

## **PROSPECTUS**

**If you are in doubt about the contents of this Prospectus, you should consult your stockbroker or other independent financial adviser.**

### **ATLANTIS INTERNATIONAL UMBRELLA FUND**

**(an open-ended umbrella unit trust established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. 352 of 2011), as amended**

The Units in Atlantis Japan Opportunities Fund, Atlantis China Healthcare Fund, Atlantis China Fund and Atlantis Asian Fund are admitted to the Official List and to trading on the main securities market of Euronext Dublin. The Directors do not expect that an active secondary market will develop in the Units.

Neither the admission of the Units to the Official List and to trading on the main securities market of Euronext Dublin nor the approval of this Prospectus pursuant to the requirements of Euronext Dublin, shall constitute a warranty or representation by Euronext Dublin as to the competence of the service providers to or any other party connected with the Fund, the adequacy of the information contained in the Prospectus and Supplements or the suitability of the Fund for investment purposes.

**Dated: 28 November, 2023**

## PRELIMINARY

The Fund is structured as an umbrella fund and may comprise several portfolios of assets, each a "Sub-Fund" in which units representing one undivided share in the assets of a Sub-Fund ("Units") are issued. Each Sub-Fund may be further sub-divided, to denote differing characteristics attributable to particular Units, into "classes".

**THIS PROSPECTUS MAY ONLY BE ISSUED WITH ONE OR MORE SUPPLEMENTS, EACH CONTAINING INFORMATION RELATING TO A SEPARATE SUB-FUND. WHERE THERE ARE DIFFERENT CLASSES, DETAILS RELATING TO THE SEPARATE CLASSES MAY BE DEALT WITH IN THE SAME SUPPLEMENT OR IN A SEPARATE SUPPLEMENT FOR EACH CLASS. EACH SUPPLEMENT SHALL FORM PART OF, AND SHOULD BE READ IN CONJUNCTION WITH THIS PROSPECTUS. TO THE EXTENT THAT THERE IS ANY INCONSISTENCY BETWEEN THE PROSPECTUS AND ANY SUPPLEMENTS THE RELEVANT SUPPLEMENT SHALL PREVAIL.**

The Fund is an open-ended umbrella unit trust authorised by the Central Bank pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011), as amended (the "Regulations").

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

The Directors of the Manager of the Fund, whose names appear under the heading "Management of the Fund", 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) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, issue or sale of Units, 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 Manager. Neither the delivery of this Prospectus nor the offer, issue or sale of any of the Units 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.

### *United States of America*

The Units have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or qualified under any applicable state statutes, and the Units may not be offered, sold or transferred in the United States of America (including its territories and possessions) or to or for the benefit of, directly or indirectly, any U.S. Person (as that term is defined herein), except pursuant to

registration or an applicable exemption from registration. The Fund is not, and will not be, registered under the United States Investment Company Act of 1940, as amended pursuant to section 3(c)(7) of that Act, and investors will not be entitled to the benefit of such registration. The Fund may make a private placement of the Units to a limited category of U.S. Persons. The Units have not been approved or disapproved by the United States Securities and Exchange Commission, any state securities commission or other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of this offering or the accuracy or adequacy of these offering materials. Any representation to the contrary is unlawful. Attention is drawn to Appendix II entitled "Supplemental Disclosure Statement for U.S. Persons and U.S. Taxpayers" which contains further information for U.S. Persons and U.S. Taxpayers.

### **Investors' Reliance on U.S. Federal Tax Advice in this Prospectus**

**The discussion contained in the Prospectus as to U.S. federal tax considerations is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed in the Prospectus. Each taxpayer should seek U.S. federal tax advice based on the taxpayer's particular circumstances from an independent tax advisor.**

#### *United Kingdom*

Whilst this Prospectus (and the Key Investor Information Documents) are issued outside the United Kingdom by the Fund and the Directors of the Manager of the Fund are responsible for their contents, wherever issued, this Prospectus (and the Key Investor Information Documents) are communicated and approved for communication in the United Kingdom by Atlantis Investment Management (Ireland) Limited. The Fund is a recognised collective investment scheme for the purposes of (i) Section 264 of the Financial Services and Markets Act 2000 (the "FSMA") or (ii) the Financial Conduct Authority's Temporary Permissions Regime for funds, as may be applicable.

This Prospectus is available to the general public in the United Kingdom. Potential investors in the United Kingdom are advised that they will generally not benefit from the protections provided by the United Kingdom regulatory system, such as access to the Financial Ombudsman Service. Subject to eligibility, unitholders may in some circumstances benefit from rights under the Financial Services Compensation Scheme. If you are in doubt about your eligibility, you may wish to obtain independent professional advice.

Facilities are maintained in the United Kingdom at the offices of Global Funds Registration Limited, 2<sup>nd</sup> Floor, Golden House, 30 Great Pulteney Street, London W1F 9NN (the "**Facilities Agent**"):

- (a) where information in English can be obtained about the most recently published sale and purchase prices of Units in the Fund;
- (b) where an investor in the Fund may make arrangements to redeem Units in the Fund and from which payment of the price on redemption may also be arranged; and
- (c) at which any person who has a complaint to make about the operation of the Fund can submit

his complaint for transmission to the Manager.

Copies of the following documents are available for inspection at the office of the Facilities Agent located at 2nd Floor, Golden House, 30 Great Pulteney Street, London W1F 9NN during usual business hours on any Business Day:

- (a) the Trust Deed;
- (b) any supplement amending the Trust Deed;
- (c) the most recent Prospectus;
- (d) the most recent Key Investor Information Documents; and
- (e) the most recently prepared and published annual reports and half-yearly reports.

The documents listed at (a) to (e) above are obtainable from said registered office, at a reasonable charge in the case of the documents listed at (a) and (b) and free of charge in the case of the documents listed at (c), (d) and (e).

The Prospectus must be read in conjunction with the Key Investor Information Documents. Together these constitute a direct offer financial promotion and a UK investor applying for Units in response only to these documents will not have any right to cancel or withdraw that application under the provisions dealing with cancellation and withdrawal set out in the sourcebook issued by the Financial Conduct Authority if such an application is accepted by the Manager. No rights of cancellation arise when dealing direct with the Fund. Cancellation rights are granted in accordance with Financial Conduct Authority rules for applications made through regulated intermediaries. The address of the Financial Conduct Authority is 12 Endeavour Square, London, E20 1JN, United Kingdom.

#### *Germany*

The Fund has also been registered with the German Federal Financial Supervisory Authority (BaFin) and is authorized to publicly offer the Units in Germany pursuant to Section 310 of the German Investment Code. Please also note the country supplement headed "Additional Information for German Investors" which forms an integral part of the Prospectus to be used in Germany.

#### *Hong Kong*

The contents of this Prospectus have not been registered with the Registrar of Companies in Hong Kong nor have its contents been reviewed by any regulatory authority in Hong Kong. Accordingly, (i) Units may not be offered or sold in Hong Kong, by means of the Prospectus or any other document, other than to "professional investors" as defined in the Securities and Futures Ordinance of Hong Kong (Cap. 571) and the Securities and Futures (Professional Investor) Rules made thereunder, or in other circumstances which do not result in the document being a 'prospectus' as defined in the Companies Ordinance of Hong Kong (Cap. 32) or which do not constitute an offer or invitation to the public for the purposes of the Companies Ordinance; and (ii) no person shall issue whether in Hong

Kong or elsewhere, any advertisement, invitation or document relating to the Units which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Units which are or are intended to be disposed of only to persons outside Hong Kong or only to such professional investors. Residents of Hong Kong are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this document you should obtain independent professional advice.

### *Switzerland*

The Fund has not been licensed for distribution to non-qualified investors with the Swiss Financial Market Supervisory Authority (the "FINMA") as a foreign collective investment scheme pursuant to Article 120 para. 1 of the Swiss Federal Act on Collective Investment Schemes of 23 June 2006, as amended ("CISA"). Accordingly, pursuant to Article 120 para. 4 CISA, the Units may only be offered and this Prospectus may only be distributed in or from Switzerland by way of distribution to qualified investors as defined in the CISA and its implementing ordinance ("Qualified Investors") if the Fund has entered into written agreements with a representative and a paying agent in Switzerland. Further, the Fund may be sold under the exemptions of Article 3 para. 2 CISA. Investors in the Fund do not benefit from the specific investor protection provided by CISA and the supervision by the FINMA in connection with the licensing for distribution.

The representative and distributor in Switzerland is Oligo Swiss Fund Services SA, avenue Villamont 17, 1005 Lausanne, Switzerland.

The paying agent in Switzerland is Helvetische Bank AG, Seefeldstrasse 215, CH-8008 Zurich.

The statutory documents of the Fund such as the Prospectus, Key Investor Information Documents, Trust Deed, annual and semi-annual reports are available only to Qualified Investors free of charge from the representative. In respect of the Units distributed in and from Switzerland to Qualified Investors, place of performance and jurisdiction is the registered office of the representative.

The Manager and its agents may pay retrocessions as remuneration for distribution activity in respect of Fund units in or from Switzerland. This remuneration may be deemed payment for the following services in particular:

- prospective investor introduction services;
- platform hosting services;
- fund trading services;
- rebate collection services on behalf of investors; and
- other market infrastructure services which support the distribution of the Fund.

Retrocessions are not deemed to be rebates even if they are ultimately passed on, in full or in part, to the investors.

The recipients of the retrocessions must ensure transparent disclosure and inform investors, unsolicited and free of charge, about the amount of the remuneration they may receive for distribution.

On request, the recipients of retrocessions must disclose the amounts they actually received for distributing the collective investment schemes of the investors concerned.

In the case of distribution activity in or from Switzerland, the Manager and its agents may, upon request, pay rebates directly to investors. The purpose of rebates is to reduce the fees or costs incurred by the investor in question. Rebates are permitted provided that:

- they are paid from fees received by the Manager and therefore do not represent an additional charge on the Fund assets;
- they are granted on the basis of objective criteria;
- all investors who meet these objective criteria and demand rebates are also granted these within the same timeframe and to the same extent.

The objective criteria for the granting of rebates by the Manager are as follows:

- the volume subscribed by the investor or the total volume they hold in the Fund;
- the amount of the fees being generated by the investor;
- the investment behavior shown by the investor (e.g. length of expected investment period);
- the investor's willingness to provide support in the launch phase of a new sub-fund.

At the request of the investor, the Manager must disclose the amounts of such rebates free of charge.

### *General*

Distribution of this Prospectus is not authorised after the publication of the latest half-yearly report of the Fund unless it is accompanied by a copy of that report, and is not authorised after the publication of the first annual report of the Fund unless it is accompanied by a copy of the latest annual report and any subsequent half-yearly report. Such reports will form part of this Prospectus.

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

### *Conflicts of Interest and Soft Commission*

The Directors of the Manager are satisfied that no actual or potential conflict of interest arises as a result of the Manager managing other funds. However, if any conflict of interest should arise, the Directors will endeavour to ensure that it is resolved fairly and in the interest of Unitholders.

The Investment Manager, any sub-investment manager and the Investment Adviser (each a “Relevant Party”) are satisfied that no actual or potential conflict arises as a result of any of them managing or advising other funds. However, if any conflict of interest should arise, the Relevant Party will endeavour to ensure that it is resolved fairly and in the interest of Unitholders.

The Relevant Party may effect transactions by or through the agency of another person with whom the Relevant Party and any entity related to such Relevant Party has arrangements under which that party will from time to time provide or procure for the Relevant Party, or any party related to that Relevant Party, goods or services that are related to the execution of trades or comprise the provision of research, the nature of which is such that their provision can reasonably be expected to benefit the Sub-Fund and may contribute to an improvement in the performance of the Sub-Fund or of a Relevant Party or any entity related to such Relevant Party in providing services to a Sub-Fund and for which no direct payment is made but instead the Relevant Party and any entity related to such Relevant Party undertake to place business with that party (“Soft Commission Arrangements”). For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments.

Where the Manager or a Relevant Party enters into Soft Commission Arrangements it must ensure that:

- (i) the broker or counterparty to the arrangement has agreed to provide best execution to the Fund;
- (ii) benefits provided under the arrangement must enhance the quality of the relevant investment service to the Fund and not impair compliance with the Manager’s duty to act in the best interests of the Fund;
- (iii) there is adequate disclosure in the periodic reports issued by the Fund.

Statements made in this Prospectus are based on the law and practice currently in force in Ireland and are subject to changes in that law. This Prospectus may be translated into other languages. In the event of an inconsistency, the English language Prospectus will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Units are sold, that in an action based upon disclosure in a Prospectus in a language other than English, the language of the Prospectus on which such action is based will prevail.

**Investors should note that because investments in securities can be volatile and that their value may decline as well as appreciate, there can be no assurance that a Sub-Fund will be able to attain its objective. The price of Units as well as the income therefrom may go down as**

well as up to reflect changes in the Net Asset Value of a Sub-Fund. The difference at any one time between the sale and repurchase price of Units means that an investment should be viewed as medium to long term.

An investment should only be made by those persons who could sustain a loss on their investment, should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.

Attention is drawn to the section headed "Risk Factors".



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**ATLANTIS CHINA FUND**  
**ATLANTIS CHINA HEALTHCARE FUND**  
**ATLANTIS ASIAN FUND**  
**ATLANTIS JAPAN OPPORTUNITIES FUND**

**ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY**

## DEFINITIONS

The following definitions apply throughout this Prospectus unless the context otherwise requires:-

**"Accounting Date"** the date by reference to which the annual accounts of the Fund and each of its Sub-Funds shall be prepared and shall be 31st December in each year or (in the case of the termination of the Fund or of a Sub-Fund) the date on which monies required for the final distribution shall have been paid to the Unitholders in the relevant Sub-Fund or Sub-Funds.

**"Accounting Period"** in respect of each Sub-Fund, a period ending on an Accounting Date and commencing (in the case of the first such period) from and including the date of the first issue of Units of the relevant Sub-Fund or (in any other case) from the end of the last Accounting Period.

**"Administration Agreement"** the administration agreement between the Manager and the Administrator dated 10th October, 2003 as may be amended, supplemented or novated from time to time.

**"Administrator"** Northern Trust International Fund Administration Services (Ireland) Limited or any one or more persons or companies or any successor person or company appointed by the Manager in accordance with the requirements of the Central Bank as administrator of the Fund.

**"Administration Expenses"** the sums necessary to provide for all costs, charges and expenses including, but not limited to, couriers' fees, telecommunication costs and expenses, out-of-pocket expenses, legal and professional expenses which the Manager or the Administrator incurs whether in litigation on behalf of the Fund or any of its Sub-Funds or in connection with the establishment of or ongoing administration of the Fund or any of its Sub-Funds or otherwise together with the costs, charges and expenses, including translation costs, of any notices including but not limited to reports, prospectuses, listing particulars and newspaper notices given to Unitholders in whatever manner plus value added tax (if any) on any such costs, charges and expenses and all properly vouched fees and reasonable out-of-pocket expenses of the Administrator, the Investment Manager, the Investment Adviser or of any distributor, sub-distributor, paying agent and/or correspondent bank incurred pursuant to a contract to which the Manager or the Manager's delegate and such person are party.

**"AIMA"** means the Alternative Investment Management Association.

**"Beneficial Ownership"**

<b>Regulations"</b>	means the European Union (Anti-Money Laundering: Beneficial Ownership of Corporate Entities) Regulations 2016, as may be amended from time to time.
<b>"Benefit Plan Investor"</b>	is used as defined in U.S. Department of Labor ("DOL") Regulation 29 C.F.R §2510.3-101 as amended by Section 3(42) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA") (collectively, the "Plan Asset Rule") and includes (i) any employee benefit plan subject to Part 4 of Title I of ERISA; (ii) any plan to which Internal Revenue Code of 1986, as amended (the "Code") Section 4975 applies (which includes a trust described in Code Section 401(a) that is exempt from tax under Code Section 501(a), a plan described in Code Section 403(a), an individual retirement account or annuity described in Code Section 408 or 408A, a medical savings account described in Code Section 220(d), a health savings account described in Code Section 223(d) and an education savings account described in Code Section 530); and (iii) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity, including insurance company general account that are considered plan assets or any insurance company separate account or bank common or collective trust in which plans invest. An entity described in (iii) immediately above will be considered to hold plan assets only to the extent of the percentage of the equity interests in the entity held by Benefit Plan Investors.
<b>"Business Day"</b>	such day or days as set out in each Supplement from time to time.
<b>"Central Bank"</b>	the Central Bank of Ireland or any successor body 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 2019, as may be amended, supplemented or replaced from time to time and any related guidance issued by the Central Bank from time to time;
<b>"Data Protection Acts"</b>	The Data Protection Act 2018 and, with effect from 25 May 2018, the General Data Protection Regulation (EU 2016/679) as may be amended.
<b>"Dealing Day"</b>	such Business Day or Days in each year as the Manager may from time to time determine for each Sub-Fund and which shall be set out in the relevant Supplement, provided that there shall be at least two Dealing Days in each month occurring at regular intervals. The Net Asset Value of the Fund, the Net Asset Value of a Sub-Fund and the

Net asset Value per Unit shall be calculated on each Dealing Day.

**"Disbursements"**

includes in relation to the Trustee all disbursements properly made by the Trustee in connection with its trusteeship of the Fund and each of its Sub-Funds under the Trust Deed including (but not limited to) couriers' fees, telecommunication costs and expenses and the fees and out-of-pocket expenses of any sub-custodian appointed by it pursuant to the provisions of the Trust Deed and all costs, charges and expenses of every kind which it may suffer or incur in connection with such trusteeship of the Fund and of each of its Sub-Funds (including the establishment thereof) and all matters attendant thereon or relative thereto and all legal and other professional expenses incurred or suffered by it in relation to or in any way arising out of the Fund and of each of its Sub-Funds (including the establishment thereof) and any value added tax liability incurred by the Trustee arising out of the exercise of its powers or the performance of its duties pursuant to the provisions of the Trust Deed.

**"Distributor"**

Atlantis Investment Management (Ireland) Limited or any one or more persons or companies or any successor person or company appointed by the Manager as a distributor of Units of the Fund.

**"Eligible Assets"**

those investments which are eligible for investment by a UCITS in accordance with the UCITS Regulations.

**"Equity Securities"**

means equities within the meaning of Sec. 2 para. 8 of the German Investment Tax Act as amended, extended or re-enacted as at the date of this Prospectus and from time to time thereafter and as interpreted by the German tax administration. At the date of this Prospectus, Sec. 2 para. 8 of the German Investment Tax Act reads:

"Equity Securities are

1. Shares of a corporation which are admitted to official trading on a stock exchange or listed on an organised market (which is a market recognised and open to the public and which operates in a due and proper manner),

2. Shares of a corporation, which is not a real estate company and which:

a. is resident in a Member State or a member state of the European Economic Area and is subject to income taxation for corporations in that state and is not tax exempt; or

b. is resident in any other state and is subject to an income taxation for corporations in that state at a rate of at least 15% and is not exempt from such taxation,

3. Fund units of an equity fund (being a fund that invests more than 50% of its assets on a continuous basis directly in Equity Securities), with 51% of the equity fund units' value being taken into account as Equity Securities (if the investment conditions of an equity fund stipulate that the equity fund has to invest a higher percentage than 51% of its assets in Equity Securities, this higher percentage of the equity fund units' value is taken into account as Equity Securities)

4. Fund units of a mixed fund (being a fund that invests at least 25% of its assets on a continuous basis directly in Equity Securities), with 25% of the mixed fund units' value being taken into account as Equity Securities (if the investment conditions of a mixed fund stipulate that the mixed fund has to invest a higher percentage than 25% of its assets in Equity Securities, this higher percentage of the mixed fund units' value is taken into account as Equity Securities).”

**“ESG”**

means environmental, social and governance.

**“ESMA”**

means the European Securities and Markets Authority.

**"Euro"**

means the unit of single currency as defined in the Regulations on the Introduction of the Euro (Council Regulation (EC) No: 1103/97) which entered into force at the starting date of the Third Stage of European Monetary Union, January 1, 1999.

**"Euronext Dublin"**

means The Irish Stock Exchange trading as Euronext Dublin.

**“Equity Linked Securities”**

participation certificates, equity rights, warrants on equities or on equity rights or Participation Notes;

**"Exempt Irish Investor"**

for the present purposes means:

- a pension scheme which is an exempt approved scheme within the meaning of Section 774 of the Taxes Act or a retirement annuity contract or a trust scheme to which Section 784 or 785 of the Taxes Act applies;
- a company carrying on life business within the meaning of Section 706 of the Taxes Act;
- an investment undertaking within the meaning of Section 739B(1) of the Taxes Act;
- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a qualifying management company within the meaning of Section 739B of the Taxes Act;

- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Units held are assets of an approved retirement fund or an approved minimum retirement fund;
- an investment limited partnership within the meaning of Section 739J of the Taxes Act;
- a personal retirement savings account (“PRSA”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Units are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Asset Management Agency;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the Fund; or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Units under taxation legislation or by written practice or concession of the Revenue Commissioners without giving rise to a charge to tax in the Fund or jeopardising tax exemptions associated with the Fund giving rise to a charge to tax in the Fund;

provided that they have correctly completed the Relevant Declaration.

**"Fund"**

Atlantis International Umbrella Fund.

**"GDPR"**

means Regulation (EU) 2016/679 of the European Parliament and of the Council.

**"Intermediary"**

means a person who:-

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

<b>"Investment Adviser"</b>	means any persons or companies or any successor person or company appointed by the Investment Manager in accordance with the requirements of the Central Bank to provide investment advice in respect of a Sub-Fund.
<b>"Investment Advisory Agreement"</b>	means each investment advisory agreement which appoints an investment adviser to the relevant Sub-Fund as may be amended, supplemented or novated from time to time.
<b>"Investment Management Agreement"</b>	means the investment management agreement dated 8th September, 2011, as amended, between the Manager and the Investment Manager as may be further amended, supplemented or novated from time to time.
<b>"Investment Manager"</b>	means Atlantis Investment Management Limited or such other entity that may be appointed as investment manager to any of the Sub-Funds from time to time in accordance with the requirements of the Central Bank;
<b>"IOSCO"</b>	means the International Organization of Securities Commissions.
<b>"Ireland"</b>	means the Republic of Ireland.
<b>"Irish Resident"</b>	for the present purposes means: <ul style="list-style-type: none"> <li>• in the case of an individual, means an individual who is resident in Ireland for tax purposes.</li> <li>• in the case of a trust, means a trust that is resident in Ireland for tax purposes.</li> <li>• in the case of a company, means a company that is resident in Ireland for tax purposes.</li> </ul>

An individual will be regarded as being resident in Ireland for a tax year if he/she is present in Ireland: (1) for a period of at least 183 days in that tax year; or (2) for a period of at least 280 days in any two consecutive tax years, provided that the individual is present in Ireland for at least 31 days in each period. In determining days present in Ireland, an individual is deemed to be present if he/she is in Ireland at any time during the day. This test took effect from 1 January 2009 (previously in determining days present in Ireland an individual was deemed to be present if he/she was in Ireland at the end of the day (midnight)).

A trust will generally be Irish resident where the trustee is resident in Ireland or a majority of the trustees (if more than one) are resident in



Ireland.

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

- the company 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, or the company or a related company are quoted companies on a recognised Stock Exchange in the EU or in a treaty country under a double taxation treaty between Ireland and that country. This exception does not apply where it would result in an Irish incorporated company that is managed and controlled in a relevant territory (other than Ireland), but would not be resident in that relevant territory as it is not incorporated there, not being resident for tax purposes in any territory.

or

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

The Finance Act 2014 amended the above residency rules for companies incorporated on or after 1 January 2015. These new residency rules will ensure that companies incorporated in Ireland and also companies not so incorporated but that are managed and controlled in Ireland, will be tax resident in Ireland except to the extent that the company in question is, by virtue of a double taxation treaty between Ireland and another country, regarded as resident in a territory other than Ireland (and thus not resident in Ireland). For companies incorporated before this date these new rules will not come into effect until 1 January 2021 (except in limited circumstances).

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

**"Manager"**

Atlantis Investment Management (Ireland) Limited or any successor company approved by the Central Bank as manager of the Fund.

<b>"Member State"</b>	a member state of the European Union.
<b>"Minimum Holding"</b>	means such amount as may be specified in the relevant Supplement or as the Manager may determine and notify to investors.
<b>"Minimum Subscription"</b>	means such amount in respect of initial and/or subsequent subscriptions as may be specified in the relevant Supplement or as the Manager may determine and notify to investors.
<b>"Money Market Instruments"</b>	means instruments normally dealt in on the money market which are liquid and have a value which can be accurately determined at any time.
<b>"Net Asset Value of the Fund"</b>	the aggregate Net Asset Value of all the Sub-Funds.
<b>"Net Asset Value of a Sub-Fund"</b>	the net asset value of a Sub-Fund calculated in accordance with the provisions of the Trust Deed, as described under "Administration of the Fund - Calculation of Net Asset Value".
<b>"Net Asset Value per Unit"</b>	the net asset value per Unit of a class calculated in accordance with the provisions of the Trust Deed, as described under "Administration of the Fund - Calculation of Net Asset Value".
<b>"Ordinarily Resident in Ireland"</b>	for the present purposes means: <ul style="list-style-type: none"> <li>• in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes</li> <li>• in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.</li> </ul>

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2019 to 31 December 2019 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2022 to 31 December 2022.

The concept of a trust's ordinary residence is somewhat obscure and is linked to its tax residence.

<b>“OTC Derivative”</b>	means a financial derivative instrument dealt in over-the-counter.
<b>“Participation Notes”</b>	or “P Notes”, means contracts issued by banks or broker-dealers that provide exposure to an underlying security on a one-to-one basis on the underlying security. Participation Notes may be listed on a Recognised Exchange or unlisted but settled over-the-counter on a Recognised Clearing System and are typically fully funded instruments. Participation Notes can provide exposure to specific stocks, direct access to restricted markets or customized exposure to a country, region, sector, theme or basket.
<b>“Recognised Clearing System”</b>	means any clearing system listed in Section 246A of the Taxes Act (including, but not limited to, Euroclear, Clearstream Banking AG, Clearstream Banking SA and CREST) or any other system for clearing units which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue Commissioners, as a recognised clearing system.
<b>"Recognised Exchange"</b>	any regulated stock exchange or market on which a Sub-Fund may invest. A list of those stock exchanges or markets is listed in Appendix I hereto.
<b>“Relevant Declaration”</b>	means the declaration relevant to the Unitholder as set out in Schedule 2B of the Taxes Act.
<b>“Relevant Period”</b>	means a period of 8 years beginning with the acquisition of a Unit by a Unitholder and each subsequent period of 8 years beginning immediately after the preceding Relevant Period.
<b>"Securities Act"</b>	the United States Securities Act of 1933, as amended.
<b>“SFDR” or “Sustainable Finance Disclosure Regulation”</b>	means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.
<b>“SFT”</b>	means securities financing transactions within the meaning of EC Regulation 2015/2365.
<b>“Specified US Person”</b>	means (i) an individual who is a citizen or resident of the United States, (ii) a partnership or corporation created or organized in the United States or under the laws of the United States or any State thereof or the District of Columbia (iii) a trust if (a) a court within the

United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more U.S. persons have the authority to control all substantial decisions of the trust, or (iv) an estate of a decedent that is a citizen or resident of the United States; **excluding** (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (6) any bank as defined in section 581 of the U.S. Internal Revenue Code; (7) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (8) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (10) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (11) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; (12) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code; or (13) any tax exempt trust under a plan that is described in Sections 403(b) or 457(g) of the U.S. Internal Revenue Code. This definition shall be interpreted in accordance with the U.S. Internal Revenue Code.

**"Sub-Funds"**

the Sub-Funds listed in the relevant Supplement attached hereto and any other sub-fund established by the Manager from time to time with the prior consent of the Trustee and the approval of the Central Bank.

**"Taxes Act"**

the Taxes Consolidation Act, 1997 (of Ireland) as amended.

**"Transferable Securities"**

means:

- shares in companies and other securities equivalent to shares in companies;

- bonds and other form of securitised debt;
- any other negotiable securities which carry the right to acquire such transferable securities by subscription or exchange, excluding financial derivative instruments, other than techniques and instruments for efficient portfolio management and/or to protect against exchange rate risk.

**"Trust Deed"**

the deed of trust dated 3 January, 2017 between the Manager and the Trustee, which amended and replaced the amended and restated deed of trust dated 5 August, 2016, which had amended and replaced the consolidated deed of trust dated 31 October, 2010, as amended by the First Supplemental Trust Deed dated 19 November, 2012, which, in turn, amended and replaced the original deed of trust dated 10th October 2003 between the Manager and the original trustee, Barings (Ireland) Limited, which was itself amended by a first supplemental trust deed dated 16th October, 2003, a second supplemental trust deed dated 10th January, 2005, a third supplemental trust deed 28th day of August, 2006, a fourth supplemental trust deed 2nd day of July, 2007, a fifth supplemental trust deed dated 19th day of September, 2007, a sixth supplemental trust deed dated 15th September, 2008, a seventh supplemental trust deed dated 2nd February, 2009, an eighth supplemental trust deed dated 6th day of March, 2009 and a ninth supplemental trust deed dated 17th November, 2009 and as may be further amended.

**"Trustee"**

Northern Trust Fiduciary Services (Ireland) Limited or any successor company approved by the Central Bank as trustee of the Fund.

**"UCITS"**

an undertaking for collective investment in transferable securities:

- the sole object of which is the collective investment in either or both; (i) transferable securities; or (ii) other liquid financial assets; of capital raised from the public and which operates on the principle of risk-spreading,
- the shares or units of which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of that undertaking's assets. Action taken by a UCITS to ensure that the stock exchange value of its units does not vary significantly from their net asset value shall be regarded as equivalent to such repurchase or redemption.

**"UCITS Directive"**

means Directive 2009/65/EEC of the European Parliament and of the Council, as amended by Directive 2014/91/EU of 23<sup>rd</sup> July, 2014 and as may be further amended, consolidated or substituted from time to

time.

<b>"UCITS Regulations"</b>	means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations, 2016 and as may be further amended, consolidated or substituted from time to time) and any regulations or guidance issued by the Central Bank pursuant thereto, for the time being in force.
<b>"Umbrella Cash Account"</b>	means a cash account designated in a particular currency opened at umbrella level in the name of the Trustee on behalf of the Fund through which subscriptions, redemptions or dividends payable to or from the relevant Sub-Fund will be channeled and managed.
<b>"United States"</b>	the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.
<b>"U.S. Person"</b>	a person as set out in Appendix II entitled "Supplemental Disclosure Statement for U.S. Persons and U.S. Taxpayers".
<b>"U.S. Taxpayer"</b>	a person as set out in Appendix II entitled "Supplemental Disclosure Statement for U.S. Persons and U.S. Taxpayers".
<b>"Unitholder"</b>	a person who is registered as the holder of a Unit from time to time.
<b>"Unit"</b>	one undivided share in the assets of a Sub-Fund which may be attributable to a particular class (if separate classes are established).
<b>"Valuation Point"</b>	such time or time on a Dealing Day as the Manager may from time to time determine for a Sub-Fund and which shall be specified in the relevant Supplement.

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

In this Prospectus, unless otherwise specified, all references to "billion" are to one thousand million, to "U.S. Dollars", "US\$" or "cents" are to United States dollars or cents, to "GBP" or "£" are to British Pounds Sterling, to "HKD" or "HK\$" are to Hong Kong dollars and to "Euros" or "€" are to the unit of single currency as defined in and subject to the provisions of Council Regulation (EC) No. 1103/97 and Council Regulation (EC) No. 974/98 of 3 May 1998 and all other regulations on the introduction of the Euro.

## SUMMARY

The following is qualified in its entirety by the detailed information included elsewhere in this Prospectus.

<b>The Fund</b>	The Fund is an open-ended umbrella unit trust established as a UCITS pursuant to the UCITS Regulations.
<b>The Sub-Funds</b>	The Fund is made up of the Sub-Funds, each Sub-Fund being a single pool of assets. The Manager may, whether on the establishment of a Sub-Fund or from time to time, upon notification to the Central Bank and with approval of the Trustee, create more than one class of Units in a Sub-Fund to which different levels of fees and expenses (including the management fee), Minimum Subscription, Minimum Holding, designated currency, distribution policy and such other features as the Manager may determine may be applicable. Units shall be issued to investors as Units in a Sub-Fund or (if separate classes are established) as Units in a class.
<b>Investment Objectives</b>	The assets of a Sub-Fund will be invested separately in accordance with the investment objectives and policies of that Sub-Fund as set out in the relevant Supplement attached to this Prospectus.
<b>Promoter</b>	Atlantis Investment Management (Ireland) Limited.
<b>Manager</b>	Atlantis Investment Management (Ireland) Limited.
<b>Investment Manager</b>	Atlantis Investment Management Limited. It should be noted that the name of Atlantis Investment Management Limited as registered with the Hong Kong Companies Registry includes the Chinese characters 西京投資管理有限公司 (i.e. Atlantis Investment Management Limited (西京投資管理有限公司)).
<b>Investment Adviser</b>	Such person or company as may be set out in the relevant Supplement.
<b>Administrator</b>	Northern Trust International Fund Administration Services (Ireland) Limited.
<b>Trustee</b>	Northern Trust Fiduciary Services (Ireland) Limited.
<b>Initial Issue of Units</b>	During the initial offer period, Units shall be issued at a given initial issue price as set out in the relevant Supplement. Thereafter, Units shall be issued at the relevant Net Asset Value per Unit. No subscription fee will be levied.

<b>Redemption of Units</b>	Units will be redeemed at the option of Unitholders at a price per Unit equal to the Net Asset Value per Unit. No redemption fee will be levied.
<b>Distribution Policy</b>	The Fund and each of its Sub-Funds are 'reporting funds' for the purposes of the 'reporting fund' regime in the United Kingdom. As reporting funds they will not be required to distribute income. The current regime is summarised in the section entitled "TAXATION" in the main body of the Prospectus.
<b>Irish Taxation</b>	Subject to the provisions contained in the section "Irish Taxation", the Fund will not be chargeable to tax on its income and capital gains provided it is designated as an investment undertaking under Section 739B of the Taxes Act. Tax can arise in respect of chargeable events in respect of a Unitholder who is Irish Resident or Ordinarily Resident in Ireland. In general, no Irish stamp duty or other taxes are payable on subscriptions for Units in the Fund. However, where any subscription for or redemption of Units is satisfied by the in specie transfer of Irish securities or other Irish property, Irish stamp duty might arise on the transfer of such securities or property (further details are set out under the heading "TAXATION").
<b>Conflicts of Interest</b>	Prospective investors should note certain potential conflicts of interest associated with investing in the Fund which are set out under the heading "Management of the Fund – Conflicts of Interest."
<b>Risk Factors</b>	Details of certain investment risks for an investor are set out under the heading "Risk Factors".



## THE FUND

### Introduction

The Fund, constituted on the 10th October, 2003, is an open-ended umbrella unit trust established as a UCITS pursuant to the UCITS Regulations. Its rules are set out in the Trust Deed which is binding upon the Trustee, the Manager and all Unitholders.

The Trust Deed constitutes the Fund, which is made up of the Sub-Funds. The Manager may, whether on the establishment of a Sub-Fund or from time to time, upon notification to and clearance in advance with the Central Bank create more than one class of Units in a Sub-Fund to which different levels of fees and expenses (including the management fee), minimum subscription, minimum holding, designated currency, distribution policy and such other features as the Manager may determine may be applicable, details of which shall be disclosed in the relevant Supplement. Units shall be issued to investors as Units in a Sub-Fund or (if separate classes are established) as Units in a class. A separate pool of assets will not be maintained for each class.

At the date of this Prospectus, the Fund is comprised of the following Sub-Funds:-

- ATLANTIS CHINA FUND
- ATLANTIS CHINA HEALTHCARE FUND
- ATLANTIS ASIAN FUND
- ATLANTIS JAPAN OPPORTUNITIES FUND

Additional Sub-Funds may, with the prior approval of the Central Bank and the approval of the Trustee, be added by the Manager. The name of each additional Sub-Fund, details of its investment objective and policies, of the types of classes (if any) available, of the issue of Units and of Sub-Fund specific fees and expenses shall be set out in the relevant Supplement attached to this Prospectus. The Manager may, with the approval of the Trustee and upon notice to the Central Bank, close any Sub-Fund or class (if applicable) in existence by serving not less than one month written notice on the Unitholders in that Sub-Fund or class (if applicable) and on the Central Bank.

The assets of a Sub-Fund shall belong exclusively to that Sub-Fund. The assets shall be segregated from the assets of either the Trustee or its agents or both and shall not be used to discharge, directly or indirectly, liabilities or claims against any other undertaking or entity and shall not be available for such purpose.

Monies subscribed for each Sub-Fund should be in the denominated currency of the relevant Sub-Fund or class (if applicable). Subscription, redemption or distribution monies paid or received in respect of a Sub-Fund or class denominated in a currency other than the denominated currency of the Sub-Fund or class, will be converted into or out of the denominated currency of the Sub-Fund or class at the prevailing exchange rate and such subscription, redemption or distribution money shall be deemed to be in the amounts so converted. The cost of the conversion will be borne by the relevant Unitholder. The Administrator may refuse at its discretion to arrange for the conversion of monies subscribed for a Sub-Fund or class (if applicable) in a currency other than the denominated currency

of the Sub-Fund or class (if applicable).

### **Investment Objectives and Policies**

The assets of a Sub-Fund will be invested separately in accordance with the investment objectives and policies of that Sub-Fund which are set out in the relevant Supplement to this Prospectus which shall be updated as Sub-Funds are added to the Fund or revoked, as the case may be.

Pending investment of the proceeds of a placing or offer of Units or where market or other factors so warrant, a Sub-Fund's assets may, subject to the investment restrictions set out under the heading "The Fund-Investment and Borrowing Restrictions" below, be invested in liquid assets including but not limited to money market instruments and cash deposits.

The Manager shall not make any change to the investment objective or any material change to the investment policy, each as disclosed in the relevant Sub-Fund Supplement, unless Unitholders have, in advance, on the basis of a simple majority of votes cast at a general meeting or with the prior written approval of all Unitholders of the relevant Sub-Fund, approved the relevant change(s). The Manager shall provide all Unitholders of the relevant Sub-Fund with reasonable notice of the change(s) in the event of any change to the investment objective or any material change to the investment policy, each as disclosed in the relevant Sub-Fund Supplement.

Investors should be aware that the performance of certain Sub-Funds may be measured against a specified benchmark and in this regard, Unitholders are directed towards the relevant Supplement which will refer to any relevant performance measurement criteria. The Manager may at any time change that reference benchmark where, for reasons outside its control, that benchmark has been replaced, or another benchmark may reasonably be considered by the Manager to have become the appropriate standard for the relevant exposure. In such circumstances, any change in benchmark will be disclosed in the annual or half-yearly report of the Fund issued subsequent to such change.

### **Financial Derivative Instruments and Efficient Portfolio Management**

Where specified in the relevant Supplement, the Manager may, on behalf of each Sub-Fund invest in financial derivative instruments in accordance with conditions or requirements imposed by the Central Bank. Such instruments and their expected effect on the risk profile of such Sub-Fund and the extent to which a Sub-Fund may be leveraged through the use of financial derivative instruments will be disclosed in the relevant Supplement.

The Manager may, on behalf of each Sub-Fund, subject to the requirements of the Central Bank, engage in techniques and instruments relating to transferable securities and Money Market Instruments for efficient portfolio management purposes in accordance with conditions or requirements imposed by the Central Bank. Further details will be disclosed in the relevant Supplement.

Investors should be aware that transaction costs may be incurred in respect of efficient portfolio management techniques in respect of a Sub-Fund. Any direct and indirect operational costs/fees arising from efficient portfolio management techniques do not include hidden revenue and will be paid

to such entities as outlined in the annual report of the Fund, which shall indicate if the entities are related to the Manager or the Trustee. All revenues from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Sub-Fund.

Investors should consult the sections of the Prospectus entitled “Risk Factors - Counterparty Risk”, “Risk Factors- Derivative Instrument Risk” and “Conflicts of Interest” for more information on the risks associated with efficient portfolio management.

For the purpose of providing margin or collateral in respect of transactions in financial derivative instruments or efficient portfolio management techniques, the Trustee may transfer, mortgage, pledge, charge or encumber any assets or cash forming part of the relevant Sub-Fund in accordance with normal market practice.

#### *Hedged Classes*

Where set out in the relevant Supplement, the Manager shall enter into certain currency related transactions in order to mitigate the exchange rate risk between the base currency of a Sub-Fund and the currency in which Units in the Class of the relevant Sub-Fund are designated where that designated currency is different to the base currency of the Sub-Fund.

Where set out in the relevant Supplement, the Manager may enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Sub-Fund attributable to a particular class into the currency of denomination of the relevant class for the purposes of efficient portfolio management.

Any financial instruments used to implement such strategies with respect to one or more classes shall be assets/liabilities of a Sub-Fund as a whole but will be attributable to the relevant class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant class.

The Manager shall not combine or offset currency exposures of different Classes and the Manager shall not allocate currency exposures of assets of the Sub-Fund to separate Classes. The currency exposure of the assets attributable to a class may not be allocated to other classes.

Where there is more than one hedged class in a Sub-Fund denominated in the same currency (which is a currency other than the base currency of the relevant Sub-Fund) and it is intended to hedge the foreign currency exposure of such classes against the base currency of the relevant Sub-Fund or against the currencies in which the Sub-Fund’s assets are denominated, the Sub-Fund may, in accordance with the Central Bank requirements, aggregate the foreign exchange transactions entered into on behalf of such hedged classes and apportion the gains/losses on and the costs of the relevant financial instruments pro rata to each such hedged class in the relevant Sub-Fund.

Where the Manager seeks to hedge against currency fluctuations at class level, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Manager. However, over-hedged positions will not exceed 105% of the Net Asset Value of the class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of

the class which is to be hedged against currency risk. Hedged positions will be reviewed daily to ensure that over-hedged or under-hedged positions do not exceed/fall short of the permitted levels outlined above and are not carried forward from month to month.

To the extent that hedging is successful for a particular class, the performance of the class is likely to move in line with the performance of the underlying assets with the result that investors in that class will not gain if the class currency falls against the base currency of the relevant Sub-Fund and/or the currency in which the assets of the particular Sub-Fund are denominated.

The currency hedging strategy will be monitored and adjusted in line with the valuation cycle at which investors are able to subscribe to and redeem from the relevant Sub-Fund. Investors' attention is drawn to the risk factor below entitled "Unit Currency Designation Risk".

Where a class is unhedged, a currency conversion will take place on subscriptions, redemptions, conversions and distributions at prevailing exchange rates. In such circumstances, the value of the Units expressed in the class currency will be subject to exchange rate risk in relation to the base currency and/or in relation to the designated currencies of the underlying assets.

#### *Financial Indices*

As outlined above and in the relevant Supplement, a Sub-Fund may gain exposure to financial indices through the use of financial derivative instruments where considered appropriate to the investment objective and investment policies of the relevant Sub-Fund.

Such financial indices may or may not comprise Eligible Assets.

Where exposure is generated to financial indices which do not comprise Eligible Assets or in circumstances where an index comprises Eligible Assets but the relevant Sub-Fund cannot comply with the risk spreading rules set down in the UCITS Regulations taking into account both direct and indirect exposure of the Sub-Fund to the constituents of the relevant index, the Investment Manager shall only gain exposure to financial indices which comply with the requirements of the Central Bank as set out in the Central Bank UCITS Regulations.

In this regard, any such financial indices will be rebalanced/adjusted on a periodic basis in accordance with the requirements of the Central Bank e.g. on a weekly, monthly, quarterly, semi-annual or annual basis. The costs associated with gaining exposure to a financial index will be impacted by the frequency with which the relevant financial index is rebalanced.

It is not possible to list comprehensively the actual financial indices to which exposure may be taken as they have not, as of the date of this Prospectus, been selected and they may change from time to time. A list of the indices to which a Sub-Fund takes exposure will be included in the annual financial statements of the Fund. Details of any financial indices used by any Sub-Fund will also be provided to Unitholders of that Sub-Fund by the Investment Manager on request.

