**MICEX**”). No more than 20% of the Net Asset Value of the Fund will be invested in such Russian securities at any time.

The Fund will not hedge against currency fluctuations.

ETFs will be considered as CIS and will be subject to the limitations of investing in CIS. The Fund will only invest in warrants and participation notes, to gain access to equities exposure in limited circumstances where it is appropriate to do so.

The Fund will calculate global exposure using the commitment approach and therefore will ensure that its global exposure relating to FDI does not exceed its total Net Asset Value. The Fund's global exposure will be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions. The Fund will not be leveraged in excess of 100% of Net Asset Value.

#### *Performance benchmark*

Performance of the Fund will be measured against the MSCI Emerging Markets Index. The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. The MSCI Emerging Markets Index consists of the following 21 emerging market country indices: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Morocco, Peru, Philippines, Poland, Russia, South Africa, Taiwan, Thailand, and Turkey. Any change to the benchmark index against which performance of the Fund is measured will be disclosed in the periodic reports of the Fund.

#### **7. Investor Profile**

A typical investor in the Fund is an institutional investor who wishes to allocate a portion of its total assets to investment in emerging markets and who is seeking a portfolio which has a medium to long term horizon.

#### **8. Investment Manager for the Fund**

The Investment Manager is Westwood International Advisors Inc. (“WIA”), is based at 161 Bay Street, Suite 3950 TD, Canada Trust Tower, Toronto, ON MSJ 251, Canada, was established in 2012 and provides global and emerging markets equity investment advisory services to institutional clients, the Westwood Funds™ (US-registered mutual funds), other mutual funds and clients of Westwood Trust (Texas chartered Trust company and another subsidiary of Westwood Holdings Group, Inc.). WIA has the following registrations with the Ontario Securities Commission: Portfolio

Manager, Exempt Market Dealer and Investment Fund Manager. WIA is a wholly-owned subsidiary of Westwood Holdings Group, Inc., a Delaware corporation listed on the New York Stock Exchange.

The Investment Manager will discharge any investment management or marketing related expenses out of its own fee.

The Investment Manager makes investment decisions for the Fund and continuously reviews, supervises and administers the Fund's investment program. The Board supervises the Investment Manager and establishes policies that the Investment Manager must follow in its management activities.

Pursuant to the Investment Management Agreement dated 14 January 2015 between the Company and the Investment Manager, the Investment Manager has been appointed to provide investment management services to the Fund.

The Investment Management Agreement states that the appointment of the Investment Manager shall continue unless and until terminated by either part giving not less than 90 calendar days' notice. In certain circumstances set out in the Investment Management Agreement, either party may terminate the Investment Management Agreement upon the occurrence of certain events, such as the insolvency or liquidation of either party. The Investment Management Agreement contains certain indemnities in favour of the Investment Manager, which are restricted to exclude matters to the extent that they are attributable to the fraud, bad faith, negligence, wilful default or recklessness of the Investment Manager.

## **9. Issue of Shares:**

The Initial Offer Period for Class X Canadian Dollars Accumulation Shares has now closed and accordingly, Class X Canadian Dollars Accumulation Shares will be issued at the Net Asset Value per Share, plus any charges, as specified herein.

The continuing Initial Offer Period for the remaining Share Classes shall be the period ending at 5.30pm (Irish time) on 26 May 2017 unless such period is shortened or extended by the Directors and notified to the Central Bank.

The Class I Shares and Class X Shares will be offered at an initial offer price per Share of £1,000.00 for those Shares denominated in GBP, US\$1,000.00 for those Shares denominated in USD, C\$1,000.00 for those Shares denominated in C\$ and €1,000.00 for those Shares denominated in Euro.

After the close of the Initial Offer Period for a Class of Shares, all applications for Shares must be received by the Dealing Deadline (as defined above) in the manner set out in the Prospectus. For further information, please see the section headed "Subscription" in this Prospectus.

All applications must be received by the Administrator no later than the Dealing Deadline on the relevant Dealing Day. Subscription requests may be submitted by fax to the Administrator (in Ireland). Applications should be made on the Application Form (and supporting documentation relating to money laundering prevention checks) and the originals must be sent promptly to the Administrator. Applications received after the Dealing Deadline will be held over to the next Dealing Day. No interest will be paid on early subscriptions.