Where the weighting of a particular constituent in the financial index exceeds the investment restrictions set down in the UCITS Regulations, the Investment Manager will as a priority look to

remedy the situation taking into account the interests of Unitholders and the relevant Sub-Fund.

#### *Total Return Swaps*

While it is not currently the intention of the Investment Manager to enter into total return swaps, the ability to hold these instruments is currently set out in the Supplements for certain Sub-Funds. In the event that a Sub-Fund were to hold total return swaps, the counterparties to any such swaps shall be entities which satisfy the OTC counterparty criteria set down by the Central Bank in the Central Bank UCITS Regulations or any other entity permitted by the Central Bank and shall specialise in such transactions.

Unitholders should be aware that the failure of a counterparty to a swap transaction may have a negative impact on the return for Unitholders. The Investment Manager would seek to minimise counterparty performance risk by only selecting counterparties with a good credit rating and by monitoring any changes in those counterparties' ratings. Additionally, these transactions would only be concluded on the basis of standardised framework agreements (such as ISDA Master Agreements).

Total return swaps may be held, for example, if the Investment Manager wishes to gain exposure to a section of the market that is not readily tradable via the derivatives set out below such as futures or option contracts, then it may be desirable to hold a total return swap which provides exposure to a bespoke basket of securities.

As the Sub-Funds do not currently enter into any total return swaps, it is not possible to list the counterparties. However, the counterparty to any total return swap entered into by a Sub-Fund would not assume any discretion over the composition or management of the investment portfolio of the Sub-Fund or of the underlying of the total return swap.

#### *Collateral*

Investors should note that the Sub-Funds do not currently receive collateral arising from OTC financial derivative transactions or efficient portfolio management techniques. In the event that this changes, the Prospectus or relevant Supplement will be updated to disclose the relevant Sub-Fund's collateral policy. Investors should also note the heading below entitled "*Securities Financing Transactions and Total Return Swaps – Collateral*" for further information in respect of any collateral which may be received in respect of Securities Financing Transactions and Total Return Swaps, where relevant to the specific Sub-Fund.

#### *OTC Counterparties*

The Manager on behalf of a Sub-Fund may use OTC FDI provided that:

- (i) the counterparty is a credit institution which meets the criteria in Regulation 7 of the Central Bank UCITS Regulations or an investment firm, authorised in accordance with the Markets in Financial Instruments Directive in an EEA Member State, or is a group company of an entity issued with a bank holding company license from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated

- supervision by that Federal Reserve or such other entity as permitted by the Central Bank;
- (ii) in the case of an OTC FDI counterparty which is not a credit institution listed in (i) above, the Manager shall carry out an appropriate credit assessment on the relevant counterparty, to include, amongst other considerations, external credit ratings of the counterparty, regulatory supervision applied to the relevant counterparty, industry sector risk and concentration risk. Where the counterparty was (a) subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) of Regulation 8(4) of the Central Bank UCITS Regulations this shall result in a new credit assessment being conducted of the counterparty by the Manager without delay;
- (iii) in the case of the subsequent novation of the OTC FDI contract, the counterparty is one of: the entities set out in paragraph (i) or a central counterparty (CCP) authorised, or recognised by ESMA, under EMIR or, pending recognition by ESMA under Article 25 of EMIR, an entity classified as a derivatives clearing organisation by the Commodity Futures Trading Commission or a clearing agency by the SEC (both CCP); and
- (iv) risk exposure to the OTC FDI counterparty does not exceed the limits set out in the UCITS Regulations.

In assessing risk exposure to the counterparty to an OTC derivative for the purpose of the UCITS Regulations (i) the Manager shall calculate the exposure to the counterparty using the positive mark-to-market value of the OTC derivative with that counterparty (ii) the Manager may net derivative positions with the same counterparty, provided that the Manager on behalf of the Sub-Fund is able to legally enforce netting arrangements with the counterparty. For this purpose netting is permissible only in respect of OTC derivatives with the same counterparty and not in relation to any other exposures the relevant Sub-Fund has with the same counterparty (iii) the Manager may take account of collateral received by the relevant Sub-Fund in order to reduce the exposure to the counterparty, provided that the collateral meets with the requirements specified in the Central Bank UCITS Regulations.

#### *Securities Financing Transactions and Total Return Swaps – Counterparty Procedure*

In respect of SFTs and total return swaps, a counterparty selected will be either an investment firm, authorised in accordance with the EU MiFID Directive (2004/39/EC) or a group company of an entity issued with a bank holding company licence from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve or an “Approved Credit Institution” or such other entity as permitted by the Central Bank. An Approved Credit Institution is:

- (i) a credit institution authorised in the EEA; or
- (ii) a credit institution authorised within a signatory state, other than a Member State of the EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States); or
- (iii) a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.

Counterparties to an SFT or total return swap will have a minimum credit rating of A-2 or equivalent or have been deemed by the Manager to have an implied rating of A-2. Alternatively, an unrated counterparty may be acceptable where the relevant Sub-Fund is indemnified or guaranteed against losses suffered as a result of a failure by the counterparty by an entity which has and maintains a rating of A-2 or equivalent.

The Manager or its delegate approves the counterparties used for dealing, establishes counterparty credit limits for them and monitors them on an on-going basis.

The Manager or its delegate selects counterparties on the basis of their ability to supply liquidity and competitive pricing to the relevant Sub-Fund. This is subject to the minimum credit rating requirements and legal status requirements specified in the UCITS Regulations and further detailed above.

The Manager's counterparty approval process reviews the financial strength, internal controls and general reputation of the counterparty in question, as well as the legal, regulatory and political environment in the relevant markets. Counterparty exposure is monitored and reported to the Manager on a regular basis. Any broker counterparty selected must be appropriately registered and meet operational efficiency requirements of the Manager.

Investors should consult the "Risk Factors" of the Prospectus for information on counterparty risk and credit risk in this regard.

#### *Securities Financing Transactions and Total Return Swaps – Collateral*

In respect of SFTs and total return swaps, collateral received other than cash, will 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 will 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. Collateral will be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the relevant Sub-Fund's Net Asset Value. If the relevant Sub-Fund is exposed to different counterparties, the different baskets of collateral will be aggregated to calculate the 20% limit of exposure to a single issuer. Furthermore, the relevant Sub-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 State belongs. The relevant Sub-Fund may receive securities from at least 6 different issuers, but securities from any single issuer will not account for more than 30 per cent of the Sub-Fund's Net Asset Value. The collateral supporting SFTs and total return swaps will be valued daily at mark-to-market prices and daily variation margin used if the value of collateral falls below coverage requirements.

Any collateral and/or assets received by the Manager for and on behalf of the relevant Sub-Fund on a title transfer basis shall be held in safekeeping by the Trustee. For other types of collateral arrangements, the collateral will be held with a third party custodian which is subject to prudential supervision and which is unrelated to the collateral provider.

The types of assets that may be received as collateral in respect of total return swaps and SFTs may include certain government bonds of various maturities and baskets of certain equities for securities lending transactions.

Non-cash collateral cannot be sold or pledged or re-invested. Cash collateral received by the relevant Sub-Fund may be reinvested in accordance with the requirements of the Central Bank at the discretion of the Manager or its delegate. In this regard, any cash collateral received by the relevant Sub-Fund may also be placed on deposit with relevant credit institutions as permitted by the UCITS Regulations. In such circumstances, the relevant Sub-Fund shall be exposed to the creditworthiness of the relevant credit institution with which cash collateral is placed.

### **Borrowing Powers and Restrictions**

The Manager may only borrow on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of each Sub-Fund. Subject to this limit the Manager may exercise all borrowing powers on behalf of the relevant Sub-Fund. In accordance with the provisions of the UCITS Regulations the Manager may charge its assets as security for such borrowings. A Sub-Fund may acquire foreign currency by means of a “back-to-back” loan agreement. The Manager shall ensure that a Sub-Fund with foreign currency borrowings which exceed the value of a back-to-back deposit treats that excess as borrowings for the purpose of Regulation 103 of the UCITS Regulations.

### **Investment Restrictions**

The investment restrictions applying to the Fund and to each Sub-Fund are set out below. These are, however, subject to the UCITS Regulations, the requirements of the Central Bank and the Central Bank UCITS Regulations. The Manager may from time to time impose such further investment restrictions as shall be compatible with or in the interest of the Unitholders, in order to comply with the laws and regulations of the countries where Units of each Sub-Fund are placed. Any such further restrictions shall be in accordance with the UCITS Regulations.

The Fund is authorised as a UCITS pursuant to the UCITS Regulations. Pursuant to the provisions of the UCITS Regulations the investments of a UCITS must consist solely of any one or more of the following:

1	<b>Permitted Investments</b>
1.1	Investments of a Sub-Fund are confined to:  Transferable securities and Money Market Instruments which are either admitted to official listing on a stock exchange in a Member State or non-Member State or which are dealt on a market which is regulated, operates regularly, is recognised and open to the public in a Member State or non-Member State.
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, other than those dealt on a regulated market.
1.4	Units of UCITS.
1.5	Units of AIFs.
1.6	Deposits with credit institutions.
1.7	Financial derivative instruments
<b>2</b>	<b>Investment Restrictions</b>
2.1	A Sub-Fund may invest no more than 10% of net assets in transferable securities and Money Market Instruments other than those referred to in paragraph 1.
2.2	<p>Recently Issued Transferable Securities:</p> <p>Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations apply.</p> <p>Paragraph (1) does not apply to an investment by a responsible person in US Securities known as “ Rule 144 A securities” provided that;</p> <p>(a) the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and</p> <p>(b) the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.</p>
2.3	A Sub-Fund may invest no more than 10% of net assets in transferable securities or Money Market Instruments issued by the same body provided that the total value of transferable securities and Money Market Instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
2.4	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 Sub-Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Sub-Funds.
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 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.

- 2.7 Deposits with any single credit institution other than a credit institution specified in Regulation 7 of the Central Bank Regulations held as ancillary liquidity shall not exceed:
- (a) 10% of the NAV of the UCITS; or  
 (b) where the deposit is made with the Trustee 20% of the net assets of the UCITS.
- 2.8 The risk exposure of a Sub-Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.
- This limit is raised to 10% in the case of a credit institution authorised in the EEA or a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998; 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 net assets:
- 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 assets.
- 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 assets may be applied to investment in transferable securities and Money Market Instruments within the same group.
- 2.12 A Sub-Fund may invest up to 100% of net assets in different transferable securities and Money Market Instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members,
- The individual issuers must be listed in the prospectus and may be drawn from the following list:**
- OECD Governments (provided the relevant issues are investment grade), European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie

	<p>Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority.</p> <p>The Sub-Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.</p>
<b>3</b>	<b>Investment in Collective Investment Schemes (“CIS”)</b>
3.1	A Sub-Fund may not invest more than 20% of net assets in any one CIS.
3.2	Investment in AIFs may not, in aggregate, exceed 30% of net assets.
3.3	The CIS are prohibited from investing more than 10 per cent of net assets in other open-ended CIS.
3.4	When a Sub-Fund invests in the units of other CIS that are managed, directly or by delegation, by the management company or by any other company with which the management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Sub-Fund investment in the units of such other CIS.
3.5	Where by virtue of investment in the units of another investment fund, the Manager, an investment manager or an investment advisor receives a commission on behalf of the UCITS (including a rebated commission), the Manager shall ensure that the relevant commission is paid into the property of the UCITS.
<b>4</b>	<b>Index Tracking UCITS</b>
4.1	A Sub-Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the Sub-Fund 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 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
5.1	An investment company, ICAV, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	A Sub-Fund may acquire no more than: <ul style="list-style-type: none"> <li>(i) 10% of the non-voting shares of any single issuing body;</li> </ul>

(ii) 10% of the debt securities of any single issuing body;

(iii) 25% of the 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 the 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 a Sub-Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Sub-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 2.10, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.

(v) Shares held by an investment company or investment companies or ICAV or ICAVs in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.

5.4 A Sub-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 Sub-Funds to derogate from the provisions of 2.3 to 2.11, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.

5.6 If the limits laid down herein are exceeded for reasons beyond the control of a Sub-Fund, or as a result of the exercise of subscription rights, the Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.

5.7	<p>Neither an investment company, ICAV nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:</p> <ul style="list-style-type: none"> <li>- transferable securities;</li> <li>- Money Market Instruments*;</li> <li>- units of CIS; or</li> <li>- financial derivative instruments.</li> </ul> <p><i>*Any short selling of money market instruments by UCITS is prohibited.</i></p>
5.8	A Sub-Fund may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
6.1	The Sub-Fund's global exposure (as prescribed in the Central Bank UCITS Regulations) relating to FDI must not exceed its total net asset value.
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/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
6.3	A Sub-Fund may invest in FDIs dealt in over-the-counter (OTC) provided that the counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
6.4	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank

### **Additional Investment Restrictions**

Investment by a Sub-Fund in another Sub-Fund of the Fund is subject to the following additional provisions:

- Investment must not be made in a Sub-Fund which itself holds shares in other Sub-Funds within the Fund; and
- The investing Sub-Fund may not charge an annual management fee in respect of that portion of its assets invested in other Sub-Funds within the Fund (whether such fee is paid directly at the investing fund level, indirectly at the receiving fund level or a combination of both), such that there shall be no double charging of the annual management fee to the investing Sub-

Fund as a result of investments in the receiving Sub-Fund. This provision is also applicable to the annual fee charged by the Investment Manager where such fee is paid directly out of the assets of the Sub-Fund.

In addition to observing the investment restrictions set out above, each Sub-Fund is also expected to observe certain investment limitations as required under United Kingdom legislation in order for the Sub-Fund to be certified as a "reporting fund" (see the section entitled "Taxation" below).

### **Distribution Policy**

The Sub-Funds will generally reinvest, rather than distribute, any income arising from their respective investments. The Fund and each of its Sub-Funds are 'reporting funds' for the purposes of the 'reporting fund' regime in the United Kingdom. The current regime is summarised in the section entitled "TAXATION" in the main body of the Prospectus.

Where cash is requested by a Unitholder, any distribution payable to a Unitholder will be paid in the base currency of the relevant Sub-Fund (or the currency of denomination of the class, if applicable) by bank transfer to the bank account set out in the application form (although the regulation implementing such changes have not yet been enacted and remaining draft from at the time of writing). Every such bank transfer shall be made payable to the order of such Unitholder or, in the case of joint Unitholders, made payable to the order of the first named joint Unitholder on the register at the risk of such Unitholder or joint Unitholders.

The amount available for distribution to Unitholders in respect of any Distribution Period shall be equal to (i) the net income received by the Trustee (whether in the form of dividends, interest or otherwise) during the Distribution Period in relation to the Sub-Fund, and/or (ii) realised and unrealised capital gains less realised and unrealised capital losses made during the Distribution Period on the disposal/valuation of assets arising from the relevant Sub-Fund subject to such adjustments as may be appropriate under the following headings:

- (a) addition or deduction of a sum by way of adjustment to allow for the effect of sales or purchases cum or ex dividend;
- (b) addition of a sum representing any interest or dividends or other income accrued but not received by the Trustee at the end of the Distribution Period and deduction of a sum representing (to the extent that an adjustment by way of addition has been made in respect of any previous Distribution Period) interest or dividends or other income accrued at the end of the previous Distribution Period;
- (c) addition of the amount (if any) available for distribution in respect of the last preceding Distribution Period but not distributed in respect thereof;
- (d) addition of a sum representing the estimated or actual repayment of tax resulting from any claims in respect of income tax relief or double taxation relief or otherwise;
- (e) deduction of the amount of tax or other estimated or actual liability properly payable out of the

income of the Sub-Fund;

- (f) deduction of a sum representing participation in income paid upon the cancellation of Units during the Distribution Period; and
- (g) deduction of such amount as the Manager (or its delegate) may certify necessary in respect of any expenses, remunerations or other payments (including Administration expenses, Disbursements and the service charge) accrued during the Distribution Period and properly payable out of the income or capital of the Sub-Fund.

Distributions not claimed within six years from their due dates will lapse and revert to the relevant Sub-Fund.

Pending payment to the relevant Unitholder, distribution payments will be held in an Umbrella Cash Account in the name of the Trustee on behalf of the Fund and will be treated as an asset of the relevant Sub-Fund until paid to that Unitholder and will not benefit from the application of any investor money protection rules (i.e. the distribution monies in such circumstance will not be held on trust for the relevant Unitholder). In such circumstances, the Unitholder will be an unsecured creditor of the relevant Sub-Fund with respect to the distribution amount held by the Fund until it is paid to the Unitholder. In the event of an insolvency of the Sub-Fund or the Fund, there is no guarantee that the Sub-Fund or the Fund will have sufficient funds to pay unsecured creditors in full. Unitholders due dividend monies which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Sub-Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the Unitholder may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that Unitholder.

Your attention is drawn to the section of the Prospectus entitled “Risk Factors” – “Operation of Umbrella Cash Accounts” above.

### **The Sustainable Finance Disclosure Regulation**

The Investment Manager has determined that sustainability risk (which is defined as an ESG event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the relevant investment (an “ESG Event”)) is not relevant for the Sub-Funds.

In pursuing their investment objectives, the Sub-Funds take into account broad market factors and do not seek to incorporate sustainability risks or factors of the underlying securities into allocation decisions. Given the diversified nature of the Sub-Funds and the focus on broad market factors, sustainability risk is deemed not relevant for the Sub-Fund.

In addition, the investments underlying the Sub-Funds do not take into account the EU criteria for environmentally sustainable economic activities.

EU-based financial market participants are required to confirm if they consider principal adverse impacts of investment decisions on sustainability factors for the financial products they manage. The

Manager does not consider such impacts at this time. This is on the basis that the Sub-Funds were not designed to specifically avoid investments that include one or more sustainability factors, such as avoiding a particular industry/sector in its entirety, the Investment Manager does not currently consider an assessment of the principal adverse impacts of its investment decisions on sustainability factors (within the meaning of Article 4(1)(a) of SFDR) to be relevant to the investment strategies of the Sub-Funds described in the Supplements.

The Sub-Funds do not promote environmental and/or social characteristics pursuant to Article 8 of SFDR nor do they have sustainable investment as their objective pursuant to Article 9 of SFDR. Consequently, for SFDR purposes the Sub-Funds are considered Article 6 Funds.



## **RISK FACTORS**

Potential investors should consider the following risks before investing in any of the Sub-Funds.

### **General**

Potential investors should be aware that the value of Units and the income therefrom can, in common with other shares or units, fluctuate and they may not be able to get back the amount they have invested. There is no assurance that the investment objective of a Sub-Fund will actually be achieved. The difference at any one time between the issue and redemption price of Units means that an investment in a Sub-Fund should be viewed as medium to long term.

### **Market Capitalisation Risk**

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

### **Emerging Markets Risk**

Certain Sub-Funds may invest in equity securities of companies in emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalization, and social, political and economic instability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility, (iii) certain national policies which may restrict a Sub-Fund's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; and (iv) the absence of developed legal structures governing private or foreign investment and private property.

The economies of emerging markets in which a Sub-Fund may invest may differ unfavourably from the economies of industrialised countries. The economies of developing countries are generally heavily dependent on international trade and have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. These countries may have relatively unstable governments, economics based on only a few industries and securities markets that trade a limited number of securities and which are subject to a lesser degree of supervision and regulation by the competent authorities. Securities of issuers located in these countries tend to have volatile prices and offer the potential for substantial loss as well as gain. Furthermore, the available information about issuers located in these countries might be limited. In addition, these securities may be less liquid than investments in more established markets as a result of the inadequate trading volume or restrictions on trading imposed by the governments of such countries. Whilst each Sub-Fund invests in transferable securities there is also a possibility that

redemption of Units following a redemption request may be delayed due to the illiquid nature of such investments.

### **Political and/or Regulatory Risks**

The value of a Sub-Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and changes in, or other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

### **High Yield/Low Rated Debt Securities**

The market value of corporate debt securities rated below investment grade and comparable unrated securities tend to be more sensitive to company-specific developments and changes in economic conditions than higher rated securities. Issuers of these securities are often highly leveraged, so that their ability to service debt obligations during an economic downturn may be impaired. In addition, such issuers may not have more traditional methods of financing available to them, and may be unable to repay debt at maturity by refinancing. The risk of loss due to default in payment of interest or principal by such issuers is significantly greater than in the case of investment grade securities because such securities frequently are subordinated to the prior payment of senior indebtedness.

### **Investment in Lower Rated Fixed Income Securities**

Investment in fixed income securities is subject to interest rate, sector, security and credit risks. Lower-rated securities will usually offer higher yields than higher-rated securities to compensate for the reduced creditworthiness and increased risk of default that these securities carry. Lower-rated securities generally tend to reflect short-term corporate and market developments to a greater extent than higher-rated securities which respond primarily to fluctuations in the general level of interest rates. There are fewer investors in lower-rated securities and it may be harder to buy and sell such securities at an optimum time.

The volume of transactions effected in certain international bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, a Sub-Fund's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

Many fixed income securities, including certain corporate debt securities in which a Sub-Fund may invest, contain call or buy-back features which permit the issuer of the security to call or repurchase it. If an issuer exercises such a "call option" and redeems the security the Sub-Fund may have to replace the called security with a lower yielding security, resulting in a decreased rate of return for the Sub-Fund.

## **Foreign Exchange/Currency Risk**

Although Units in a Sub-Fund may be denominated in a particular base currency, the Sub-Fund may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of a Sub-Fund as expressed in its base currency will fluctuate in accordance with the changes in the foreign exchange rate between the base currency and the currencies in which the Sub-Fund's investments are denominated. A Sub-Fund may, therefore, be exposed to a foreign exchange/currency risk.

It may not be possible or practicable to hedge against the consequent foreign exchange/ currency risk exposure. The Sub-Fund will enter into hedging transactions at its discretion and solely for the purposes of efficient portfolio management as set out in the UCITS Regulations.

In addition, in the event that a Sub-Fund invests in a currency (i) which ceases to exist or (ii) in which a participant in such currency ceases to be a participant in such currency, it is likely that this would have an adverse impact on a Sub-Fund's liquidity.

## **Unit Currency Designation Risk**

A class of Units of a Sub-Fund may be designated in a currency other than the base currency of the Sub-Fund and/or the designated currencies in which the Sub-Fund's assets are denominated. Redemption proceeds and any distributions to Unitholders will normally be made in the currency of denomination of the relevant class. Changes in the exchange rate between the base currency and such designated currency or changes in the exchange rate between the designated currencies in which the Sub-Fund's assets are denominated and the designated currency of a class may lead to a depreciation of the value of such Units as expressed in the designated currency. Where a class of a Sub-Fund is designated as "hedged" in the relevant Supplement, the Investment Manager will try to mitigate this risk by using financial instruments within the Sub-Fund's investments, (see the section "Hedged Classes"). Investors should be aware that this strategy may substantially limit Unitholders 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 Sub-Fund are denominated. In such circumstances Unitholders of the relevant Class of Units of the Fund may be exposed to fluctuations in the Net Asset Value per Unit reflecting the gains/losses on and the costs of the relevant financial instruments. Financial instruments used to implement such strategies shall be assets/liabilities of the Sub-Fund as a whole. However, the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant class of Units of the Sub-Fund.

Unitholders should note that generally there is no segregation of assets and liabilities between classes in a Sub-Fund and therefore a counterparty to a derivative overlay entered into in respect of a hedged class may have recourse to the assets of the relevant Sub-Fund attributable to other classes of that Sub-Fund where there is insufficient assets attributable to the hedged class to discharge its liabilities. While the Manager has taken steps to ensure that the risk of contagion between classes is mitigated in order to ensure that the additional risk introduced to the Sub-Fund through the use of a derivative overlay is only borne by the Unitholders in the relevant class, this risk cannot be fully eliminated.

## **Settlement Risk**

The trading and settlement practices and the reliability of the trading and settlement systems of some of the markets or exchanges on which a Sub-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, or disposed of by a Sub-Fund.

## **Market Risk**

Although it is intended that a Sub-Fund will be diversified, the investments of a Sub-Fund are subject to nominal market fluctuations and to the risks inherent in investing in equities, fixed income securities, currency, instruments, derivatives and other similar instruments.

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

Where a Sub-Fund acquires securities on over-the-counter markets, there is no guarantee that the Sub-Fund will be able to realise the fair value of such securities due to their tendency to have limited liquidity and comparatively high price volatility. In particular, investments in Equity Linked Securities involve certain risks in addition to those associated with a direct investment in the underlying foreign companies or foreign securities markets whose return they seek to replicate. There can be no assurance that there will be a trading market or that the trading price will equal the value of the foreign company or foreign securities market that it seeks to replicate.

## **Custody Risks**

A Sub-Fund may invest in markets where depositaries or custodians may not be able to offer the level of service and safe-keeping, settlement and administration of securities that is customary in more developed markets and there is a risk that the Fund will not be recognised as the owner of securities held on its behalf by a sub-custodian. Rules regulating corporate governance are undeveloped and therefore may offer little protection to Unitholders.

Such markets include Bangladesh, Indonesia, South Korea, Pakistan, India, and such risks include:

- a non-true delivery versus payment settlement
- a physical market, and as a consequence the circulation of forged securities
- poor information in regards to corporate actions
- registration process that impacts the availability of the securities
- lack of appropriate legal/fiscal infrastructure advices
- lack of compensation/risk fund with a central depository

## **Interest Rate Risk**

As a Sub-Fund may mainly invest in bonds and other debt securities, these securities will increase or decrease in value based on changes in interest rates. If rates increase, the value of a Sub-Fund's investments generally declines. On the other hand, if rates fall, the value of the investments generally increases. An investment will decline in value if the value of a Sub-Fund's investments decreases. Securities with greater interest rate sensitivity and longer maturities tend to produce higher yields, but are subject to greater fluctuations in value. Usually, changes in the value of fixed income securities will not affect cash income generated, but may affect the value of an investment in a Sub-Fund.

## **Counterparty Risk**

Each of the Sub-Funds may be exposed to credit risk on the counterparties with which it trades in relation to Equity Linked Securities, options, futures and forward contracts and other financial instruments that are not traded on a Recognised Exchange. Counterparties are not afforded the same protections as may apply to those trading futures or options on Recognised Exchanges, such as the performance guarantee of an exchange clearing house. Each Sub-Fund will be subject to the possibility of the insolvency, bankruptcy or default of a counterparty with which the Sub-Funds trade such instruments, which could result in substantial losses to the relevant Sub-Fund or Sub-Funds.

Each of the Sub-Funds may also be exposed to a credit risk on counterparties with whom it trades securities, and may also bear the risk of settlement default, in particular in relation to debt securities such as bonds, notes and similar debt obligations or instruments.

Conflicts of interest may arise as a result of a Sub-Fund trading with counterparties. Where any conflict of interest arises the Manager will seek to resolve such conflicts fairly. The particular risks of trading with counterparties are set out below under the heading "Legal and Operational Risks Linked to Management of Collateral."

## **Legal and Operational Risks Linked to Management of Collateral**

OTC derivatives are generally entered into pursuant to contracts based on the standards set by the International Securities Dealers Association for derivatives master agreements which are negotiated by the parties. The use of such contracts may expose a Sub-Fund to legal risks, such as that the contract may not accurately reflect the intention of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation.

The use of OTC derivatives and the management of collateral received are subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Where cash collateral is re-invested, in accordance with the conditions imposed by the Central Bank, a Sub-Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

## **Accounting Standards**

Investors' attention is drawn to the fact that the accounts, auditing and financial reporting standards,

practices and disclosure requirements applicable to some countries in whose markets the Sub-Funds may invest do not necessarily provide the same degree of Unitholder protection and information to investors as would generally apply in more developed markets.

### **Liquidity Risk**

A Sub-Fund may invest in certain securities that may be difficult or impossible to sell at the time and the price that would normally prevail in the market. The seller may have to lower the price, sell other securities instead or forego an investment opportunity, any of which could have a negative effect on a Sub-Fund's management or performance. This includes the risk of missing out on an investment opportunity because the assets necessary to take advantage of it are tied up in less advantageous investments.

### **Taxation Risk**

Any change in the taxation legislation in Ireland, or elsewhere, could affect (i) the Fund or any Sub-Fund's ability to achieve its investment objective, (ii) the value of the Fund or any Sub-Fund's investments or (iii) the ability to pay returns to Unitholders or alter such returns. Any such changes, which could also be retroactive, could have an effect on the validity of the information stated herein based on current tax law and practice. Potential investors and Unitholders should note that the statements on taxation which are set out herein and in this Prospectus are based on advice which has been received by the Manager 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 Fund will endure indefinitely.

If, as a result of the status of a Unitholder, the Fund or a Sub-Fund becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon, the Fund or the Sub-Fund shall be entitled to deduct such amount from any payment(s) made to such Unitholder, and/or to compulsorily redeem or cancel such number of Units held by the Unitholder or the beneficial owner of the Units for the purposes of obtaining sufficient monies to discharge any such liability. The relevant Unitholder shall indemnify and keep the Fund or the Sub-Fund indemnified against any loss arising to the Fund or the Sub-Fund reason of the Fund or the Sub-Fund becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made. Prospective investors and Unitholders should consult their tax advisors with respect to their particular tax situations and the tax consequences of an investment in a particular Sub-Fund.

Unitholders and potential investors' attention is drawn to the taxation and risks associated with investing in a Sub-Fund. Further details are set out under the heading "TAXATION" below.

### **Foreign Account Tax Compliance Act**

The foreign account tax compliance provisions ("**FATCA**") of the Hiring Incentives to Restore Employment Act 2010 which apply to certain payments are essentially designed to require reporting of Specified US Person's ownership of non-US accounts and non-US entities to the US Internal

Revenue Service, with any failure to provide the required information resulting in a 30% US withholding tax on direct US investments (and possibly indirect US investments). In order to avoid being subject to US withholding tax, both US investors and non-US investors are likely to be required to provide information regarding themselves and their investors. In this regard the Irish and US Governments signed an intergovernmental agreement (“**Irish IGA**”) with respect to the implementation of FATCA (see section entitled “Compliance with US reporting and withholding requirements” for further detail) on December 21, 2012.

Under the Irish IGA (and the relevant Irish regulations and legislation implementing the same), foreign financial institutions (such as the Sub-Funds) should generally not be required to apply 30% withholding tax. There is no assurance, however, that FATCA withholding will not apply. To the extent that a Sub-Fund suffers US withholding tax on its investments as a result of FATCA, or is not in a position to comply with any requirement of FATCA, the Manager acting on behalf of the Sub-Fund may take any action in relation to a Unitholder's investment in the Sub-Fund to redress such non-compliance and/or to ensure that such withholding is economically borne by the relevant Unitholder whose failure to provide the necessary information or to become a participating foreign financial institution or other action or inaction gave rise to the withholding or non-compliance, including compulsory redemption of some or all of such Unitholder's holding of units in the Sub-Fund.

Unitholders and prospective investors should consult their own tax advisor with regard to US federal, state, local and non-US tax reporting and certification requirements associated with an investment in the Fund.

### **Valuation Risk**

Where the Investment Manager values investments which are not listed, quoted or dealt in on a Recognised Exchange, there is an inherent conflict of interest between the involvement of such a party in determining the valuation price of a Sub-Fund's investments and the Investment Manager's other responsibilities.

### **Investment Risk**

The default in payment by an issuer of any investments held by a Sub-Fund may affect a Sub-Fund's ability to meet its payment obligations. No guarantee is given express or implied that Unitholders will receive back the amount of their investment in the Units.

### **Unlisted Securities Risk**

A Sub-Fund may invest in securities which are not listed or registered on any exchange or dealt in on a regulated market. These securities may be difficult to value for purposes of calculating a Sub-Fund's Net Asset Value. In addition, a Sub-Fund may have difficulty in liquidating its position in such securities.

### **Stocklending Risk**

As with any extensions of credit, there are risks of delay and recovery. Should the borrower of the

securities fail financially, the collateral will be called upon. In the event of a sudden market movement, there is a risk that the value of the collateral may fall below the value of the securities transferred.

### **Repurchase Agreement Risk**

Repurchase agreements will generally be entered into pursuant to industry standard master agreements such as the ISLA commissioned Global Master Securities Lending Agreement or the SIFMA/ICMA commissioned Global Master Repurchase Agreement. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral provided in connection with such transaction will be called upon. The value of the collateral will be maintained to equal or exceed the value of the securities transferred. However there is a risk that the value of the collateral may fall below the value of the securities transferred. As with any extensions of credit, there are risks of delay and recovery.

### **Reliance on Management**

Unitholders will not be entitled to participate in management of a Sub-Fund. Accordingly investors must be prepared to entrust management of a Sub-Fund to the Investment Manager, any sub-investment manager and the Investment Adviser. The success of a Sub-Fund depends, in part, on the quality, skill, and expertise of the individuals employed by the Investment Manager, any sub-investment manager and the Investment Adviser. The loss of key personnel from the Investment Manager, any sub-investment manager or the Investment Adviser could adversely affect a Sub-Fund.

### **Liability Risk**

In the event of a successful claim by a third party (including, without limitation, by any service provider to a Sub-Fund pursuant to any material contract set out in the Section "General Information" under the heading "Material Contracts" or otherwise), a Sub-Fund and its assets as a whole will be liable.

### **No Deposit Protection**

Notwithstanding the ability of a Sub-Fund to invest in cash or money market instruments particularly in the event of falling markets, an investment in a Sub-Fund should not be construed as a deposit. Any protection which may be available to a deposit holder pursuant to a government, government agency or other guarantee scheme will not be available to protect an investor in a Sub-Fund. Investors should note the price of Units as well as the income therefrom may go down as well as up to reflect changes in the Net Asset Value of a Sub-Fund.

### **Investment in Real Estate Investment Trusts (REITs)**

The prices of equity REITs are affected by changes in the value of the underlying property owned by the REITs and changes in capital markets and interest rates. Further, equity REITs are dependent upon management skills and generally may not be diversified and may be subject to heavy cash flow dependency, defaults by borrowers and self liquidation. The ability to trade REITs in the secondary market can be more limited than other stocks.



## **Derivative Instrument Risk**

A Sub-Fund may be invested in certain derivative instruments, which may involve it assuming 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. Derivatives are, in general, relatively new and often unregulated products and uncertainties exist as to how these instruments will perform during periods of unusual price volatility or instability, market liquidity or credit distress. In addition, these instruments can be highly volatile and expose investors to a high risk of loss.

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes 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, among other things, interest rate fluctuations. The use of 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 hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select a Sub-Fund's securities and (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption and (6) possible risk of loss due to the unexpected application of a law or regulation, or because contracts are not legally enforceable or documented correctly.

Where a Sub-Fund invests in a Total Return Swap, that Sub-Fund may bear the risk that that the derivative is not well correlated with the commodity, security, index or currency to which it relates.

## **Derivative Leverage Risk**

Investing in derivatives generally involves placing an initial deposit or "initial margin" with a broker, who in the case of exchange-traded derivatives will handle subsequent payments such margin calls. A relatively small movement in the price of a contract may result in a profit or a loss which is high in proportion to the amount of funds actually placed as initial margin and could result significant margin calls on a Sub-Fund. A Sub-Fund may be required to liquidate investment positions prematurely or incur borrowings to meet margin calls, potentially resulting in losses to the Sub-Fund which could have a material adverse effect on the performance of a Sub-Fund and returns to Unitholders.

## **Inability To Close Out A Derivative Position On Favourable Terms Or At All**

Daily limits on price fluctuations and speculative position limits on exchange-traded derivatives may prevent prompt liquidation of positions resulting in potentially greater losses to a Sub-Fund, which

could have a material adverse effect on the performance of a Sub-Fund and returns to Unitholders.

### **Risk on the Price of Underlying Securities**

Investing in derivatives involving underlying securities or indices, such as options, may expose a Sub-Fund to the risk of change in the market price of the underlying securities, and may limit the potential gain that might be obtained from trading directly in the underlying securities.

### **Contractual Asymmetries and Inefficiencies**

A Sub-Fund may enter into certain contracts that contain provisions that place it in an "asymmetrical" position relative to its counterparty, such as break clauses, whereby a counterparty can terminate a transaction on the basis of a specified reduction in net asset value, incorrect collateral calls or delays in collateral recovery. Where a Sub-Fund does not have similar rights against the counterparty, the exposure of that Sub-Fund is increased as regards that counterparty, potentially resulting in losses to the Sub-Fund which could have a material adverse effect on the performance of the Sub-Fund and returns to Unitholders.

### **Imperfect Hedging**

A Sub-Fund is not required to hedge against a change or an event and there can be no assurance that hedging of transactions will be available or, even if undertaken, will be effective. In addition, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of securities denominated in currencies other than the US Dollar because the value of those securities is likely to fluctuate as a result of unrelated independent factors. Finally, the daily variation margin deposit requirements applicable to futures contracts create greater ongoing potential financial risk than would options transactions, where the exposure is limited to the cost of the initial premium and transaction costs paid. A Sub-Fund is therefore likely to take substantial unhedged positions potentially resulting in losses to that Sub-Fund, which could have a material adverse effect on the performance of the Sub-Fund and returns to Unitholders.

### **Forward Contracts**

Forward contracts are transactions obligating a Sub-Fund to purchase or sell a specific instrument at a future date at a specified price. Forward contracts may be used by the Fund for hedging purposes to protect against uncertainty in the level of future foreign currency exchange rates, such as when it anticipates purchasing or selling a non-Euro security. For example, this technique would allow a Sub-Fund to "lock in" the Euro price of the security. Forward contracts may also be used to attempt to protect the value of a Sub-Fund's existing holdings of non-Euro securities. There may be, however, an imperfect correlation between a Sub-Fund's foreign securities holdings and the forward contracts entered into with respect to those holdings.

### **Futures and Options Risk**

A Sub-Fund may engage in various portfolio strategies through the use of futures and options. Due to the nature of futures, cash to meet margin monies will be held by a broker with whom a Sub-Fund has

an open position. In the event of the insolvency or bankruptcy of the broker, there can be no guarantee that such monies will be returned to a Sub-Fund. On execution of an option, a Sub-Fund may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

### **Liquidity of Futures Contracts**

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 Sub-Fund from liquidating unfavourable positions.

### **Commodity Pool Operator**

Rulemaking by the U.S. Commodity Futures Trading Commission (“CFTC”) rescinded the CFTC Rule 4.13(a)(4) registration exemption for commodity pool operators with effect from 31 December 2012. After 31 December 2012, each the Manager will, to the extent it is acting as a commodity pool operator, (i) either (a) avail itself of an alternative exemption from registration as a commodity pool operator (namely the so-called “de minimis exemption” in CFTC Rule 4.13(a)(3)), or (b) commence operations as a registered commodity pool operator (potentially in conjunction with a claim for relief from certain regulatory requirements applicable to a registered commodity pool operator, such as the relief available pursuant to CFTC Rule 4.7(b)), and/or (ii) take such other action as it deems necessary or appropriate to facilitate compliance with all applicable rules of the CFTC. The potential consequences of these alternatives include curtailment of the Fund’s exposure to the commodity markets (as represented by future reliance on the de minimis exemption) and/or significantly increased demands on the time and attention of the Manager (as represented by the prospect of commodity pool operator registration and its potentially onerous related compliance obligations).

### **Equity Linked Securities and Other Structured Products**

Structured products, such as Equity Linked Securities and other forms of specialised debt and equity instruments may be used by a Sub-Fund to gain indirect exposure to securities where for tax and other reasons it may be difficult or impractical to purchase the underlying security directly. These products may also take the form of securities which contain a derivative component. For instance, an option or warrant is often used as the basis for such a product, but unlike a typical derivative, the full value of the underlying security is typically paid across to the counterparty as the option premium, with the exercise price being a purely nominal amount. Generally these structured products behave in very similar way to the underlying security: a Sub-Fund will be exposed to movements in the underlying security price in the same way as if they held the security itself. There is no leverage element as there is a full premium paid and a Sub-Fund will be equally exposed to the risk of default by the issuer of the underlying security (and will have no recourse against such issuer in any liquidation or bankruptcy proceedings). Such products, however, do not replicate exactly the performance of the issuers that

they seek to mirror, partly due to transaction and other costs and expenses. These products also carry the risk of default by the issuer of the product itself in addition to that of the issuer of the underlying security, and of any change in tax treatment or regulatory conditions which enable the product issuer to hedge its exposure to a Sub-Fund by holding the underlying security.

### **Market Crisis and Governmental Intervention**

Global financial markets may from time to time undergo pervasive and fundamental disruptions which may lead to extensive and unprecedented governmental intervention. Such intervention may in some circumstances be implemented on an “emergency” basis with little or no notice. When circumstances such as these arise, this may subsequently impair some market participants from implementing strategies or managing the risk of their outstanding positions.

### **Market Disruptions**

The Fund may incur major losses in the event of disrupted markets and other extraordinary events which may affect markets in a way that is not consistent with historical pricing relationships. The risk of loss from a disconnect with historical prices is compounded by the fact that in disrupted markets many positions become illiquid, making it difficult or impossible to close out positions against which the markets are moving. The financing available in the market from its banks, dealers and other counterparties will typically be reduced in disrupted markets. In addition, market disruptions caused by unexpected political, military and terrorist events may from time to time cause dramatic losses for a Sub-Fund and such events can result in otherwise historically low-risk strategies performing with unprecedented volatility and risk. A financial exchange may from time to time suspend or limit trading. Such a suspension could render it difficult or impossible for a Sub-Fund to liquidate affected positions and thereby expose it to losses. There is also no assurance that off-exchange markets will remain liquid enough for a Sub-Fund to close out positions.

### **Borrowing Risks**

A Sub-Fund may borrow for the account of the Sub-Fund for various reasons, such as facilitating redemptions in accordance with the limits imposed under the UCITS Regulations. Borrowing involves an increased degree of financial risk and may increase the exposure of the Sub-Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that a Sub-Fund will be able to borrow on favourable terms, or that the Sub-Fund’s indebtedness will be accessible or be able to be refinanced by the Sub-Fund at any time.

### **Cyber Security Risk**

The Fund, the Manager and their service providers (including the Investment Manager, the Administrator, the Trustee and any distributors) (“Affected Persons”) may be susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorised access to digital systems (e.g., through “hacking”, “social engineering” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber-attacks also may be carried out

in a manner that does not require gaining unauthorised access, such as causing denial-of-service attacks on websites (i.e., efforts to make services unavailable to intended users). Cyber security incidents affecting the Affected Persons have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with a Sub-Fund's ability to calculate its NAV; impediments to trading for a Sub-Fund's portfolio; the inability of Unitholders to transact business with the Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs. Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Sub-Fund invests, counterparties with which a Sub-Fund engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security, there are inherent limitations in any cyber security risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

### **Operation of Umbrella Cash Accounts**

The Trustee on behalf of the Fund has established cash accounts designated in different currencies at umbrella level in the name of the Trustee on behalf of the Fund. All subscriptions, redemptions or dividends payable to or from the relevant Sub-Fund will be channeled and managed through such Umbrella Cash Account(s).

In addition, investors should note that in the event of the insolvency of another Sub-Fund of the Fund, recovery of any amounts to which a relevant Sub-Fund is entitled, but which may have transferred to such other insolvent Sub-Fund as a result of the operation of the Umbrella Cash Account(s), will be subject to the principles of Irish trust law and the terms of the operational procedures for the Umbrella Cash Account(s). There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent Sub-Fund may have insufficient funds to repay the amounts due to the relevant Sub-Fund.

In circumstances where subscription monies are received from an investor in advance of a Dealing Day in respect of which an application for Units has been, or expected to be, received and are held in an Umbrella Cash Account, any such investor shall rank as a general creditor of the Sub-Fund until such time as Units are issued as of the relevant Dealing Day. Therefore in the event that such monies are lost prior to the issue of Units as of the relevant Dealing Day to the relevant investor, the Manager on behalf of the Sub-Fund may be obliged to make good any losses which the Sub-Fund incurs in connection with the loss of such monies to the investor (in its capacity as a creditor of the Sub-Fund), in which case such loss will need to be discharged out of the assets of the relevant Sub-Fund and therefore will represent a diminution in the Net Asset Value per Unit for existing Unitholders of the relevant Sub-Fund.