Unless otherwise specified, the minimum initial subscription is US\$10,000,000 for Class I Shares and US\$50,000,000 for Class X Shares or an equivalent amount in another currency. No minimum will be applied for additional subscriptions for Class I Shares or Class X Shares. However, minimum initial subscriptions which do not meet the threshold may be accepted by the Board. The price at which Shares will be issued on any particular Dealing Day will be the Subscription Price per Share calculated in the manner described under the Prospectus section headed "Valuation and Prices". The Company may issue fractional shares, expressed as two decimal place fractions of a Share. Application monies representing smaller fractions of a Share will be retained by the Company.

Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager in relation to the collection of an investment management fee or similar fee arrangement, which is not payable from the Net Asset Value of the Fund. No Subscription Fee shall be levied in respect of subscription for Class I Shares and Class X Shares.

#### **10. Redemption of Shares**

Shares in the Fund may be redeemed on every Dealing Day at the Net Asset Value per Share of the relevant Class subject to the procedures, terms and conditions set out in the Prospectus under the section heading "Redemption". All requests for the redemption of Shares must be received by the Dealing Deadline (as defined above) in the manner set out in the Prospectus.

Redemption monies will normally be paid within 5 Business Days of the relevant Dealing Day for redemptions.

#### **11. Fees and Expenses**

The following fees and expenses are payable out of the Fund. Details of how the fees and expenses are accrued and paid as well as details of other general management and fund charges are set out in the Prospectus under the heading "Fees and Expenses".

The Directors have imposed a voluntary cap on the fees and expenses payable in respect of each Class of Shares (the "**Cap**"). The Cap for the Class I Shares will be 1.05% per annum of the Net Asset Value of that Class and the Cap for the Class X Shares will be 0.15% per annum of the Net Asset Value of that Class. The Cap for each Class will be reviewed on an annual basis by the Board. Any increase or removal of the Cap shall be notified to Shareholders of that Class in advance.

#### **Net Total Operating Fees and Expenses**

##### **Investment Manager Fees**

Class X Shares may only be issued to investors who have in place an agreement with the Investment Manager in relation to the collection of an investment management fee or similar fee arrangement, which is not payable from the Net Asset Value.

The Investment Manager will be paid a fee from the Company monthly in arrears at the rate of 0.90% per annum of the Net Asset Value of Class I Shares of the Fund on the Valuation Point accrued daily. Reasonable out-of-pocket expenses incurred by the Investment Manager in the performance of its duties will be reimbursed by the Company as may be approved from time to time by the Directors.

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

The Directors may in their sole discretion make an adjustment to the subscription and/or redemption price of Shares to reflect the fact that the actual cost of purchasing or selling assets may vary due to duties and charges being applied and spreads between the buying and selling price of assets which would otherwise have an adverse effect on the value of the Fund, known as "dilution". To mitigate the effects of dilution, the Directors may, at their discretion (at all times acting reasonably and in accordance with their fiduciary duties to the Fund), make a dilution adjustment of up to 3% to the subscription and / or redemption price of Shares on any Dealing Day where there have been net subscriptions / redemptions by adding / deducting therefrom such a figure as the Directors reasonably consider represents the dealing costs, duties, charges and spreads so as to preserve the value of the underlying assets of the Fund ("**ADL Fee**"). Such ADL Fee will be paid into the assets of the Fund.

##### **Formation and Organisation Costs**

The formation expenses of the Fund will be approximately €15,000 and will be paid for from the assets of the Fund and amortised over the first five accounting periods or such shorter period as the Directors may determine.

## **12. Specific Risk Warnings:**

Persons interested in purchasing Shares in the Fund should read the section headed "Risk Warnings" in the main body of this Prospectus.

A Fund which invests more than 20% in emerging markets involves a higher than normal level of risk.