Similarly in circumstances where redemption monies are payable to an investor / Unitholder in a Sub-Fund subsequent to a Dealing Day on which Units of that investor were redeemed, or dividend monies are payable to an investor and such redemption / dividend monies are held in an Umbrella Cash

Account, any such investor / Unitholder shall rank as an unsecured creditor of the relevant Sub-Fund until such time as such redemption / dividend monies are paid to the investor / Unitholder. Therefore in the event that such monies are lost prior to payment to the relevant investor / Unitholder, the Manager on behalf of the Sub-Fund may be obliged to make good any losses which the Sub-Fund incurs in connection with the loss of such monies to the investor / Unitholder (in its capacity as a general unsecured creditor of the Sub-Fund), in which case such loss will need to be discharged out of the assets of the relevant Sub-Fund and therefore will represent a diminution in the Net Asset Value per Unit for existing Unitholders of the relevant Sub-Fund.

The Directors of the Manager on behalf of the Fund have power under the Trust Deed to compulsorily redeem and/or cancel any Units held or beneficially owned in contravention of any restrictions imposed on them or in breach of any law or regulation. Where an investor fails to pay subscription proceeds within the relevant settlement period, the Manager on behalf of the Fund may charge the applicant for any expense incurred by it or the Sub-Fund or for any loss to the Sub-Fund arising out of such non-receipt or non-clearance. In circumstances where an investor fails to pay subscription proceeds within the relevant settlement period, there is a risk that the Manager on behalf of the Fund may not be able to recover such costs from such investor and such loss and any relevant credit charges may have to be discharged out of the assets of the relevant Sub-Fund and therefore will represent a diminution in the Net Asset Value per Unit for existing Unitholders of the relevant Sub-Fund.

## **GDPR**

The GDPR had direct effect in all Member States from 25 May 2018 and replaced previous EU data privacy laws. Under the GDPR, data controllers (including the Manager) are subject to additional obligations including, amongst others, accountability and transparency requirements whereby the data controller is responsible for, and must be able to demonstrate compliance with the rules set down in the GDPR relating to data processing and must provide data subjects with more detailed information regarding the processing of their personal data. Other obligations imposed on data controllers include more enhanced data consent requirements and the obligation to report any personal data breach to the relevant supervisory authority without undue delay. Under the GDPR, data subjects (i.e. identified or identifiable natural persons, to whom the personal data relate) are afforded additional rights, including the right to rectify inaccurate personal information, the right to have personal data held by a data controller erased in certain circumstances and the right to restrict or object to processing in a number of circumstances.

The implementation of GDPR may result in increased operational and compliance costs being borne directly or indirectly by the Fund. If there are breaches or failures in the implementation of these measures by the Manager or any of its service providers, the Fund and the Manager or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the Fund suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

## **Benchmark Regulations**

Subject to certain transitional and grandfathering arrangements, Regulation (EU) 2016/1011 of the European Parliament and of the Council (the “Benchmark Regulation”) which governs the provision of, contribution to and use of benchmarks, took effect from 1 January 2018. Subject to the applicable transitional arrangements, where applicable, a Sub-Fund will no longer be able to “use” a benchmark within the meaning of the Benchmark Regulation which is provided by an EU index provider which is not registered or authorised pursuant to Article 34 of the Benchmark Regulation. In the event that the relevant EU index provider does not comply with the Benchmark Regulation in line with the transitional arrangements set down in the Benchmark Regulation or if the benchmark materially changes or ceases to exist, a Sub-Fund will be required to identify a suitable alternative benchmark if available which may prove difficult or impossible. Failure to identify a suitable replacement benchmark may have an adverse impact on the relevant Sub-Fund. Compliance with the Benchmark Regulation may also result in additional costs being borne by the relevant Sub-Fund.

As required under the Benchmark Regulation, the Manager has put in place appropriate contingency arrangements setting out the actions which will be taken in the event that a benchmark which is used by a Sub-Fund which is subject to the Benchmarks Regulation materially changes or ceases to be provided.

As at the date of this Prospectus, the indices or benchmarks utilised by Sub-Funds whose performance fees are based on a benchmark or whose asset allocation is defined by reference to a benchmark index or otherwise use a benchmark index are provided by benchmark administrators who appear on the register of administrators and benchmarks maintained by ESMA pursuant to Regulation (EU) 2016/1011 (the “Benchmark Regulation” ) or are availing of the transitional or grandfathering arrangements afforded under the Benchmark Regulation.

## **COVID 19 Risk**

In March 2020, the World Health Organisation declared COVID 19 a pandemic. While the full impact is not yet known, COVID 19 may result in continued market volatility and a period of economic decline globally. It may also have a significant adverse impact on the value of a Sub-Fund’s investments and the ability of the Investment Manager to access markets or implement the Sub-Fund’s investment policy in the manner originally contemplated. Government interventions or other limitations or bans introduced by regulatory authorities or exchanges and trading venues as temporary measures in light of significant market volatility may also negatively impact on the Investment Manager’s ability to implement a Sub-Fund’s investment policy. Sub-Funds’ access to liquidity could also be impaired in circumstances where the need for liquidity to meet redemption requests may rise significantly. Services required for the operation of the Fund may in certain circumstances be interrupted as a result of the pandemic.

**The above should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Sub-Fund. Potential investors should be aware that an investment in a Sub-Fund may be exposed to other risks of an exceptional nature from time to time.**

## MANAGEMENT OF THE FUND

The Manager of the Fund, Atlantis Investment Management (Ireland) Limited, is a private company limited by shares, registered under part 2 of the Companies Act 2014, which was incorporated as a limited liability company in Ireland on 27th May, 1995, and has an issued and fully paid share capital of €126,973. The Manager's parent is Atlantis Capital Holdings Limited. The Administrator is the company secretary of the Manager.

Under the Trust Deed, the Manager is responsible for the general management and administration of the Fund's affairs including the investment and re-investment of each Sub-Funds' assets adhering to the investment objective and policies of each Sub-Fund. The Manager is also responsible for preparing accounts, executing redemption of Units, making distributions and calculating the Net Asset Value per Unit. However, the Manager has appointed the Investment Manager to manage the investment and re-investment of the assets of the Sub-Funds and the Administrator to administer the Fund's affairs.

The Directors of the Manager are as follows:-

**Victor Holmes** (British), Chairman of the Manager, is a fellow of the Chartered Association of Certified Accountants. Mr. Holmes has served on the boards of a variety of Irish, Cayman and Guernsey-based investment companies and related management companies and General Partners since 1986. Mr. Holmes retired from a senior management position with Northern Trust on 30th November 2011, having served as managing director of the Administrator from 1990 to 2003 and from 2005 to 2007. He currently serves as a non executive director to a range of companies in the finance sector.

**Gerard Morrison** (New Zealander) joined Atlantis Investment Management Limited as Chief Financial Officer in 2000 and was appointed Chief Executive Officer in May 2006 through June 2010. Prior to Atlantis, Gerard worked at Robert Fleming & Co for 10 years, leaving as Banking Business Manager. He earned an ACA accountancy qualification from New Zealand, a BCA and BA from Victoria University, Wellington and an MSc in Finance from University of London.

**Karen Nolan** (Irish) is an Irish Resident with over 25 years' experience in the funds industry. Karen has previously worked as Head of Designated Persons Services with Bridge Consulting, Head of Compliance with Credit Suisse Fund Services (Ireland) Limited, worked with International Fund Managers (Ireland) Limited (the former Irish fund administration business of Baring Asset Management, now part of Northern Trust) and Bank of Ireland Securities Services Limited (now part of Northern Trust), and has also worked as an independent compliance consultant for a number of other financial services companies in Dublin. Karen holds a Degree in Accounting & Finance from Dublin City University, is a Fellow of the Association of Chartered Certified Accountants, is a Licentiate of the Association of Compliance Officers in Ireland and holds the Certificate in Company Direction from the Institute of Directors in Ireland.

**Patrick Wall** (Irish) spent 30 years as a specialist at PricewaterhouseCoopers in international taxation of asset management and Insurance, retiring as a Partner. He played a leading role in the



establishment of the international funds industry in Ireland. He holds a Bachelor of Arts degree from University College Dublin and the Institute of Directors Diploma in Corporate Governance. Mr. Wall has been active in lobbying for the asset management industry at OECD level, EU level and within Ireland.

### **Investment Manager**

Atlantis Investment Management Limited has been appointed as Investment Manager of each of the Sub-Funds.

Atlantis Investment Management Limited was incorporated as a private limited liability company in Hong Kong on 21st February, 1997. It should be noted that the name of Atlantis Investment Management Limited as registered with the Hong Kong Companies Registry includes the Chinese characters 西京投資管理有限公司 (i.e. Atlantis Investment Management Limited (西京投資管理有限公司)). Its registered office is at 35/F, The Centrium, 60 Wyndham Street, Central, Hong Kong. Atlantis Investment Management Limited is licensed by the Securities and Futures Commission of Hong Kong to undertake Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities. It specialises in the provision of investment advice and research in relation to Asian and Japanese securities. As at 31 December, 2022, Atlantis Investment Management Limited had approximately US\$ 206 million under management.

The Investment Manager may delegate some or all of the investment management functions to one or more sub-investment managers, but, as of the date of this Prospectus, no sub-investment managers are appointed. Information relating to any sub-investment manager appointed will be provided to Unitholders upon request. Details of all sub-investment managers will be disclosed in the periodic reports.

### **Distributor**

Atlantis Investment Management (Ireland) Limited, the Manager of the Fund, is also the global distributor of the Units. The Distributor has authority to delegate some or all of its duties as distributor to sub-distributors in accordance with the requirements of the Central Bank.

### **Promoter**

Atlantis Investment Management (Ireland) Limited is also the promoter of the Fund.

### **Governance Services**

The Manager has appointed Clifton Fund Consulting Limited, trading as Waystone to provide governance services and to assist the Directors in carrying out certain of the management functions specified by the Central Bank, in accordance with Regulation 102 of the Central Bank UCITS Regulations, which includes providing designated persons to carry out the following managerial functions: Capital and Financial Management, Operational Risk Management, Fund Risk Management and Regulatory Compliance.

Clifton Fund Consulting Limited, trading as Waystone is an independent provider of management company (UCITS and AIFMD) and consulting services. It advises managers on operational and compliance issues relevant to the establishment and ongoing management of investment funds.

### **Sub-Distributors, Representatives, Facilities Agents and / or Paying Agents**

The Manager or the Distributor, where the Manager has appointed another entity as distributor to the Fund or any of its Sub-Funds, may appoint sub-distributors, representatives, facilities agents and/or paying agents, in one or more countries with responsibility for the marketing and distribution of the Units of the Fund and of each or any Sub-Fund or class (if applicable) in accordance with the requirements of the Central Bank. Under the local laws/regulations of such countries, such sub-distributors, representatives, facilities agents and/or paying agents may be required to maintain accounts through which subscription and redemption monies may be paid. Investors who choose or are obliged under local regulations to pay or receive subscription or redemption monies via an intermediate entity rather than directly from the Trustee (e.g. a sub-distributor or agent in the local jurisdiction) bear a credit risk against that intermediate entity with respect to (a) subscription monies prior to the transmission of such monies to the Trustee for the account of the Fund, and (b) redemption monies payable by such intermediate entity to the relevant investor.

### **Investment Adviser**

Details of an Investment Adviser (if any) appointed in respect of a particular Sub-Fund shall be set out in the relevant Supplement.

### **Administrator**

The Administrator provides day-to-day administration and related services for the Fund and acts as the Fund's registrar and transfer agent pursuant to the Administration Agreement. The Administrator is also responsible for maintaining the Fund's books and records, calculating the Net Asset Value per Unit, drawing up the accounts of the Fund and maintaining the register of Unitholders (which is available for inspection by Unitholders at the registered office of the Administrator).

The Administrator is a private limited liability company incorporated in Ireland on 15 June, 1990 and is an indirect wholly-owned subsidiary of the Northern Trust Corporation. The Administrator is authorised and regulated by the Central Bank of Ireland. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 31 December, 2020, the Northern Trust Corporation had assets under custody / administration of US\$ 14.5 trillion. The principal business activity of the Administrator is the administration of collective investment schemes.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Fund and is not responsible for the preparation of the Fund's Prospectus other than the preparation of this description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it.

As at the date of this Prospectus, the Administrator is not aware of any conflicts of interest in respect of its appointment as administrator to the Fund. If a conflict of interest arises, the Administrator will ensure it is addressed in accordance with the Administration Agreement, applicable laws and in the best interests of the Unitholders.

## **Trustee**

The Trustee is a private limited liability company incorporated in Ireland on 5 July, 1990. Its main activity is the provision of custodial services to collective investment schemes. The Trustee is a wholly-owned subsidiary of Northern Trust GFS Holdings Limited which in turn is wholly owned by the Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 31 December, 2020, the Northern Trust Corporation had assets under custody of US\$ 11.3 trillion.

The primary responsibilities of the Trustee are to act as depositary and trustee of the assets of each Sub-Fund in accordance with the terms of the Trust Deed.

The duties of the Trustee are to provide safekeeping, oversight and asset verification services in respect of the assets of the Fund and each Sub-Fund in accordance with the provisions of the UCITS Regulations. The Trustee will also provide cash monitoring services in respect of each Sub-Fund's cash flows and subscriptions. The Trustee is also obliged to enquire into the conduct of the Manager on behalf of the Fund in each financial year and report thereon to the Unitholders.

The Trustee will be obliged, inter alia, to ensure that the sale, issue, repurchase and cancellation of Units in the Fund is carried out in accordance with relevant legislation and the Trust Deed.

### *Trustee Delegation and Conflicts*

Under the terms of the Trust Deed, the Trustee may delegate its safekeeping obligations provided that (i) the services are not delegated with the intention of avoiding the requirements of the UCITS Regulations, (ii) the Trustee can demonstrate that there is an objective reason for the delegation and (iii) the Trustee 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 Trustee will not be affected by virtue of any such delegation.

The Trustee may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes. The Trustee has delegated custody services and asset verification services to The Northern Trust Company, London Branch. The Northern Trust Company has sub-delegated custody services and asset verification services to sub-custodians in certain eligible markets in which the Fund may invest, the identities of which are set out at Appendix IV to the Prospectus.

It is therefore possible that the Trustee and/or its delegates and sub-delegates may in the course of its

or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Fund or a particular Sub-Fund and/or other funds managed by the Manager or other funds for which the Trustee acts as the depositary, trustee or custodian. The Trustee will, however, have regard in such event to its obligations under the Trust Deed and the UCITS Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Unitholders collectively so far as practicable, having regard to its obligations to other clients.

#### *Trustee Liability*

The Trust Deed provides that the Trustee shall be liable (i) in respect of a loss of a financial instrument held in its custody (or that of its duly appointed delegate) unless it can prove that the loss has arisen as a result of an external event beyond the Trustee's reasonable control, the consequences of which would have been unavoidable despite all reasonable measures to the contrary, and (ii) in respect of all other losses, as a result of the Trustee's negligent or intentional failure to properly fulfil its obligations pursuant to the UCITS Regulations.

**Prospective investors are referred to the section "Risk Factors".**

#### *Up to date information*

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

#### **Dealings by Manager, Investment Manager, Investment Adviser, Administrator, Trustee and Associates**

There is no prohibition on dealings in the assets of a Sub-Fund by the Manager, the Investment Manager, any sub-investment manager, the Investment Adviser, the Administrator, the Trustee or entities related to the Manager, the Investment Manager, any sub-investment manager, the Investment Adviser, the Administrator or the Trustee or to their respective officers, directors or executives, provided that any such sale or purchase of investments or other transaction is conducted at arm's length and is in the best interests of Unitholders. Transactions are permitted subject to:

- (i) a certified valuation by a person approved by the Trustee (or, in the case of a transaction entered into by the Trustee, the Manager) as independent and competent; or
- (ii) execution on best terms on organised investment exchanges under their rules; or
- (iii) where (i) and (ii) are not practical, the Trustee is satisfied that the relevant transaction is conducted at arm's length and is in the best interests of Unitholders (or in the case of a transaction involving the Trustee, the Manager is) satisfied that the transaction is at arm's length and in the best interests of Unitholders.

The Trustee (or the Manager in the case of transactions involving the Trustee) must document how it

has complied with the provisions of paragraph (i), (ii) or (iii) above. Where transactions are conducted in accordance with (iii) above, the Trustee (or the Manager in the case of transactions involving the Trustee) must document their rationale for being satisfied that the transaction conformed to the principles outlined above.

### **Conflicts of Interest**

The Manager, the Investment Manager, any sub-investment manager, the Investment Adviser (as applicable), the Administrator, the Trustee, and their respective affiliates, officers, directors and shareholders (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause conflicts of interest with the management of a Sub-Fund. These include management of other funds, purchases and sales of securities, investment and management counselling, brokerage services, trustee and custodial services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which a Sub-Fund may invest. In particular, it is envisaged that the Investment Manager, any sub-investment manager and the Investment Adviser may be involved in managing or advising on the investments of other investment funds which may have similar or overlapping investment objectives to or with a Sub-Fund. When allocating investment opportunities, the Manager, the Investment Manager, any sub-investment manager and the Investment Adviser (as applicable) will ensure that all such investments will be allocated in a fair and equitable manner. Each of the Parties will respectively ensure that any such conflicts are resolved in the best interests of the Sub-Fund and that the performance of their respective duties will not be impaired by any such involvement that they might have. In the event that a conflict of interest does arise, the Directors of the Manager shall endeavour to ensure that it is resolved fairly. In relation to co-investment opportunities which arise between the Sub-Funds and other clients of the relevant Investment Manager or Investment Adviser, the relevant Investment Manager or Investment Adviser will ensure that the Sub-Funds participate fairly in such investment opportunities and that these are fairly allocated. The Investment Manager may undertake cross-trades between a Sub-Fund and other funds or accounts managed or advised by it or its affiliates ("other client accounts") in circumstances where the Investment Manager considers that such cross-trades would be in the best interests of both the relevant Sub-Fund and the other client account(s) pursuant to their respective investment objectives and policies. By undertaking such cross-trades, the Investment Manager may achieve trading efficiencies and savings for the benefit of the relevant Unitholders. The Investment Manager shall only undertake such cross-trade transactions where (i) it reasonably believes the sale and purchase decisions are in the best interests of both the Sub-Fund and the other client account(s); ii) the trades are executed on arm's length terms at current market value; iii) the reason for such trades is documented prior to execution; and such activity is otherwise in accordance with the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission of Hong Kong and other applicable regulation, including any applicable requirements under the headings "Investment Restrictions" and "Additional Investment Restrictions" above.

## ADMINISTRATION OF THE FUND

### Description of Units

Units of each Sub-Fund are freely transferable. The Units, which are of no par value and which must be fully paid for upon issue, carry no preferential or pre-emptive rights. Fractions of Units may be issued up to three decimal places. A Unit represents the beneficial ownership of one undivided share in the assets of the relevant Sub-Fund which may be attributable to a particular class (if separate classes are established).

### Operation of Umbrella Cash Accounts

The Trustee on behalf of the Fund has established cash accounts designated in particular currencies opened at umbrella level in the name of the Trustee on behalf of the Fund. All subscriptions, redemptions or dividends payable to or from the relevant Sub-Fund will be channelled and managed through such Umbrella Cash Accounts and no such accounts shall be operated at the level of each individual Sub-Fund. However the Trustee on behalf of the Fund will ensure that the amounts within an Umbrella Cash Account whether positive or negative can be attributed to the relevant Sub-Fund in order to comply with the requirement as set out in the Trust Deed that the assets and liabilities of each Sub-Fund are kept separate from all other Sub-Funds and that separate books and records are maintained for each Sub-Fund in which all transactions relevant to a Sub-Fund are recorded.

Further information relating to such accounts is set out in the sections (i) "Application for Units" – "Operation of Umbrella Cash Accounts" (ii) "Redemption of Units" - "Operation of Umbrella Cash Accounts"; and (ii) "Distribution Policy" respectively. In addition, your attention is drawn to the section of the Prospectus entitled "Risk Factors" – "Operation of Umbrella Cash Accounts" above.

### Application for Units

#### *Initial Offer*

Details of the initial offer of Units in a particular Sub-Fund, including the initial offer price, the initial offer period, the Minimum Subscription, the Minimum Holding and the settlement terms are set out in the relevant Supplement. No subscription fee will be levied.

#### *Further Issues*

The Fund may issue further Units in a Sub-Fund after the relevant initial offer period as the Manager deems appropriate.

Further issues of Units in a Sub-Fund shall take place on each Dealing Day at the Net Asset Value per Unit on the relevant Dealing Day. No subscription fee will be levied.

#### *Application Procedure*

Initial applications for Units should be made in writing by completing an application form and sending

the original to the Administrator. For subsequent applications, facsimile copies or submissions via a secured electronic communication will be sufficient. Amendments to an investor's registration details and payment instructions shall only be effected upon the receipt of original written instructions from the relevant Unitholder.

Applicants should note that subscriptions will not be processed until the investor's identity has been verified for anti-money laundering/counter-terrorist financing purposes and all relevant account opening documentation has been received.

Unless otherwise specified in the relevant Supplement, applications received by the Administrator up to 5.00 p.m. (Irish time) on the Business Day immediately preceding the relevant Dealing Day will be dealt with on that Dealing Day. Applications received after the time aforesaid shall be deemed to be made in respect of the next Dealing Day (subject to the Manager's discretion to accept applications received after 5.00 p.m. (Irish time) but before the Valuation Point). Written confirmation of ownership (entry on the Register) will be issued within two Business Days of dealing. Settlement proceeds should be remitted in cleared funds in the denominated currency of the relevant Sub-Fund (or class, if applicable) by no later than 5.00 p.m. on the fourth Business Day following the relevant Dealing Day. If settlement does not take place within the specified time period, the application for Units may be cancelled.

The Manager or the Administrator may reject at its discretion any application for such Units in whole or in part in which event the application monies or any balance thereof will be returned to the applicant by transfer to the applicants designated account or by post, each at the applicant's sole risk.

Units will be issued in registered form. A Unitholder shall be issued with a written ownership confirmation by the Administrator. Certificates will not be issued.

Dealing is carried out at forward pricing basis. i.e. the Net Asset Value next computed after receipt of subscription requests.

#### *Closure of a class to Further Subscriptions*

The Directors may at any time determine to temporarily or permanently close any class of Shares or all classes of Shares of a Sub-Fund to subscriptions from existing Unitholders and/or new applicants in their sole discretion. The Directors may subsequently re-open some or all of the classes within a Sub-Fund to further subscriptions at their discretion and the process of closing and potentially re-opening the classes may be repeated thereafter as the Directors may from time to time determine. The Directors may not give advance notice of such closure to Unitholders.

Unitholders may ascertain the open or closed status of any class within a Sub-Fund and whether such classes are open to existing Unitholders and/or new applicants by contacting the Administrator. Closing a class to new subscriptions will not affect the redemption rights of Unitholders and Unitholders will be permitted to convert from any closed class into other classes as outlined under the heading "Switching". A class or classes of a Sub-Fund may be

closed to further subscription when, by way of example only, the investment strategy of the Sub-Fund has reached its capacity.

#### *Beneficial Ownership Regulations*

The Manager may request such information (including by means of statutory notices) as may be required for the establishment and maintenance of the Manager's beneficial ownership register in accordance with the Beneficial Ownership Regulations. It should be noted that a beneficial owner, as defined in the Beneficial Ownership Regulations (a "**Beneficial Owner**") has, in certain circumstances, obligations to notify the Manager in writing of relevant information as to his/her status as a Beneficial Owner and any changes thereto (including where a Beneficial Owner has ceased to be a Beneficial Owner).

Applicants should note that it is an offence under the Beneficial Ownership Regulations for a Beneficial Owner to (i) fail to comply with the terms of a beneficial ownership notice received from or on behalf of the Fund or (ii) provide materially false information in response to such a notice or (iii) fail to comply with his/her obligations to provide relevant information to the Manager as to his/her status as a Beneficial Owner or changes thereto in certain circumstances or in purporting to comply, provide materially false information.

#### *Operation of Umbrella Cash Accounts*

Subscription monies received from an investor in advance of a Dealing Day in respect of which an application for Units has been, or is expected to be, received will be held in a cash account in the name of the Trustee on behalf of the Fund and will be treated as an asset of the relevant Sub-Fund upon receipt and will not benefit from the application of any investor money protection rules (i.e. the subscription monies in such circumstance will not be held on trust as investor monies for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Sub-Fund with respect to the amount subscribed and held by the Trustee on behalf of the Sub-Fund until such Units are issued as of the relevant Dealing Day. In the event of an insolvency of the Sub-Fund or the Fund, there is no guarantee that the Sub-Fund or the Fund will have sufficient funds to pay unsecured creditors in full.

Investors who have forwarded subscription monies in advance of a Dealing Day as detailed above and which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Sub-Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor may not recover all monies originally paid into an Umbrella Cash Account in relation to the application for Units.

Your attention is drawn to the section of the Prospectus entitled "Risk Factors" – "*Operation of Umbrella Cash Accounts*" above.

#### *Treatment of Investor Monies in anticipation of Receipt of Subscription Proceeds*

A Sub-Fund may temporarily borrow an amount equal to a subscription, subject to the Sub-Fund's



borrowing limits, and invest the amount borrowed in accordance with the investment objective and policies of the Sub-Fund. Once the required subscription monies have been received, the Sub-Fund will use this to repay the borrowings. In the event of any delay in the settlement of the investor's subscription monies, the Manager reserves the right to charge that Unitholder for any interest or other costs incurred by the Sub-Fund as a result of this borrowing. If the Unitholder fails to reimburse the Sub-Fund for those charges, the Manager will have the right to sell all or part of the investor's holdings of Units in the Sub-Fund in order to meet those charges and/or to pursue that Unitholder for such charges.

#### *Anti-Money Laundering and Countering Terrorist Financing Measures*

Measures aimed at the prevention of money laundering and terrorist financing require a detailed verification of the applicant's identity, the source of the subscription monies and where applicable the beneficial owner on a risk sensitive basis. Politically exposed persons ("PEPs"), being an individual who is or has, at any time in the preceding year, been entrusted with prominent public functions, and immediate family member, or persons known to be close associates of such persons, must also be identified. By way of example of the type of due diligence required from investors, an individual may be required to produce a copy of a passport or identification card with evidence of his/her address such as two utility bills or bank statements and proof of tax residence. In the case of corporate applicants this may require production of a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), the names, occupations, dates of birth and residential and business addresses of all directors. Additional information may be required at the Fund's or Administrator's discretion to verify the source of the subscription monies.

Depending on the circumstances of each application, a detailed verification of an applicant's identity might not be required where the application is made through a recognised intermediary which has introduced the investor to the Fund. This exception may only apply if the relevant intermediary is located within a country that the Fund or the Administrator has assessed as being a country that has anti-money laundering and counter terrorist financing regulations that are consistent with EU anti-money laundering requirements and the recognised intermediary produces a letter of undertaking confirming it has carried out the appropriate verification checks on the investor and will retain such information in accordance with the required timeframe and will provide such information on request to the Fund or the Administrator. The Fund cannot rely on the recognised intermediary to meet the obligation to monitor the ongoing business relationship with the introduced investor which remains its ultimate responsibility. These exceptions do not affect the right of the Fund or the Administrator to request such information as is necessary to verify the identity of an applicant, the beneficial owner of an applicant or the beneficial owner of the Units in the Fund (where relevant) or the source of the subscription monies.

In so far as an application for Units is made by a recognised intermediary investing in a nominee capacity on behalf of an underlying investor, a detailed verification of the underlying investor may not be required provided that the nominee satisfies certain conditions, including without limitation being located within a country that has anti-money laundering and counter terrorist financing regulations that are consistent with EU anti-money laundering requirements, being effectively supervised for compliance with these requirements and the Fund and the Administrator being satisfied that the nominee applies robust and risk-sensitive customer due diligence on its own customers and will provide relevant due diligence documentation on the underlying investors to the Fund immediately

upon request. Where the nominee does not satisfy these requirements, the Fund will apply risk sensitive due diligence measures to identify and verify the nominee itself and where applicable, the underlying investor.

The Fund and the Administrator are also obliged to verify the identity of any person acting on behalf of an applicant and must verify that such person is authorised to act on behalf of the applicant.

The Fund and the Administrator each reserves the right to request such information as is necessary to verify the identity of an applicant, where applicable the beneficial owner of an applicant and in a nominee arrangement, the beneficial owner of the Units in the relevant Sub-Fund. In particular, they each reserve the right to carry out additional procedures in relation to an investor who is classed as a PEP. They also reserve the right to obtain any additional information from applicants so that they can monitor the ongoing business relationship with such applicants.

Verification of the investor's identity is required to take place before the establishment of the business relationship. Subscriptions will not be processed until the verification of the investor's identity has been completed and all relevant account opening documentation has been received. Applicants should refer to the Application Form for a more detailed list of requirements for anti-money laundering/counter-terrorist financing purposes. Where subscription monies are received before the verification of the investor's identity has been completed and all relevant account opening documentation has been received, these will be returned to the applicant, subject to applicable law, at his/her own risk and expense without interest.

In the event of delay or failure by a Unitholder to produce any information required for verification purposes (including but not limited to, for anti-money laundering and terrorist financing procedures), the Fund or the Administrator may refuse to make any redemption and/or dividend payments to the Unitholder. In such circumstances, such monies will be held in the Umbrella Cash Account (and will be subject to the risks outlined above) until such time as the Fund is satisfied that its anti-money laundering and terrorist financing procedures have been fully complied with, following which redemption and/or dividend monies will be released. Your attention is drawn to the section of the Prospectus entitled "Risk Factors" – "*Operation of Umbrella Cash Accounts*".

Furthermore, where the Unitholder fails to supply any documentation requested by the Fund or the Administrator in relation to the Unitholder, any beneficial owner of such Unitholder or where relevant any underlying investor, the Directors of the Fund may compulsorily redeem any Units which are held by such Unitholder and the proceeds from such a compulsory redemption will be held in the Umbrella Cash Account and shall remain an asset of the relevant Sub-Fund. Such proceeds will only be released where the Fund is satisfied that the Unitholder has fully complied with the Fund's anti-money laundering and terrorist financing procedures. Further information is set out below at the section entitled "Redemption of Units" - "*Operation of Umbrella Cash Accounts*".

Monies held in the Umbrella Cash Account in the circumstances outlined above may be transferred into an investor money collection account opened in the name of and operated by the Administrator.

It should be noted that any redemption monies or dividend monies which remain in the Umbrella Cash Account as a result of failure to provide information required for verification purposes for a period of more than 6 years (or such shorter period as may be agreed by the relevant Shareholder in the

Application Form or otherwise) from the date when such monies became payable to the Unitholder shall be forfeited and revert to the relevant Sub-Fund.

### **Data Protection Information**

Prospective investors should note that by completing the application form they are providing information to the Manager which may constitute personal data within the meaning of the GDPR. The Manager's privacy policy sets out, amongst other things, the purposes for processing personal data and the legal basis for such processing as well as any other information that may be required to be provided under GDPR. Such personal data may be disclosed and/or transferred to third parties including, but not limited to, regulatory bodies, tax authorities, delegates, advisers and service providers of the Manager and their or the Manager's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside the EEA which may not have the same data protection laws as in Ireland) for the purposes specified in the Fund's privacy policy.

Investors have, among other rights, a right to obtain a copy of their personal data kept by the Manager and the right to rectify any inaccuracies in personal data held by the Manager.

The Manager and its appointed service providers will retain all documentation provided by a Unitholder in relation to its investment in the Fund for such period of time as may be required by Irish legal and regulatory requirements, but for at least six years after the period of investment has ended or the date on which a Unitholder has had its last transaction with the Manager on behalf of the Fund.

A copy of the privacy policy of the Manager is available from [www.atlantis-investment.com/products/overview](http://www.atlantis-investment.com/products/overview), where the data privacy statement may be accessed and/or upon request from the Manager.

### **Abusive Trading Practices/Market Timing**

The Manager seeks to deter and prevent abusive trading practices and to reduce these risks, through several methods, including the following:

- (i) to the extent that there is a delay between a change in the value of a Sub-Fund's portfolio holdings and the time when that change is reflected in the Net Asset Value per Unit, a Sub-Fund is exposed to the risk that investors may seek to exploit this delay by purchasing or redeeming Units at a Net Asset Value which does not reflect appropriate fair value prices. The Manager seeks to deter and prevent this activity, sometimes referred to as "stale price arbitrage", by the appropriate use of its power to adjust the value of any investment having regard to relevant considerations in order to reflect the fair value of such investment.
- (ii) the Manager may monitor Unitholder account activities in order to detect and prevent excessive and disruptive trading practices and reserves the right to exercise its discretion to reject any subscription or conversion transaction without assigning any reason therefor and without payment of compensation if, in its judgment, the transaction may adversely affect the interests of a Sub-Fund or its Unitholders. The Manager may also monitor Unitholder account

activities for any patterns of frequent purchases and sales that appear to be made in response to short-term fluctuations in the Net Asset Value per Unit and may take such action as it deems appropriate to restrict such activities.

There can be no assurances that abusive trading practices can be mitigated or eliminated. For example nominee accounts, in which purchases and sales of Units by multiple investors may be aggregated for dealing with the Sub-Fund on a net basis, conceal the identity of underlying investors in a Sub-Fund which makes it more difficult for the Manager to identify abusive trading practices.

### **Redemption of Units**

The Manager will at any time during the term of a Sub-Fund, on receipt by it of a request in writing by a Unitholder, redeem on any Dealing Day all or any part of such Unitholder's holding of Units at a price per Unit equal to the Net Asset Value per Unit. No redemption fee will be levied.

Unless otherwise specified in the relevant Supplement, all redemption requests must be received by the Administrator by letter or, provided payment is to be made to the account of record, by facsimile or via a secured electronic communication, no later than 5.00 p.m. (Irish time) on the Business Day immediately preceding the relevant Dealing Day. Any request received after the time aforesaid shall be deemed to be made in respect of the next Dealing Day (subject to the Manager's discretion to accept applications received after 5.00 p.m. (Irish time) but before the Valuation Point). No redemption payments will be made until the original application form and relevant subscription monies have been received from a Unitholder and all the necessary anti-money laundering checks have been completed. Any amendments to a Unitholder's registration details and payment instructions can only be effected upon receipt of original documentation.

A request for a redemption of Units may be refused, or the holding redeemed in its entirety if, as a result of such a redemption, the aggregate Net Asset Value of the Units retained by the Unitholder would be less than the Minimum Holding.

Unless otherwise specified in the relevant Supplement, the redemption price will be payable to the Unitholder within four Business Days after the Dealing Day provided the Manager has received the original application form from the Unitholder. Unless otherwise requested by the payee, the redemption price payable to the Unitholder will be paid in the base currency of the relevant Sub-Fund (or class, if applicable), by bank transfer at the expense of the Unitholder.

Every such bank transfer shall be made payable to the order of such Unitholder, or in the case of joint Unitholders, made payable to the order of the joint Unitholder who has requested such redemption at the risk of such Unitholder or joint Unitholders.

If the number of Units of a Sub-Fund to be redeemed on any Dealing Day is equal to one tenth or more of the total number of Units of that Sub-Fund in issue or deemed to be in issue on such Dealing Day, then the Manager may in its discretion refuse to redeem any Units in excess of one tenth of the total number of Units of that Sub-Fund in issue or deemed to be in issue as aforesaid and, if the Manager so refuses, the requests for redemption on such Dealing Day shall be reduced rateably and the Units to which each request relates which are not redeemed by reason of such refusal shall be

treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all the Units to which the original request related have been redeemed.

Dealing is carried out at forward pricing basis. i.e. the Net Asset Value next computed after receipt of redemption requests.

#### *Operation of Umbrella Cash Accounts*

Redemption monies payable to an investor in a Sub-Fund subsequent to a Dealing Day on which Units of that investor were redeemed (and consequently the investor is no longer a Unitholder of the Sub-Fund as of the relevant Dealing Day) will be held in a cash account in the name of the Trustee on behalf of the Fund and will be treated as an asset of the Sub-Fund until paid to that investor and will not benefit from the application of any investor money protection rules (i.e. the redemption monies in such circumstance will not be held on trust for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Sub-Fund with respect to the redemption amount held by the Sub-Fund until paid to the investor. In the event of an insolvency of the Sub-Fund or the Fund, there is no guarantee that the Sub-Fund or the Fund will have sufficient funds to pay unsecured creditors in full.

Investors due redemption monies which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Sub-Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that investor.

Your attention is drawn to the section of the Prospectus entitled "Risk Factors" –"*Operation of Umbrella Cash Accounts*" above.

#### **Compulsory Redemption of Units**

As permitted under the terms of the Trust Deed, the Manager shall have the power (but shall not be under a duty) to impose such restrictions as it may think necessary for the purpose of ensuring that no Units in any Sub-Fund are acquired or held by any person in breach of the law or any requirements of any county or governmental authority, including any foreign exchange control regulations or by a U.S. Person (except in transactions exempt from the requirements of the Securities Act and applicable state securities laws) or by any person described in (a) to (d) below.

The Manager may at any time give notice in writing for the redemption of, or request the transfer of, Units held directly or beneficially by:-

- (a) any person in breach of any law or requirement of any country or governmental authority or by virtue of which such person is not qualified to hold such Units;
- (b) any person who is, or has acquired such Units on behalf of or for the benefit of a U.S. Person, (except in transactions exempt from the registration requirements of the Securities Act and applicable state securities laws);

- (c) any person or persons in circumstances (whether directly or indirectly affecting such person or persons and whether taken alone or in conjunction with any other person or persons whether connected or not, or any other circumstances appearing to the Manager to be relevant) which in the opinion of the Manager might result in regulatory, pecuniary, legal, taxation or material administrative disadvantage for the Fund, a Sub-Fund or its Unitholders as a whole. In particular, the Manager on behalf of the Fund intends to limit the sale and transfer of Units, and may exercise the Fund's right compulsorily to redeem Units, to the extent necessary, so that at all times less than 25 per cent of the value of each class of equity interests in a Sub-Fund is held by "Benefit Plan Investors". For the purposes of this 25 per cent. determination, the value of any equity interest held by a person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of a Sub-Fund or any person who provides investment advice with respect to a Sub-Fund's assets, or any affiliate of such a person (such as the Manager, the Investment Manager, any sub-investment manager and the Investment Adviser), shall be disregarded. Therefore, the underlying assets of each Sub-Fund would not be treated as "plan assets" of any Benefit Plan Investor investing in the Sub-Fund;  
or
- (d) any person or persons holding Units with a value less than the Minimum Holding.

The Administrator shall be entitled to give notice to such persons requiring him to transfer such Units to a person who is qualified or entitled to own the same. If any such person upon whom such notice is served as aforesaid does not within 14 days after such notice transfer such Units or request the Administrator to redeem such Units as aforesaid, he shall be deemed forthwith upon the termination of 14 days to have requested the Administrator to redeem his Units and to have appointed the Administrator as his attorney for the purpose of redeeming his Units and he shall be bound to deliver his certificate or certificates (if any) to the Administrator forthwith and the Administrator shall be entitled to appoint any person to sign on his behalf such documents as may be required for the purpose of the redemption of the said Units by the Administrator.

The Manager may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Units by a Unitholder including any interest or penalties payable thereon. The attention of investors is drawn to the section of the prospectus entitled "Taxation" and in particular the section therein headed "Irish Taxation" which details circumstances in which the Manager or Trustee shall be entitled to deduct from payments to Unitholders who are resident or ordinarily resident in Ireland amounts in respect of liability to Irish taxation including any penalties and interest thereon and/or compulsorily redeem Units to discharge such liability. Relevant Unitholders will indemnify and keep the Manager and the Trustee indemnified against loss arising to the Manager or the Trustee by reason of the Manager or the Trustee becoming liable to account for tax with respect to the Fund on the happening of an event giving rise to a charge to taxation.

If it shall come to the notice of the Directors of the Manager or if the Directors of the Manager shall have reason to believe that any Units are owned directly or beneficially by any person or persons in breach of restrictions imposed by the Directors of the Manager or any declarations or information is outstanding or has not been provided (including inter alia any declarations or information required

pursuant to anti-money laundering or counter terrorist financing requirements), the Directors of the Manager shall be entitled to (a) give notice (in such form as the Directors of the Manager deem appropriate) of their intention to compulsorily redeem that person's Units and (b) to compulsorily redeem such Units. The Directors of the Manager may charge any such Unitholder, any legal, accounting or administration costs associated with such compulsory redemption. In the event of a compulsory redemption, the redemption price will be determined as of the Valuation Point in respect of the relevant Redemption Day specified by the Directors of the Manager in their notice to the Unitholder. The proceeds of a compulsory redemption shall be paid in accordance with the redemption provisions outlined above.

### **Switching**

Subject to the Units being in issue and being offered for sale and provided that the issue and redemption of Units has not been suspended, Unitholders may, in respect of Units held in one or more Sub-Funds or classes (if applicable) (the "Original Units"), apply to switch some or all of such Units into Units in one or more other Sub-Funds or classes (if applicable) (the "New Units"). Applications for switching should be made in a similar manner to applications for Units as set out under the heading "Management of the Fund - Application Procedure" above.

On the relevant Dealing Day, or on such later day as the Manager in its absolute discretion may agree, the original Units shall ipso facto be switched into the appropriate number of New Units. The Units to be switched shall on that Dealing Day have the same value (the "Switched Amount") as if they were being redeemed. The appropriate number of New Units to be issued shall be equal to the number of New Units that would be issued on that Dealing Day if the Switched Amount were invested in New Units.

Upon any such switch, there shall be reallocated from the relevant Sub-Fund (or class, if applicable) of the Original Unit, assets or cash equal in value to the Switched Amount to the Sub-Fund or class of the New Units.

No switching fee shall be levied nor shall the Manager be entitled to receive any subscription fee or redemption fee in respect thereof. The Unitholders shall reimburse to the relevant Sub-Fund any fiscal, sale and purchase charges arising out of such switching.

Upon any such switch, the Manager shall procure that the relevant registers are amended accordingly.

### **Transfer of Units**

Units in each Sub-Fund will be transferable by instrument in writing signed by the transferor and the transferor shall be deemed to remain the holder of the Units until the name of the transferee is entered in the relevant register in respect thereof. The instrument of transfer must be accompanied by a certificate from the transferee that it is not, nor is it acquiring such Units on behalf of or for the benefit of, a U.S. Person (except in transactions exempt from the registration requirements of the Securities Act and applicable state securities laws) together with such certifications, representations or warranties as may be required by the Manager to ensure that the transferee is not acquiring Units in

contravention of any restriction as described under the heading “Compulsory Redemption of Units”. In the case of the death of one of joint Unitholders, the survivor or survivors will be the only person or persons recognised by the Manager as having any title to or interest in the Units registered in the names of such joint Unitholders.

No transfer may be made which would result in either the transferor or the transferee holding Units with a value less than the Minimum Holding.

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

The Net Asset Value of a Sub-Fund shall be calculated by the Administrator at the Valuation Point on each Dealing Day by ascertaining the value of the assets of the Sub-Fund on such Dealing Day and deducting from such value the liabilities of the Sub-Fund on such Dealing Day.

If separate classes of Units have not been established in a Sub-Fund, the Net Asset Value per Unit is calculated by dividing the Net Asset Value of the Sub-Fund by the number of Units in issue and rounding the result to the nearest three decimal places.

Where there is more than one class of Units in issue in a Sub-Fund, the Net Asset Value of a Sub-Fund is allocated between the different classes of Units in that Sub-Fund based on their pro rata closing Net Assets Values on the immediately preceding Dealing Day, as adjusted for subscriptions and redemptions. Where different entitlements, costs or liabilities apply in respect of different classes these are excluded from the initial calculation of the Net Asset Value of the Sub-Fund and applied separately to the Net Asset Value allocated to the relevant class (including the gains/losses or the costs of financial instruments employed for the currency hedging of a particular class). The Net Asset Value attributable to each class will then be converted into the base currency of the relevant class at prevailing exchange rates and divided by the number of Units in issue to calculate the Net Asset Value per Unit of the relevant class and rounding the result to the nearest three decimal places.