**The value of investments and income from them can go down as well as up (this may partly be the result of exchange rate fluctuations in investments which have an exposure to foreign currencies) and investors may not get back the full amount invested.**

**Performance may be strongly influenced by movements in FX rates due to the nature of the diverse global emerging market securities held. It is not the intention of the Fund to hold currency positions that do not correspond with the securities positions.**

### **Emerging Market Risk**

In emerging markets the legal, judicial and regulatory infrastructure is still developing and there is much legal uncertainty both for local market participants and their overseas counterparts. Frontier Markets are differentiated from emerging markets in that Frontier Markets are considered to be somewhat less economically developed than emerging markets. Some markets carry significant risks for investors who should therefore ensure that, before investing, they understand the relevant risks and are satisfied that an investment is suitable.

Price volatility in emerging markets may be higher than in more developed markets. Price discrepancies can be common and market dislocation is not uncommon in such markets. Additionally, as news about a particular country becomes available, financial markets may react significantly in a very short period of time. Emerging markets generally lack the level of transparency, liquidity, efficiency and levels of regulation found in more developed markets. There may be a higher level of political risk attached to investing in emerging markets also.

The trading volume on emerging markets through which the Fund may invest may be substantially less than in the world's leading stock markets, accordingly the accumulation and disposal of holdings in some investments may be time-consuming and may need to be conducted at unfavourable prices. Liquidity in such markets may also be less and volatility of prices greater than in the leading markets as a result of a high degree of concentration of market capitalisation and trading volume in a small number of companies.

The value of the Fund's assets may be affected by uncertainties such as changes in government policies, taxation, interest rates, exchange rates, currency repatriation restrictions, social and religious instability and other political, economic or other developments in the law or regulations of the countries in which the Fund may invest and, in particular, by changes in legislation relating to the level of foreign ownership in the companies in India and countries in which the Fund may invest.

The trading and settlement practices of some of the stock exchanges or markets on which the Fund may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by the Fund. In addition, the Fund will be exposed to credit risk on parties with whom they trade and will bear the risk of settlement default. The Depositary may be instructed by the Investment Manager to settle transactions on a delivery free of payment basis where the Investment Manager believes that this form of settlement is appropriate. Shareholders should be aware, however, that this may result in a loss to the Fund if a transaction fails to settle and the Depositary will not be liable to a Fund or to the Shareholders for such a loss if the Depositary is acting pursuant to specific proper instructions and where this settlement is standard market practice.



Some of the Recognised Exchanges on which the Fund may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which the Fund may liquidate positions to meet redemption requests or other funding requirements. Potential investors should also note that the Fund may have exposure to the securities of small capitalisation companies which are less liquid than larger capitalisation companies and this may result in fluctuations in the price of the Shares of the Fund.

### **Risk warnings specific to Russian securities**

The Fund may invest in regulated markets in Russia which are subject to increased risk with regard to ownership and custody of securities.

Investments in Russia through the Moscow Exchange or on other non-Regulated Markets are subject to increased risk with regard to ownership and custody of securities. There are significant risks inherent in investing in Russia and including: (a) delays in settling transactions and the risk of loss arising out of the systems of securities registration and custody; (b) the lack of corporate governance provisions or general rules or regulations relating to investor protection; (c) pervasiveness of corruption, insider trading, and crime in the Russian economic systems; (d) difficulties associated in obtaining accurate market valuations of many Russian securities, based partly on the limited amount of publicly available information; (e) tax regulations are ambiguous and unclear and there is a risk of imposition of arbitrary or onerous taxes; (f) the general financial condition of Russian and CIS companies, which may involve particularly large amounts of inter-company debt; (g) banks and other financial systems are not well developed or regulated and as a result tend to be untested and have low credit ratings and (h) the risk that the government or other executive or legislative bodies may decide not to continue to support the economic reform programs implemented since the dissolution of the Soviet Union. The concept of fiduciary duty on the part of a company's management is generally non-existent. Local laws and regulations may not prohibit or restrict a company's management from materially changing the company's structure without shareholder consent. Foreign investors cannot be guaranteed redress in a court of law for breach of local laws, regulations or contracts. Regulations governing securities investment may not exist or may be applied in an arbitrary and inconsistent manner. Evidence of legal title in many cases will be maintained in "book-entry" form and a Fund could lose its registration and ownership of securities through fraud, negligence or even oversight. Securities in Russia are issued only in book entry form and ownership records are maintained by registrars who are under contract with the issuers. The registrars are neither agents of, nor responsible to the Company, the Depositary or their local agents in Russia. Transferees of securities have no proprietary rights in respect of securities until their name appears in the register of holders of the securities of the issuer. The law and practice relating to registration of holders of securities are not well developed in Russia and registration delays and failures to register securities can occur. Although Russian sub-custodians will maintain copies of the registrar's records ("Records") on its premises, such Records may not, however, be legally sufficient to establish ownership of securities. Further a quantity of forged or otherwise fraudulent securities, Records or other documents are in circulation in the Russian markets and there is therefore a risk that a Fund's purchases may be settled with such forged or fraudulent securities. In common with other emerging markets, Russia and the CIS have no central source for the issuance or publication of corporate actions information. The Depositary therefore cannot guarantee the completeness or timeliness of the distribution of corporate actions notifications. Although exposure to these equity markets is substantially hedged through the use of ADRs and GDRs, Funds may, in accordance with their investment policy, invest in securities which require the use of local depository or custodial services.