The value of the assets of each Sub-Fund shall be determined as follows:

- (a) Securities which are quoted, listed or traded on a Recognised Exchange save as hereinafter provided at (b), (d), (e), (f), (g) and (h) will be valued at last traded price on the principal exchange or market for such investment. Where a security is listed or dealt in on more than one Recognised Exchange the relevant exchange or market shall be the principal stock exchange or market on which the security is listed or dealt on or the exchange or market which the Manager determines provides the fairest criteria in determining a value for the security. Securities listed or traded on a Recognised Exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point.
- (b) The value of any security which is not quoted, listed or dealt in on a Recognised Exchange or which is so quoted, listed or dealt but for which the market price is unrepresentative or not available, shall be valued at the probable realisation value estimated with care and in good faith by:



- (i) the Manager; or
- (ii) a competent person, firm or corporation (including the Investment Manager) appointed by the Manager and approved for the purpose by the Trustee.

Where reliable market quotations are not available for fixed income securities the value of such securities may be determined using matrix methodology compiled by the Manager whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.

- (c) Cash in hand or on deposit will be valued at its nominal/face value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
- (d) Derivative contracts traded on a regulated market including without limitation exchange traded futures and options contracts and index futures shall be valued at the settlement price as determined by the market where the exchange traded future/option contract is traded. If the settlement price is not available, the exchange traded future/option contract may be valued in accordance with (b) above.

Derivative contracts which are not traded on a regulated market and are not cleared by a clearing counterparty will be valued on the basis of the mark to market value of the derivative contract or if market conditions prevent marking to market, reliable and prudent marking to model may be used. Derivative contracts which are not traded on a regulated market and which are cleared by a clearing counterparty shall be valued either using the clearing counterparty valuation or an alternative valuation such as a valuation calculated by the Manager or by an independent pricing vendor. The Fund will value an over the counter derivative on a daily basis. Where an over the counter derivative is valued using the counterparty valuation, the valuation must be approved or verified by a party who is approved for the purpose by the Trustee and who is independent of the counterparty and the independent verification must be carried out at least weekly. Where an over the counter derivative is valued on the basis of an alternative valuation, the Manager will follow international best practice and adhere to the principles on valuation of OTC instruments established by bodies such as IOSCO and AIMA, the alternative valuation will be provided by a competent person selected by the Manager and approved for the purpose by the Trustee and the alternative valuation will be fully reconciled to the counterparty valuation on a monthly basis. Any significant difference between the alternative valuation and counterparty valuation will be promptly investigated and explained.

- (e) Forward foreign exchange and interest rate swap contracts shall be valued in the same manner as other OTC derivatives contracts or by reference to freely available market quotations.

- (f) Units in investment funds (other than those valued pursuant to (a) above) shall be valued at the latest available net asset value per unit or bid price as published by the relevant investment fund or, if listed or traded on a Recognised Exchange, in accordance with (a) above.
- (g) In the case of a Sub-Fund which is a short term money market fund, the Manager may value the assets of the Sub-Fund using the amortised cost method of valuation if the use of such method of valuation is permissible pursuant to the Central Bank's requirements. A review of the amortised cost valuation vis-à-vis market valuation will be carried out in accordance with the requirements of the Central Bank.
- (h) In the case of a Sub-Fund in relation to which it is not intended to apply the amortised cost method of valuation as a whole, the Manager may value using the amortised cost method of valuation for money market instruments within the Sub-Fund having a residual maturity of less than three months and which do not have specific sensitivity to market parameters, including credit risk.
- (i) The Manager may, with the approval of the Trustee, adjust the value of any investment if having regard to its currency, marketability, dealing costs, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof.
- (j) Any value expressed otherwise than in the Base Currency of the relevant Sub-Fund shall be converted into the Base Currency of the relevant Sub-Fund at the prevailing exchange rate which the Manager shall determine to be appropriate.

Any intention to value investments using the amortised cost method of valuation pursuant to paragraphs (g) and (h) above will be disclosed in the relevant Supplement and will be carried out in accordance with the Central Bank's requirements.

In the event of it being impossible to carry out a valuation of a specific asset in accordance with the valuation rules set out in paragraphs (a) to (j) above, (or if such valuation is not representative of the asset's fair market value), the Manager is entitled to use another generally recognised valuation principle in order to reach a proper valuation of that specific asset, provided that any alternative method of valuation is approved by the Trustee and the rationale and methodologies used shall be clearly documented.

Notwithstanding that subscription monies, redemption monies and dividend amounts will be held in cash accounts in the name of the Trustee on behalf of the Fund and treated as assets of and attributable to a Sub-Fund:-

- i. any subscription monies received from an investor prior to the Dealing Day of a Sub-Fund in respect of which an application for Units has been, or is expected to be, received will not be taken into account as an asset of the Sub-Fund for the purpose of determining the Net Asset Value of that Sub-Fund until subsequent to the Valuation

- Point in respect of the Dealing Day as of which Units of the Sub-Fund are agreed to be issued to that investor;
- ii. any redemption monies payable to an investor subsequent to the Dealing Day of a Sub-Fund as of which Units of that investor were redeemed will not be taken into account as an asset of the Sub-Fund for the purpose of determining the Net Asset Value of that Sub-Fund; and
  - iii. any dividend amount payable to a Unitholder will not be taken into account as an asset of the Sub-Fund for the purpose of determining the Net Asset Value of that Sub-Fund.

### **Publication of Net Asset Value Per Unit**

Except where the determination of the Net Asset Value of a Sub-Fund, the Net Asset Value per Unit and the issue and redemption of Units has been suspended in the circumstances described below, the Net Asset Value per Unit on each Dealing Day will be made public at the registered office of the Administrator, notified to Euronext Dublin without delay and published on the Atlantis website at [www.atlantis-investment.com/funddata/nav](http://www.atlantis-investment.com/funddata/nav) or in such newspapers as the Manager and the Trustee may agree.

### **Temporary Suspension of Calculation of Net Asset Value and of Issues and Redemptions of Units**

The Manager may, with the consent of the Trustee, temporarily suspend the calculation of the Net Asset Value of each or any Sub-Fund, the Net Asset Value per Unit of each such Sub-Fund and the issue and redemption of Units of such Sub-Fund to and from Unitholders when:-

- (a) a market which is the basis for the valuation of a major part of the assets of the relevant Sub-Fund is closed (except for the purposes of a public/bank holiday), or when trading on such a market is limited or suspended;
- (b) a political, economic, military, monetary or other emergency beyond the control, liability and influence of the Manager makes the disposal of the assets of the relevant Sub-Fund impossible or impracticable under normal conditions or such disposal would be detrimental to the interests of the Unitholders;
- (c) the disruption of any relevant communications network or any other reason makes it impossible or impracticable to determine the value of a major portion of the assets of the relevant Sub-Fund;
- (d) the relevant Sub-Fund is unable to repatriate funds for the purpose of making payments on the redemption of Units from Unitholders or any transfer of funds involved in the realisation or acquisition of investments or when payments due on redemption of Units from Unitholders cannot in the opinion of the Manager be effected at normal rates of exchange;
- (e) any period when proceeds of any sale or repurchase of Units cannot be transmitted to or from the account of the Sub-Fund; or

- (f) any other reason makes it impossible or impracticable to determine the value of a substantial portion of the assets of the Sub-Fund.

Any such suspension will be notified without delay to the Central Bank and Euronext Dublin and will be notified to investors or Unitholders requesting issue or redemption of Units by the Administrator at the time of application for such issue or filing of the written request for such redemption. Where possible, all reasonable steps will be taken to bring any such period of suspension to an end as quickly as possible.

#### **Taxation on the Occurrence of Certain Events**

The attention of investors is drawn to the section of the Prospectus headed "Taxation" and in particular the taxation liability arising on the occurrence of certain events such as the encashment, redemption or transfer of Units by or payment of dividends to Unitholders who are Irish Resident or Ordinarily Resident in Ireland.

Furthermore, as countries can change tax rules and apply them to previous periods any provisions made by the Fund in respect of potential taxation of and returns from investments held at any time may prove to be excessive or inadequate to meet any eventual tax liabilities. Consequently investors in the Fund may be advantaged or disadvantaged depending on the position of any relevant tax authorities in the future and the level of tax provisions proving to be either excessive or inadequate either when they subscribed or redeemed their Units.

## MANAGEMENT AND FUND CHARGES

The fees payable to each of the Manager, the Investment Manager, any sub-investment manager, the Investment Adviser, the Administrator and the Trustee are set out in each Supplement.

### General

Each Sub-Fund is responsible for the expenses incurred by it in connection with litigation. Pursuant to provisions contained in the Trust Deed, a Sub-Fund shall indemnify the Trustee in certain circumstances including costs and expenses incurred in litigation by or on behalf of the Sub-Fund. The Manager is entitled to recover from a Sub-Fund the costs and expenses incurred by it in litigation by or on behalf of that Sub-Fund.

All fees, costs and expenses, including Administration Expenses and Disbursements, of or incurred by the Manager, the Administrator and the Trustee in connection with the ongoing management, administration and operation of each Sub-Fund which are payable by the Fund shall be borne by all Sub-Funds in proportion to the Net Asset Value of the relevant Sub-Fund provided that all fees, costs, expenses and disbursements directly or indirectly attributable to a particular Sub-Fund shall be borne by the relevant Sub-Fund. Such fees, costs, expenses and disbursements payable by the relevant Sub-Fund include, but are not limited to:

- (a) auditors' and accountants' fees;
- (b) lawyers' fees;
- (c) commissions, fees and reasonable out-of-pocket expenses payable to any placing agent, structuring agent, paying agent, correspondent bank or distributor of the Units;
- (d) merchant banking, stockbroking or corporate finance fees including interest on borrowings, index calculation, performance attribution, risk control and similar services' fees and expenses;
- (e) taxes or duties imposed by any fiscal authority;
- (f) costs of preparation, translation and distribution of all prospectuses, key investor information documents, reports, certificates, confirmations of purchase of Units and notices to Unitholders;
- (g) fees and expenses incurred in connection with the listing of Units on any Recognised Exchange and in complying with the listing rules thereof;
- (h) custody and transfer expenses;
- (i) expenses of Unitholders' meetings;

- (j) insurance premia;
- (k) any other expenses, including clerical costs of issue or redemption of Units;
- (l) the cost of preparing, translating, printing and/or filing in any language the Trust Deed and all other documents relating to the Fund or to the relevant Sub-Fund including registration statements, prospectuses, key investor information documents, listing particulars, explanatory memoranda, annual, half-yearly and extraordinary reports with all authorities (including local securities dealers associations) having jurisdiction over the Fund or any of the Sub-Funds or the offer of Units of the relevant Sub-Fund and the cost of delivering any of the foregoing to the Unitholders;
- (m) advertising and marketing expenses;
- (n) the cost of publication of notices in local newspapers in any relevant jurisdiction; and
- (o) the total costs of any liquidation, amalgamation or reconstruction of any Sub-Fund;

in each case plus any applicable VAT and/or other applicable taxes.

### **Establishment Expenses**

The cost of establishing the Fund and the expenses of the issue of Units in the Atlantis Asian Opportunities Fund, Atlantis Japan Opportunities Fund and Atlantis Korea Opportunities Fund (the "First Sub-Funds" which were approved by the Central Bank on 10th October, 2003), the preparation and printing of the first Prospectus, the costs associated with listing certain Units on Euronext Dublin, and marketing costs and fees of all professionals relating to it, amounted to €125,000 and was borne by the Fund and amortised over the first five years of the Fund's operation and charged to and apportioned amongst the First Sub-Funds.

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

The Manager has designed and implemented a remuneration policy which is consistent with and promotes sound and effective risk management by having a business model which by its nature does not promote excessive risk taking that is inconsistent with the risk profile of the Manager or the Trust Deed of the Fund. The Manager's remuneration policy is consistent with the Fund's business strategy, objectives, values and interests and includes measures to avoid conflicts of interest.

The Manager has policies in place in respect of the remuneration of any senior members of staff, staff whose activities will impact risk, staff who are involved in any control functions, staff who receive remuneration equivalent to senior management or risk takers where their activities have a material impact on the risk profiles of the Manager or the Fund.

In line with the provisions of the UCITS Regulations, the Manager applies its remuneration policy and practices in a manner which is proportionate to its size and that of the Fund, its internal organisation and the nature, scope and complexity of its activities.

Where the Manager delegates investment management functions in respect of the Fund or any Sub-Fund of the Fund in accordance with Regulation 23 of the UCITS Regulations and where the remuneration rules set down in the ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive (ESMA/2016/575) (the “ESMA Remuneration Guidelines”) would otherwise be circumvented, it shall, in accordance with the requirements of the ESMA Remuneration Guidelines, seek to ensure that:

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

Details of the remuneration policy of the Manager including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, will be available at [www.atlantis-investment.com](http://www.atlantis-investment.com) and a paper copy will be made available free of charge upon request.

#### **Sub-Distributors, Facilities Agents or Paying Agents**

Each Sub-Fund or class (if applicable) will also bear the fees and expenses of any sub-distributors, facilities agents or paying agents appointed in respect of the Fund or a Sub-Fund or a class (if applicable). Such fees and expenses will be at normal commercial rates. When the fees payable to such sub-distributors, facilities agents or paying agents are based on the Net Asset Value of the Sub-Fund as a whole, the Manager will ensure that all Unitholders in that Sub-Fund may avail of the services provided by the agent. When the fees are payable to such sub-distributors, facilities agents or paying agents are based on the Net Asset Value attributable to a particular class (if applicable), the Manager will ensure that the fees will be payable only from the assets attributable to the particular class in respect of which the Unitholders are entitled to avail of the services of the agent.

#### **Governance Service Fees**

Clifton Fund Consulting Limited, trading as Waystone will receive an annual fee out of the assets of the Fund, which is currently not expected to exceed €44,000 per annum, accrued weekly and payable quarterly in arrears. Any fees payable to Clifton Fund Consulting Limited, trading as Waystone in excess of this amount will be paid by the Manager.

## TAXATION

### General

**The information given is not exhaustive and does not constitute legal or tax advice. Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Units under the laws of the jurisdictions in which they may be subject to tax. The applicable tax treatment of any particular investor depends on the individual circumstances of that investor and may be subject to change in future**

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

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

### Irish Taxation

The Manager has been advised that on the basis that the Fund is resident in Ireland for taxation purposes the taxation position of the Fund and the Unitholders is as set out below.

### The Fund

The Fund will be regarded as resident in Ireland for tax purposes if the Depositary of the Fund is regarded as tax resident in Ireland and where the general administration of the Fund is carried on in Ireland. It is the intention of the Manager that the business of the Fund will be conducted in such a manner as to ensure that it is Irish resident for tax purposes.

The Manager has been advised that the Fund qualifies as an investment undertaking as defined in Section 739B(1) of the Taxes Act. Under current Irish law and practice, the Fund is not chargeable to Irish tax on its income and gains.

However, tax can arise on the happening of a “chargeable event” in the Fund. A chargeable event includes any distribution payments to Unitholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Units or the appropriation or cancellation of Units of a Unitholder by the Fund for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Fund in respect of chargeable events in respect of a Unitholder who is neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event provided that a Relevant Declaration is in place and the Fund is not in possession of any information which would reasonably suggest that the



information contained therein is no longer materially correct. In the absence of either a Relevant Declaration or the Fund satisfying and availing of equivalent measures (see paragraph headed “*Equivalent Measures*” below) there is a presumption that the investor is Irish Resident or Ordinarily Resident in Ireland. A chargeable event does not include:

- An exchange by a Unitholder, effected by way of an arm’s length bargain where no payment is made to the Unitholder, of Units in the Fund for other Units in the Fund;
- Any transactions (which might otherwise be a chargeable event) in relation to units held in a Recognised Clearing System as designated by order of the Irish Revenue Commissioners;
- A transfer by a Unitholder of the entitlement to a Unit where the transfer is between spouses and former spouses, subject to certain conditions; or
- An exchange of Units arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Fund with another investment undertaking.

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

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

### **Stamp Duty**

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Units in the Fund. Where any subscription for or redemption of Units is satisfied by the in specie transfer of securities, property or other types of assets, Irish stamp duty may arise on the transfer of such assets.

No Irish stamp duty will be payable by the Fund on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B(1) of the Taxes Act (that is not an Irish Real Estate Fund within the meaning of Section 739K) or a “qualifying company” within the meaning of Section 110 of the Taxes Act ) which is registered in Ireland.

## **Unitholders Tax**

### *Units which are held in a Recognised Clearing System*

Any payments to a Unitholder or any encashment, redemption, cancellation or transfer of Units held in a Recognised Clearing System will not give rise to a chargeable event in the Fund (there is however ambiguity in the legislation as to whether the rules outlined in this paragraph with regard to Units held in a Recognised Clearing System, apply in the case of chargeable events arising on a deemed disposal, therefore, as previously advised, Unitholders should seek their own tax advice in this regard). Thus the Fund will not have to deduct any Irish taxes on such payments regardless of whether they are held by Unitholders who are Irish Residents or Ordinarily Resident in Ireland, or whether a non-resident Unitholder has made a Relevant Declaration. However, Unitholders who are Irish Resident or Ordinarily Resident in Ireland or who are not Irish Resident or Ordinarily Resident in Ireland but whose Units are attributable to a branch or agency in Ireland may still have a liability to account for Irish tax on a distribution or encashment, redemption or transfer of their Units..

To the extent any Units are not held in a Recognised Clearing System at the time of a chargeable event (and subject to the discussion in the previous paragraph in relation to a chargeable event arising on a deemed disposal), the following tax consequences will typically arise on a chargeable event.

### *Unitholders who are neither Irish Residents nor Ordinarily Resident in Ireland*

The Fund will not have to deduct tax on the occasion of a chargeable event in respect of a Unitholder if (a) the Unitholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Unitholder has made a Relevant Declaration on or about the time when the Units are applied for or acquired by the Unitholder and (c) the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct. In the absence of either a Relevant Declaration (provided in a timely manner) or the Fund satisfying and availing of equivalent measures (see paragraph headed "*Equivalent Measures*" below) tax will arise on the happening of a chargeable event in the Fund regardless of the fact that a Unitholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Unitholder is acting as an Intermediary on behalf of persons who are neither Irish Resident nor Ordinarily Resident in Ireland no tax will have to be deducted by the Fund on the occasion of a chargeable event provided that either (i) the Fund satisfied and availed of the equivalent measures or (ii) the Intermediary has made a Relevant Declaration that he/she is acting on behalf of such persons and the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Unitholders who are neither Irish Residents nor Ordinarily Resident in Ireland and either (i) the Fund has satisfied and availed of the equivalent measures or (ii) such Unitholders have made Relevant Declarations in respect of which the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, will not be liable to Irish tax in respect of income from their Units and gains made on the disposal of their Units. However, any corporate Unitholder which is not Irish Resident and which holds Units directly or

indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Units or gains made on disposals of the Units.

Where tax is withheld by the Fund on the basis that no Relevant Declaration has been filed with the Fund by the Unitholder, Irish legislation provides for a refund of tax only to companies within the charge to Irish corporation tax, to certain incapacitated persons and in certain other limited circumstances.

#### *Unitholders who are Irish Residents or Ordinarily Resident in Ireland*

Unless a Unitholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the Fund is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct or unless the Units are purchased by the Courts Service, tax at the rate of 41% (other than for companies where the rate is 25% provided an appropriate declaration is in place) will be required to be deducted by the Fund from a distribution (where payments are made annually or at more frequent intervals) to a Unitholder who is Irish Resident or Ordinarily Resident in Ireland. Similarly, tax at the rate of 41% (other than for companies where the rate is 25% provided an appropriate declaration is in place) will have to be deducted by the Fund on any other distribution or gain arising to the Unitholder (other than an Exempt Irish Investor who has made a Relevant Declaration) on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Units by a Unitholder who is Irish Resident or Ordinarily Resident in Ireland.

The Finance Act 2006 introduced rules (which were subsequently amended by the Finance Act 2008) in relation to an automatic exit tax for Unitholders who are Irish Resident or Ordinarily Resident in Ireland in respect of Units held by them in the Fund at the ending of a Relevant Period. Such Unitholders (both companies and individuals) will be deemed to have disposed of their Units (“deemed disposal”) at the expiration of that Relevant Period and will be charged to tax at the rate of 41% (other than for companies where the rate is 25% provided an appropriate declaration is in place) on any deemed gain (calculated without the benefit of indexation relief) accruing to them based on the increased value (if any) of the Units since purchase or since the previous exit tax applied, whichever is later.

For the purposes of calculating if any further tax arises on a subsequent chargeable event (other than chargeable events arising from the ending of a subsequent Relevant Period or where payments are made annually or at more frequent intervals), the preceding deemed disposal is initially ignored and the appropriate tax calculated as normal. Upon calculation of this tax, credit is immediately given against this tax for any tax paid as a result of the preceding deemed disposal. Where the tax arising on the subsequent chargeable event is greater than that which arose on the preceding deemed disposal, the Fund will have to deduct the difference. Where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal, the Fund will refund the Unitholder for the excess (subject to the paragraph headed “15% Threshold” below).

#### 10% Threshold

The Fund will not have to deduct tax (“exit tax”) in respect of this deemed disposal where the value of the chargeable units (i.e. those Units held by Unitholders to whom the declaration procedures do not

apply) in the Fund (or the Sub-Fund being an umbrella scheme) is less than 10% of the value of the total Units in the Fund (or Sub-Fund) and the Fund has made an election to report certain details in respect of each affected Unitholder to Revenue (the “Affected Unit Holder”) in each year that the de minimus limit applies. In such a situation the obligation to account for the tax on any gain arising on a deemed disposal will be the responsibility of the Unitholder on a self-assessment basis (“self-assessors”) as opposed to the Fund or Sub-Fund (or their service providers). The Fund is deemed to have made the election to report once it has advised the Affected Unit Holders in writing that it will make the required report.

#### 15% Threshold

As previously stated where the tax arising on the subsequent chargeable event is less than that which arose on the preceding deemed disposal (e.g. due to a subsequent loss on an actual disposal), the Fund will refund the Unitholder the excess. Where however immediately before the subsequent chargeable event, the value of chargeable units in the Fund (or the Sub-Fund being an umbrella scheme) does not exceed 15% of the value of the total Units, the Fund (or Sub-Fund) may elect to have any excess tax arising repaid directly by Revenue to the Unitholder. The Fund is deemed to have made this election once it notifies the Unitholder in writing that any repayment due will be made directly by Revenue on receipt of a claim by the Unitholder.

#### *Other*

To avoid multiple deemed disposal events for multiple units an irrevocable election under Section 739D(5B) can be made by the Fund to value the units held at the 30<sup>th</sup> June or 31<sup>st</sup> December of each year prior to the deemed disposal occurring. While the legislation is ambiguous, it is generally understood that the intention is to permit a fund to group Units in six month batches and thereby make it easier to calculate the exit tax by avoiding having to carry out valuations at various dates during the year resulting in a large administrative burden.

The Irish Revenue Commissioners have provided updated investment undertaking guidance notes which deal with the practical aspects of how the above calculations/objectives will be accomplished.

Unitholders (depending on their own personal tax position) who are Irish Resident or Ordinarily Resident in Ireland may still be required to pay tax or further tax on a distribution or gain arising on an encashment, redemption, cancellation, transfer or deemed disposal of their Units. Alternatively they may be entitled to a refund of all or part of any tax deducted by the Fund on a chargeable event.

#### *Equivalent Measures*

The Finance Act 2010 (“Act”) introduced measures commonly referred to as equivalent measures to amend the rules with regard to Relevant Declarations. The position prior to the Act was that no tax would arise on an investment undertaking with regard to chargeable events in respect of a unitholder who was neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event, provided that a Relevant Declaration was in place and the investment undertaking was not in possession of any information which would reasonably suggest that the information contained therein was no longer materially correct. In the absence of a Relevant Declaration there was a presumption that the investor was Irish Resident or Ordinarily Resident in Ireland. The Act however contained

provisions that permit the above exemption in respect of Unitholders who are not Irish Resident nor Ordinarily Resident in Ireland to apply where the investment undertaking is not actively marketed to such investors and appropriate equivalent measures are put in place by the investment undertaking to ensure that such Unitholders are not Irish Resident nor Ordinarily Resident in Ireland and the investment undertaking has received approval from the Revenue Commissioners in this regard.

#### *Personal Portfolio Investment Undertaking*

The Finance Act 2007 introduced provisions regarding the taxation of Irish Resident individuals or Ordinarily Resident in Ireland individuals who hold units in investment undertakings. These provisions introduced the concept of a personal portfolio investment undertaking ("PPIU"). Essentially, an investment undertaking will be considered a PPIU in relation to a specific investor where that investor can influence the selection of some or all of the property held by the investment undertaking either directly or through persons acting on behalf of or connected to the investor. Depending on individuals' circumstances, an investment undertaking may be considered a PPIU in relation to some, none or all individual investors i.e. it will only be a PPIU in respect of those individuals' who can "influence" selection. Any gain arising on a chargeable event in relation to an investment undertaking which is a PPIU in respect of an individual on or after 20<sup>th</sup> February 2007, will be taxed at the rate of 60%. Specific exemptions apply where the property invested in has been widely marketed and made available to the public or for non-property investments entered into by the investment undertaking. Further restrictions may be required in the case of investments in land or unquoted units deriving their value from land.

#### **Reporting**

Pursuant to Section 891C of the Taxes Act and the Return of Values (Investment Undertakings) Regulations 2013, the Company is obliged to report certain details in relation to Units held by investors to the Irish Revenue Commissioners on an annual basis. The details to be reported include the name, address and date of birth if on record of, and the value of the Units held by, a Unitholder. In respect of Units acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Unitholder (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 Unitholders who are;

- Exempt Irish Investors (as defined above);
- Unitholders who are neither Irish Resident nor Ordinarily Resident in Ireland (provided the relevant declaration has been made); or
- Unitholders whose Units are held in a Recognised Clearing System.

#### **United Kingdom**

The following information is based on the Directors' understanding of, and on advice received on, the relevant laws and practices currently in force in the UK as at April 2019.

**The following disclosure is provided for informational purposes only, is not exhaustive and does not constitute legal or tax advice. Any person who is in any doubt as to his or her tax position, or who is subject to taxation in any jurisdiction other than the UK or of classifications not referred to below, should consult his or her own professional advisers immediately.**

### **Taxation of the Fund**

It is intended that central management and control of the business of the Fund will be exercised outside the UK so that it will not be regarded as resident in the UK for the purposes of UK taxation. It is also intended that the activities of the Fund, the Manager and the Investment Manager will be carried out such that the Fund should not be regarded as carrying on a trade in the UK for the purposes of UK taxation. Therefore, other than in respect of UK withholding tax at source on certain UK source income, the Fund ought not to be subject to UK taxation.

### **UK Unitholders**

The following statements are intended only as a general guide to current UK tax legislation and to the current practice of HM Revenue and Customs ("HMRC") and may not apply to certain Unitholders, such as dealers in securities, insurance companies, pension fund trustees or other trustees and collective investment schemes. They relate (except where otherwise stated) to persons who are resident in the UK for UK tax purposes and who hold their Units as an investment and not as trading stock. If a Unitholder holds Units as trading stock they may not be taxed by reference to the principles below.

It is assumed the Fund should be treated as fiscally transparent for income for UK tax purposes such that Unitholders who are resident in the UK for UK tax purposes will in principle be taxed on a proportionate share of the net income as it arises to the Fund or Sub-Fund, whether or not such income is distributed.

Prospective investors should be aware that certain information about them and amounts that they receive from the Fund may be passed to HMRC if HMRC serves a specific notice requiring production of the information.

Investors should also be aware that the Directors applied for and obtained reporting fund status for each of the Sub-Funds (as further described below). On the assumption that the Fund and the Sub-funds are treated as transparent for UK income tax purposes, UK resident investors will be subject to tax on the income of the Sub-Funds as it arises whether or not the Fund / Sub-Funds are certified as 'reporting funds' but, depending upon the distribution policy of the fund in question, may not receive a corresponding distribution. In addition, investors will also be subject to UK income tax by reference to any income arising to any reporting or non-reporting funds in which the Sub-Fund in which they hold their interest is invested. Where a Sub-Fund is invested in a non-reporting fund for which there is insufficient information to determine its income UK, tax will arise instead by reference to any increase in the value of its investment in the non-reporting fund concerned. Investors should take their own tax advice

## *Individual Investors*

The following summary applies to potential investors who are UK resident individuals who hold their Units as investments and not as trading stock. If a Unitholder holds Units as trading stock they may not be taxed by reference to the general principles below.

Investors who are resident, but not domiciled in the UK may, subject to their circumstances, be able to claim the remittance basis of taxation. UK resident, non-domiciled prospective investors should take their own tax advice in relation to the remittance basis of taxation and the investment they may make in the Fund but should note that the Directors make no guarantee that investing in the Fund or the future actions of the Fund will not lead to a remittance.

### Capital Gains and 'Offshore Funds' Legislation

The Fund and Sub-Funds are likely to be 'offshore funds'. The Offshore Funds (Tax) Regulations 2009 introduced changes to the definition of an 'offshore fund' but this has not affected the status of the Fund or Sub-Funds as offshore funds. Where the offshore funds legislation applies, and a Fund or Sub-Fund has not been certified as a 'reporting fund' throughout the relevant periods, any gain realised by a Unitholder on the disposal (whether by transfer, redemption or otherwise) of Units is treated for UK tax purposes as an income receipt rather than a capital gain and this is referred to below as an 'offshore income gain'. This is the case even in circumstances where the Unitholder does not receive all or any of the proceeds of the disposal. For example if an investor switches Units held in one Sub-Fund into Units in a different Sub-Fund or class (if applicable) so that his Units in the Fund are redeemed the investor may suffer an income tax charge on any offshore income gain which arises or, for tax purposes, is deemed to arise on the redemption even though the investor will not receive any proceeds of redemption. For certain Unitholders, a charge may arise if, as part of the switching procedure, they switch from a class denominated in one currency to a class denominated in another currency. Investors should take their own advice on this.

The offshore funds legislation does not apply as described above to a disposal of an interest in an offshore fund that has been a 'reporting fund' throughout the relevant period of ownership. The Directors have obtained reporting fund status for each Sub-Fund and intend to satisfy the conditions required to maintain reporting fund status. Provided that all relevant conditions and requirements continue to be fulfilled at all applicable times, any gain realised on the redemption or other disposal of Units by UK resident Unitholders will be taxed as capital gain in the UK, rather than as income. Subject to the provisions relating to the remittance basis of taxation set out above, any gains or offshore income gains realised by UK resident Unitholders who are not domiciled in the UK and who are subject to tax on the remittance basis will only be liable to UK tax if they are remitted to the UK.

Where reporting fund status is obtained, the Fund is required to provide a report to UK investors for each period of account containing sufficient information about the income of the relevant Sub-Fund attributable to each investor (whether or not such income has been distributed) to enable them to meet their tax obligations in the UK. Such reported income is treated as an additional distribution made by the Sub-Fund and a UK resident investor in the relevant Sub-Fund will therefore (subject to their particular UK tax position) be potentially subject to UK tax on that reported income as if such

reported income were a distribution upon their Units, whether or not actual distribution of the income is made.

A Unitholder who is resident in the UK and who, subsequent to subscription, wishes to switch Units held in one Sub-Fund into Units in a different Sub-Fund or class (if applicable), should note that in certain circumstances such a switch may not constitute a reorganisation for the purposes of the UK provisions relating to the taxation of capital gains and accordingly could give rise to a disposal triggering a potential liability to capital gains tax depending upon the value of the holding on switching.

These rules are complex and investors are advised to consult their own tax advisers.

#### Other UK Tax Issues

Investors should note the provisions of section 13 of the Taxation of Chargeable Gains Act 1992. This section applies where the Fund is controlled by a sufficiently small number of persons so that, were it to have been resident in the UK for tax purposes, the Fund would be regarded as a "close company" (a unit trust being treated within the definition of "company" for these purposes). If the Fund would be a close company if it were resident in the UK, a proportion of any chargeable gains (and/or 'offshore income gains' should the Fund's application for distributor status be unsuccessful) accruing to it or entities through which it has made investments may be apportioned to certain UK resident or ordinarily resident Unitholders and be chargeable to capital gains tax or to income tax as an 'offshore income gain' in their hands. The proportion which may be apportioned to and charged in the hands of such a UK Unitholder will correspond to that Unitholder's interest in the Fund as a 'participator' but these provisions will not apply where a Unitholder's interest in the gain or 'offshore income gain' does not exceed 25 percent of the gain or 'offshore income gain'. Non-domiciled investors may, subject to their circumstances, be able to claim the remittance basis of taxation in relation to such gains or offshore income gains only if the asset disposed of by the Fund giving rise to such gain or offshore income gain is situated outside the UK.

Individuals who are resident in the UK should also note the provisions of sections 714 to 751 of the Income Tax Act 2007, which may in certain circumstances render them liable to UK income tax in respect of the undistributed income of the Fund or other entities in which the Fund directly or indirectly holds an interest. These provisions are only likely to be relevant if the Fund or Sub-Funds were not regarded as transparent for UK income tax purposes.

Unitholders who are domiciled or deemed to be domiciled in the UK should note that transfers of Units at less than full market value (including on death) may (subject to certain exemptions and reliefs) give rise to a liability to UK inheritance tax.

#### *Corporate Investors*

The following summary applies to Unitholders who are within the charge to UK corporation tax and who hold Units as an investment and not as trading stock.

Because the Fund should be treated as fiscally transparent for income for UK tax purposes such that corporate Unitholders who are resident in the UK for UK tax purposes will, depending on the nature of



the income, be taxed on a proportionate share of the net income as it arises to the Fund or Sub-Fund, whether or not such income is distributed. Investors are advised to consult their tax advisors.

#### Capital Gains and the 'Offshore Funds' Legislation

Gains realised on the disposal (whether by transfer, redemption or otherwise) of Units by companies resident in the UK for taxation purposes will also be subject to UK corporation tax even in circumstances where the Unitholder does not receive all or any of the proceeds of the redemption or disposal. For example if an investor switches Units held in one Sub-Fund into Units in a different Sub-Fund or class (if applicable) so that his Units in the Fund are redeemed the investor may suffer a corporation tax charge on any offshore income gain which arises or, for tax purposes, is deemed to arise on the redemption even though the investor will not receive any proceeds of redemption. For certain Unitholders, a charge may arise if, as part of the switching procedure, they switch from a class denominated in one currency to a class denominated in another currency. Investors should take their own advice on this.

Subject to the terms of any applicable double tax treaty, such gains that are attributed to or realised by non-UK companies carrying on a trade through a permanent establishment in the UK will also be subject to UK corporation tax if the Units are attributable to that establishment.

A Unitholder who is within the charge to UK corporation tax and who, subsequent to subscription, wishes to switch Units held in one Sub-Fund into Units in a different Sub-Fund or class (if applicable), should note that in certain circumstances such a switch may not constitute a reorganisation for the purposes of the UK provisions relating to the taxation of capital gains and accordingly could give rise to a disposal triggering a potential liability to corporation tax depending upon the value of the holding on switching.

The offshore funds legislation referred to above also applies to investors who are within the UK corporation tax charge. The rate at which such persons who are within the UK corporation tax charge pay corporation tax on income and gains is the same. However, such investors should note that, should the Fund's reporting status be revoked at any future period during which an interest is held, capital losses and indexation allowances which might otherwise be or have been available to set off against capital gains may not be available to reduce gains that are taxed as income under the offshore funds legislation. This may particularly be relevant for investors who would otherwise be exempt in respect of capital gains such as UK authorised investment funds or investment trusts.

#### Other UK Tax Issues

Investors subject to UK corporation tax should note that if a Sub-Fund is an offshore fund which fails to meet the 'qualifying investments' test, holdings of Units by such investors will be treated as rights arising under a creditor relationship of the investor for the purposes of the UK loan relationship rules. In summary, those rules, if applicable, would require a corporate investor to adopt a fair value basis of accounting in respect of the holding. So far as each Sub-Fund is concerned, it will fail to satisfy the 'qualifying investments' test if the market value of the 'qualifying investments' held by it exceeds 60% of the market value of all its investments. A qualifying investment is any money placed at interest, shares in a building society, any security (other than a share in a company), derivative contracts

relating to interest or securities and contracts for differences relating to interest rates, credit worthiness and/or currency or certain holdings in unit trusts, open-ended investment companies or other offshore funds which themselves fail the non-qualifying investments test. The currently intended composition of the investment portfolio of each Sub-Fund is such that it is likely that each Sub-Fund will satisfy the non-qualifying investments test but investors should note that it is not guaranteed that this test will be met at all times.

If the Fund would be a close company if it were resident in the UK, a proportion of any chargeable gains and 'offshore income gains' accruing to it or to entities through which it has invested may be apportioned to certain UK resident Unitholders and be chargeable to corporation tax in their hands. The proportion which may be apportioned to and charged in the hands of such a UK Unitholder will correspond to that Unitholder's interest in the Fund as a 'participator' but these provisions will not apply where a Unitholder's interest in the gain or 'offshore income gain' does not exceed 25 percent of the gain or 'offshore income gain'.

### **Transfers of Interests**

No UK stamp duty should be chargeable on the transfer of Units (or an interest in such shares) provided that no instrument of transfer or document evidencing a transfer is executed in the UK and the transfer does not relate to a 'thing done or to be done' in the UK (An instrument of transfer or document evidencing a transfer executed in the UK or relating to a thing done in the UK will generally be chargeable to UK stamp duty at the rate of 0.5% of the consideration for the transfer.) Provided that the Units are not registered in a register kept in the UK, the Units should not be 'chargeable securities' for the purposes of UK stamp duty reserve tax and, accordingly, no stamp duty reserve tax should be chargeable on agreements for their transfer.

### **People's Republic of China ("PRC")**

Unitholders should note that certain Sub-Funds of the Fund may invest in PRC securities including China A-shares ("A-shares") and China B-shares ("B-shares") in accordance with their investment objective and investment policy. In particular, certain Sub-Funds may invest in A-shares through the Shanghai-Hong Kong Stock Connect scheme or the Shenzhen Stock Exchange via the Shenzhen-Hong Kong Stock Connect scheme (the "Connect Scheme").

The Shanghai-Hong Kong Stock Connect scheme is a securities trading and clearing links programme developed by Hong Kong Exchanges and Clearing Limited ("HKEx"), Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited ("ChinaClear"). The Shenzhen-Hong Kong Stock Connect scheme is a securities trading and clearing links program developed by HKEx, Shenzhen Stock Exchange ("SZSE") and ChinaClear.

Further details of the Connect Scheme will be provided in the Supplement for the relevant Sub-Fund.

In connection with investment in PRC securities, the Fund or the relevant Sub-Funds may be subject to various PRC taxes. The following statements do not constitute tax advice and are intended only as a general guide to the current PRC law as at the date of this document (PRC law and PRC taxes are

subject to change at any time, possibly with retrospective effect). These statements relate only to certain limited aspects of the PRC taxation treatment of Sub-Funds of the Fund. Investors should consult their own tax advisor with regard to PRC tax implications associated with an investment in the Fund and the Sub-Funds. It is possible that the current tax laws, regulations and practice in the PRC will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher taxation on PRC investments than currently contemplated.

#### *Corporate Income Tax ("CIT")*

If the Fund or the relevant Sub-Fund is considered as a tax resident enterprise of the PRC, it will be subject to CIT at 25% on its worldwide taxable income. If the Fund or the relevant Sub-Fund is considered as a non-PRC resident enterprise with an establishment or place of business ("PE") in the PRC, the profits attributable to that PE would be subject to CIT at 25%.

The Manager and/or the Investment Manager intend to manage and operate the Fund and the relevant Sub-Fund in such a manner that the Fund and the relevant Sub-Fund should not be treated as tax resident enterprises of the PRC or non-PRC resident enterprises with a PE in the PRC for CIT purposes, although due to uncertainty and potential changes to tax law or policies, this result cannot be guaranteed.

Unless a specific exemption or reduction is available under current PRC tax laws and regulations or under a relevant tax double taxation agreement / arrangement ("DTA"), a non-PRC resident enterprise without a PE in the PRC is subject to CIT on a withholding basis ("WIT"), generally at a rate of 10% on the income derived by it from the investment in PRC securities.

#### (i) Capital gains

#### *Investments in A-Shares via the Connect Scheme*

On 14 November 2014, the Ministry of Finance, the State Administration of Taxation ("SAT") and the China Securities Regulatory Commission ("CSRC") jointly released Caishui [2014] No.81 ("Notice 81") which stipulates that CIT will be temporarily exempted on capital gains realized by non-PRC investors (including the Sub-Funds) on the trading of China A shares through the Connect Scheme in Shanghai with effect from 17 November 2014. Caishui [2016] No.127 ("Notice 127") – The Circular on Issues Relating to the Tax Policy of the Pilot Inter-connected Mechanism for Trading on the Shenzhen Stock Market took effect on 5 December 2016. Pursuant to Notice No. 81 and Notice No. 127, PRC corporate income tax ("CIT") is temporarily exempted on capital gains derived by Hong Kong and overseas investors (including the Fund) on the trading of A-shares through the Connect Schemes.

Pursuant to Notice No. 81 and Notice No. 127, investors in the Hong Kong market (including the Fund) are temporarily exempt from PRC VAT with respect to gains derived from the trading of A-shares through the Connect Schemes.

It is noted that Notice No. 81 and Notice No. 127 both state that the exemption on CIT and VAT effective from 17 November 2014 and from 5 December 2016 respectively is temporary. As such, as and when the PRC authorities announce the expiry date of the exemption, the Fund may in future

need to make provision to reflect taxes payable, which may have a substantial negative impact on the Fund NAV.

*Investments in China B-Shares, H-Shares and overseas listed shares of PRC enterprises*

In the absence of specific guidance, gains realized by non-PRC resident enterprises (including the Sub-Funds) from the disposal of B-shares, China H-shares (“H-shares”) and other overseas listed shares of PRC enterprises should technically be subject to WIT at 10%, which may be reduced by the relevant DTA. In practice, the PRC tax authorities have not actively enforced the WIT on gains realized by non-PRC resident enterprises from the disposal of B-shares, H-shares and overseas listed shares of PRC enterprises in circumstances where both the purchase and sale of such shares are conducted on public stock exchanges.

*Investments in bonds issues by PRC enterprises*

In the absence of specific guidance, it is unclear whether gains realized from bonds are considered as PRC-sourced income for WIT purposes. In practice, the PRC tax authorities have taken the position that gains realized from bonds issued by PRC enterprises are not PRC sourced income and thus have not actively enforced the collection of WIT on gains realized by non-PRC resident enterprises from the disposal of bonds issued by PRC enterprises.

*Investment in shares in Red Chip companies*

Red Chip companies generally refer to companies incorporated outside of the PRC which generate a predominant proportion of their sales and/or profits from the PRC (by having their base in the PRC) and are listed on the Hong Kong Stock Exchange. Red Chip companies should be treated as offshore companies for CIT purposes unless they are confirmed by the PRC tax authorities as PRC tax resident enterprises. In this connection, dividends distributed by a Red Chip company to non-PRC resident enterprises and gains realized by non-PRC resident enterprises from the disposal of shares in a Red Chip company should not be subject to WIT unless the Red Chip company is confirmed by the PRC tax authorities as being a PRC tax resident enterprise. In a case where the shares in Red Chip companies were not purchased and sold by the non-PRC resident enterprise on a public stock exchange, then the non-PRC resident enterprise may be subject to the reporting requirement under Announcement 2015 7 issued by the PRC State Administration of Taxation. The non-PRC resident enterprise should consult its tax adviser on the potential PRC tax implications based on its specific circumstances.

(ii) Dividends

Under the current PRC tax laws and regulations, a 10% WIT (which may be reduced by the relevant DTA) is payable on dividends derived from shares of PRC enterprises (including A-shares traded via the Connect Scheme, B-shares, H-shares and other overseas listed shares of PRC enterprises) by a non-PRC enterprise without PE in the PRC for CIT purposes. The entity distributing such dividend is required to withhold such tax.

### (iii) Interest

Unless a specific exemption is applicable, non-PRC resident enterprises are subject to WIT at 10% on interest received from debt instruments issued by PRC enterprises, which may be reduced by the relevant DTA. Interest derived from government bonds issued by the PRC Ministry of Finance and local governments is exempt from WIT under the CIT regime. Local government bonds refer to bonds issued by a government of a province, an autonomous region, a municipality directly under the Central Government, or a municipality separately listed on the PRC's state plan.

In light of the various uncertainties in relation to the PRC taxation of capital gains on PRC securities, the Fund reserves the right to provide for WIT on such gains or income and withhold the tax for the account of the Sub-Funds. Unless otherwise specified in the Supplement for the relevant Sub-Fund, a Sub-Fund does not currently intend to make WIT provision for gross realized and unrealized capital gains derived from trading of A-shares through the Connect Scheme. The Manager will at the inception of the relevant Sub-Fund decide whether the investment objective and policy of the relevant Sub-Fund would necessitate the making of tax provisions in respect of the relevant Sub-Fund for the above tax obligations after taking and considering independent tax advice. Even if provisions are made, the amount of such provisions may not be sufficient to meet the actual tax liabilities. Where any provision is made, the level of the provisioning will be set out in the relevant Supplement. However, due to the uncertainties under the applicable PRC tax laws and the possibility of such laws being changed and taxes being applied retrospectively, any provision for taxation made by the Manager may be excessive or inadequate to meet actual PRC tax liabilities on gains derived from investments held by the relevant Sub-Fund. Upon any future resolution of the abovementioned uncertainty or further changes to tax law or policies, the Manager will, as soon as practicable, make relevant adjustments to the amount of tax provision as it considers necessary. Investors should note that if provision for taxation is made, such provision may be excessive or inadequate to meet actual PRC tax liabilities on investments made by the relevant Sub-Fund. As a result, investors may be advantaged or disadvantaged depending on the final rules of the relevant PRC tax authorities. If no provision for potential withholding tax is made and in the event that the PRC tax authorities enforce the imposition of such withholding tax in respect of the relevant Sub-Fund's investment, the Net Asset Value of the relevant Sub-Fund may be adversely affected. As a result, redemption proceeds or distributions may be paid to the relevant Unitholders without taking full account of tax that may be suffered by the relevant Sub-Fund, which tax will subsequently be borne by the relevant Sub-Fund and affect the Net Asset Value of the relevant Sub-Fund and the remaining Units in the relevant Sub-Fund. In this case, the then existing and new Unitholders will be disadvantaged from the shortfall.

On the other hand, if the provision is in excess of the final PRC tax liabilities attributable to the relevant Sub-Fund, the excess will be distributed to the Sub-Fund and reflected in the value of Units in the Sub-Fund. Notwithstanding the foregoing, please note that no Unitholders who have realised their Units in the Sub-Fund before the distribution of any excess provision to the relevant Sub-Fund shall be entitled to claim in whatsoever form any part of the withholding amounts distributed to that Sub-Fund, which amount would be reflected in the value of Units in the Sub-Fund. Therefore, Unitholders who have redeemed their Units will be disadvantaged as they would have borne the loss from the overprovision for PRC tax.

### *Value-added tax ("VAT") and surtaxes*

In the PRC, business tax was completely replaced by VAT starting from May 1, 2016. Qualified foreign institutional investors ("QFIIs") and Renminbi qualified foreign institutional investors ("RQFIIs") are exempted from VAT on securities (including debt and fixed income instruments) trading activities in the PRC according to tax circulars Caishui [2016] No. 36 ("Circular 36") and Caishui [2016] No. 70 ("Circular 70"). According to Notice No. 81 and Notice No. 127, the Fund will be exempted from VAT on A-shares trading activities through the Connect Schemes. However, there is no clear rule on whether there is VAT exemption if the Sub-Funds of the Fund invest in B-shares. Thus, there may be VAT imposed on the Fund for trading of B-shares.

Where capital gains are derived from transfer of offshore PRC investment (e.g. H-shares), VAT in general is not imposed as the purchase and disposal are often concluded and completed outside the PRC.

Dividend income or profit distributions on equity investment derived from the PRC are not included in the taxable scope of VAT.

If VAT is applicable, there are also other surtaxes (which include Urban Construction and Maintenance Tax, Education Surcharge and Local Education Surcharge) that would amount to as high as 12% of VAT payable.

### *Stamp Duty*

PRC stamp duty generally applies to the execution and receipt of all taxable documents listed in the PRC Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in the PRC of certain documents, including contracts for the sale of A-shares and B-shares traded on PRC stock exchanges. In the case of contracts for sale of A-shares and B-shares (including A-shares traded via the Connect Scheme), such stamp duty is currently imposed on the seller, but not on the purchaser, at the rate of 0.1%.

According to Circular 127, Hong Kong and overseas investors borrow and return listed shares in relation to shares guarantee and short-selling through the Connect Schemes, are exempt from stamp duty from 5 December 2016.

### *General*

Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in the PRC will be changed with retrospective effect in the future and any such change may have an adverse effect on the asset value of the relevant Sub-Fund. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in the PRC which the relevant Sub-Fund invests in, thereby reducing the income from, and/or value of, the Units.

## **Compliance with US reporting and withholding requirements**

See section entitled “*United States Federal Tax and Benefit Plan Consideration*” below.

### **Common Reporting Standards**

On 14 July 2014, the OECD issued the Standard for Automatic Exchange of Financial Account Information (“the Standard”) which therein contains the Common Reporting Standard. This has been applied in Ireland by means of the relevant international legal framework and Irish tax legislation. Additionally, on 9 December 2014, the European Union adopted EU Council Directive 2014/107/EU, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation (“DAC2”) which, in turn, has been applied in Ireland by means of the relevant Irish tax legislation.

The main objective of the Common Reporting Standard and DAC2 (collectively referred to herein as “CRS”) is to provide for the annual automatic exchange of certain financial account information between relevant tax authorities of participating jurisdictions or EU Member States.

CRS draws extensively on the intergovernmental approach used for the purposes of implementing FATCA and, as such, there are significant similarities between the reporting mechanisms. However, whereas FATCA essentially only requires reporting of specific information in relation to Specified US Persons to the IRS, CRS has significantly wider ambit due to the multiple jurisdictions participating in the regimes.

Broadly speaking, CRS will require Irish Financial Institutions to identify Account Holders (and, in particular situations, Controlling Persons of such Account Holders) resident in other participating jurisdictions or EU Member States and to report specific information in relation to these Account Holders (and, in particular situations, specific information in relation to identified Controlling Persons) to the Irish Revenue Commissioners on an annual basis (which, in turn, will provide this information to the relevant tax authorities where the Account Holder is resident). In this regard, please note that the Fund will be considered an Irish Financial Institution for the purposes of CRS.

For further information on CRS requirements of the Fund, please refer to below “CRS Data Protection Information Notice”.

#### *CRS Data Protection Information Notice*

The Fund hereby confirms that it intends to take such steps as may be required to satisfy any obligations imposed by (i) the Standard and, specifically, the Common Reporting Standard therein, as applied in Ireland by means of the relevant international legal framework and Irish tax legislation and (ii) DAC2, as applied in Ireland by means of the relevant Irish tax legislation, so as to ensure compliance or deemed compliance (as the case may be) with CRS from 1 January 2016.

In this regard, the Fund is obliged under Section 891F and Section 891G of the Taxes Act and regulations made pursuant to those sections to collect certain information about each Unitholder’s tax arrangements (and also collect information in relation to relevant Controlling Persons of specific Unitholders).

In certain circumstances, the Fund may be legally obliged to share this information and other financial information with respect to a Unitholder's interests in the Fund with the Irish Revenue Commissioners (and, in particular situations, also share information in relation to relevant Controlling Persons of specific Unitholders). In turn, and to the extent the account has been identified as a Reportable Account, the Irish Revenue Commissioners will exchange this information with the country of residence of the Reportable Person(s) in respect of that Reportable Account.

In particular, information that may be reported in respect of a Unitholder (and relevant Controlling Persons, if applicable) includes name, address, date of birth, place of birth, account number, account balance or value at year end (or, if the account was closed during such year, the balance or value at the date of closure of the account), any payments (including redemption and dividend/interest payments) made with respect to the account during the calendar year, tax residency(ies) and tax identification number(s).

Unitholders (and relevant Controlling Persons) can obtain more information on the Fund's tax reporting obligations on the website of the Irish Revenue Commissioners (which is available at <http://www.revenue.ie/en/business/aeoi/index.html>) or the following link in the case of CRS only: <http://www.oecd.org/tax/automatic-exchange/>.

All capitalised terms above, unless otherwise defined above, shall have the same meaning as they have in the Standard or DAC2 (as applicable).

### **Mandatory Disclosure Rules - (DAC6)**

The DAC6 Directive, which is effective from 25 June 2018, requires Member States to introduce a common mandatory disclosure regime by 1 January 2020 and to share all reports received with each other. DAC6 imposes mandatory reporting requirements on EU-based tax advisors, accountants, lawyers, banks, financial advisors and other intermediaries who design, market, organise, make available for implementation or manage the implementation of potentially aggressive cross-border tax-planning schemes. It also covers persons who provide aid, assistance or advice in relation to potentially aggressive cross-border tax-planning schemes, where they can be reasonably expected to know that they have performed that function. If the intermediary is located outside the EU or is bound by legal professional privilege, the obligation to report passes to the taxpayer.

The transactions contemplated under the prospectus may fall within the scope of mandatory disclosure rules under EU Directive 2018/822 or an equivalent provision under Irish law and thus may qualify as reportable (cross-border) arrangement within the meaning of such provisions. If that were the case Dillon Eustace, the Manager, the Investment Manager or other any other persons that falls within the definition of an "intermediary" may have to report the transactions to fiscal authorities under these provisions. As the EU Directive 2018/822 still needs to be implemented in the domestic laws of the respective EU member states the actual scope of the mandatory disclosure rules remains currently unclear.



## GENERAL INFORMATION

### Meetings

The Trustee or the Manager may convene a meeting of Unitholders at any time. The Manager must convene such a meeting if requested to do so by the holders of not less than 15% in aggregate of the Units in issue (excluding Units held by the Manager). All business transacted at a meeting of Unitholders duly convened and held shall be by way of majority vote.

Not less than twenty one (21) days' notice of every meeting must be given to Unitholders. The notice shall specify the place, day and hour of meeting and the terms of the resolution to be proposed. A copy of the notice shall be sent by post to the Trustee unless the meeting shall be convened by the Trustee. A copy of the notice shall be sent by post to the Manager unless the meeting shall be convened by the Manager. The accidental omission to give notice to or the non-receipt of notice by any of the Unitholders shall not invalidate the proceedings at any meeting.

The quorum shall be Unitholders present in person or by proxy holding or representing at least 10% (in number) of the Units for the time being in issue. No business shall be transacted at any meeting unless the requisite quorum is present at the commencement of business.

At any meeting (a) on a show of hands every Unitholder who is present in person or by a proxy shall have one vote and (b) on a poll every Unitholder who is present in person or by proxy shall have one vote for every Unit of which he is the Unitholder.

With regard to the respective rights and interests of Unitholders in different Sub-Funds or different classes of the same Sub-Fund the foregoing provisions shall have effect subject to the following modifications:

- (a) a resolution which in the opinion of the Manager affects one Sub-Fund or class only shall be deemed to have been duly passed if passed at a separate meeting of the Unitholders of that Sub-Fund or class;
- (b) a resolution which in the opinion of the Manager affects more than one Sub-Fund or class but does not give rise to a conflict of interest between the Unitholders of the respective Sub-Funds or classes shall be deemed to have been duly passed at a single meeting of the Unitholders of those Sub-Funds or classes;
- (c) a resolution which in the opinion of the Manager affects more than one Sub-Fund or class and gives or may give rise to a conflict of interest between the Unitholders of the respective Sub-Funds or classes shall be deemed to have been duly passed only if, in lieu of being passed at a single meeting of the Unitholders of those Sub-Funds or classes, it shall be passed at separate meetings of the Unitholders of those Sub-Funds or classes.

### Reports

The Manager shall cause to be audited and certified by the Auditors, annual reports relating to the

management of the Fund and each of its Sub-Funds prepared to 31st December in each year. Such annual reports shall be in a form approved by the Central Bank and shall contain such information required under the UCITS Regulations. There shall be attached to such annual reports a statement by the Trustee in relation to the Fund and each of its Sub-Funds and a statement of such additional information as the Central Bank may specify. The said annual reports shall be published and distributed to Unitholders not later than four months after the end of the period to which it relates.

The Manager shall prepare an un-audited half-yearly report for the period to 30th June in each year. Such half-yearly reports shall be in a form approved by the Central Bank and shall contain such information required under the UCITS Regulations. Copies of the said half-yearly reports shall be published and distributed to Unitholders not later than two months from the end of the period to which it relates.

The Manager shall provide the Central Bank with any monthly or other reports it may require. The most recent audited information in respect of the Fund will be made available at any time upon the request of a Unitholder.

### Notices

Notices may be given to Unitholders and shall be deemed to have been duly given as follows:

MEANS OF DISPATCH	DEEMED RECEIVED
Delivery by Hand	: The day of delivery
Post	: 7 Business Days after posting
Fax	: Positive transmission receipt received
Publication	: The day of publication in a leading financial newspaper
	circulating in the market in which the Units are sold or such other newspaper as the Manager and the Trustee may agree.

### Material Contracts

The following contracts have been entered into otherwise than in the ordinary course of the business intended to be carried on by the Fund and are or may be material:

- (i) The Trust Deed: The Trust Deed provides that the Trustee shall be indemnified out of the assets of the Fund in respect of all liabilities and expenses incurred by it and against all actions, proceedings, costs, claims, damages, expenses and demands in respect of any matter or thing done or omitted or suffered in any way relating to the Fund or any of its Sub-Funds other than by reason of (i) loss of financial instruments held in custody (unless the loss has arisen as a result of an external event beyond the control of the Trustee) and/or (ii) the Trustee's negligent or intentional failure to properly fulfil its obligations under the UCITS Regulations. The Trust Deed also provides Manager shall be indemnified and secured harmless out of the assets of the Fund from and against all actions, costs, charges, losses,

damages and expenses which the Manager may incur and sustain other than by reason of the Manager's fraud, bad faith, negligence or wilful default as set out thereunder or under the UCITS Regulations.

- (ii) Administration Agreement: Pursuant to the Administration Agreement, the Administrator will provide certain administrative and registrar services to the Fund. The appointment of the Administrator will continue in force unless and until terminated by either party giving to the other not less than 90 days' written notice although in certain circumstances the Agreement may be terminated forthwith by notice in writing by either party to the other. The Administrator's Agreement contains certain indemnities given by the Manager as agent of the Fund, and out of the assets of the Fund, in favour of the Administrator which are restricted to exclude matters arising by reasons of the Administrator's fraud, willful default or negligence.
- (iii) Investment Management Agreement: Pursuant to the Investment Management Agreement dated 8th September, 2011 between the Manager and Atlantis Investment Management Limited, as amended and as may be further amended, novated or supplemented, Atlantis Investment Management Limited will provide discretionary investment management services as Investment Manager in respect of each of the Sub-Funds. The appointment of the Investment Manager will continue unless and until terminated by either party giving to the other not less than 90 days written notice although in certain circumstances the agreement may be terminated forthwith by notice in writing by either party to the other. This Investment Management Agreement contains certain indemnities given by the Manager as agent of the Fund and out of the assets of the Fund in favour of the Investment Manager which are restricted to exclude matters arising by reason of the willful default, fraud, bad faith or negligence of the Investment Manager, its servants or agents.

Any other contracts subsequently entered into, not being contracts entered into in the ordinary course of business which are or may be material, shall be detailed in the appropriate Appendix to this Prospectus.

## **Termination**

The Fund or any of its Sub-Funds may be terminated by the Trustee by notice in writing as hereinafter provided upon the occurrence of any of the following events, namely:

- (i) if the Manager shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or ceases business or becomes (in the reasonable judgment of the Trustee) subject to the de facto control of some corporation or person of whom the Trustee does not reasonably approve or if a receiver is appointed in respect of any of the assets of the Manager or if an examiner is appointed to the Manager pursuant to the Companies (Amendment) Act, 1990;
- (ii) if the Fund shall cease to be an authorised UCITS under the UCITS Regulations;
- (iii) if in the reasonable opinion of the Trustee, the Manager shall be incapable of performing its duties;

- (iv) if any law shall be passed which renders it illegal to continue the Fund or any of its Sub-Funds; or
- (v) if within a period of three months from the date of the Trustee expressing in writing to the Manager its desire to retire the Manager shall have failed to appoint a new Trustee pursuant to the provisions of the Trust Deed.

The Fund or any of its Sub-Funds may be terminated by the Manager in its absolute discretion by notice in writing as hereinafter provided in any of the following events, namely:

- (i) if the Trustee shall go into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or ceases business or becomes (in the reasonable judgment of the Manager) subject to the de facto control of some corporation or person of whom the Manager does not reasonably approve or if a receiver is appointed in respect of any of the assets of the Trustee or if an examiner is appointed to the Trustee pursuant to the Companies (Amendment) Act, 1990;
- (ii) if in the reasonable opinion of the Manager, the Trustee shall be incapable of performing its duties;
- (iii) if one year from the date of the first issue of Units or on any Dealing Day thereafter the Net Asset Value of all of the Sub-Funds or of any Sub-Fund shall be less than forty million U.S. Dollars;
- (iv) if the Fund shall cease to be an authorised UCITS under the UCITS Regulations;
- (v) if any law shall be passed which renders it illegal to continue the Fund or any of its Sub-Funds; or
- (vi) if within a period of three months from the date of the Manager expressing in writing to the Trustee its desire to retire the Trustee shall have failed to appoint a new manager pursuant to the provisions of the Trust Deed.

The party terminating the Fund or a Sub-Fund shall give notice thereof to the Unitholders and by such notice fix the date on which such termination is to take effect which date shall be determined by the Manager at its discretion taking into account the interests of Unitholders as a whole, subject to the approval of the Trustee

The Fund or any of its Sub-Funds may at any time be terminated by extraordinary resolution of a meeting of the Unitholders duly convened and held in accordance with the provisions contained in the Schedule to the Trust Deed and such termination shall take effect from the date on which the said resolution is passed or such later date (if any) as the said resolution may provide.

Not less than one month before the termination of the Fund or a Sub-Fund, as the case may be, the Manager shall (if practically possible) give notice to the Unitholders advising them of the impending

distribution of the assets of the Fund or the Sub-Fund. After such notice of termination has expired the Manager shall procure the sale of all investments then remaining in the Trustee's and its nominee's hands as part of the assets of the Fund or the Sub-Fund and such sale shall be carried out and completed in such manner and within such period after the termination of the Fund or of the Sub-Fund as the Manager and the Trustee think desirable. The Manager shall at such time or times as it shall deem convenient and at its entire discretion procure the distribution to the Unitholders of each Sub-Fund, pro rata to the number of Units held by them in each Sub-Fund, all net cash proceeds derived from the realisation of the investments and any cash then forming part of the assets of the relevant Sub-Fund so far as the same are available for the purpose of such distribution. Every such distribution shall be made only after the filing with the Manager of such form of request of payment and receipt as the Manager shall in its absolute discretion require provided that:

- (a) the Manager shall be entitled to retain out of any such monies in the hands of the Trustee full provision for all costs, charges, expenses, claims, liabilities and demands relating to the relevant Sub-Funds for which the Manager is or may become liable or incurred, made or expended by the Manager in connection with the liquidation of the Fund or any of the Sub-Funds, as the case may be, and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands; and
- (b) any unclaimed net proceeds or other cash held by the Trustee may at the expiration of twelve months from the date on which same were payable be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur thereby.

#### **Continuance or Retirement of the Manager**

The Manager shall so long as the Fund subsists continue to act as the Manager thereof in accordance with the terms of the Trust Deed.

The Manager for the time being shall be subject to removal and shall be so removed by notice in writing given by the Trustee to the Manager in any of the following events (immediately in the case of (i); three months in the case of (ii)):

- (i) if the Manager goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed in respect of any of the assets of the Manager or if an examiner is appointed to the Manager pursuant to the Companies (Amendment) Act, 1990; or
- (ii) if a Meeting of the Unitholders by extraordinary resolution determines that the Manager should retire.

The Manager shall have the power on the giving of three months written notice to the Trustee to retire in favour of some other corporation approved by the Trustee and the Central Bank, if appropriate, upon and subject to such corporation entering into an acceptable deed.

## **Retirement of Trustee**

Save as is provided below, the Trustee shall so long as the Fund subsists continue to act as the Trustee thereof in accordance with the terms of the Trust Deed.

The Trustee for the time being shall be subject to removal and shall be so removed by notice in writing given by the Manager to the Trustee in any of the following events (immediately in the case of (i); three months in the case of (ii)):

- (i) if the Trustee goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Trustee) or if a receiver is appointed in respect of any of the assets of the Trustee or if an examiner is appointed to the Trustee pursuant to the Companies Act 2014; or
- (ii) if the Manager is of the opinion and so states in writing to the Trustee that a change of Trustee is desirable in the interests of Unitholders; or
- (iii) if a Meeting of the Unitholders by extraordinary resolution determines that the Trustee should retire.

The removal of the Trustee as set out above shall only become effective upon the appointment of a new Trustee approved by the Central Bank or, in the event that no new Trustee is appointed, on revocation of the Fund's authorisation by the Central Bank.

The Trustee shall not be entitled to retire voluntarily except upon the appointment of a new Trustee or the termination of the Fund, including termination of the Fund by the Trustee where the Manager shall have failed to appoint a new Trustee within a period of three months from the date of the Trustee expressing in writing its desire to retire and revocation of the Fund's authorisation by the Central Bank. In the event of the Trustee desiring to retire, the Manager may by supplemental deed appoint any duly qualified corporation which is approved by the Central Bank to be the Trustee in the place of the retiring Trustee.

## **General**

The Fund is not engaged in any legal or arbitration proceedings and no legal or arbitration proceedings are known to the Directors of the Manager or to the Trustee to be pending or threatened by or against the Fund since its establishment.

None of the Directors of the Manager have had any convictions in relation to indictable offences, been involved in any bankruptcies, individual voluntary arrangements, receiverships, compulsory liquidations, creditors voluntary liquidations, administrations, company or partnership voluntary arrangements, any composition or arrangements with its creditors generally or any class of its creditors of any company where they were a director or partner with an executive function, nor have any had any official public incrimination and/sanctions by statutory or regulatory authorities (including recognised professional bodies) nor has any Director of the Manager ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the

affairs of any company.

### **Directors' Interests**

None of the Directors of the Manager has or has had any direct interest in the promotion of the Fund or in any transaction effected by the Fund which is unusual in its nature or conditions or is significant to the business of the Fund up to the date of this Prospectus or in any contracts or arrangements of the Fund subsisting at the date hereof other than Mr. Gerard Morrison, who is a Director of Atlantis Investment Management Limited.

### **Documents Available for Inspection**

The following documents are available for inspection on any Business Day at the registered office of the Manager from the date of this Prospectus:

- (a) the material contracts referred to above;
- (b) the UCITS Regulations;
- (c) annual reports, incorporating audited financial statements, and half-yearly reports, incorporating unaudited financial statements, when published;
- (d) a memorandum of the directorships and partnerships held by each Director of the Manager in the most recent five years, indicating which are current.

Copies of each of the documents referred to at (a) and (b) above can be obtained by Unitholders at the registered office of the Manager. The Prospectus and the Trust Deed are obtainable free of charge.

## APPENDIX I

### Recognised Exchanges

The following is a list of regulated stock exchanges and regulated markets in which the assets of each Sub-Fund may be invested from time to time. The exchanges and markets are listed in accordance with Central Bank requirements. With the exception of permitted investments in unlisted securities, OTC derivative instruments and in units of open-ended collective investment schemes, investment in securities and derivative instruments will be restricted to the stock exchanges and markets which meet the regulatory criteria (regulated, operate regularly, be recognised and open to the public) and which are listed below. The Central Bank does not issue a list of approved stock exchanges or markets.

(i) all stock exchanges:

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

(ii) all of the following stock exchanges:-

Argentina	-	Bolsa de Comercio de Buenos Aires
Argentina	-	Bolsa de Comercio de Cordoba
Argentina	-	Bolsa de Comercio de Rosario
Bahrain	-	Bahrain Stock Exchange
Bangladesh	-	Dhaka Stock Exchange
Bangladesh	-	Chittagong Stock Exchange
Bermuda	-	Bermuda Stock Exchange
Botswana	-	Botswana Stock Exchange
Brazil	-	Bolsa de Valores do Rio de Janeiro
Brazil	-	Bolsa de Valores de Sao Paulo
Chile	-	Bolsa de Comercio de Santiago
Chile	-	Bolsa Electronica de Chile
China (Peoples' Rep. of - Shanghai)	-	Shanghai Stock Exchange



China (Peoples' Rep. of - Shenzhen)	-	Shenzhen Stock Exchange
Egypt	-	Cairo and Alexandria Stock Exchange
Ghana	-	Ghana Stock Exchange
India	-	Bangalore Stock Exchange
India	-	Delhi Stock Exchange
India	-	Mumbai Stock Exchange
India	-	National Stock Exchange of India
Indonesia	-	Jakarta Stock Exchange
Israel	-	Tel-Aviv Stock Exchange
Jordan	-	Amman Financial Market
Kenya	-	Nairobi Stock Exchange
Korea	-	Korea Stock Exchange
Lebanon	-	Beirut Stock Exchange
Malaysia	-	Kuala Lumpur Stock Exchange
Mauritius	-	Stock Exchange of Mauritius
Mexico	-	Bolsa Mexicana de Valores
Morocco	-	Societe de la Bourse des Valeurs de
Casablanca		
Namibia	-	Namibian Stock Exchangeasi
Pakistan	-	Islamabad Stock Exchange
Pakistan	-	Karachi Stock Exchange
Pakistan	-	Lahore Stock Exchange
Peru	-	Bolsa de Valores de Lima
Philippines	-	Philippine Stock Exchange
Romania	-	Bucharest Stock Exchange
Singapore	-	Singapore Stock Exchange
South Africa	-	Johannesburg Stock Exchange
Sri Lanka	-	Colombo Stock Exchange
Taiwan (Republic of China)	-	Taiwan Stock Exchange Corporation
Thailand	-	Stock Exchange of Thailand
Tunisia	-	Bourse des Valeurs Mobilieres de Tunis
Turkey	-	Istanbul Stock Exchange
Trinidad & Tobago	-	Trinidad & Tobago Stock Exchange
Ukraine	-	Ukrainian Stock Exchange
United Arab Emirates	-	Abu Dhabi Securities Market and Dubai
Financial Market		
Uruguay	-	Bolsa de Valores de Montevideo
Venezuela	-	Maracaibo Stock Exchange
Venezuela	-	Caracas Stock Exchange
Venezuela	-	Venezuela Electronic Stock Exchange
Zambia	-	Lusaka Stock Exchange

(iii) any of the following markets:

KOSDAQ – the market operated by the Korea Securities Dealers Association

the market organised by the International Capital Market Association;

the market conducted by the "listed money market institutions", as described in the Bank of England publication "The Regulation of the Wholesale Cash and OTC Derivatives Markets under Section 43 of the Financial Services Act, 1986 (the "Grey Paper") (as amended from time to time);

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

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

NASDAQ in the United States of America;

the market in U.S. government securities conducted by primary dealers regulated by the Federal Reserve Bank of New York

the over-the-counter market in the United States of America regulated by the National Association of Securities Dealers Inc. (may also be described as: the over-the-counter market in the United States of America conducted by primary and secondary dealers regulated by the Securities and Exchanges Commission and by the National Association of Securities Dealers (and by banking institutions regulated by the U.S. Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation));

the French Markets for Titres de Créances Négotiables (the over-the-counter markets in negotiable debt instruments);

EASDAQ Europe (European Association of Securities Dealers Automated Quotation - is a recently formed market and the general level of liquidity may not compare favourably to that found on more established exchanges);

the over-the-counter market in Canadian Government Bonds, regulated by the Investment Dealers Association of Canada;

the London International Financial Futures and Options Exchange (LIFFE)

the London Securities and Derivatives Exchange

the Singapore International Monetary Exchange

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

- (iv) All stock exchanges listed in (i) and (ii) above on which permitted financial derivative instruments may be listed or traded and the following derivatives exchanges:

All derivatives exchanges in a Member State of the European Economic Area (European Union, Norway, Iceland, Liechtenstein) and in the United Kingdom;

in the United States of America, the

- NYSE MKT LLC (formerly known as the American Stock Exchange)
- Chicago Stock Exchange
- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- USFE (US Futures Exchange);
- New York Futures Exchange;
- New York Board of Trade;
- New York Mercantile Exchange;
- New York Stock Exchange
- NASDAQ OMX PHLX (formerly known as the Philadelphia Stock Exchange)
- SWX Swiss Exchange US

in Canada, the

- Montreal Exchange
- Toronto Stock Exchange

in China, the

- Shanghai Futures Exchange;

in Hong Kong, the

- Hong Kong Futures Exchange;

in Japan, the

- Osaka Securities Exchange;
- Tokyo Financial Exchange;
- Tokyo Stock Exchange;

in Singapore, on the

- Singapore Exchange;
- Singapore Commodity Exchange.

In Switzerland, on the

- Swiss Options & Financial Futures Exchange
- EUREX

- the Taiwan Futures Exchange;
- Kuala Lumpur Options and Financial Futures Exchange;
- Jakarta Futures Exchange;
- Korea Futures Exchange;
- Osaka Mercantile Exchange;
- Tokyo International Financial Futures Exchange;
- Australian Stock Exchange;
- Sydney Futures Exchange;
- the Bolsa de Mercadorias & Futuros, Brazil;
- the Mexican Derivatives Exchange (MEXDER);
- the South African Futures Exchange;

For the purposes only of determining the value of the assets of a Fund, the term “Recognised Exchange” shall be deemed to include, in relation to any derivatives contract utilized by a Fund, any organized exchange or market on which such contract is regularly traded.

## APPENDIX II

### **Supplemental Disclosure Statement for U.S. Persons and U.S. Taxpayers**

THIS PROSPECTUS DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE UNITS IN ANY STATE OR JURISDICTION IN WHICH THE OFFER OR SALE OF THE UNITS WOULD BE PROHIBITED OR TO ANY ENTITY OR INDIVIDUAL NOT POSSESSING THE QUALIFICATIONS DESCRIBED IN THE PROSPECTUS.

This Appendix to the Prospectus of Atlantis International Umbrella Fund (the "Fund") provides additional information of particular relevance to U.S. Persons and U.S. Taxpayers (as each is defined below). This Appendix to the Prospectus should be read and reviewed carefully by any U.S. Person or U.S. Taxpayer intending to invest in the Fund. U.S. Persons wishing to invest in the Fund should complete both the Application Form for all investors as shall be provided by the Administrator (the "Application Form") and the Subscription Agreement for U.S. Persons which is also available from the Administrator (the "Subscription Agreement"). A U.S. Taxpayer who is not a U.S. Person should review the disclosures in this Appendix to the Prospectus, including the tax disclosures under "United States Federal Income Tax Considerations" below, but need only complete the Application Form. Only U.S. Persons who are "accredited investors" within the meaning of Regulation D under the U.S. Securities Act of 1933, as amended (the "1933 Act"), "qualified purchasers" under the U.S. Investment Company Act of 1940, as amended (the "1940 Act"), and "qualified eligible persons" under CFTC Rule 4.7 will be permitted to invest in the Fund. U.S. Persons must also meet the general requirements for eligible investors set forth herein. In respect of each of the Sub-Funds, the minimum subscription in respect of both initial and subsequent applications shall be the amount set out in the relevant supplement to the Prospectus.

#### **No Registration under Federal or State Securities or Commodities Laws**

The Fund is not registered under the 1940 Act, nor are the Units registered under the 1933 Act or under any state "Blue Sky" laws. Accordingly, Units may not be offered or sold in the United States of America, including its territories and possessions, any state of the United States and the District of Columbia ("United States" or "U.S."), or, directly or indirectly, to or for the benefit of any U.S. Person, except with the consent of the Manager on behalf of the Fund in a transaction which does not result in a violation of applicable United States federal or state securities laws.

THE UNITS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION OR OTHER REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THIS OFFERING OR THE ACCURACY OR ADEQUACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS UNLAWFUL.

THE PROSPECTUS DOES NOT CONSTITUTE AN OFFER OR SOLICITATION IN ANY STATE OR OTHER JURISDICTION IN WHICH AN OFFER OR SOLICITATION IS NOT AUTHORIZED.

NO REPRESENTATIONS OR WARRANTIES OF ANY KIND ARE INTENDED OR SHOULD BE INFERRED WITH RESPECT TO THE ECONOMIC RETURN OR THE TAX CONSEQUENCES FROM AN INVESTMENT IN THE FUND. NO ASSURANCE CAN BE GIVEN THAT EXISTING LAWS WILL NOT BE CHANGED OR INTERPRETED ADVERSELY. PROSPECTIVE INVESTORS ARE NOT TO CONSTRUE THE PROSPECTUS AS LEGAL OR TAX ADVICE. EACH INVESTOR SHOULD CONSULT HIS OR HER OWN COUNSEL AND ACCOUNTANT FOR ADVICE CONCERNING THE VARIOUS LEGAL, TAX AND ECONOMIC CONSIDERATIONS RELATING TO HIS OR HER INVESTMENT. EACH PROSPECTIVE INVESTOR IS RESPONSIBLE FOR THE FEES OF HIS OR HER OWN COUNSEL, ACCOUNTANTS AND OTHER ADVISORS.

NO OFFERING LITERATURE OR ADVERTISING IN ANY FORM SHALL BE EMPLOYED IN THE OFFERING OF THESE UNITS OTHER THAN THE PROSPECTUS AND THE DOCUMENTS REFERRED TO THEREIN. ANY FURTHER DISTRIBUTION OR REPRODUCTION OF THE PROSPECTUS, IN WHOLE OR IN PART, OR THE DIVULGENCE OF ANY OF THEIR CONTENTS, IS PROHIBITED.

A PROSPECTIVE INVESTOR SHOULD NOT SUBSCRIBE FOR UNITS UNLESS SATISFIED THAT HE OR SHE AND HIS OR HER INVESTMENT REPRESENTATIVE HAVE ASKED FOR AND RECEIVED ALL INFORMATION WHICH WOULD ENABLE BOTH OF THEM TO EVALUATE THE MERITS AND RISKS OF THE PROPOSED INVESTMENT. THE UNITS ARE NOT, AND ARE NOT EXPECTED TO BE, LIQUID, EXCEPT AS DESCRIBED IN THE PROSPECTUS.

THE UNITS ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE 1933 ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM, AS WELL AS IN ACCORDANCE WITH THE REQUIREMENTS SET FORTH IN THE PROSPECTUS. REDEMPTION RIGHTS MAY BE SUSPENDED UNDER THE CIRCUMSTANCES DESCRIBED IN THE PROSPECTUS.

PRIOR PERFORMANCE OF THE FUND, OR OF ACCOUNTS MANAGED BY THE MANAGER, THE INVESTMENT MANAGER, ANY SUB-INVESTMENT MANAGER OR THE INVESTMENT ADVISER, IS NOT A GUARANTEE THAT FUTURE PERFORMANCE OF THE FUND WILL BE PROFITABLE, OR THAT THE FUND WILL NOT INCUR LOSSES.

The following statements are required to be made under applicable regulations of the CFTC. As the Fund is a collective investment vehicle that may make transactions in commodity interests, the Fund is considered to be a "commodity pool". The Manager is the commodity pool operator ("CPO") with respect to the Fund.

Pursuant to CFTC Rule 4.13(a)(3), the Manager is exempt from registration with the CFTC as a commodity pool operator ("CPO"). Therefore, unlike a registered CPO, the Manager is not required to deliver a disclosure document and a certified annual report to a Unitholder in the Fund. The Manager qualifies for such exemption based on the following criteria: (i) the interests in the Fund are exempt from registration under the 1933 Act, and are offered and sold without marketing to the public in the United States; (ii) the Fund meets the trading limitations of either CFTC Rule 4.13(a)(3)(ii)(A) or (B);

(iii) the CPO reasonably believes, at the time the investor makes his investment in the Fund (or at the time the CPO began to rely on Rule 4.13(a)(3)), that each investor in the Fund is (a) an “accredited investor”, as defined in Rule 501(a) of Regulation D under the 1933 Act, (b) a trust that is not an accredited investor but that was formed by an accredited investor for the benefit of a family member, (c) a “knowledgeable employee”, as defined in Rule 3c-5 under the U.S. Investment Company Act of 1940, as amended, (d) a “qualified eligible person”, as defined in CFTC Rule 4.7(a)(2)(viii)(A); or (e) a non-United States person; and (iv) shares in the Fund are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets.

### **The U.S. Private Placement**

The Units are being offered to U.S. Persons in reliance on the exception from characterization of the Fund as an investment company subject to the 1940 Act found in Section 3(c)(7) of the 1940 Act. Any re-sales or transfers of the Units in the U.S. or to U.S. Persons may constitute a violation of U.S. law and U.S. Persons acquiring Units must agree not to transfer Units without the prior approval of the Manager on behalf of the Fund. U.S. Persons are not, however, subject to any special limitations on their ability to redeem their Units to the extent that the Fund offers redemptions to Unitholders generally.

#### *Who is a U.S. Person?*

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

“U.S. person” under Rule 902 generally includes the following:

- (a) any natural person resident in the United States;
- (b) any partnership or corporation organized or incorporated under the laws of the United States;
- (c) any estate of which any executor or administrator is a U.S. person;
- (d) any trust of which any trustee is a U.S. person;
- (e) any agency or branch of a non-U.S. entity located in the United States;
- (f) any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. person;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organized, incorporated or (if an individual) resident in the United States; and

- (h) any partnership or corporation if:
  - (i) organized or incorporated under the laws of any non-U.S. jurisdiction; and
  - (ii) formed by a U.S. person principally for the purpose of investing in securities not registered under the 1933 Act, unless it is organized or incorporated, and owned, by accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) who are not natural persons, estates or trusts.

Notwithstanding the preceding paragraph, "U.S. person" under Rule 902 does not include: (i) any discretionary account or similar account (other than an estate or trust) held for the benefit or account of a non-U.S. person by a dealer or other professional fiduciary organized, incorporated, or (if an individual) resident in the United States; (ii) any estate of which any professional fiduciary acting as executor or administrator is a U.S. person, if (A) an executor or administrator of the estate who is not a U.S. person has sole or shared investment discretion with respect to the assets of the estate, and (B) the estate is governed by non-United States law; (iii) any trust of which any professional fiduciary acting as trustee is a U.S. person, if a trustee who is not a U.S. person has sole or shared investment discretion with respect to the trust assets, and no beneficiary of the trust (and no settlor if the trust is revocable) is a U.S. person; (iv) an employee benefit plan established and administered in accordance with the law of a country other than the United States and customary practices and documentation of such country; (v) any agency or branch of a U.S. person located outside the United States if (A) the agency or branch operates for valid business reasons, and (B) the agency or branch is engaged in the business of insurance or banking and is subject to substantive insurance or banking regulation, respectively, in the jurisdiction where located; and (vi) certain international organizations as specified in Rule 902(k)(2)(vi) of Regulation S under the 1933 Act, including their agencies, affiliates and pension plans.

CFTC Rule 4.7 currently provides in relevant part that the following persons are considered "Non-United States persons":

- (a) a natural person who is not a resident of the United States or an enclave of the U.S. government, its agencies and instrumentalities;
- (b) a partnership, corporation or other entity, other than an entity organized principally for passive investment, organized under the laws of a non-U.S. jurisdiction and which has its principal place of business in a non-U.S. jurisdiction;
- (c) an estate or trust, the income of which is not subject to United States income tax regardless of source;
- (d) an entity organized principally for passive investment such as a pool, investment company or other similar entity, provided, that units of participation in the entity held by persons who do not qualify as Non-United States persons or otherwise as qualified eligible persons (as defined in CFTC Rule 4.7(a)(2) or (3)) represent in the aggregate less than 10% per cent. of the beneficial interest in the entity, and that such entity was



not formed principally for the purpose of facilitating investment by persons who do not qualify as Non-United States persons in a pool with respect to which the operator is exempt from certain requirements of Part 4 of the CFTC's regulations by virtue of its participants being Non-United States persons; and

- (e) a pension plan for the employees, officers or principals of an entity organized and with its principal place of business outside the United States.

#### *Who is a U.S. Taxpayer?*

"U.S. Taxpayer" includes a U.S. citizen or resident alien of the United States (as defined for U.S. federal income tax purposes); any entity treated as a corporation for U.S. tax purposes that is created or organized in, or under the laws of, the United States, any state thereof, and the District of Columbia; any estate, the income of which is subject to U.S. income taxation regardless of source; and any trust which either (i) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions or (ii) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person. If an entity treated as a partnership for U.S. federal income tax purposes holds the Units, the U.S. federal income tax treatment of the partnership and an equity holder of the partnership generally depend upon the status of the equity holder and the activities of the partnership. If you are an equity holder in such a partnership holding the Units, you should consult your own tax advisors. This discussion does not address all U.S. federal income tax considerations that may be important to a particular Investor in light of such Investor's circumstances or to certain categories of Investors that may be subject to special rules (such as financial institutions, insurance companies, dealers in securities, U.S. expatriates, Investors whose functional currency is not the U.S. dollar, or persons who hold the Units as part of a hedge, conversion transaction, straddle or other risk reduction transaction or otherwise as part of a "synthetic asset.")

An investor may be a "U.S. Taxpayer" but not a "U.S. Person." For example, an individual who is a U.S. citizen residing outside of the United States may not be a "U.S. Person" but is a "U.S. Taxpayer." Such a person would only complete the Application Form, but the U.S. tax consequences described below will apply to that person.

#### **United States Federal Tax and Benefit Plan Considerations**

##### *Investors' Reliance on U.S. Federal Tax Advice in this Appendix*

**The discussion contained in this Appendix as to U.S. federal tax considerations is not intended or written to be used, and cannot be used, for the purpose of avoiding penalties. Such discussion is written to support the promotion or marketing of the transactions or matters addressed in the Prospectus. Each taxpayer should seek U.S. federal tax advice based on the taxpayer's particular circumstances from an independent tax advisor.**

##### *United States Federal Income Tax Considerations*

As with any investment, the tax consequences of an investment in Units may be material to an

analysis of an investment in the Fund. U.S. Taxpayers investing in the Fund should be aware of the tax consequences of such an investment before purchasing Units. This Appendix discusses certain U.S. federal income tax consequences only generally and does not purport to deal with all of the U.S. federal income tax consequences applicable to the Fund or to all categories of investors, some of whom may be subject to special rules. This discussion assumes that no U.S. Taxpayer owns or will own directly or indirectly, or will be deemed to own by reason of certain tax law rules of constructive ownership, 10% or more of the total combined voting power of all Units in a Sub-Fund. The Manager does not, however, guarantee that will always be the case. Furthermore, the discussion assumes that the Fund will not hold any interests (other than as a creditor) in any "United States real property holding corporations" as defined in the U.S. Internal Revenue Code of 1986, as amended (the "Code"). The following discussion is based on current law, which is subject to change at any time, potentially with retroactive effect. In particular, legislation has recently been enacted in the United States that has resulted in significant and complicated changes to the U.S. Internal Revenue Code. In addition, because U.S. Treasury Regulations and other official interpretations have not yet been issued with respect to many of such changes, their meaning may be uncertain in some cases. Each prospective investor is urged to consult his or her tax advisor regarding the specific consequences of an investment in the Fund under applicable U.S. federal, state, local and foreign income tax laws as well as with respect to any specific gift, estate and inheritance tax issues.

This summary is based on the assumption that each Investor (i) will provide all appropriate certifications to the Fund in a timely fashion to minimize withholding, including backup withholding and withholding under FATCA; (ii) will hold its Units as a capital asset for U.S. federal income tax purposes; and (iii) holds its Units for its own account and not as an agent or nominee for another person. Each Investor should also note that this summary does not address the interaction of U.S. federal tax laws and any income or estate tax treaties between the United States and any other jurisdiction. The Fund has not sought a ruling from the U.S. Internal Revenue Service or any other U.S. federal, state or local agency with respect to any of the U.S. tax issues affect the Fund, nor has it obtained an opinion of counsel with respect to any U.S. tax issues. No assurance can be given that the IRS will concur with the tax consequences set forth below. Each prospective Investor is urged to consult its tax advisor concerning the potential tax consequences of an investment in the Fund.