### **Investing in China**

Investments in China are currently subject to certain additional risks. The Chinese economy is subject to a considerable degree of economic, political and social instability therefore there are political, social and economic risks. The Fund may be invested in Chinese securities through the Hong Kong Exchange. As a result, the Fund may be subject to increased risk of loss caused by lower levels of liquidity, greater security price volatility and exchange rate fluctuation.

## Share Class Hedging

A Class may be designated in a currency other than the Base Currency of a Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Shares as expressed in the designated currency. The Investment Manager will try to mitigate this risk by using any of the efficient portfolio management techniques and instruments, including currency options and forward currency exchange contracts, set out in this Prospectus and within the conditions and limits imposed by the Central Bank. A Class may not be leveraged as a result of the use of such techniques and instruments, the value of which may be up to but may not exceed 105% of the Net Asset Value attributable to the relevant Class. While it is not the intention of the Company to have over or under hedged positions, this may arise due to circumstances outside the Company's control. Hedged positions will be kept under review to ensure that over-hedged positions do not exceed the permitted level. Positions in excess of 100% will not be carried forward from month to month. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Company are denominated. In such circumstances, Shareholders of the Class may be exposed to fluctuations in the Net Asset Value per Share reflecting the gain/loss on and the costs of the relevant financial instruments.

Although hedging strategies may not necessarily be used in relation to each Class within a Fund, the financial instruments used to implement such strategies shall be assets/liabilities of the Fund as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Any currency exposure of this Class may not be combined with or offset against that of any other Class of the Company. The currency exposures of the assets of a Fund will not be allocated to separate Classes.

### 13. Listing

Application has been made to The Irish Stock Exchange for the Class I Great Britain Pounds Income Shares, Class I Great Britain Pounds Accumulation Shares, Class I Canadian Dollars Income Shares, Class I Canadian Dollars Accumulation Shares, Class I Canadian Dollars Income Shares (Currency Hedged Share Class), Class I Canadian Dollars Accumulation Shares (Currency Hedged Share Class), Class I US Dollars Income Shares, Class I US Dollars Accumulation Shares, Class I US Dollars Income Shares (Currency Hedged Share Class), Class I US Dollars Accumulation Shares (Currency Hedged Share Class), Class I European Euro Income Shares, Class I European Euro Accumulation Shares, Class I European Euro Income Shares (Currency Hedged Share Class) and Class I European Euro Accumulation Shares (Currency Hedged Share Class), Class X Great Britain Pounds Income Shares, Class X Great Britain Pounds Accumulation Shares, Class X Canadian Dollars Income Shares, Class X Canadian Dollars Income Shares (Currency Hedged Share Class), Class X Canadian Dollars Accumulation Shares (Currency Hedged Share Class), Class X US Dollars Income Shares, Class X US Dollars Accumulation Shares, Class X US Dollars Income Shares (Currency Hedged Share Class), Class X US Dollars Accumulation Shares (Currency Hedged Share Class), Class X European Euro Income Shares, Class X European Euro Accumulation Shares, Class X European Euro Income Shares (Currency Hedged Share Class) and Class X European Euro Accumulation Shares (Currency Hedged Share Class) of the Fund issued and available for issue, will be admitted to the Official List and to trading on the Main Securities Market of the Irish Stock Exchange. It is not expected that there will be a secondary market in the shares of the Company.