Although not free from doubt, we expect each Sub-Fund of the Fund would be treated as a separate corporation for U.S. federal income tax purposes. It is possible, however, that the U.S. Internal Revenue Service could take a contrary view, treating the Fund (including each Sub-Fund thereof) as a single corporation for U.S. federal income tax purposes. The following discussion assumes that each Sub-Fund will be treated as a separate entity for U.S. federal income tax purposes.

Taxation of the Fund. The Fund intends to conduct its affairs so that it will not be deemed to be engaged in a trade or business in the United States and, therefore, none of its income will be treated as "effectively connected" with a U.S. trade or business carried on by the Fund. If none of the Fund's income is effectively connected with a U.S. trade or business carried on by the Fund, certain categories of income (including dividends and certain types of interest income) derived by the Fund from U.S. sources will be subject to a U.S. tax of 30%, which tax is generally withheld from such income. Certain other categories of income, generally including capital gains (including those derived from options transactions) and interest on certain portfolio debt obligations (which may include United States Government securities), original issue discount obligations having an original maturity of 183

days or less, and certificates of deposit, will not be subject to this 30% tax. If, on the other hand, the Fund derives income which is effectively connected with a U.S. trade or business carried on by the Fund, such income will be subject to U.S. federal income tax at the graduated rates applicable to U.S. domestic corporations, and the Fund may also be subject to a branch profits tax.

#### *FATCA*

Under the Foreign Account Tax Compliance Act (“FATCA”), a foreign financial institution (“FFI”), such as each Sub-Fund will generally be subject to U.S. federal withholding taxes (at a 30% rate) on certain US source income (“withholdable payments”) paid to a FFI. This is unless the FFI complies, or is deemed compliant, with various reporting and withholding requirements. Withholdable payments generally will include interest (including original issue discount), dividends, rents, annuities, and other fixed or determinable annual or periodical gains, profits or income, if such payments are derived from U.S. sources, as well as gross proceeds from dispositions of securities that could produce U.S. source interest or dividends. Income that is effectively connected with the conduct of a U.S. trade or business is not, however, included in this definition. To avoid the withholding tax, unless deemed compliant, each Sub-Fund will be required to enter into an agreement with the United States to identify and disclose identifying and financial information about each Specified US Person or foreign entity with substantial U.S. ownership which invests in such entity, and to withhold tax (at a 30% rate) on withholdable payments and (to the extent provided in future regulations) certain “foreign passthru payments” made to any investor which fails to furnish information requested by such entity to satisfy its obligations under the agreement.

Generally, a FFI is deemed compliant if it is tax resident in a country that has signed an intergovernmental agreement (“IGA”) with the U.S. On 21 December 2012, the Irish and U.S. governments entered into an IGA for the implementation of FATCA (“Irish IGA”). The Irish IGA is intended to reduce the burden of Irish financial institutions (“Irish FFIs”) of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax.

Under the Irish IGA, information about Specified US Persons will be provided on an annual basis by each Irish FFI (unless the FFI is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners, who will then provide such information to the U.S. Internal Revenue Service (“IRS”) without the need for the Irish FFI to enter into a FFI agreement with the IRS. As the Fund is tax resident in Ireland, the Fund (or each Sub-Fund) is a Reporting Model 1 FFI, and is therefore not subject to the 30% withholding tax and generally not required to withhold on investors, if it identifies and reports U.S. taxpayer information directly to the Irish government. However, the Fund (or each Sub-Fund) would still be subject to certain registration and reporting responsibilities.

Investors will be required to furnish appropriate documentation certifying as to their U.S. or non-U.S. tax status, together with such additional tax information as the Fund, the Manager or their agents may from time to time request. Failure to provide requested information may subject an investor to liability for any resulting U.S. withholding taxes, information reporting and/or mandatory redemption of the investor’s Units in the Fund.

Whilst the Fund (and each Sub-Fund) will attempt to satisfy and obligations under FATCA and/or the Irish IGA to avoid any FATCA withholding tax, there can be no assurance that the Fund (and each

Sub-Fund) will be able to satisfy these obligations. In the event that the Fund (or a Sub-Fund) becomes subject to withholding tax as a result of the FATCA regime, the value of the Units held by Unitholders may suffer material losses.

Prospective investors should consult their own tax advisers regarding the possible implications of FATCA on an investment in the Sub-Funds and the documentation that may be required to be provided to the Fund.

#### *Taxation of Unitholders*

**Dividend Distributions.** Distributions made by a Sub-Fund to its U.S. Taxpayer Unitholders with respect to the Units will be taxable to those Unitholders as ordinary income for U.S. federal income tax purposes to the extent of the Sub-Fund's current and accumulated earnings and profits, subject to the "passive foreign investment company" ("PFIC") rules discussed below. Dividends received by U.S. corporate Unitholders will not be eligible for the dividends-received deduction.

**Sale of Units.** Upon the sale or other disposition of Units, and subject to the PFIC rules discussed below, a U.S. Taxpayer that holds Units as a capital asset generally will realize a capital gain or loss which generally will be long-term or short-term, depending upon the Unitholder's holding period for the Units.

**Medicare Tax.** An additional 3.8% Medicare tax is imposed on certain net investment income (including interest, dividends, annuities, royalties, rents and net capital gains) of U.S. individuals, estates and trusts to the extent that such person's "modified adjusted gross income" (in the case of an individual) or "adjusted gross income" (in the case of an estate or trust) exceeds a threshold amount.

**Net Investment Income Excise Tax.** An additional 1.4% excise tax is imposed on the net investment income of certain private colleges and universities. In general, this tax would apply to private educational institutions with endowments valued at \$500,000 per full-time student or more, subject to other limitations. Potential Investors that are Tax-exempt Entities (as defined below) are urged to consult with their tax advisors with respect to this tax.

**PFIC Rules - In General.** A non-U.S. corporation will be classified as a PFIC within the meaning of Section 1297(a) of the Code in any taxable year in which, after applying certain look-through rules, either a) at least 75% of its gross income is "passive income"; or b) at least 50% of the average value of its gross assets is attributable to assets that produce "passive income" or are held for the production of "passive income." Passive income for this purpose generally includes dividends, interest, royalties, rents, gains from commodities and securities transactions and the excess of gains over losses from the disposition of assets that produce passive income. We believe each Sub-Fund is a PFIC. As a result, a U.S. Taxpayer generally will be subject to special tax rules designed to prevent deferral of U.S. taxation of the U.S. Taxpayer's share of the corresponding Sub-Fund's earnings. U.S. Taxpayers are urged to consult their own tax advisors with respect to the application of the PFIC rules and the making of a "qualified electing fund" ("QEF") election or "mark-to-market election" summarized below.

**PFIC Consequences - No QEF or Mark-to-Market Election.** A U.S. Taxpayer that holds Units will

generally be subject to special rules with respect to any “excess distribution” by the Sub-Fund to that Unitholder or any gain from the disposition of the Units. For this purpose, an “excess distribution” generally refers to the excess of the amount of any distributions received by the Unitholder during any taxable year in respect of the Units of the Sub-Fund over 125% of the average amount received by the Unitholder in respect of those Units during the three preceding taxable years (or shorter period that the Unitholder held the Units). The tax payable by a U.S. Taxpayer with respect to an excess distribution or disposition of Units will be determined by allocating the excess distribution or gain from the disposition ratably to each day in the Unitholder’s holding period for the Units. The distribution or gain so allocated to any taxable year of the Unitholder, other than the taxable year of the excess distribution or disposition, will be taxed to the Unitholder at the highest ordinary income tax rate in effect for that year, and the tax will be further increased by an interest charge to reflect the value of the tax deferral deemed to have resulted from the ownership of the Units. Any amount of distribution or gain allocated to the taxable year of the distribution or disposition will be included as ordinary income.

**PFIC Consequences - QEF Election.** A U.S. Taxpayer may be able to make a QEF election, in lieu of being taxable in the manner described above, to include annually in gross income that Unitholder’s pro rata share of (a) the ordinary earnings (that is, the earnings and profits (computed using U.S. federal income tax principles), reduced by any net capital gain (defined below)) and (b) the net capital gain (that is, the excess of net long-term capital gain over net short-term capital loss) of the Sub-Fund, regardless of whether the Unitholder actually received any distributions from the Sub-Fund. The ordinary earnings would be included in the Unitholder’s income as ordinary income, and the net capital gain would be included as long-term capital gain. For the QEF election to be effective, however, the Sub-Fund would need to provide the electing Unitholder with certain financial information based on U.S. tax accounting principles. The Administrator, on behalf of the Sub-Fund, will use commercially reasonable efforts to provide U.S. Taxpayer Unitholders with relevant core financial data necessary to enable Unitholders to make an effective QEF election. We can provide no assurance, however, that sufficient financial data will be provided to comply with a QEF election.

**PFIC Consequences - Mark to Market Election.** A mark-to-market election is not expected to be available for U.S. Taxpayers holding Units. Were such an election to become available, in lieu of being taxable in the manner described above, an electing Unitholder would include in income at the end of each taxable year the excess, if any, of the fair market value of its Units over its adjusted basis for the Units. The Unitholder also would be permitted to deduct the excess, if any, of its adjusted basis for the Units over their fair market value, but only to the extent of any net mark-to-market gain included in income in prior years. Any mark-to-market gain and any gain from an actual disposition of Units would be included as ordinary income. Ordinary loss treatment would apply to any deductible mark-to-market loss, as well as any loss from an actual disposition to the extent of previously included net mark-to-market gains. An electing Unitholder’s adjusted basis in its Units would be adjusted to reflect any mark-to-market inclusions or deductions.

**PFIC Consequences - Tax-Exempt Organizations - Unrelated Business Taxable Income.** Certain entities (including qualified pension and profit sharing plans, individual retirement accounts, 401(k) plans and Keogh plans) (“Tax-exempt Entities”) generally are exempt from U.S. federal income taxation except to the extent that they have unrelated business taxable income (“UBTI”). UBTI is income from a trade or business regularly carried on by a Tax-exempt Entity that is unrelated to the

entity's exempt activities. Various types of income, including dividends, interest and gains from the sale of property other than inventory and property held primarily for sale to customers, are excluded from UBTI, so long as the income is not derived from debt-financed property.

Under current law, the PFIC rules apply to a Tax-exempt Entity that holds Units only if a dividend from the Sub-Fund would be subject to U.S. federal income taxation in the hands of the Unitholder (as would be the case, for example, if the Units were debt-financed property in the hands of the Tax-exempt Entity).

Controlled Foreign Corporations and Other Tax Considerations. Special rules apply to U.S. persons who own, directly or indirectly and applying certain attribution rules, 10% or more of either the total combined voting power of all classes of stock or the value of the stock of a "controlled foreign corporation" (a "CFC"). A non-U.S. corporation generally will be a CFC if U.S. persons collectively own more than 50% of the total combined voting power or total value of the corporation's stock on any day during the taxable year. The foregoing discussion assumes, as stated above, that no U.S. Taxpayer owns or will own, directly or indirectly, or be considered as owning by application of certain tax law rules of constructive ownership, 10% or more of the total combined voting power of all voting Units in each Sub-Fund. The application of the CFC rules to each Sub-Fund is complex. If a Sub-Fund were considered to be a CFC, a U.S. Taxpayer might, in certain circumstances, be required to include in income that amount of the Sub-Fund's earnings to which the Unitholder would have been entitled had the Sub-Fund currently distributed all of its earnings (under current law, such income inclusions generally would not be expected to be treated as UBTI, so long as not deemed to be attributable to insurance income earned by the Sub-Fund). Also, upon the sale or exchange of Units, all or part of any resulting gain could be treated as a dividend. The CFC rules may require U.S. Taxpayers to file certain forms with the IRS. The Fund is under no obligation to assist a U.S. Taxpayer who might be required to file any such forms and bears no liability for such filing. U.S. Taxpayers should consult their own tax advisors about the applicability and U.S. federal income tax consequences of the CFC rules to their investment in the Fund.

Reporting Requirements. U.S. Taxpayers may be subject to additional U.S. tax reporting requirements by reason of their ownership of Units. For example, special reporting requirements may apply with respect to certain interests in, transfers to, and changes in ownership interest in, a Sub-Fund and certain other foreign entities in which the Sub-Fund may invest. A U.S. Taxpayer also would be subject to additional reporting requirements in the event that it is deemed to own 10% or more of the voting stock of a controlled foreign corporation by reason of its investment in the Sub-Fund. Each U.S. Taxpayer which is deemed to be a direct or indirect PFIC shareholder will be required to report annually such information as the Treasury shall require, regardless of whether such person has received any PFIC income or distributions in a given taxable year. Individuals holding certain foreign financial assets (including Units of a Sub-Fund) having an aggregate value of more than \$50,000 generally will be required to disclose such holdings with such individual's U.S. tax returns. Significant penalties will apply to failures to disclose and to certain underpayments of tax attributable to undisclosed reportable foreign financial assets. U.S. Taxpayers should consult their own U.S. tax advisors regarding any reporting responsibilities resulting from an investment in the Fund, including any potential obligation to file Form TD F 90-22.1 with the U.S. Department of the Treasury.

U.S. Taxpayers will be required to furnish the Fund with a properly executed IRS Form W-9. Amounts paid to a U.S. Taxpayer Unitholder as dividends from a Sub-Fund, or as gross proceeds from a redemption of Units, generally will be reported to the U.S. Taxpayer Unitholder and the U.S. Internal Revenue Service on an IRS Form 1099 (except as otherwise noted below). Failure to provide an appropriate and properly executed IRS Form W-9 (for Unitholders who are U.S. Taxpayers), may subject a Unitholder to backup withholding tax. Backup withholding is not an additional tax. Any amounts withheld may be credited against a Unitholder's U.S. federal income tax liability.

Tax-exempt Entities, corporations, non-U.S. Unitholders and certain other categories of Unitholders will not be subject to reporting on IRS Form 1099 or backup withholding, if such Unitholders furnish the Fund with a properly executed IRS Form W-9 or other appropriate documentation, certifying as to their exempt status.

**Tax Shelter Reporting.** Persons who participate in or act as material advisors with respect to certain "reportable transactions" must disclose required information concerning the transaction to the IRS. In addition, material advisors must maintain lists that identify such reportable transactions and their participants. Significant penalties apply to taxpayers who fail to disclose a reportable transaction. Although the Fund is not intended to be a vehicle to shelter U.S. federal income tax, and the new regulations provide a number of relevant exceptions, there can be no assurance that the Fund and certain of its Unitholders and material advisors will not, under any circumstance, be subject to these disclosure and list maintenance requirements.

#### Special Considerations for Benefit Plan Investors

**In General.** Subject to the limitations applicable to investors generally, Units may be purchased using assets of various benefit plans, including employee benefit plans ("ERISA Plans") subject to Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or retirement plans subject to Code Section 4975, such as plans intended to qualify under Code Section 401(a) covering only self-employed individuals) and individual retirement accounts and individual retirement annuities, and government and church sponsored retirement plans that are not subject to ERISA (together with ERISA Plans, "Plans"). However, none of the Manager, the Investment Manager, any sub-investment manager, any Investment Adviser or the Administrator, nor any of their principals, agents, employees, affiliates or consultants, makes any representation with respect to whether the Units are a suitable investment for any such Plan.

In considering whether to invest assets of a Plan in Units, the persons acting on behalf of or with any assets of the Plan should consider in the Plan's particular circumstances whether the investment will be consistent with their responsibilities and any special constraints imposed by the terms of such Plan and applicable U.S. federal, state or other law, including ERISA and the Code. Some of the responsibilities and constraints imposed by ERISA and the Code are summarized below. Investments in Units by Plans that are not subject to ERISA may be subject to similar responsibilities and restraints. The following is merely a summary of those particular laws, however, and should not be construed as legal advice or as complete in all relevant respects. All investors are urged to consult their legal advisors before investing assets of an employee benefit plan in Units and to make their own independent decisions regarding the suitability of such an investment.

Fiduciary Responsibilities under ERISA. Persons acting as fiduciaries on behalf of or with any assets of an ERISA Plan are subject to specific standards of behavior in the discharge of their responsibilities. As a result, such persons must, for example, conclude an investment in Units by an ERISA Plan would be (i) prudent, (ii) in the best interests of Plan participants and their beneficiaries, and (iii) in accordance with the documents and instruments governing the ERISA Plan, and would satisfy the diversification requirements of ERISA. In making those determinations, such persons should take into account, among other factors, (i) that the Units will invest the assets in each Sub-Fund in accordance with the applicable investment objectives and strategies without regard to the particular objective of any class of investors, including Plans, (ii) the fee structure of the Sub-Fund, (iii) the tax effects of the investment, (iv) the relative illiquidity of the investment and its effect on the cash flow needs of the Plan, (v) the Plan's funding objectives, (vi) the risks of an investment in the Sub-Fund and (vii) that, as discussed below, it is not expected that the Sub-Fund's assets will constitute the "plan assets" of any investing Plan, so that neither the Fund, any Sub-Fund, the Manager, the Investment Manager, any sub-investment manager, any Investment Adviser or the Administrator, nor any of their principals, agents, employees, affiliates or consultants will be a "fiduciary" as to any investing Plan.

ERISA imposes certain duties on persons who are ERISA Plan fiduciaries. In addition, both ERISA and the Code prohibit certain transactions involving "plan assets" between the Plan and its fiduciaries or other parties in interest under ERISA or disqualified persons under the Code with respect to the Plan.

Identification of, and Consequences of Holding, Plan Assets. Under U.S. Department of Labor ("DOL") Regulation 29 C.F.R. §2510.3-101 as amended by Section 3(42) of ERISA (collectively, the "Plan Asset Rule"), the prohibited transaction and other applicable provisions of ERISA and the Code, including the rules for determining who is a party in interest or a disqualified person, would generally be applied by treating the investing Plan's assets as including any Units purchased but not, solely by reason of such purchase, including any of the underlying assets of a Sub-Fund. Under the Plan Asset Rule, however, this may not be the case if immediately after any acquisition or redemption of any equity interest in a Sub-Fund, 25 per cent. or more of the value of any class of equity interests in a Sub-Fund is held by "Benefit Plan Investors" (as defined below). For the purposes of this 25 per cent. determination, the value of any equity interest held by a person (other than a Benefit Plan Investor) who has discretionary authority or control with respect to the assets of a Sub-Fund or any person who provides investment advice with respect to a Sub-Fund's assets, or any affiliate of such a person (such as the Manager, the Investment Manager, any sub-investment manager and any Investment Adviser), shall be disregarded. For this purpose, an "affiliate" of a person includes any person controlling, controlled by or under common control with that person, including by reason of having the power to exercise a controlling influence over the management or policies of such person. For this purpose, "Benefit Plan Investor" is used as defined in the Plan Asset Rule and includes (i) any employee benefit plan subject to Part 4 of Title I of ERISA; (ii) any plan to which Code Section 4975 applies (which includes a trust described in Code Section 401(a) that is exempt from tax under Code Section 501(a), a plan described in Code Section 403(a), an individual retirement account or annuity described in Code Section 408 or 408A, a medical savings account described in Code Section 220(d), a health savings account described in Code Section 223(d) and an education savings account described in Code Section 530); and (iii) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (generally because 25 per cent. or more of a class of equity



interests in the entity is owned by plans). An entity described in (iii) immediately above will be considered to hold plan assets only to the extent of the percentage of the equity interests in the entity held by Benefit Plan Investors. Benefit Plan Investors also include that portion of any insurance company's general account assets that are considered "plan assets" and (except if the entity is an investment company registered under the 1940 Act) also include assets of any insurance company separate account or bank common or collective trust in which plans invest.

The Manager on behalf of the Fund intends to limit the sale and transfer of Units, and may exercise the Fund's right compulsorily to redeem Units, to the extent necessary, so that the less than 25 per cent. threshold applicable to each class of Units described above is not exceeded and therefore that the underlying assets of each Sub-Fund would not be treated as "plan assets" of any Plan investing in the Sub-Fund.

If the assets of the Fund or any Sub-Fund nonetheless were deemed to be "plan assets" under ERISA, the Manager, the Investment Manager, any sub-investment manager or any Investment Adviser could be characterized as a fiduciary of investing ERISA Plans under ERISA and they and their affiliates and certain of their delegates could be characterized as "parties in interest" under ERISA and/or "disqualified persons" under the Code with respect to investing Plans. Further, (i) the prudence and other fiduciary responsibility standards of ERISA applicable to investments made by ERISA Plans and their fiduciaries would extend to investments made with assets of the Sub-Fund; (ii) an ERISA Plan's investment in the Units might expose the ERISA Plan fiduciary to co-fiduciary liability under ERISA for any breach of ERISA fiduciary duties by the Manager, the Investment Manager, any sub-investment manager or any Investment Adviser; (iii) assets of the Sub-Fund held outside the jurisdiction of the U.S. district courts might not be held in compliance with applicable DOL regulations; (iv) the Plan's reporting obligations might extend to the assets of the Sub-Fund; and (v) certain transactions in which the Sub-Fund might seek to engage could constitute prohibited transactions under ERISA and/or the Code. A prohibited transaction involving a Plan, unless an exemption for the prohibited transaction were available, generally could subject an interested party to an excise tax and to certain remedial measures imposed by ERISA; a prohibited transaction involving an individual retirement account could result in its disqualification as well as an excise tax. DOL regulations do provide, however, that the ERISA requirement that plan assets be held in trust would be satisfied with respect to the assets of an entity that are deemed to be plan assets if the indicia of ownership of such assets (i.e., Units) are held in trust on behalf of an investing ERISA Plan by one or more of its trustees.

Each prospective investor that is a Plan will be required to represent and warrant that the acquisition and holding of Units does not and will not constitute or result in a non-exempt prohibited transaction under Title I of ERISA or Code Section 4975, or a violation of any similar applicable law. Even though the assets of a Plan that invests in a Sub-Fund should not include assets of the Sub-Fund, a possible violation of the prohibited transaction rules under ERISA and the Code nonetheless could occur if an investment in a Sub-Fund were made with assets of a Plan with respect to which the Manager, the Investment Manager, any sub-investment manager or any Investment Adviser or any of their affiliates, has discretionary authority or control or renders investment advice. Accordingly, the fiduciaries of a Plan should not permit investment in a Sub-Fund with plan assets if the Manager, the Investment Manager, any sub-investment manager or any Investment Adviser, or any of their affiliates, perform or have any such investment powers with respect to those assets, unless an exemption from the

prohibited transaction rules applies with respect to such acquisition.

BEFORE MAKING AN INVESTMENT IN ANY SUB-FUND, ANY PLAN FIDUCIARY SHOULD CONSULT ITS LEGAL ADVISOR CONCERNING THE ERISA, TAX AND OTHER LEGAL CONSIDERATIONS OF SUCH AN INVESTMENT.

## APPENDIX III

### MANAGER AND DISTRIBUTOR

Atlantis Investment Management (Ireland) Limited,  
George's Court,  
54-62 Townsend Street,  
Dublin 2,  
Ireland.

### INVESTMENT MANAGER

Atlantis Investment Management Limited,  
35/F,  
The Centrium,  
60 Wyndham Street,  
Central,  
Hong Kong.

### ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT

Northern Trust International Fund Administration Services (Ireland) Limited,  
George's Court,  
54-62 Townsend Street,  
Dublin 2,  
Ireland.

### GOVERNANCE SERVICES

Clifton Fund Consulting Limited  
35 Shelbourne Road,  
Ballsbridge,  
Dublin 4,  
D04 A4E0,  
Ireland.

### LEGAL ADVISERS IN IRELAND

Dillon Eustace,  
33 Sir John Rogerson's Quay,  
Dublin 2,  
Ireland.

### TRUSTEE

Northern Trust Fiduciary Services (Ireland) Limited,  
George's Court,  
54-62 Townsend Street,  
Dublin 2,  
Ireland.

### AUDITORS

Grant Thornton  
13-18 City Quay,  
Dublin 2,  
D02 ED70,  
Ireland.

### LISTING SPONSOR

Dillon Eustace,  
33 Sir John Rogerson's Quay,  
Dublin 2,  
Ireland.

**APPENDIX IV**

<b>Depository - Sub-custodian Delegate Information</b>		
<b>1. Jurisdiction</b>	<b>2. Sub-custodian</b>	<b>3. Sub-custodian Delegate</b>
<b>Argentina</b>	Citibank N.A., Buenos Aires Branch	
<b>Australia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
<b>Austria</b>	UniCredit Bank Austria AG	
<b>Bangladesh</b>	Standard Chartered Bank	
<b>Belgium</b>	Deutsche Bank AG	
<b>Bermuda</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Bermuda Limited
<b>Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Bosnia and Herzegovina (Republic of Srpska)</b>	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
<b>Botswana</b>	Standard Chartered Bank Botswana Limited	
<b>Brazil</b>	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")

<b>Bulgaria</b>	Citibank Europe plc, Bulgaria Branch	
<b>Canada</b>	The Northern Trust Company, Canada	
<b>Canada*</b>	Royal Bank of Canada	
<b>Chile</b>	Citibank N.A.	Banco de Chile
<b>China B Share</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
<b>Clearstream</b>	Clearstream Banking S.A.,	
<b>Colombia</b>	Cititrust Columbia S.A. Sociedad Fiduciaria	
<b>Costa Rica</b>	Banco Nacional de Costa Rica	
<b>Côte d'Ivoire</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
<b>Croatia</b>	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
<b>Cyprus</b>	Citibank Europe PLC	
<b>Czech Republic</b>	UniCredit Bank Czech Republic and Slovenia, a.s.	
<b>Denmark</b>	Nordea Bank Abp	
<b>Egypt</b>	Citibank N.A., Cairo Branch	

<b>Estonia</b>	Swedbank AS	
<b>Eswatini (formerly Swaziland)</b>	Standard Bank Eswatini Limited	
<b>Finland</b>	Nordea Bank Abp	
<b>France</b>	The Northern Trust Company	
<b>Germany</b>	Deutsche Bank AG	
<b>Ghana</b>	Standard Chartered Bank Ghana Limited	
<b>Greece</b>	Citibank Europe PLC	
<b>Hong Kong</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hong Kong (Stock and Bond Connect)</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Hungary</b>	UniCredit Bank Hungary Zrt.	
<b>Iceland</b>	Landsbankinn hf	
<b>India</b>	Citibank N.A.	
<b>Indonesia</b>	Standard Chartered Bank	
<b>Ireland</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)	

<b>Israel</b>	Bank Leumi Le-Israel B.M.	
<b>Italy</b>	Deutsche Bank SpA	
<b>Japan</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Jordan</b>	Standard Chartered Bank	
<b>Kazakhstan</b>	Citibank Kazakhstan JSC	
<b>Kenya</b>	Standard Chartered Bank Kenya Limited	
<b>Kuwait</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Latvia</b>	Swedbank AS	
<b>Lithuania</b>	AB SEB bankas	
<b>Luxembourg</b>	Euroclear Bank S.A./N.V.	
<b>Malaysia</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
<b>Mauritius</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Mexico</b>	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	
<b>Morocco</b>	Société Générale Marocaine de Banques	

<b>Namibia</b>	Standard Bank Namibia Ltd	
<b>Netherlands</b>	Deutsche Bank AG	
<b>New Zealand</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Nigeria</b>	Stanbic IBTC Bank Plc	
<b>Norway</b>	Nordea Bank Abp	
<b>Oman</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Oman S.A.O.G
<b>Pakistan</b>	Citibank N.A., Karachi Branch	
<b>Panama</b>	Citibank N.A., Panama Branch	
<b>Peru</b>	Citibank del Peru S.A.	
<b>Philippines</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Poland</b>	Bank Polska Kasa Opieki Spółka Akcyjna,	
<b>Portugal</b>	BNP Paribas Securities Services	
<b>Qatar</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
<b>Romania</b>	Citibank Europe PLC	



<b>Russia</b>	AO Citibank	
<b>Saudi Arabia</b>	The Northern Trust Company of Saudi Arabia	
<b>Senegal</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
<b>Serbia</b>	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
<b>Singapore</b>	DBS Bank Ltd	
<b>Slovakia</b>	Citibank Europe PLC	
<b>Slovenia</b>	UniCredit Banka Slovenija d.d.	
<b>South Africa</b>	The Standard Bank of South Africa Limited	
<b>South Korea</b>	The Hongkong and Shanghai Banking Corporation Limited	
<b>Spain</b>	Deutsche Bank SAE	
<b>Sri Lanka</b>	Standard Chartered Bank	
<b>Sweden</b>	Svenska Handelsbanken AB (publ)	
<b>Switzerland</b>	Credit Suisse (Switzerland) Ltd	
<b>Taiwan</b>	Bank of Taiwan	

<b>Tanzania</b>	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
<b>Thailand</b>	Citibank N.A., Bangkok Branch	
<b>Tunisia</b>	Union Internationale De Banques	
<b>Turkey</b>	Deutsche Bank AG & Deutsche Bank AS	
<b>Uganda</b>	Standard Chartered Bank Uganda Limited	
<b>United Arab Emirates (ADX)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (DFM)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Arab Emirates (NASDAQ)</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
<b>United Kingdom</b>	Euroclear UK and Ireland Limited (Northern Trust self-custody)	
<b>United States</b>	The Northern Trust Company	
<b>Uruguay</b>	Banco Itau Uruguay S.A.	
<b>Vietnam</b>	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
<b>Zambia</b>	Standard Chartered Bank Zambia PLC	

\*The Royal Bank of Canada serves as Northern Trust's Sub-Custodian for securities not eligible for settlement in Canada's local central securities depository.

**ATLANTIS CHINA FUND**  
**SUPPLEMENT DATED 28 NOVEMBER, 2023, TO THE PROSPECTUS DATED 28 NOVEMBER ,**  
**2023 , FOR ATLANTIS INTERNATIONAL UMBRELLA FUND**

This Supplement contains specific information in relation to the Atlantis China Fund (the "Sub-Fund"), a sub-fund of Atlantis International Umbrella Fund (the "Fund") an open-ended umbrella unit trust established as a UCITS pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011) , as amended.

This Supplement forms part of the Prospectus dated 28 November, 2023 for the Fund and should be read in conjunction with the Prospectus which is available from the Administrator at George's Court, 54-62 Townsend Street, Dublin 2, Ireland.

The Directors of the Manager of the Fund, whose names appear in the Prospectus under the heading "Management of the Fund", 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) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. An investment in the Sub-Fund should be viewed as medium to long term. The Net Asset Value of the Sub-Fund is likely to be highly volatile.**

**1. Units**

U.S. Dollar Units, and HKD Units are available in the Sub-Fund for subscription.

**2. Base Currency**

U.S. Dollars.

The denominated currency of each Class is as follows:

- (a) U.S. Dollar Units shall be denominated in U.S. Dollar.
- (b) HKD Units shall be denominated in HKD.

**3. Business Day, Dealing Day and Valuation Point**

A Business Day means any day (except Saturday and Sunday and such other days as the Manager may determine) on which banks are open for business in Dublin, London, Shanghai and Hong Kong.

A Dealing Day means any Subscription Day or Redemption Day.

A Subscription Day means each Business Day, or such other day or days as the Manager may from time to time determine and notify in advance to investors provided that there be at least one Subscription Day per fortnight.

A Redemption Day means the first and fifteenth calendar day of each calendar month, or if such a day is not a Business Day then the next subsequent Business Day shall be a Redemption Day, or such other day or days as the Manager may from time to time determine and notify in advance to investors provided that there shall be at least one Redemption Day per fortnight.

The Valuation Point is 12.00 noon (Irish time) on each Dealing Day.

#### **4. Investment Adviser**

An Investment Adviser has not been appointed in respect of the Sub-Fund.

#### **5. Profile of a Typical Investor**

The Sub-Fund is suitable for investors who can afford to set aside the invested capital for the medium to long term and who are prepared to accept a high level of volatility.

#### **6. Investment Objective and Policies**

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

The Sub-Fund will invest mainly in a portfolio of equities, but may also invest in equity-related instruments (such as fixed or floating rate convertible bonds issued by corporate, sovereign or institutional issuers of above or below investment grade, preference shares or warrants) issued by companies located in The People's Republic of China or deriving a preponderant part of their income and/or assets from The People's Republic of China. In any event, the Sub-Fund will at all times invest more than 50% of its net asset value directly in Equity Securities. Subject to this Equities Securities quota, the Sub-Fund may also invest in investment grade debt securities and money market instruments (such as debentures, notes (including corporate, sovereign or institutional floating and fixed rate notes) with a minimum term of one year or more), certificates of deposit, commercial paper, Chinese depository receipts (expected to be Renminbi denominated securities traded in China and held in the vault of a depository bank, the receipts of which shall represent underlying shares of foreign based and listed corporations and entitle the holder, subject to the provisions of any relevant trust document, to all dividends and capital gains in the underlying shares) and/or American depository receipts, UCITS schemes or certain other open-ended collective investment schemes as permitted by the Central Bank. The Sub-Fund may also invest up to 10% of its net assets in Real Estate Investment Trusts (REITs) which are listed on the Shanghai Stock Exchange, the Shenzhen Stock Exchange or the Hong Kong Stock Exchange provided that they do not affect the ability of the Sub-Fund to meet its liquidity obligations in accordance with Regulation 59 of the UCITS Regulations.

The Sub-Fund may invest in and have direct access to A-shares listed on the Shanghai Stock Exchange via the Shanghai-Hong Kong Stock Connect scheme and/or the Shenzhen Stock Exchange via the Shenzhen-Hong Kong Stock Connect scheme (as further described in the sub-section headed "Stock Connect Scheme" below). Exposure to A-shares through the Connect Schemes will not be more than 50% of the Fund's Net Asset Value.

Subject to the Equity Securities quota stipulated above, the Sub-Fund may also invest indirectly in the A-share market by purchasing Equity Linked Securities, typically issued by credit institutions or other financial institutions located worldwide and the underlyings of which will be one or more Chinese equity securities. Such Equity Linked Securities will constitute transferable securities which will be listed, traded or dealt on a Recognised Exchange or, unlisted securities. In the case of unlisted securities, such investment shall not exceed 10% of the Sub-Fund's Net Asset Value. They will be securitized and will not be leveraged. Equity Linked Securities must be exercisable at any time over their life, be cash settled and the underlying equities will be ones in which the Sub-Fund could invest in directly pursuant to the UCITS Regulations. Such Equity Linked Securities will not result in an exposure to investments other than securities in which the Sub-Fund could invest directly and the use of such products will not cause the Sub-Fund to diverge from its investment policies. The Investment Manager intends to employ such Equity Linked Securities as a strategy to gain exposure to Chinese equity securities. The strategy is to purchase, depending on the availability of such products and depending on market conditions and other factors, suitable Equity Linked Securities. These products typically aim to provide economic exposure to the underlying security without the associated administration burdens of investing directly in the local market. Further details on the nature of these products and the risks pertaining thereto are set out under the sub-heading "Equity Linked Securities and Other Structured Products" under the heading "Risk Factors".

Subject to the quota for Equity Securities stipulated above, the Sub-Fund will invest a substantial proportion of its assets in securities issued by "smaller and medium-sized Chinese companies". For these purposes "smaller and medium-sized Chinese companies" means companies with a market capitalisation not exceeding the equivalent of U.S.\$5.0bn or such higher capitalisation as is, in the opinion of the Directors, appropriate to reflect changes in capitalisation levels of companies quoted on stock exchanges.

The securities in which the Sub-Fund will invest will be principally listed or traded on one or more Recognised Exchanges located in The People's Republic of China or Hong Kong. To a lesser extent, the Sub-Fund will also invest in securities listed or traded on Recognised Exchanges located outside The People's Republic of China and Hong Kong. As noted above in the context of indirect A-share investments, however, the Sub-Fund may also hold up to 10% of its Net Asset Value in unlisted instruments.

The Sub-Fund seeks to invest in companies with a high market share in their industry, strong financial statements and above market average earnings growth. Emphasis is placed upon stock selection, with sector or industry selection a secondary consideration.

The Sub-Fund may hold ancillary liquid assets, denominated principally in H.K. Dollars,

Renminbi and U.S. Dollars, including cash deposits and money market instruments (of investment grade or above), such as certificates of deposit, commercial paper and listed fixed interest securities (including sovereign, government and corporate issued fixed and floating rate notes and bonds).

The assets of the Sub-Fund will be denominated principally in H.K. Dollars and Renminbi.

#### *Stock Connect Scheme*

The Sub-Fund may invest in A-shares through the Connect Scheme.

The Shanghai-Hong Kong Stock Connect scheme is a securities trading and clearing links program developed by HKEx, SSE and ChinaClear and the Shenzhen-Hong Kong Stock Connect scheme is a securities trading and clearing links program developed by HKEx, SZSE and ChinaClear. The aim of the Connect Scheme is to achieve mutual stock market access between mainland China and Hong Kong.

The Shanghai-Hong Kong Stock scheme enables Hong Kong and overseas investors (including the Fund) to invest in certain eligible A-shares listed on the SSE (“SSE Securities”) through their Hong Kong brokers and a securities trading service company established by The Stock Exchange of Hong Kong Limited (“SEHK”) under the Northbound Trading Link, subject to the rules of the Shanghai-Hong Kong Stock Connect scheme.

The Shenzhen-Hong Kong Stock Connect scheme enables Hong Kong and overseas investors (including the Fund) to invest in certain eligible A-shares listed on the SZSE (“SZSE Securities”) through their Hong Kong brokers and a securities trading service company established by SEHK under the Northbound Trading Link, subject to the rules of the Shenzhen-Hong Kong Stock Connect scheme.

The stock exchanges of the two jurisdictions continue to issue details of Connect Scheme, e.g. operational rules, from time to time.

#### Eligible Securities

##### (i) Shanghai-Hong Kong Stock Connect scheme

SSE Securities, as of the date of this Supplement include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed -A-shares that are not included as constituent stocks of the relevant indices but which have corresponding H-shares listed on SEHK, except the following:

- (a) SSE-listed shares which are not traded in Renminbi (“RMB”); and
- (b) SSE-listed shares which are included in the “risk alert board” (as described in the listing rules of the SSE).

##### (ii) Shenzhen-Hong Kong Stock Connect scheme

SZSE Securities, as of the date of this Supplement, include all the constituent stocks from time to time of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which have a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed A-shares which have corresponding H-Shares listed on SEHK, except the following:

- (a) SZSE-listed shares which are not traded in RMB; and
- (b) SZSE-listed shares which are included in the “risk alert board” or under delisting arrangement.

At the initial stage of the Shenzhen-Hong Kong Stock Connect scheme, investors eligible to trade shares that are listed on the ChiNext Board of the SZSE (“ChiNext Board”) under Northbound trading will be limited to institutional professional investors (which the Fund will qualify as such) as defined in the relevant Hong Kong rules and regulations.

It is expected that the list of eligible securities will be subject to review.

#### Trading Quota

Trading under the Shanghai-Hong Kong Stock Connect scheme and the Shenzhen-Hong Kong Stock Connect scheme is subject to a daily quota (“Daily Quota”). Northbound Shanghai Trading Link under the Shanghai-Hong Kong Stock Connect scheme, Northbound Shenzhen Trading Link under the Shenzhen-Hong Kong Stock Connect scheme, Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect scheme and Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect are respectively subject to a separate set of Daily Quota.

The Daily Quota limits the maximum net buy value of cross-boundary trades under each of the Shanghai-Hong Kong Stock Connect scheme and the Shenzhen-Hong Kong Stock Connect scheme each day. The Northbound Daily Quota is currently set at RMB13 billion for each of the Shanghai-Hong Kong Stock Connect scheme and the Shenzhen-Hong Kong Stock Connect scheme.

The Daily Quota may be increased or reduced subject to the review and approval by the relevant PRC regulators from time to time.

SEHK monitors the quota and publishes the remaining balance of the Northbound Daily Quota at scheduled times on the HKEx’s website.

#### Settlement and Custody

Under the Connect Scheme, The Hong Kong Securities Clearing Company Limited (“HKSCC”), a wholly-owned subsidiary of HKEx, is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The A-shares traded through the Connect Scheme are issued in scripless form, so investors will not hold any physical A-shares. Hong Kong and overseas investors who have acquired SSE Securities or SZSE Securities through Northbound trading should maintain the SSE Securities or SZSE Securities (“China Connect Securities”) with their brokers’ or custodians’ stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

#### Corporate Actions and Shareholders’ Meetings

Notwithstanding the fact that HKSCC does not claim proprietary interests in the China Connect Securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such China Connect Securities.

HKSCC will monitor the corporate actions affecting China Connect Securities and keep the relevant brokers or custodians participating in CCASS (“CCASS participants”) informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

SSE-/SZSE-listed companies usually announce their annual general meeting/extraordinary general meeting information about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise CCASS participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

#### Currency

Hong Kong and overseas investors will trade and settle China Connect Securities in RMB only. Hence, the Sub-Fund will need to use RMB to trade and settle China Connect Securities.

#### Investor Compensation

The Sub-Fund’s investments through Northbound trading under the Connect Scheme will not be covered by Hong Kong’s Investor Compensation Fund.

Hong Kong’s Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound trading via the Connect Scheme do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund.

On the other hand, since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, they are not protected by the China Securities



Investor Protection Fund in the PRC.

Further information about the Connect Scheme is available online at:

<http://www.hkex.com.hk/eng/csm/chinaConnect.asp?LangCode=en>

The Sub-Fund shall be allowed to trade China Connect Securities listed on the SSE through the Northbound Trading Link of the Connect Scheme, subject to applicable rules and regulations issued from time to time.

In addition to those risk factors set out in relation to PRC investment a number of the key risks of investing in China Connect Securities via the Connect Scheme are set out in the section entitled "Risk Factors" below.

The total gross long position is not expected to exceed 110% of the Net Asset Value of the Sub-Fund and the total gross short position is not expected to exceed 0% of the Net Asset Value of the Sub-Fund.

#### *Investment Strategy*

The Sub-Fund employs a qualitative, long-only equity strategy, which comprises a majority of the invested portfolio (i.e. excluding cash) allocated to core holdings and the remainder being invested in shorter term trading positions. Equity positions are established either directly through investment in stocks or indirectly by means of Equity Linked Securities.

#### *Core Equity Exposure*

For its core equity exposure, the Sub-Fund seeks exposure over a two to five year investment horizon to smaller and medium capitalisation growth companies deriving a substantial proportion of their revenues from China. The Sub-Fund employs a strategy which will allocate via a top-down approach for sector allocation and a bottom-up approach to the selection of investment prospects.

- 1) Top-down: the portfolio manager seeks to identify those sectors that will benefit from the support of the Chinese government over the next two to five years.
- 2) Bottom-up: within each sector, the portfolio manager seeks to identify companies which have the potential to become future leaders in their sector based on their exhibiting a number of the following traits relative to their sector peers:
  - a) A market leader or the potential to be a market leader;
  - b) A strong brand, product or service and market niche;
  - c) Solid balance sheets and cash flow;
  - d) Significant management ownership; and
  - e) Attractive valuation multiples.

### *Trading Positions*

In the remainder of the invested portfolio, the Sub-Fund employs a process of fundamental analysis to identify companies of any capitalisation deriving a substantial proportion of their revenues from China that do not necessarily conform to the above traits but which offer attractive valuations within a shorter term investment horizon.

### *Benchmark*

The Sub-Fund is considered to be actively managed in reference to the Hang Seng Index (HSI) (the “Benchmark”) by virtue of the fact that it uses the Benchmark for performance comparison purposes. Certain of the Sub-Fund’s securities may be components of and may have similar weightings to the Benchmark. However the Benchmark is not used to define the portfolio composition of the Sub-Fund or as a performance target and the Sub-Fund may be wholly invested in securities which are not constituents of the Benchmark. The Benchmark is a free float-adjusted market-capitalization-weighted stock-market index in Hong Kong. It is used to record and monitor daily changes of the largest companies of the Hong Kong stock market and is the main indicator of the overall market performance in Hong Kong. These 52 constituent companies, 30 of which are Chinese companies, which together represent about 62%.

## **7. Integration of Sustainability Risk**

Pursuant to the SFDR, the Sub-Fund is required to disclose the manner in which Sustainability Risks are integrated into the investment decisions of the Sub-Fund and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Sub-Fund.

The Sub-Fund could be exposed to some Sustainability Risks, which may differ depending on the specific investments in which the Sub-Fund invests in accordance with its investment policy. In particular, some companies, markets and sectors may have greater exposure to Sustainability Risks than others.

Consideration of these Sustainability Risks are integrated alongside other risks into the Investment Manager’s investment process, decision making and risk monitoring to the extent that they are considered to represent potential or actual material risk and/or opportunities to maximise the long-term risk-adjusted returns. Sustainability Risks are assessed and monitored on an investment by investment basis by the Investment Manager’s in-house research team with the support of an exclusion list provided by an external ESG specialist. This assessment then feeds into the broader investment process that leads to equity selection for the Sub-Fund.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

The Manager is not involved in the investment decision-making process but carries out independent oversight of the investment process and of investment decisions made for the Sub-Fund.

## **8. Efficient Portfolio Management**

Efficient portfolio management transactions relating to the assets of the Sub-Fund may be entered into by the Investment Manager with one of the following aims:- (a) a reduction of risk, (b) a reduction of cost, or (c) the generation of additional capital or income for the Sub-Fund with a level of risk consistent with the risk profile of the Sub-Fund and the diversification requirements in accordance with the investment restrictions of the Sub-Fund. In relation to efficient portfolio management operations the Investment Manager will look to ensure that the transaction is economically appropriate. Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of transferable securities held on behalf of the Sub-Fund.

In relation to efficient portfolio management operations, the Investment Manager will look to ensure that the transaction is economically appropriate. Financial derivative instruments and/or techniques and instruments entered into for this purpose include, but are not limited to, futures, forwards, options, swaps, warrants, stocklending arrangements, repurchase/reverse repurchase agreements and forward currency contracts. Although the use of derivatives (whether for hedging and/or for investment purposes) may give rise to an additional leveraged exposure, the global exposure of the Sub-Fund to derivatives will not exceed 100% of its Net Asset Value.

The Sub-Fund will use the commitment approach which is one of the two methods permitted under the UCITS Regulations to meet the requirement of the UCITS Regulations to accurately measure, monitor and manage the exposure produced by the use of derivatives. The commitment approach is calculated by converting the derivative position into the equivalent position in the underlying asset, based on the market value of the underlying asset or the market value of the contract, as described in the Manager's risk management process. Using the commitment approach, leverage, if any, will be minimal and as noted above, the Sub-Fund will not be leveraged in excess of 100% of its Net Asset Value as a result of the use of derivatives.

### *Futures*

The Sub-Fund may enter into single stock and index futures contracts in order to hedge against changes in the values of equity securities held by the Sub-Fund or markets to which the Sub-Fund is exposed or to take out hedges against changes in interest or currency rates which may have an impact on a Sub-Fund. The Sub-Fund may also use futures contracts to equitise cash, as a substitute for direct investment where it is more efficient to do so or as a means of gaining exposure to particular securities or markets on a short to medium term basis in advance of making a decision to purchase a particular security or to reallocate assets on a longer term basis. In addition, the Investment Manager may use futures to reduce exposure to a market in advance of raising cash from asset sales to fund redemptions from the Sub-

Fund.

In addition, certain markets within the investment universe of the Sub-Fund may be overly concentrated due to the presence of disproportionately highly capitalised issuers in those markets, with the result that a Sub-Fund may have difficulty in maintaining adequate exposure to that market by purchasing transferable securities without breaching its investment limits. The Investment Manager may use index futures to maintain an appropriate level of exposure to such markets.

#### *Forwards*

Forwards may be used for similar purposes as futures. In particular, FX forwards may be used to hedge the currency exposures of securities denominated in a currency other than the base currency of the Sub-Fund and to hedge against changes in interest and currency rates which may have an impact on the Sub-Fund.

#### *Options*

Call options may be used to gain exposure to specific securities and put options may be used to hedge against downside risk. Options may also be purchased to hedge against currency, interest rate and credit spread risk and the Sub-Fund may write covered call options to generate additional revenues for the Sub-Fund. The Sub-Fund will not write uncovered call or put options.

#### *Swaps*

Swaps may also be used to hedge against currency and interest rate risk.

#### *Cash management and efficient investing*

In general, the Sub-Fund may also use futures, forwards, options and swaps as an alternative to fully or partly acquiring the underlying or the related securities in any case where such investment may be accomplished in a more efficient or less costly way through the use of derivatives. Such instruments may also be used to maintain exposure to the market while managing the cashflows from subscriptions and redemptions into and out of each Sub-Fund more efficiently than by buying and selling transferable securities.

#### *Repurchase agreements, reverse repurchase agreements and/or stock lending agreements*

Subject to the quota for Equity Securities stipulated in Section 6 (“Investment Objectives and Policy”) above and subject to the conditions and limits set out in the Central Bank UCITS Regulations, the Sub-Fund may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements to generate additional income for the Sub-Fund. Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse

repurchase agreement is a transaction whereby a Sub-Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. A stocklending agreement is an agreement under which title to the “loaned” securities is transferred by a “lender” to a “borrower” with the borrower contracting to deliver “equivalent securities” to the lender at a later date.

Repurchase agreements, reverse repurchase agreements and/or stocklending arrangements will only be utilised for efficient portfolio management purposes.

#### *Securities Financing Transactions Regulation – General*

The Sub-Fund may engage in SFTs, i.e., repurchase agreements, reverse repurchase agreements and/or stocklending arrangements, within the meaning of EC Regulation 2015/2365 (the “**SFT Regulation**”).

The maximum exposure of the Sub-Fund in respect of SFTs shall be 0.30 times the assets under management of the Sub-Fund. However, the Investment Manager does not anticipate that the exposure of the Sub-Fund to SFTs will exceed 0.15 times the assets under management of the Sub-Fund. The types of assets that will be subject to SFTs will be assets which are of a type which is consistent with the investment policy of the Sub-Fund.

Please see the section entitled “Risk Factors” in the Prospectus for details of the risks involved in these practices, including “Counterparty Risk”, “Legal and Operational Risks Linked to Management of Collateral”, “Stocklending Risk” and “Repurchase Agreement Risk”.

Please see the section entitled “Securities Financing Transactions and Total Return Swaps – Counterparty Procedure” in the Prospectus for details of the criteria used for selecting counterparties to SFTs and “Securities Financing Transactions and Total Return Swaps – Collateral” in respect of any collateral received as a result of SFTs.

#### *Foreign exchange transactions and other currency contracts*

Foreign exchange transactions and other currency contracts may also be used to provide protection against exchange risks in accordance with the requirements of the Central Bank. Such contracts may be used by the Sub-Fund to hedge some or all of the exchange risk/currency risk arising as a result of the fluctuation between the denominated currency of the Sub-Fund and the currencies in which the Sub-Fund's investments are denominated.

The Sub-Fund will not enter into cross currency hedging transactions.

#### *Risk management process*

The Manager will employ a risk management process which will enable it to monitor and measure the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Manager will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk

management process has been submitted to the Central Bank. The Manager will provide on request to Unitholders supplementary information relating to the risk management methods employed by the Manager including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

## **9. Investment Restrictions**

In addition to the investment restrictions as disclosed on page 20 of the Prospectus of the Fund under the Section "The Fund" under the heading "Investment and Borrowing Restrictions", the following investment restrictions shall apply to the Sub-Fund:

- (a) the Sub-Fund may not invest more than 5% of its net assets in funds offshore to the U.K. that are not certified by the board of the Inland Revenue in the U.K. as a distributing fund for U.K. tax purposes;
- (b) the Sub-Fund may invest up to 10% of its net assets in warrants; and
- (c) the Sub-Fund may not invest more than 10% of its net assets in other open-ended collective investment schemes.

## **10. Distribution Policy**

It is understood that the Fund and each of its Sub-Funds conform to the 'reporting fund' regime and are currently certified as "reporting funds". As reporting funds they will not be required to distribute income. The current requirements and UK tax consequences of the offshore funds regime are summarised in the section entitled "Taxation" in the Prospectus. Dividends, if declared, will normally be declared in June and/or December of each year and will be paid no later than 21 Business Days thereafter.

## **11. Issue of Units**

The initial offer period for all Units in the Sub-Fund has now closed. Units in those classes for which the initial offer period is closed are now offered as set out below under the paragraph "Subsequent Issues" below.

### *Subsequent Issues*

After the initial offer period, the Units shall be issued in respect of each Subscription Day. The issue of such Units shall take place at a price equal to the Net Asset Value per Unit on the relevant Subscription Day.

### *Application Procedure*

The procedures to be followed in applying for Units are set out in the Prospectus under the heading "Administration of the Fund - Application for Units".

## 12. Minimum Subscription and Minimum Holding

Class	Minimum Initial Subscription	Minimum Subscription	Minimum Holding
U.S. Dollar Units	U.S.\$25,000	U.S. \$10,000	U.S. \$10,000
HKD Units	HK\$200,000	HK\$100,000	HK\$100,000

## 13. Redemption of Units

Units may be redeemed on each Dealing Day at the request of a Unitholder at a price per Unit equal to the Net Asset Value per Unit on the relevant Dealing Day. A redemption fee will not be levied in respect of such redemptions.

Further details are set out in the Prospectus under the heading "Administration of the Fund - Redemption of Units".

## 14. Fees

In addition to the general management and fund charges set out in the Prospectus under the heading "Management and Fund Charges - General" the following fees and expenses are payable out of the Sub-Fund.

### *Manager*

The Manager will receive an annual management fee out of the assets of the Sub-Fund at a rate of 1.75% of the Net Asset Value of the U.S. Dollar Units, plus VAT (if any), payable monthly in arrears.

The Manager will receive an annual management fee out of the assets of the Sub-Fund at a rate of 1.75% of the Net Asset Value of the HKD Units, plus VAT (if any), payable monthly in arrears.

The Manager will also be entitled to be repaid all of its Administration Expenses out of the assets of the Sub-Fund which shall include legal fees, couriers' fees and telecommunication costs and expenses.

### *Investment Manager*

The Manager will pay out of its own fee, the fee payable to the Investment Manager.

All reasonable out-of-pocket expenses incurred by the Investment Manager in connection with the ongoing administration and operation of the Sub-Fund will be paid out of the assets of the Sub-Fund.

### *Administrator*

In consideration of the services to be performed by the Administrator hereunder, the Administrator shall be entitled to receive an annual fee (plus any applicable value added tax) from the Sub-Fund not exceeding 0.25% of the Net Asset Value of the Sub-Fund. The fee shall accrue on each Dealing Day and be paid monthly in arrears. The Administrator shall also be entitled to be repaid out of the assets of the Sub-Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Sub-Fund which shall include legal fees, couriers' fees and telecommunication costs and expenses.

### *Trustee*

In consideration of the services to be performed by the Trustee, the Trustee shall be entitled to receive an annual fee payable out of the assets of the Sub-Fund (plus any applicable value added tax) not exceeding 0.10% of the Net Asset Value of the Sub-Fund. The Trustee shall be further entitled to be repaid all of its Disbursements out of the assets of the Sub-Fund, a transaction charge of USD25 per investment trade processed and the fees and transaction charges of any sub-custodian appointed by it which shall be at normal commercial rates. The fee shall accrue on each Dealing Day and be paid monthly in arrears.

### *Subscription Fee*

No subscription fee will be levied in respect of this Sub-Fund.

### *Redemption Fee*

No redemption fee will be levied in respect of this Sub-Fund.

### *General*

The preliminary and organisational expenses and the costs and expenses of and incidental to the offer of Units in the Sub-Fund will be met by the Investment Manager.

## **15. Risk Factors**

The risk factors applicable to the Sub-Fund are set out in the Prospectus under the heading "Risk Factors". In addition, Investors should be aware that investment in the People's Republic of China and/or Hong Kong carries a significant degree of risk. A summary of certain of the risks involved is set out below:-

### **The People's Republic of China**

#### *Political and/or Regulatory Risk*

The value of the Sub-Fund's assets may be affected by political and regulatory uncertainties



such as international and Chinese political developments and changes in governmental policies in areas including taxation, foreign investment, currency repatriation, currency fluctuation and foreign exchange control. In addition, there is a greater degree of governmental involvement in and control over the economy in mainland China than in more developed markets. The Chinese Government exerts considerable influence on the development of the Chinese stock market. From time to time, official measures may be taken that affect listed companies and their market prices in China and overseas (such as measures discussed in the third paragraph under the heading of “Developmental State of the Chinese Stock Markets” below).

The fiscal and monetary system of China is underdeveloped relative to Western countries and this may affect the stability of the economy and its financial markets.

#### *Legal and/or Accounting Risk*

The legal system in mainland China is still in a developmental stage. Although a legal framework is in place to govern companies and the securities markets, the interpretation and enforcement of laws involve significant uncertainty. It should be noted that the legal infrastructure and accounting, auditing and reporting standards in China and other markets in which the Sub-Fund may invest may not provide the same degree of investor protection or information to investors as would generally apply in more developed countries. In particular, the laws governing insolvency and shareholder protection in mainland China are significantly less developed than in established jurisdictions.

#### *Liquidity Risk*

The substantially smaller size and lower trading volumes of the markets for Chinese equity and debt securities compared to equity and debt securities in companies on more developed securities markets may result in a potential lack of liquidity and increased volatility.

This may affect the price at which the Sub-Fund may liquidate positions to meet redemption requests or other funding requirements. In particular, investors should expect that investment in Chinese companies registered with the SSE and the SZSE may be highly volatile.

#### *Market Risk*

Investors should be aware of the risks associated with investing in emerging markets such as mainland China. The securities of companies in which the Sub-Fund may invest are exposed to the risks of high rates of inflation, high interest rates, currency depreciation and fluctuation and also changes in taxation legislation and interpretation that may affect the Sub-Fund's income and the value of investments.

Specifically, investors should be aware that the Chinese economy is in transition from a centrally planned economy to a more market-oriented economy. Over the course of the past two decades and following China's accession to WTO in December 2001, the PRC government has been reforming the economic and political systems of the PRC, and these

reforms are expected to continue. However, it is likely that the reform will continue to be uneven across regions and industry sectors. There is no assurance that all of the companies whose securities are held by the Sub-Fund will benefit consistently from such reforms, that economic activity will continue to grow at recent rates or that the economic policies adopted by the Chinese government will be conducive to long-term economic growth. In addition, China's accession to WTO and the gradual opening of the markets will result in increased competition, which may have an adverse effect on the performance of these companies.

Many of the PRC economic reforms are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment.

#### *PRC Tax*

As a result of investing in securities of Chinese companies, the Sub-Fund may be subject to withholding and other taxes imposed by the PRC government. Under the prevailing PRC tax policy, there are certain tax incentives available to foreign investment. There can be no assurance, however, that the aforesaid tax incentives will not be abolished in the future.

Investors should be aware that changes in the PRC taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments of the Sub-Fund. Laws governing taxation will also continue to change and may contain conflicts and ambiguities.

It is possible that the current tax laws, regulations and practice in the PRC will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher or lower taxation on PRC investments than currently contemplated. Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in the PRC will be changed with retrospective effect in the future and any such change may have either an adverse or a positive effect on the asset value of the Sub-Fund. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in the PRC which the Sub-Fund may invest in, thereby reducing the income from, and/or value of, the Units. Investors may be advantaged or disadvantaged on the final rules of the relevant PRC tax authorities, the level of tax provision accrued by the Sub-Fund and the date when they subscribed and/or redeemed their Units in/from the Sub-Fund. Investors should refer to the section entitled "Taxation – People's Republic of China" in the Prospectus for further information.

#### *Developmental State of the Chinese Stock Markets*

Chinese companies generally issue "A", "B" or "H" shares. A-shares are securities that are listed and traded on the SSE and/or the SZE and are denominated and traded in Renminbi. The Shenzhen and Shanghai stock markets were established in April, 1991 and July, 1991

respectively and should be regarded as developing stock markets. There can be no assurance that the stock markets will develop rapidly in terms of the numbers of listed companies, trading volumes and total market capitalization. The Shenzhen and Shanghai stock markets may be subject to periods of high price volatility, illiquidity, settlement problems and changes in government policy or regulation.

B-shares are securities of Chinese companies that are listed and traded on the SSE and/or the SZE. Unlike A-shares, B-shares are denominated in Renminbi but traded in U.S. Dollars or H.K. Dollars. H-shares are securities of Chinese companies that are listed and traded on the Hong Kong Stock Exchange, and denominated in Renminbi but traded in H.K. Dollars. The number of B-share listings and H-share listings is very limited and, together, the B and H-shares make up a small percentage of the total capitalisation of the Chinese equity market. These factors can make the B and H-shares more volatile and less liquid than A-shares.

The Chinese government has issued rules allowing QFIIs and RQFIIs to invest in A-shares, government bonds, convertible bonds, corporate bonds that are listed on the stock exchanges in the PRC and other financial instruments approved by the China Securities Regulatory Commission. The Sub-Fund is not a QFII or an RQFII and will not meet the qualification requirements in order to invest in such instruments as a QFII or an RQFII. As set out above in the section entitled "Investment Policy", however, it may invest in the A-share market either directly through the Connect Scheme or indirectly by purchasing Equity Linked Securities. Indirect investments in A-share markets will usually be made in US Dollars and not in Renminbi. The Sub-Fund will be exposed to many fluctuations in the exchange rate between U.S. Dollars and Renminbi.

#### *Accuracy of Information*

Whilst reasonable care has been taken to check the accuracy of the information contained in this Prospectus, the quality and limited availability of official data published by the PRC government and government agencies and information on PRC businesses and industries are generally not equivalent to that of more developed countries. Given the inherent uncertainty of the source material, investors should be aware that the accuracy and completeness of statistical data and other factual statements relevant to the PRC contained in this Prospectus, including information concerning actual and proposed macro-economic, fiscal, legal and other matters, cannot be guaranteed.

#### *Currency Risk*

The Net Asset Value per Unit will be computed in U.S. Dollars, whereas the Sub-Fund will invest most of its assets in securities denominated in Renminbi or H.K. Dollars or convertible into securities denominated in Renminbi or H.K. Dollars. The Net Asset Value of the Sub-Fund as expressed in U.S. Dollars will fluctuate in accordance with the changes in the foreign exchange rate between the U.S. Dollar and the Renminbi/H.K. Dollar. It may not be possible or practicable to hedge against the consequent currency risk exposure and in certain instances the Sub-Fund may not hedge against such risk. It is not the present intention of the Sub-Fund to hedge the currency exposure of the Sub-Fund but the Sub-Fund reserves the

right to do so in the future if it is desirable or practicable.

The value of Renminbi against the U.S. Dollar or any other foreign currency may fluctuate and is affected by, among other things, changes in the political and economic conditions of the PRC. Renminbi can be converted into the U.S. Dollar or any other foreign currency based on the rates set by The People's Bank of China. There can be no assurance that the value of the Renminbi against the U.S. Dollar or any other foreign currency is on any appreciation trend. Further, any revaluation of the Renminbi may adversely affect the value of, and the dividends payable on, securities held by the Sub-Fund.

#### *Custody Risk in respect of Chinese Securities*

The custodial and/or settlement systems of some of the Chinese markets or exchanges on which the Sub-Fund may invest may not be fully developed, and therefore the assets of a Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks in circumstances whereby the Custodian will have no liability. Such risks include (but are not limited to): (a) a non-true delivery versus payment settlement; (b) a physical market, and as a consequence the circulation of forged securities; (c) poor information in regards to corporate actions; (d) registration process that impacts the availability of the securities; (e) lack of appropriate legal/fiscal infrastructure devices; and (f) lack of compensation/risk fund with the central depository.

As mentioned above, custodians or sub-custodians may be appointed in local markets for the purpose of safekeeping assets in those markets. Where the Sub-Fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of the Sub-Fund may be exposed to custodial risk. For example, in case of the liquidation, bankruptcy or insolvency of a custodian or sub-custodian, the Sub-Fund may take a longer time to recover its assets. In circumstances such as the retroactive application of legislation of and fraud or improper registration of title, the Sub-Fund may even be unable to recover all of its assets. The costs borne by the Sub-Fund in investing and holding investments in such markets will be generally higher than in organized securities markets.

#### **Risks associated with the Connect Scheme**

##### *China Connect Securities*

There can be no assurance that an active trading market for such China Connect Securities will develop or be maintained. If spreads on China Connect Securities are wide, this may adversely affect the Sub-Fund's ability to dispose of China Connect Securities at the desired price. If the Sub-Fund needs to sell China Connect Securities at a time when no active market for them exists, the price it receives for its China Connect Securities - assuming it is able to sell them - is likely to be lower than the price received if an active market did exist, and thus the performance of the Sub-Fund may be adversely affected depending on the Sub-Fund's size of investment in China Connect Securities through the Connect Scheme.

### *Quota Limitations*

The Connect Scheme is subject to quota limitations which may restrict the Sub-Fund's ability to invest in A-shares through the Connect Scheme on a timely basis and as a result, the Sub-Fund's ability to access the A-share market (and hence to pursue its investment strategy) may be adversely affected.

Trading under the Connect Scheme is subject to the Daily Quota. The Daily Quota may change and consequently affect the number of permitted buy trades on the Northbound Trading Link.

The Sub-Fund does not have exclusive use of the Daily Quota and such quotas are utilized on a "first come – first served" basis. The Daily Quota will apply on a "net buy" basis. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call auction session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the Daily Quota balance). Therefore, quota limitations may restrict the Sub-Fund's ability to invest in or dispose of China Connect Securities through the Connect Scheme on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategies depending on the Sub-Fund's size of investment in China Connect Securities through the Connect Scheme.

### *Clearing and Settlement Risk*

The HKSCC and ChinaClear have established the clearing links and each becomes a participant of each other to facilitate clearing and settlement of cross-border trades. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

China Connect Securities invested via the Northbound Trading Link will be recorded in the shareholders register held by ChinaClear. HKSCC will become a direct participant in ChinaClear and China Connect Securities acquired by investors including the Sub-Fund through Northbound Trading will be:

- a) recorded in the name of HKSCC in the nominee securities account opened by HKSCC with ChinaClear and HKSCC will be nominee holder of such China Connect Securities; and
- b) held under the depository arrangements of ChinaClear and HKSCC will be recognized as the registered holder of such China Connect Securities.

HKSCC will record interests in such China Connect Securities in the CCASS stock account of the relevant CCASS participant. The Sub-Fund's rights and interests in China Connect Securities will be exercised through HKSCC exercising its rights as the nominee holder of China Connect Securities credited to HKSCC's omnibus account with ChinaClear. The relevant measures and rules in relation to the Connect Scheme generally provide for the

concept of a “nominee holder” and recognise the investors including the Sub-Fund as the “beneficial owners” of China Connect Securities.

However, the precise nature and rights of an investor as the beneficial owner of China Connect Securities through HKSCC as nominee is less well defined under PRC law. There is lack of a clear definition of, and distinction between, “legal ownership” and “beneficial ownership” under PRC law. Therefore, the Sub-Fund’s assets held by HKSCC as nominee (via any relevant brokers’ or custodians’ accounts in CCASS) may not be as well protected as they would be if it were possible for them to be registered and held solely in the name of the Sub-Fund.

In connection to this, in the event of a default, insolvency or bankruptcy of a custodian or broker, the Sub-Fund may be delayed or prevented from recovering its assets from the custodian or broker, or its estate, and may have only a general unsecured claim against the custodian or broker for those assets.

In the remote event of any settlement default by HKSCC, and a failure by HKSCC to designate securities or sufficient securities in an amount equal to the default such that there is a shortfall of securities to settle any China Connect Securities trades, ChinaClear may deduct the amount of that shortfall from HKSCC's omnibus account with ChinaClear, such that the Sub-Fund may share in any such shortfall.

As previously discussed, HKSCC is the nominee holder of the China Connect Securities acquired by investors. As a result, in the remote event of a bankruptcy or liquidation of HKSCC, the China Connect Securities may not be regarded as the general assets of HKSCC under the laws of Hong Kong, and will not be available to the general creditors of HKSCC on its insolvency. In addition, as a Hong Kong incorporated company, any insolvency or bankruptcy proceedings against HKSCC will be initiated in Hong Kong and be subject to Hong Kong law. In such circumstances, ChinaClear and the courts of mainland China will regard the liquidator of HKSCC appointed under Hong Kong law as the entity with the power to deal with the China Connect Securities in place of HKSCC.

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

#### *No Protection by Hong Kong Investor Compensation Fund*

The Sub-Fund’s investments through the Connect Scheme will not be covered by Hong Kong’s Investor Compensation Fund. Therefore, the Sub-Fund is exposed to the risks of default of the broker(s) it engages in its trading in China Connect Securities through the Connect Scheme.

### *Short Swing Profit Rule*

According to the PRC Securities Law, a shareholder of 5% or more of the total issued shares of a PRC listed company (“major shareholder”) has to return any profits obtained from the purchase and sale of shares of such PRC listed company if both transactions occur within a six-month period. In the unlikely event that the Fund or the Sub-Fund becomes a major shareholder of a PRC listed company by investing in China Connect Securities via the Connect Scheme, the profits that the Sub-Fund may derive from such investments may be limited, and thus the performance of the Fund and the Sub-Fund may be adversely affected depending on the Sub-Fund’s size of investment in China Connect Securities through the Connect Scheme.

### *Participation in Corporate Actions and Shareholders’ Meetings*

HKSCC will keep CCASS participants informed of corporate actions of China Connect Securities. Hong Kong and overseas investors (including the Sub-Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of China Connect Securities may be as short as one business day only. Therefore, the Sub-Fund may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the Sub-Fund) may hold China Connect Securities traded via the Connect Scheme through their brokers or custodians. Where the appointment of proxy/multiple proxies by a shareholder is prohibited by the articles of association of the China Connect Securities, the Sub-Fund may not be able to appoint proxy/multiple proxies to attend or participate in shareholders’ meetings in respect of China Connect Securities.

### *Operational Risk*

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

Market participants generally have configured and adapted their operational and technical systems for the purpose of trading A-shares through the Connect Scheme. However, it should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the “connectivity” in the Connect Scheme requires routing of orders across the border of Hong Kong and the PRC. SEHK has set up an order routing system (“China Stock Connect System”) to capture, consolidate and route the cross-boundary orders input by exchange participants. There is no assurance that the systems of the SEHK and market participants will

function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in China Connect Securities through the Connect Scheme could be disrupted. The Sub-Fund's ability to access the A-share market (and hence to pursue its investment strategy) may be adversely affected depending on the Sub-Fund's size of investment in China Connect Securities through the Connect Scheme.

#### *Regulatory Risk and Other China Specific Investment Requirements*

Any investments of the Sub-Fund through the Connect Scheme will be subject to rules and regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong as well as other regulations applicable to the Connect Scheme including but not limited to trading restrictions, disclosure requirements and foreign ownership limits. In particular, Investments in China Connect Securities through the Connect Scheme are subject to the following shareholding restrictions:

- Single foreign investors' shareholding by any Hong Kong or overseas investor (such as the Sub-Fund) in a China Connect Security must not exceed 10% of the total issued shares; and
- Aggregate foreign investors' shareholding by all Hong Kong and overseas investors (such as the Sub-Fund) in a China Connect Security must not exceed 30% of the total issued shares.

When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the "Measures for the Administration of Strategic Investment of Foreign Investors in Listed Companies", the shareholding of the strategic investments is not capped by the above-mentioned percentages.

Should the shareholding of a single investor in a A-share listed company exceed the above restriction, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. The SSE and the SEHK will issue warnings or restrict the buy orders for the related A-shares if the percentage of total shareholding is approaching the upper limit.)

As there are limits on the total shares held by all underlying foreign investors in one listed company in the PRC, the capacity of the Sub-Fund to make investments in A-shares will be affected by the activities of all underlying foreign investors investing through the Connect Scheme.

Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Connect Scheme, which may affect the Sub-Fund's investments in China Connect Securities.

The rules and regulations, in connection with the Connect Scheme, including the taxation of transactions involving China Connect Securities (see the section entitled "PRC Tax" above),



are subject to change which may have potential retrospective effect. There can be no assurance that the Connect Scheme will not be abolished. The Sub-Fund, which may invest in the PRC markets through the Connect Scheme, may be adversely affected as a result of such changes.

#### *Risk of Suspension*

Each of SEHK, SSE and SZSE reserves the right to suspend the Northbound Trading Link and/or Southbound Trading Link if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound Trading Link is effected, the Sub-Fund's ability to access the PRC market will be adversely affected.

#### *Front-End Monitoring*

PRC regulations require that before an investor sells any shares, there should be sufficient shares in the investor's account; otherwise SSE or SZSE will reject the sell order concerned.

SEHK will carry out pre-trade checking on China Connect Securities sell orders of its exchange participants (i.e. the stock brokers) to ensure there is no over-selling. If the Sub-Fund desires to sell China Connect Securities it holds, it will be required to transfer those China Connect Securities to the respective accounts of its brokers before the market opens on the day of selling ("trading day") unless its brokers can otherwise confirm that the Sub-Fund has sufficient shares in its account. If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, the Sub-Fund may not be able to dispose of its holdings of China Connect Securities in a timely manner.

Alternatively, if the Sub-Fund maintains its China Connect Securities with a custodian which is a custodian participant or general clearing participant participating in CCASS, the Sub-Fund may request such custodian to open a special segregated account ("SPSA") in CCASS to maintain its holdings in China Connect Securities under the enhanced pre-trade checking model. Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating the China Stock Connect System to verify the holdings of an investor such as a Sub-Fund. Provided that there is sufficient holding in the SPSA when a broker inputs the Sub-Fund's sell order, the Sub-Fund will only need to transfer China Connect Securities from its SPSA to its broker's account after execution and not before placing the sell order and the Sub-Fund will not be subject to the risk of being unable to dispose of its holdings of China Connect Securities in a timely manner due to failure to transfer China Connect Securities to its brokers in a timely manner.

#### *Differences in Trading Day*

The Connect Scheme only operates on days when both the PRC and the Hong Kong stock markets are open for trading and when banks in both markets are open on the corresponding settlement days. It is therefore possible that there are occasions when it is a normal trading day for the PRC stock markets the Sub-Fund cannot carry out any trading of the China

Connect Securities. The Sub-Fund may be subject to a risk of price fluctuations in China Connect Securities during the time when the Connect Scheme is not trading as a result.

#### *Recalling of Eligible Stocks*

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

#### *Risks associated with the Small and Medium Enterprise Board of the SZSE ("SME Board") and/or the ChiNext Board*

The Sub-Fund investing through the Connect Scheme may invest in the SME Board and/or the ChiNext Board via the Shenzhen-Hong Kong Stock Connect scheme. Investments in the SME board and/or ChiNext Board may result in significant losses for the Sub-Fund and its investors. The following additional risks apply:

*Higher fluctuation on stock prices* - Listed companies on the SME Board and/or ChiNext Board are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the Main Board of the SZSE ("Main Board").

*Over-valuation risk* - Stocks listed on SME Board and/or ChiNext Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

*Differences in regulation* - The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those in the Main Board and SME Board.

*Delisting risk* - It may be more common and faster for companies listed on the SME Board and/or ChiNext Board to delist. This may have an adverse impact on the Sub-Fund if the companies that it invests in are delisted.

Investments in the SME Board and/or ChiNext Board may result in significant losses for the Fund and its investors.

#### *Risk associated with small-capitalisation / mid-capitalisation companies*

The stocks of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

### **Hong Kong Special Administrative Region**

### *Economic, political and legal developments*

Part of the Sub-Fund's investments may be made in Hong Kong. Accordingly, the Sub-Fund's operational results, financial position and prospects could be affected by economic, political and legal developments in Hong Kong. From 1st July, 1997, Hong Kong became a special administrative region of the PRC when the PRC resumed the exercise of sovereignty over Hong Kong. The basic policies of the PRC regarding Hong Kong are embodied in the "Basic Law", which provides that Hong Kong shall have a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication under the principle of "one country, two systems". However, there is no assurance that economic, political and legal developments in Hong Kong will not be adversely affected as a result of the exercise of sovereignty by the PRC over Hong Kong. If there are any material adverse changes in the general economic, political and legal development in Hong Kong, the Sub-Fund's results of operation and financial position may be adversely affected.

### *Devaluation of the H.K. Dollar*

The H.K. Dollar has been pegged to the U.S. Dollar since 1983. The Government has repeatedly reaffirmed its commitment to this pegged exchange rate system. However, in the event this policy were to be changed, there would be a risk that the H.K. Dollar would be devalued which would increase the H.K. Dollar cost of the Sub-Fund's foreign currency capital expenditures.

**ATLANTIS CHINA HEALTHCARE FUND**  
**SUPPLEMENT DATED 28 NOVEMBER, 2023 TO THE PROSPECTUS DATED 28 NOVEMBER,**  
**2023 FOR ATLANTIS INTERNATIONAL UMBRELLA FUND**

This Supplement contains specific information in relation to the Atlantis China Healthcare Fund (the "Sub-Fund"), a sub-fund of Atlantis International Umbrella Fund (the "Fund") an open-ended umbrella unit trust established as a UCITS pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011), as amended.

This Supplement forms part of the Prospectus dated 28 November, 2023 for the Fund and should be read in conjunction with the Prospectus which is available from the Administrator at George's Court, 54-62 Townsend Street, Dublin 2, Ireland.

The Directors of the Manager of the Fund, whose names appear in the Prospectus under the heading "Management of the Fund", 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) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. An investment in the Sub-Fund should be viewed as medium to long term. The Net Asset Value of the Sub-Fund is likely to be highly volatile.**

**1. Units**

U.S. Dollar Units and HKD Units are available in the Sub-Fund for subscription.

**2. Base Currency**

U.S. Dollars.

The denominated currency of each Class is as follows:

- (a) U.S. Dollar Units shall be denominated in U.S. Dollar.
- (b) HKD Units shall be denominated in HKD.

**3. Business Day, Dealing Day, Subscription Day, Redemption Day and Valuation Point**

A Business Day means any day (except Saturday and Sunday and such other days as the Manager may determine) on which banks are open for business in Dublin, London, Shanghai and Hong Kong.

A Dealing Day means any Subscription Day or Redemption Day.

A Subscription Day means each Business Day, or such other day or days as the Manager may from time to time determine and notify in advance to investors provided that there shall be at least one Subscription Day per fortnight.

A Redemption Day means the first and fifteenth calendar day of each calendar month, or if such a day is not a Business Day then the next subsequent Business Day shall be a Redemption Day, or such other day or days as the Manager may from time to time determine and notify in advance to investors provided that there shall be at least one Redemption Day per fortnight.

The Valuation Point is 12.00 noon (Irish time) on each Dealing Day.

#### **4. Investment Adviser**

An Investment Adviser has not been appointed in respect of the Sub-Fund.

#### **5. Profile of a Typical Investor**

The Sub-Fund is suitable for investors who can afford to set aside the invested capital for the medium to long term and who are prepared to accept a high level of volatility.

#### **6. Investment Objective and Policies**

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

The Sub-Fund will invest principally in securities issued by companies listed on Recognised Exchanges in Hong Kong, the People's Republic of China, Singapore, the United States and the United Kingdom principally engaged in pharmaceutical, bio-technology, medical devices, healthcare providers and ownership or management of hospitals/nursing homes, health maintenance organizations in the People's Republic of China, or in other health related industries (such as environmental protection which includes water treatment and waste management) in the People's Republic of China. Such securities will include Equity Securities, equity-related securities (such as preference shares, warrants, or convertible bonds), American Depositary Receipts, Global Depositary Receipts, debt securities (such as debentures, fixed or floating rate corporate or sovereign notes and bonds) of investment grade or below investment grade and money market instruments (such as treasury bills, certificates of deposit, commercial paper and bankers acceptances). For the avoidance of doubt, the Sub-Fund will not invest in other open-ended collective investment schemes.

In any event, the Sub-Fund will at all times invest more than 50% of its net asset value directly in Equity Securities.

The Sub-Fund may invest in and have direct access to A-shares listed on the Shanghai Stock Exchange via the Shanghai-Hong Kong Stock Connect scheme and/or the Shenzhen Stock Exchange via the Shenzhen-Hong Kong Stock Connect scheme (as further described in the

sub-section headed “Stock Connect Scheme” below). Exposure to A-shares through the Connect Schemes will not be more than 50% of the Fund’s Net Asset Value.

Subject to the Equity Securities quota stipulated above, the Sub-Fund may also invest in other equities or equity-related securities (such as preference shares, warrants, or convertible bonds), American Depositary Receipts, Global Depositary Receipts, investment grade or below investment grade debt securities (including debentures, fixed or floating sovereign or corporate notes (with a minimum term of one year)), money market instruments (such as treasury bills, certificates of deposit, commercial paper and bankers acceptances), cash and in Real Estate Investment Trusts (REITs) which are listed on the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Singapore Stock Exchange or on the Hong Kong Stock Exchange provided that they do not affect the ability of the Sub-Fund to meet its liquidity obligations in accordance with Regulation 104 of the UCITS Regulations, 2011. The percentage of such holdings (namely investments in equities or equity-related securities, American Depositary Receipts, Global Depositary Receipts, investment grade or below investment grade debt securities, money market instruments, cash and in Real Estate Investment Trusts (REITs)) may increase to significant levels and in some cases up to 50% of the Sub-Fund’s Net Asset Value where market or other factors so warrant (particularly in the event of falling markets). Such securities will be listed on Recognised Exchanges worldwide.

The Sub-Fund may invest indirectly in the A-share market by purchasing Equity Linked Securities. Such Equity Linked Securities will constitute transferable securities which will be listed, traded or dealt on a Recognised Exchange or, unlisted securities. In the case of unlisted securities, such investment shall not exceed 10% of the Sub-Fund’s Net Asset Value. They will be securitised and will not be leveraged. Equity Linked Securities must be exercisable at any time over the life of the instrument, be cash settled and the underlying equity must be one which the Sub-Fund may invest in directly pursuant to the UCITS Regulations. Such indirect investments will usually be made in U.S. Dollars and not in Renminbi.

#### *Stock Connect Scheme*

The Sub-Fund may invest in A-shares through the Connect Scheme.

The Shanghai-Hong Kong Stock Connect scheme is a securities trading and clearing links program developed by HKEx, SSE and ChinaClear and the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEx, SZSE and ChinaClear. The aim of the Connect Scheme is to achieve mutual stock market access between mainland China and Hong Kong.

The Shanghai-Hong Kong Stock Connect scheme enables Hong Kong and overseas investors (including the Fund) to invest in certain eligible A-shares listed on the SSE (“SSE Securities”) through their Hong Kong brokers and a securities trading service company established by The Stock Exchange of Hong Kong Limited (“SEHK”), under the Northbound Trading Link, subject to the rules of the Shanghai-Hong Kong Stock Connect scheme.

The Shenzhen-Hong Kong Stock Connect scheme enables Hong Kong and overseas investors (including the Fund) to invest in certain eligible A-shares listed on the SZSE (“SZSE Securities”) through their Hong Kong brokers and a securities trading service company established by SEHK under the Northbound Trading Link, subject to the rules of the Shenzhen-Hong Kong Stock Connect scheme.

The stock exchanges of the two jurisdictions continue to issue details of Connect Scheme, e.g. operational rules, from time to time.

#### Eligible Securities

##### (i) Shanghai-Hong Kong Stock Connect scheme

SSE Securities, as of the date of this Supplement include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed A-shares that are not included as constituent stocks of the relevant indices but which have corresponding H-shares listed on SEHK, except the following:

- (a) SSE-listed shares which are not traded in Renminbi (“RMB”); and
- (b) SSE-listed shares which are included in the “risk alert board” (as described in the listing rules of the SSE).

##### (ii) Shenzhen-Hong Kong Stock Connect scheme

SZSE Securities, as of the date of this Supplement, include all the constituent stocks from time to time of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which have a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed A-shares which have corresponding H-Shares listed on SEHK, except the following:

- (a) SZSE-listed shares which are not traded in RMB; and
- (b) SZSE-listed shares which are included in the “risk alert board” or under delisting arrangement.

At the initial stage of the Shenzhen-Hong Kong Stock Connect scheme, investors eligible to trade shares that are listed on the ChiNext Board of the SZSE (“ChiNext Board”) under Northbound trading will be limited to institutional professional investors (which the Fund will qualify as such) as defined in the relevant Hong Kong rules and regulations.

It is expected that the list of eligible securities will be subject to review.

#### Trading Quota

Trading under the Shanghai-Hong Kong Stock Connect scheme and the Shenzhen-Hong Kong Stock Connect scheme is subject to a daily quota (“Daily Quota”). Northbound Shanghai Trading Link under the Shanghai-Hong Kong Stock Connect scheme, Northbound Shenzhen Trading Link under the Shenzhen-Hong Kong Stock Connect scheme, Southbound

Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect scheme and Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect are respectively subject to a separate Daily Quota.

The Daily Quota limits the maximum net buy value of cross-boundary trades under each of the Shanghai-Hong Kong Stock Connect scheme and the Shenzhen-Hong Kong Stock Connect scheme each day. The Northbound Daily Quota is currently set at RMB13 billion for each of the Shanghai-Hong Kong Stock Connect scheme and the Shenzhen-Hong Kong Stock Connect scheme.

The Daily Quota may be increased or reduced subject to the review and approval by the relevant PRC regulators from time to time.

SEHK monitors the quota and publishes the remaining balance of the Northbound Daily Quota at scheduled times on the HKEx's website.

#### Settlement and Custody

Under the Connect Scheme, The Hong Kong Securities Clearing Company Limited ("HKSCC"), a wholly-owned subsidiary of HKEx, is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The A-shares traded through the Connect Scheme are issued in scripless form, so investors will not hold any physical A-shares. Hong Kong and overseas investors who have acquired SSE Securities or SZSE Securities through Northbound trading should maintain the SSE Securities or SZSE Securities ("China Connect Securities") with their brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

#### Corporate Actions and Shareholders' Meetings

Notwithstanding the fact that HKSCC does not claim proprietary interests in the China Connect Securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such China Connect Securities.

HKSCC will monitor the corporate actions affecting China Connect Securities and keep the relevant brokers or custodians participating in CCASS ("CCASS participants") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

SSE-/SZSE-listed companies usually announce their annual general meeting/extraordinary general meeting information about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise CCASS participants of all general meeting details such as meeting date, time, venue and the number of resolutions.



## Currency

Hong Kong and overseas investors will trade and settle China Connect Securities in RMB only. Hence, the Sub-Fund will need to use RMB to trade and settle China Connect Securities.

## Investor Compensation

The Sub-Fund's investments through Northbound trading under the Connect Scheme will not be covered by Hong Kong's Investor Compensation Fund.

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound trading via the Connect Scheme do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund.

On the other hand, since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, they are not protected by the China Securities Investor Protection Fund in the PRC.

Further information about the Connect Scheme is available online at:

<http://www.hkex.com.hk/eng/csm/chinaConnect.asp?LangCode=en>

The Sub-Fund shall be allowed to trade China Connect Securities listed on the SSE through the Northbound Trading Link of the Connect Scheme, subject to applicable rules and regulations issued from time to time.

In addition to those risk factors set out in relation to PRC investment a number of the key risks of investing in China Connect Securities via the Connect Scheme are set out in the section entitled "Risk Factors" below.

The total gross long position is not expected to exceed 110% of the Net Asset Value of the Sub-Fund and the total gross short position is not expected to exceed 0% of the Net Asset Value of the Sub-Fund.

## *Investment Strategy*

The Sub-Fund employs a qualitative, long-only equity strategy which comprises a majority of the invested portfolio (i.e. excluding cash) allocated to core holdings and the remainder being invested in shorter term trading positions. Equity positions are established either directly through investment in stocks or indirectly by means of Equity Linked Securities.

### *Core Equity Exposure*

For its core equity exposure, the Sub-Fund will seek exposure over a two to five year investment horizon to companies of any capitalisation deriving a substantial proportion of their revenues from healthcare or healthcare related industries in China (“**Chinese healthcare stocks**”). The Sub-Fund employs a strategy which will allocate via a top-down approach for sector allocation and a bottom-up approach to the selection of particular companies, as follows:

- 1) Top-down: the portfolio manager seeks to identify those healthcare sub-sectors that will benefit most from the support of the Chinese government over the next two to five years.
- 2) Bottom-up: within each sub-sector, the portfolio manager seeks to identify companies which have the potential to become future industry leaders based on their exhibiting a number of the following traits relative to their sector peers:
  - a) Niche product positions;
  - b) A strong balance sheet with positive cash flow;
  - c) Stable top management with a track record in excess of three years;
  - d) Attractive valuation multiples; and
  - e) Sustainable dividend payments.

### *Trading Positions*

In the remainder of the invested portfolio, the Sub-Fund employs a process of fundamental analysis to identify Chinese healthcare companies of any capitalisation that do not necessarily conform to the above traits but which offer attractive valuations within a shorter term investment horizon, for example where a catalyst is foreseen in the next 12 months that has not yet been priced-in by the market.

### *Benchmark*

The Sub-Fund is considered to be actively managed in reference to the Hang Seng Healthcare Index (the “Benchmark”) by virtue of the fact that it uses the Benchmark for performance comparison purposes. Certain of the Sub-Fund’s securities may be components of and may have similar weightings to the Benchmark. However the Benchmark is not used to define the portfolio composition of the Sub-Fund or as a performance target and the Sub-Fund may be wholly invested in securities which are not constituents of the Benchmark. The Benchmark is a free float-adjusted market-capitalization-weighted stock-market index in Hong Kong. The Benchmark aims to reflect the overall performance of stocks listed in Hong Kong that are related to healthcare businesses. The number of constituent stocks is variable and there is no limit on the number of constituents.

## **7. Integration of Sustainability Risk**

Pursuant to the SFDR, the Sub-Fund is required to disclose the manner in which Sustainability Risks are integrated into the investment decisions of the Sub-Fund and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Sub-Fund.

The Sub-Fund could be exposed to some Sustainability Risks, which may differ depending on the specific investments in which the Sub-Fund invests in accordance with its investment policy. In particular, some companies, markets and sectors may have greater exposure to Sustainability Risks than others.

Consideration of these Sustainability Risks are integrated alongside other risks into the Investment Manager's investment process, decision making and risk monitoring to the extent that they are considered to represent potential or actual material risk and/or opportunities to maximise the long-term risk-adjusted returns. Sustainability Risks are assessed and monitored on an investment by investment basis by the Investment Manager's in-house research team with the support of an exclusion list provided by an external ESG specialist. This assessment then feeds into the broader investment process that leads to equity selection for the Sub-Fund.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

The Manager is not involved in the investment decision-making process but carries out independent oversight of the investment process and of investment decisions made for the Sub-Fund.

## **8. Efficient Portfolio Management**

Efficient portfolio management transactions relating to the assets of the Sub-Fund may be entered into by the Investment Manager with one of the following aims:- (a) a reduction of risk, (b) a reduction of cost, or (c) the generation of additional capital or income for the Sub-Fund with a level of risk consistent with the risk profile of the Sub-Fund and the diversification requirements in accordance with the investment restrictions of the Sub-Fund. In relation to efficient portfolio management operations the Investment Manager will look to ensure that the transaction is economically appropriate. Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of transferable securities held on behalf of the Sub-Fund.

In relation to efficient portfolio management operations, the Investment Manager will look to ensure that the transaction is economically appropriate. These Financial derivative instruments and/or techniques and instruments entered into for this purpose include, but are not limited to, futures, forwards, options, swaps, warrants, stocklending arrangements,

repurchase/reverse repurchase agreements and forward currency contracts. Although the use of derivatives (whether for hedging and/or for investment purposes) may give rise to an additional leveraged exposure, the global exposure of the Sub-Fund to derivatives will not exceed 100% of its Net Asset Value.

The Sub-Fund will use the commitment approach which is one of the two methods permitted under the UCITS Regulations to meet the requirement of the UCITS Regulations to accurately measure, monitor and manage the exposure produced by the use of derivatives. The commitment approach is calculated by converting the derivative position into the equivalent position in the underlying asset, based on the market value of the underlying asset or the market value of the contract, as described in the Manager's risk management process. Using the commitment approach, leverage, if any, will be minimal and as noted above, the Sub-Fund will not be leveraged in excess of 100% of its Net Asset Value as a result of the use of derivatives.

#### *Futures*

The Sub-Fund may enter into single stock and index futures contracts in order to hedge against changes in the values of equity securities held by the Sub-Fund or markets to which the Sub-Fund is exposed or to take out hedges against changes in interest or currency rates which may have an impact on a Sub-Fund. The Sub-Fund may also use futures contracts to equitise cash, as a substitute for direct investment where it is more efficient to do so or as a means of gaining exposure to particular securities or markets on a short to medium term basis in advance of making a decision to purchase a particular security or to reallocate assets on a longer term basis. In addition, the Investment Manager may use futures to reduce exposure to a market in advance of raising cash from asset sales to fund redemptions from the Sub-Fund.

In addition, certain markets within the investment universe of the Sub-Fund may be overly concentrated due to the presence of disproportionately highly capitalised issuers in those markets, with the result that a Sub-Fund may have difficulty in maintaining adequate exposure to that market by purchasing transferable securities without breaching its investment limits. The Investment Manager may use index futures to maintain an appropriate level of exposure to such markets.

#### *Forwards*

Forwards may be used for similar purposes as futures. In particular, FX forwards may be used to hedge the currency exposures of securities denominated in a currency other than the base currency of the Sub-Fund and to hedge against changes in interest and currency rates which may have an impact on the Sub-Fund.

#### *Options*

Call options may be used to gain exposure to specific securities and put options may be used to hedge against downside risk. Options may also be purchased to hedge against currency, interest rate and credit spread risk and the Sub-Fund may write covered call options to

generate additional revenues for the Sub-Fund. The Sub-Fund will not write uncovered call or put options.

### *Swaps*

Swaps may also be used to hedge against currency and interest rate risk.

### *Cash management and efficient investing*

In general, the Sub-Fund may also use futures, forwards, options and swaps as an alternative to fully or partly acquiring the underlying or the related securities in any case where such investment may be accomplished in a more efficient or less costly way through the use of derivatives. Such instruments may also be used to maintain exposure to the market while managing the cashflows from subscriptions and redemptions into and out of each Sub-Fund more efficiently than by buying and selling transferable securities.

### *Repurchase agreements, reverse repurchase agreements and/or stock lending agreements*

Subject to the quota for Equity Securities stipulated in Section 6 (“Investment Objectives and Policy”) above and subject to the conditions and limits set out in the Central Bank UCITS Regulations, the Sub-Fund may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements to generate additional income for the Sub-Fund. Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Sub-Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. A stocklending agreement is an agreement under which title to the “loaned” securities is transferred by a “lender” to a “borrower” with the borrower contracting to deliver “equivalent securities” to the lender at a later date.

Repurchase agreements, reverse repurchase agreements and/or stocklending arrangements will only be utilised for efficient portfolio management purposes.

### *Securities Financing Transactions Regulation – General*

The Sub-Fund may engage in SFTs, i.e., repurchase agreements, reverse repurchase agreements and/or stocklending arrangements, within the meaning of EC Regulation 2015/2365 (the “**SFT Regulation**”).

The maximum exposure of the Sub-Fund in respect of SFTs shall be 0.30 times the assets under management of the Sub-Fund. However, the Investment Manager does not anticipate that the exposure of the Sub-Fund to SFTs will exceed 0.15 times the assets under management of the Sub-Fund. The types of assets that will be subject to SFTs will be assets which are of a type which is consistent with the investment policy of the Sub-Fund.

Please see the section entitled “Risk Factors” in the Prospectus for details of the risks involved in these practices, including “Counterparty Risk”, “Legal and Operational Risks Linked to Management of Collateral”, “Stocklending Risk” and “Repurchase Agreement Risk”.

Please see the section entitled “Securities Financing Transactions and Total Return Swaps – Counterparty Procedure” in the Prospectus for details of the criteria used for selecting counterparties to SFTs and “Securities Financing Transactions and Total Return Swaps – Collateral” in respect of any collateral received as a result of SFTs.

#### *Foreign exchange transactions and other currency contracts*

Foreign exchange transactions and other currency contracts may also be used to provide protection against exchange risks in accordance with the requirement of the Central Bank. Such contracts may be used by the Sub-Fund to hedge some or all of the exchange risk/currency risk arising as a result of the fluctuation between the denominated currency of the Sub-Fund and the currencies in which the Sub-Fund's investments are denominated.

The Sub-Fund will not enter into cross currency hedging transactions.

#### *Risk management process*

The Manager will employ a risk management process which will enable it to monitor and measure the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Manager will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to the Central Bank. The Manager will provide on request to Unitholders supplementary information relating to the risk management methods employed by the Manager including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

### **9. Distribution Policy**

It is understood that the Fund and each of its Sub-Funds conform to the ‘reporting fund’ regime and are currently certified as “reporting funds”. As reporting funds they will not be required to distribute income. The current requirements and UK tax consequences of the offshore funds regime are summarised in the section entitled "Taxation" in the Prospectus. Dividends, if declared, will normally be declared in June and/or December of each year and will be paid no later than 21 Business Days thereafter.

### **10. Issue of Units**

The initial offer period for all Units in the Sub-Fund has now closed. Units are now offered as set out below under the paragraph “Subsequent Issues” below.

### *Subsequent Issues*

After the initial offer period, the Units shall be issued in respect of each Subscription Day. The issue of such Units shall take place at a price equal to the Net Asset Value per Unit on the relevant Subscription Day.

### *Application Procedure*

Applications for Units should be made in writing to the Administrator by completing an application form. For initial subscriptions, the original should be sent to the Administrator. For subsequent applications, facsimile copies will be sufficient. Amendments to an investor's registration details and payment instructions shall only be affected upon the receipt of original applications.

Applications received by the Administrator up to 5.00 p.m. (Irish time) on the Business Day immediately preceding the relevant Subscription Day will be dealt with on that day. Applications received after the time aforesaid shall be deemed to be made in respect of the next Subscription Day (subject to the Manager's discretion to accept applications received after 5.00 p.m. (Irish time) but before the Valuation Point). Written confirmation of ownership (entry on the Register) will be issued within two Business Days of dealing. Settlement proceeds should be remitted in cleared funds in the denominated currency of the Sub-Fund (or class, if applicable) by no later than 5.00 p.m. on the fourth Business Day following the relevant Subscription Day. If settlement does not take place within the specified time period, the application for Units may be cancelled.

Further details are set out in the Prospectus under the heading "Administration of the Fund - Application for Units".

## **11. Minimum Subscription and Minimum Holding**

Class	Minimum Initial Subscription	Minimum Subscription	Minimum Holding
U.S. Dollar Units	U.S.\$25,000	U.S. \$10,000	U.S. \$10,000
HKD Units	HK\$200,000	HK\$100,000	HK\$100,000

## **12. Redemption of Units**

Units may be redeemed on each Redemption Day at the request of a Unitholder at a price per Unit equal to the Net Asset Value per Unit on the relevant Redemption Day. A redemption fee will not be levied in respect of such redemptions.

All redemption requests must be received by letter or by facsimile (if payment is to be made to the account of record) by the Administrator at its business addresses no later than 5.00 p.m.

(Irish time) on the Business Day immediately preceding the relevant Redemption Day. Any request received after the time aforesaid shall be deemed to be made in respect of the next Redemption Day (subject to the Manager's discretion to accept applications received after 5.00 p.m. (Irish time) but before the Valuation Point). No redemption payments will be made until the original application form and relevant subscription monies have been received from a Unitholder and all the necessary anti-money laundering checks have been completed. Any amendments to a Unitholder's registration details and payment instructions can only be effected upon receipt of original documentation.

Further details are set out in the Prospectus under the heading "Administration of the Fund - Redemption of Units".

### 13. **Switching**

Applications for the switching of Units may be made in respect of each Redemption Day only. Therefore all references in the Prospectus under the heading "Administration of the Fund – Switching" to a 'Dealing Day', shall mean for the purposes of this Sub-Fund, a reference to 'Redemption Day'.

### 14. **Fees**

In addition to the general management and fund charges set out in the Prospectus under the heading "Management and Fund Charges - General" the following fees and expenses are payable out of the Sub-Fund.

#### *Manager*

The Manager will receive an annual management fee out of the assets of the Sub-Fund at a rate of 1% of the Net Asset Value of the Sub-Fund, plus VAT (if any), payable monthly in arrears.

In addition to the annual fee, the Manager shall receive a performance fee in aggregate equal to 20% of the amount by which the performance of each Unit in the Sub-Fund exceeds the Benchmark Value per Unit (as described further below). The performance fee is payable at the end of the Calculation Period (as defined below), date of a merger (subject to the requirements of the Central Bank), the date of termination of the Trust Deed or such other date on which the Trust or the Sub-Fund may be liquidated (each a "**Payment Date**").

The first calculation period for the purposes of the performance fee will be the period from the Business Day immediately following the closing date of the initial offer period and, subject to a minimum period of twelve months elapsing, ending on 31 December. Each subsequent calculation period will commence on 1 January each year and end on 31 December each year (the "**Calculation Period**").

The performance fee payable will be equal to 20% of x where x equals the Net Asset Value per Unit on the Payment Date less the Benchmark Value per Unit on such Payment Date



multiplied by the weighted average number of Units of the Sub-Fund in issue on Subscription Days in the period since the preceding Payment Date. Such calculation of the performance fee shall be verified by the Trustee and is not open to the possibility of manipulation.

The Benchmark Value per Unit for the purposes of the performance fee calculation means the Net Asset Value per Unit on the previous Payment Date (the “**High Water Mark**”) increased by 5% per annum. For the avoidance of doubt, the percentage increase of 5% per annum shall be applied on a pro rata temporis basis at each Valuation Day. For the purposes of the first calculation of the performance fee, the starting point shall be the initial issue price i.e. the starting point for the value per U.S. Dollar Unit is U.S.\$100 and the starting point for the value per HKD Unit is HK\$100.

In the event that the period between the commencement of the Calculation Period and the next Payment Date is less than one year (subject to and in accordance with the requirements of the Central Bank), the percentage increase for the purposes of calculating the performance fee will be equivalent, over the period, to 5% over one year.

Thus, if the fee as calculated above on a Payment Date, is zero or less, no performance fee is payable on that Payment Date. Furthermore, if the fee as calculated is less than zero, then no performance fee becomes payable until the under-performance has been made good (and future performance has exceeded the Benchmark Value per Unit). The performance fee will be calculated and accrued on a daily basis and the Net Asset Value per Unit will be adjusted to reflect the accrual. Investors whose units are repurchased on a day other than a Payment Date will accordingly receive repurchase proceeds based on a Net Asset Value per Unit calculation reflecting the performance fee accrued on the repurchase date.

The performance fee payable is calculated and subject as provided below paid yearly in arrears, in respect of each Calculation Period. Any Performance Fee due will normally be paid within 30 Business Days following (i) the approval of the annual financial statements which are issued after the end of each Calculation Period, (ii) the date of a merger (subject to the requirements of the Central Bank), (iii) the date of termination of the Trust Deed or (iv) such other date on which the Trust or the Sub-Fund may be liquidated or cease trading.

Where performance fees are payable by the Sub-Fund these will be based on net realised and net unrealised gains and losses on each Payment Date. As a result, performance fees may be paid on unrealised gains which may subsequently never be realised.

The Manager may remit to the Investment Manager some or all of the performance fee received by it.

#### *Examples of how the performance fee will be calculated*

Please note the performance fee model does not allow for performance fees to be charged in cases of negative performance.

In addition, please note that the table below reflects the impact of 1 Unit purchased and the performance fee example assumes that there will no dealing during the Calculation Period (to determine the performance fee payable, the performance fee per Unit is multiplied by the

weighted average number of Units of the Sub-Fund) in issue on Subscription Days in the period since the preceding Payment Date.

Valuation Day	Net Asset Value per Unit at end of Calculation Period (USD)	High Water Mark per Unit (USD)	Hurdle Rate Return expressed "Benchmark Value" (USD)	Excess Return expressed * (USD) "x"	Performance Fee per Unit** (USD) =20% of x	Description of the example
31 December (year one)	1.10	1.00	1.05	0.05	0.01	<p>Performance was positive over the Calculation Period as the Net Asset Value of USD1.10 at end of year one, was higher than the initial issue price of USD1.00</p> <p>In addition, the Net Asset Value is above the High Water Mark of USD1.00 AND there is an Excess Return of USD0.05</p> <p>Therefore, a Performance Fee of USD0.01 (20% of USD0.05) was accrued and paid after annual audit sign-off</p>
31 December (year two)	1.07	1.09	1.1445 (=1.09x1.05)	-0.0745	0	<p>Performance was negative over the Calculation Period as the Net Asset Value of USD1.07 at the end of year two, was below the Net Asset</p>

						Value of USD1.09 at the end of year one  Therefore, no Performance Fee was payable.
31 December (year three)	1.18	1.09	1.2017 (=1.1445*5%)	-0.0217	0	Performance was positive over the Calculation Period as the Net Asset Value of USD1.18 at end of year three was higher than the Net Asset Value of USD1.07 at end of year two  However, the Net Asset Value of USD1.18 was below the Benchmark Value (USD1.1445*5%) , resulting in Excess Return being negative  Therefore, no Performance Fee was accrued
31 December (year four)	1.38	1.09	1.2618 (=1.2017*5%)	0.1182	0.02364	Performance was positive over the Calculation Period as the Net Asset Value of USD1.38 at end of year four was higher than the Net Asset Value of USD1.18 at end of year three  In addition, the Net Asset Value is higher than the

						<p>Benchmark Value with an excess return of USD0.1182</p> <p>Therefore, a Performance Fee of USD0.02364 was accrued</p>
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\* Excess Return is the outperformance of the Net Asset Value over the Benchmark Value per Unit. Excess Return is calculated without deducting the performance fee itself, provided that in doing so it is in the investor's best interest.

\*\* 20% of Excess Return

The Manager will also be entitled to be repaid all of its Administration Expenses out of the assets of the Sub-Fund which shall include legal fees, couriers' fees and telecommunication costs and expenses.

#### *Investment Manager*

The Manager will pay out of its own fee, the fee payable to the Investment Manager.

All reasonable out-of-pocket expenses incurred by the Investment Manager in connection with the ongoing administration and operation of the Sub-Fund will be paid out of the assets of the Sub-Fund.

#### *Administrator*

In consideration of the services to be performed by the Administrator hereunder, the Administrator shall be entitled to receive an annual fee (plus any applicable value added tax) from the Sub-Fund not exceeding 0.25% of the Net Asset Value of the Sub-Fund. The fee shall accrue on each Dealing Day and be paid monthly in arrears. The Administrator shall also be entitled to be repaid out of the assets of the Sub-Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Sub-Fund which shall include legal fees, couriers' fees and telecommunication costs and expenses.

#### *Trustee*

In consideration of the services to be performed by the Trustee, the Trustee shall be entitled to receive an annual fee payable out of the assets of the Sub-Fund (plus any applicable value added tax) not exceeding 0.10% of the Net Asset Value of the Sub-Fund. The Trustee shall be further entitled to be repaid all of its Disbursements out of the assets of the Sub-Fund, a transaction charge of USD25 per investment trade processed and the fees and transaction charges of any sub-custodian appointed by it which shall be at normal commercial rates. The

fee shall accrue on each Dealing Day and be paid monthly in arrears.

#### *Subscription Fee*

No subscription fee will be levied in respect of this Sub-Fund.

#### *General*

The preliminary and organisational expenses and the costs and expenses of and incidental to the offer of Units in the Sub-Fund (including expenses relating to the Sub-Fund's establishment and the fees and expenses of professional advisers) are not expected to exceed €10,000.00 and will be amortised over the first 5 years of the Sub-Fund. Such costs and expenses will be met by the Sub-Fund.

### **15. Risk Factors**

The risk factors applicable to the Sub-Fund are set out in the Prospectus under the heading "Risk Factors". In addition, Investors should be aware that investment in the People's Republic of China and/or Hong Kong carries a significant degree of risk. A summary of certain of the risks involved is set out below:-

#### **The People's Republic of China**

##### *Political and/or Regulatory Risk*

The value of the Sub-Fund's assets may be affected by political and regulatory uncertainties such as international and Chinese political developments and changes in governmental policies in areas including taxation, foreign investment, currency repatriation, currency fluctuation and foreign exchange control. In addition, there is a greater degree of governmental involvement in and control over the economy in mainland China than in more developed markets. The Chinese Government exerts considerable influence on the development of the Chinese stock market. From time to time, official measures may be taken that affect listed companies and their market prices in China and overseas (such as measures discussed in the third paragraph under the heading of "Developmental State of the Chinese Stock Markets" below).

The fiscal and monetary system of China is underdeveloped relative to Western countries and this may affect the stability of the economy and its financial markets.

##### *Legal and/or Accounting Risk*

The legal system in mainland China is still in a developmental stage. Although a legal framework is in place to govern companies and the securities markets, the interpretation and enforcement of laws involve significant uncertainty. It should be noted that the legal infrastructure and accounting, auditing and reporting standards in China and other markets in which the Sub-Fund may invest may not provide the same degree of investor protection or

information to investors as would generally apply in more developed countries. In particular, the laws governing insolvency and shareholder protection in mainland China are significantly less developed than in established jurisdictions.

#### *Liquidity Risk*

The substantially smaller size and lower trading volumes of the markets for Chinese equity and debt securities compared to equity and debt securities in companies on more developed securities markets may result in a potential lack of liquidity and increased volatility.

This may affect the price at which the Sub-Fund may liquidate positions to meet redemption requests or other funding requirements. In particular, investors should expect that investment in Chinese companies registered with the SSE and the SZSE may be highly volatile.

#### *Market Risk*

Investors should be aware of the risks associated with investing in emerging markets such as mainland China. The securities of companies in which the Sub-Fund may invest are exposed to the risks of high rates of inflation, high interest rates, currency depreciation and fluctuation and also changes in taxation legislation and interpretation that may affect the Sub-Fund's income and the value of investments.

Specifically, investors should be aware that the Chinese economy is in transition from a centrally planned economy to a more market-oriented economy. Over the course of the past two decades and following China's accession to WTO in December 2001, the PRC government has been reforming the economic and political systems of the PRC, and these reforms are expected to continue. However, it is likely that the reform will continue to be uneven across regions and industry sectors. There is no assurance that all of the companies whose securities are held by the Sub-Fund will benefit consistently from such reforms, that economic activity will continue to grow at recent rates or that the economic policies adopted by the Chinese government will be conducive to long-term economic growth. In addition, China's accession to WTO and the gradual opening of the markets will result in increased competition, which may have an adverse effect on the performance of these companies.

Many of the PRC economic reforms are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment.

#### *PRC Tax*

As a result of investing in securities of Chinese companies, the Sub-Fund may be subject to withholding and other taxes imposed by the PRC government. Under the prevailing PRC tax policy, there are certain tax incentives available to foreign investment. There can be no assurance, however, that the aforesaid tax incentives will not be abolished in the future.

Investors should be aware that changes in the PRC taxation legislation could affect the

amount of income which may be derived, and the amount of capital returned, from the investments of the Sub-Fund. Laws governing taxation will also continue to change and may contain conflicts and ambiguities.

It is possible that the current tax laws, regulations and practice in the PRC will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher or lower taxation on PRC investments than currently contemplated. Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in the PRC will be changed with retrospective effect in the future and any such change may have either an adverse or a positive effect on the asset value of the Sub-Fund. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in the PRC which the Sub-Fund may invest in, thereby reducing the income from, and/or value of, the Units. Investors may be advantaged or disadvantaged depending on the final rules of the relevant PRC tax authorities, the level of tax provision accrued by the Sub-Fund and the date when they subscribed and/or redeemed their Units in/from the Sub-Fund. Investors should refer to the section entitled "Taxation – People's Republic of China" in the Prospectus for further information.

#### *Developmental State of the Chinese Stock Markets*

Chinese companies generally issue "A", "B" or "H" shares. A-shares are securities that are listed and traded on the SSE and/or the SZSE and are denominated and traded in Renminbi. The Shenzhen and Shanghai stock markets were established in April, 1991 and July, 1991 respectively and should be regarded as developing stock markets. There can be no assurance that the stock markets will develop rapidly in terms of the numbers of listed companies, trading volumes and total market capitalization. The Shenzhen and Shanghai stock markets may be subject to periods of high price volatility, illiquidity, settlement problems and changes in government policy or regulation.

B-shares are securities of Chinese companies that are listed and traded on the SSE and/or the SZE. Unlike A-shares, B-shares are denominated in Renminbi but traded in U.S. Dollars or H.K. Dollars. H-shares are securities of Chinese companies that are listed and traded on the Hong Kong Stock Exchange, and denominated in Renminbi but traded in H.K. Dollars. The number of B-share listings and H-share listings is very limited and, together, the B and H-shares make up a small percentage of the total capitalisation of the Chinese equity market. These factors can make the B and H-shares more volatile and less liquid than A-shares.

The Chinese government has issued rules allowing QFIIs and RQFIIs to invest in A-shares, government bonds, convertible bonds, corporate bonds that are listed on the stock exchanges in the PRC and other financial instruments approved by the China Securities Regulatory Commission. The Sub-Fund is not a QFII or an RQFII and will not meet the qualification requirements in order to invest in such instruments as a QFII or an RQFII. As set out above in the section entitled "Investment Policy", however, it may invest directly in A-shares through

the Connect Scheme. It may invest also indirectly in the A-share market by purchasing Equity Linked Securities. Indirect investments in A-shares markets will usually be made in US Dollars and not in Renminbi. The Sub-Fund will be exposed to many fluctuations in the exchange rate between U.S. Dollars and Renminbi.

#### *Accuracy of Information*

Whilst reasonable care has been taken to check the accuracy of the information contained in this Prospectus, the quality and limited availability of official data published by the PRC government and government agencies and information on PRC businesses and industries are generally not equivalent to that of more developed countries. Given the inherent uncertainty of the source material, investors should be aware that the accuracy and completeness of statistical data and other factual statements relevant to the PRC contained in this Prospectus, including information concerning actual and proposed macro-economic, fiscal, legal and other matters, cannot be guaranteed.

#### *Currency Risk*

The Net Asset Value per Share will be computed in U.S. Dollars, whereas the Sub-Fund will invest most of its assets in securities denominated in Renminbi or H.K. Dollars or convertible into securities denominated in Renminbi or H.K. Dollars. The Net Asset Value of the Sub-Fund as expressed in U.S. Dollars will fluctuate in accordance with the changes in the foreign exchange rate between the U.S. Dollar and the Renminbi/H.K. Dollar. It may not be possible or practicable to hedge against the consequent currency risk exposure and in certain instances the Sub-Fund may not hedge against such risk. It is not the present intention of the Sub-Fund to hedge the currency exposure but the Sub-Fund reserves the right to do so in the future if it is desirable or practicable.

The value of Renminbi against the U.S. Dollar or any other foreign currency may fluctuate and is affected by, among other things, changes in the political and economic conditions of the PRC. Renminbi can be converted into the U.S. Dollar or any other foreign currency based on the rates set by The People's Bank of China. There can be no assurance that the value of the Renminbi against the U.S. Dollar or any other foreign currency is on any appreciation trend. Further, any revaluation of the Renminbi may adversely affect the value of, and the dividends payable on, securities held by the Sub-Fund.

#### *Custody Risk in respect of Chinese Securities*

The custodial and/or settlement systems of some of the Chinese markets or exchanges on which the Sub-Fund may invest may not be fully developed, and therefore the assets of a Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks in circumstances whereby the Trustee will have no liability. Such risks include (but are not limited to): (a) a non-true delivery versus payment settlement; (b) a physical market, and as a consequence the circulation of forged securities; (c) poor information in regards to corporate actions; (d) registration process that impacts the



availability of the securities; (e) lack of appropriate legal/fiscal infrastructure devices; and (f) lack of compensation/risk fund with the central depository.

As mentioned above, custodians or sub-custodians may be appointed in local markets for the purpose of safekeeping assets in those markets. Where the Sub-Fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of the Sub-Fund may be exposed to custodial risk. For example, in case of the liquidation, bankruptcy or insolvency of a custodian or sub-custodian, the Sub-Fund may take a longer time to recover its assets. In circumstances such as the retroactive application of legislation of and fraud or improper registration of title, the Sub-Fund may even be unable to recover all of its assets. The costs borne by the Sub-Fund in investing and holding investments in such markets will be generally higher than in organized securities markets.

### **Risks associated with the Connect Scheme**

#### *China Connect Securities*

There can be no assurance that an active trading market for such China Connect Securities will develop or be maintained. If spreads on China Connect Securities are wide, this may adversely affect the Sub-Fund's ability to dispose of China Connect Securities at the desired price. If the Sub-Fund needs to sell China Connect Securities at a time when no active market for them exists, the price it receives for its China Connect Securities - assuming it is able to sell them - is likely to be lower than the price received if an active market did exist, and thus the performance of the Sub-Fund may be adversely affected depending on the Sub-Fund's size of investment in China Connect Securities through the Connect Scheme.

#### *Quota Limitations*

The Connect Scheme is subject to quota limitations which may restrict the Sub-Fund's ability to invest in A-shares through the Connect Scheme on a timely basis and as a result, the Sub-Fund's ability to access the A-share market (and hence to pursue its investment strategy) may be adversely affected.

Trading under the Connect Scheme is subject to the Daily Quota. The the Daily Quota may change and consequently affect the number of permitted buy trades on the Northbound Trading Link.

The Sub-Fund does not have exclusive use of the Daily Quota and such quotas are utilised on a "first come – first served" basis. The Daily Quota will apply on a "net buy" basis. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call auction session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the Daily Quota balance). Therefore, quota limitations may restrict the Sub-Fund's ability to invest in or dispose of China Connect Securities through the Connect Scheme on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategies depending on the Sub-Fund's size of investment in China Connect

Securities through the Connect Scheme.

*Clearing and Settlement Risk*

The HKSCC and ChinaClear have established the clearing links and each becomes a participant of each other to facilitate clearing and settlement of cross-border trades. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

China Connect Securities invested via the Northbound Trading Link will be recorded in the shareholders register held by ChinaClear. HKSCC will become a direct participant in ChinaClear and China Connect Securities acquired by investors including the Sub-Fund through Northbound Trading Link will be:

- a) recorded in the name of HKSCC in the nominee securities account opened by HKSCC with ChinaClear and HKSCC will be nominee holder of such China Connect Securities; and
- b) held under the depository arrangements of ChinaClear and HKSCC will be recognized as the registered holder of such China Connect Securities.

HKSCC will record interests in such China Connect Securities in the CCASS stock account of the relevant CCASS participant. The Sub-Fund's rights and interests in China Connect Securities will be exercised through HKSCC exercising its rights as the nominee holder of China Connect Securities credited to HKSCC's omnibus account with ChinaClear. The relevant measures and rules in relation to the Connect Scheme generally provide for the concept of a "nominee holder" and recognise the investors including the Sub-Fund as the "beneficial owners" of China Connect Securities.

However, the precise nature and rights of an investor as the beneficial owner of China Connect Securities through HKSCC as nominee is less well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law. Therefore, the Sub-Fund's assets held by HKSCC as nominee (via any relevant brokers' or custodians' accounts in CCASS) may not be as well protected as they would be if it were possible for them to be registered and held solely in the name of the Sub-Fund.

In connection to this, in the event of a default, insolvency or bankruptcy of a custodian or broker, the Sub-Fund may be delayed or prevented from recovering its assets from the custodian or broker, or its estate, and may have only a general unsecured claim against the custodian or broker for those assets.

In the remote event of any settlement default by HKSCC, and a failure by HKSCC to designate securities or sufficient securities in an amount equal to the default such that there is a shortfall of securities to settle any China Connect Securities trades, ChinaClear may deduct the amount of that shortfall from HKSCC's omnibus account with ChinaClear, such that the

Sub-Fund may share in any such shortfall.

As previously discussed, HKSCC is the nominee holder of the China Connect Securities acquired by investors. As a result, in the remote event of a bankruptcy or liquidation of HKSCC, the China Connect Securities may not be regarded as the general assets of HKSCC under the laws of Hong Kong, and will not be available to the general creditors of HKSCC on its insolvency. In addition, as a Hong Kong incorporated company, any insolvency or bankruptcy proceedings against HKSCC will be initiated in Hong Kong and be subject to Hong Kong law. In such circumstances, ChinaClear and the courts of mainland China will regard the liquidator of HKSCC appointed under Hong Kong law as the entity with the power to deal with the China Connect Securities in place of HKSCC.

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

#### *No Protection by Hong Kong Investor Compensation Fund*

The Sub-Fund's investments through the Connect Scheme will not be covered by Hong Kong's Investor Compensation Fund. Therefore, the Sub-Fund is exposed to the risks of default of the broker(s) it engages in its trading in China Connect Securities through the Connect Scheme.

#### *Short Swing Profit Rule*

According to the PRC Securities Law, a shareholder of 5% or more of the total issued shares of a PRC listed company ("major shareholder") has to return any profits obtained from the purchase and sale of shares of such PRC listed company if both transactions occur within a six-month period. In the unlikely event that the Fund or the Sub-Fund becomes a major shareholder of a PRC listed company by investing in China Connect Securities via the Connect Scheme, the profits that the Sub-Fund may derive from such investments may be limited, and thus the performance of the Fund and the Sub-Fund may be adversely affected depending on the Sub-Fund's size of investment in China Connect Securities through the Connect Scheme.

#### *Participation in Corporate Actions and Shareholders' Meetings*

HKSCC will keep CCASS participants informed of corporate actions of China Connect Securities. Hong Kong and overseas investors (including the Sub-Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of China Connect Securities may be as short as one business day only. Therefore, the Sub-

Fund may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the Sub-Fund) may hold China Connect Securities traded via the Connect Scheme through their brokers or custodians. Where the appointment of proxy/multiple proxies by a shareholder is prohibited by the articles of association of the China Connect Securities, the Sub-Fund may not be able to appoint proxy/multiple proxies to attend or participate in shareholders' meetings in respect of China Connect Securities.

#### *Operational Risk*

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

Market participants generally have configured and adapted their operational and technical systems for the purpose of trading A-shares through the Connect Scheme. However, it should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Connect Scheme requires routing of orders across the border of Hong Kong and the PRC. SEHK has set up an order routing system ("China Stock Connect System") to capture, consolidate and route the cross-boundary orders input by exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in China Connect Securities through the Connect Scheme could be disrupted. The Sub-Fund's ability to access the A-share market (and hence to pursue its investment strategy) may be adversely affected depending on the Sub-Fund's size of investment in China Connect Securities through the Connect Scheme.

#### *Regulatory Risk and Other China Specific Investment Requirements*

Any investments of the Sub-Fund through the Connect Scheme will be subject to rules and regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong as well as other regulations applicable to the Connect Scheme including but not limited to trading restrictions, disclosure requirements and foreign ownership limits. In particular, Investments in China Connect Securities through the Connect Scheme are subject to the following shareholding restrictions:

- Single foreign investors' shareholding by any Hong Kong or overseas investor (such as the Sub-Fund) in a China Connect Security must not exceed 10% of the total issued shares; and
- Aggregate foreign investors' shareholding by all Hong Kong and overseas investors

(such as the Sub-Fund) in a China Connect Security must not exceed 30% of the total issued shares.

When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the “Measures for the Administration of Strategic Investment of Foreign Investors in Listed Companies”, the shareholding of the strategic investments is not capped by the above-mentioned percentages.

Should the shareholding of a single investor in a A-share listed company exceed the above restriction, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. The SSE and the SEHK will issue warnings or restrict the buy orders for the related A-shares if the percentage of total shareholding is approaching the upper limit.)

As there are limits on the total shares held by all underlying foreign investors in one listed company in the PRC, the capacity of the Sub-Fund to make investments in A-shares will be affected by the activities of all underlying foreign investors investing through the Connect Scheme.

Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Connect Scheme, which may affect the Sub-Fund’s investments in China Connect Securities.

The rules and regulations, in connection with the Connect Scheme, including the taxation of transactions involving China Connect Securities (see the section entitled “PRC Tax” above), are subject to change which may have potential retrospective effect. There can be no assurance that the Connect Scheme will not be abolished. The Sub-Fund, which may invest in the PRC markets through the Connect Scheme, may be adversely affected as a result of such changes.

#### *Risk of Suspension*

Each of SEHK, SSE and SZSE reserves the right to suspend the Northbound Trading Link and/or Southbound Trading Link if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound Trading Link is effected, the Sub-Fund’s ability to access the PRC market will be adversely affected.

#### *Front-End Monitoring*

PRC regulations require that before an investor sells any shares, there should be sufficient shares in the investor’s account; otherwise SSE or SZSE will reject the sell order concerned.

SEHK will carry out pre-trade checking on China Connect Securities sell orders of its exchange participants (i.e. the stock brokers) to ensure there is no over-selling. If the Sub-

Fund desires to sell China Connect Securities it holds, it will be required to transfer those China Connect Securities to the respective accounts of its brokers before the market opens on the day of selling (“trading day”) unless its brokers can otherwise confirm that the Sub-Fund has sufficient shares in its account. If it fails to meet this deadline, it will not be able to execute the sale of those China Connect Securities on behalf of the Sub-Fund on that trading day sell those shares on the trading day. Because of this requirement, the Sub-Fund may not be able to dispose of its holdings of China Connect Securities in a timely manner.

Alternatively, if the Sub-Fund maintains its China Connect Securities with a custodian which is a custodian participant or general clearing participant participating in CCASS, the Sub-Fund may request such custodian to open a special segregated account (“SPSA”) in CCASS to maintain its holdings in China Connect Securities under the enhanced pre-trade checking model. Each SPSA will be assigned a unique “Investor ID” by CCASS for the purpose of facilitating the China Stock Connect System to verify the holdings of an investor such as a Sub-Fund. Provided that there is sufficient holding in the SPSA when a broker inputs the Sub-Fund’s sell order, the Sub-Fund will only need to transfer China Connect Securities from its SPSA to its broker’s account after execution and not before placing the sell order and the Sub-Fund will not be subject to the risk of being unable to dispose of its holdings of China Connect Securities in a timely manner due to failure to transfer China Connect Securities to its brokers in a timely manner.

#### *Differences in Trading Day*

The Connect Scheme only operates on days when both the PRC and the Hong Kong stock markets are open for trading and when banks in both markets are open on the corresponding settlement days. It is therefore possible that there are occasions when it is a normal trading day for the PRC stock markets but the Sub-Fund cannot carry out any trading of the China Connect Securities. The Sub-Fund may be subject to a risk of price fluctuations in China Connect Securities during the time when the Connect Scheme is not trading as a result.

#### *Recalling of Eligible Stocks*

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

#### *Risks associated with the Small and Medium Enterprise Board of the SZSE (“SME Board”) and/or the ChiNext Board*

The Sub-Fund investing through the Connect Scheme may invest in the SME Board and/or the ChiNext Board via the Shenzhen-Hong Kong Stock Connect scheme. Investments in the SME board and/or ChiNext Board may result in significant losses for the Sub-Fund and its investors. The following additional risks apply:

*Higher fluctuation on stock prices* - Listed companies on the SME Board and/or ChiNext

Board are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the Main Board of the SZSE ("Main Board").

*Over-valuation risk* - Stocks listed on SME Board and/or ChiNext Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

*Differences in regulation* - The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those in the Main Board and SME Board.

*Delisting risk* - It may be more common and faster for companies listed on the SME Board and/or ChiNext Board to delist. This may have an adverse impact on the Sub-Fund if the companies that it invests in are delisted.

Investments in the SME Board and/or ChiNext Board may result in significant losses for the Fund and its investors.

#### *Risk associated with small-capitalisation / mid-capitalisation companies*

The stocks of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

### **Hong Kong Special Administrative Region**

#### *Economic, political and legal developments*

Part of the Sub-Fund's investments may be made in Hong Kong. Accordingly, the Sub-Fund's operational results, financial position and prospects could be affected by economic, political and legal developments in Hong Kong. From 1st July, 1997, Hong Kong became a special administrative region of the PRC when the PRC resumed the exercise of sovereignty over Hong Kong. The basic policies of the PRC regarding Hong Kong are embodied in the "Basic Law", which provides that Hong Kong shall have a high degree of autonomy and enjoy executive, legislative and independent judicial power, including that of final adjudication under the principle of "one country, two systems". However, there is no assurance that economic, political and legal developments in Hong Kong will not be adversely affected as a result of the exercise of sovereignty by the PRC over Hong Kong. If there are any material adverse changes in the general economic, political and legal development in Hong Kong, the Sub-Fund's results of operation and financial position may be adversely affected.

#### *Devaluation of the H.K. Dollar*

The H.K. Dollar has been pegged to the U.S. Dollar since 1983. The Government has repeatedly reaffirmed its commitment to this pegged exchange rate system. However, in the

event this policy were to be changed, there would be a risk that the H.K. Dollar would be devalued which would increase the H.K. Dollar cost of the Sub-Fund's foreign currency capital expenditures.



**ATLANTIS ASIAN FUND**  
**SUPPLEMENT DATED 28 NOVEMBER, 2023 TO THE PROSPECTUS DATED 28 NOVEMBER,**  
**2023 FOR ATLANTIS INTERNATIONAL UMBRELLA FUND**

**This Supplement contains specific information in relation to the Atlantis Asian Fund (the "Sub-Fund"), a sub-fund of Atlantis International Umbrella Fund (the "Fund") an open-ended umbrella unit trust established as a UCITS pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011), as amended.**

**This Supplement forms part of the Prospectus dated 28 November, 2023 for the Fund and should be read in conjunction with the Prospectus which is available from the Administrator at George's Court, 54-62 Townsend Street, Dublin 2, Ireland.**

The Directors of the Manager of the Fund, whose names appear in the Prospectus under the heading "Management of the Fund", 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) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. An investment in the Sub-Fund should be viewed as medium to long term. The Net Asset Value of the Sub-Fund is likely to be highly volatile.**

**1. Units**

U.S Dollar Units and USD Class D Units in the Sub-Fund are available for subscription.

Since 20 November, 2012, U.S. Dollar Units have only been available to subscriptions from existing Unitholders in those classes at that date unless the Directors, at their discretion, decide otherwise. Existing Unitholders at that date in the U.S. Dollar Units will be permitted to switch into the other classes. However, Unitholders in the USD Class D Units will not be permitted to switch into the U.S. Dollar Units. The closure of the U.S. Dollar Units to subscriptions from new investors will not affect the redemption rights of the existing Unitholders in the U.S. Dollar Units.

**2. Base Currency**

The Base Currency of the Sub-Fund is U.S. Dollar.

The denominated currency of each Class is as follows:

- (a) U.S. Dollar Units shall be denominated in U.S. Dollar.

(b) USD Class D Units shall be denominated in U.S. Dollar.

### **3. Business Day, Dealing Day and Valuation Point**

A Business Day means any day (except Saturday and Sunday and such other days as the Manager may determine) on which banks are open for business in Dublin, London, and Hong Kong.

Each Business Day shall be a Dealing Day, or such other day or days as the Directors may determine provided that there shall be at least one Dealing Day in each week.

The Valuation Point means is 12.00 noon (Irish time) on each Dealing Day.

### **4. Investment Adviser**

Pursuant to an investment advisory agreement dated 8 September, 2011, as amended, novated or supplemented, Atlantis Investment Management Limited has appointed Atlantis Investment Management (Singapore) Pte. Limited, a private company incorporated in Singapore on 25th June, 2008, with its registered office at 60 Paya Lebar Road, #10-17 Paya Lebar Square, Singapore 409051 as investment adviser to the Sub-Fund. It is licensed by the Monetary Authority of Singapore as a Licensed Fund Management Company.

### **5. Profile of a Typical Investor**

The Sub-Fund is suitable for investors who can afford to set aside the invested capital for the medium to long term and who are prepared to accept a high level of volatility.

### **6. Investment Objective and Policies**

The investment objective of the Sub-Fund is to achieve long term capital appreciation primarily through an actively managed portfolio of equity or equity related investments (such as fixed or floating rate convertible bonds issued by corporate, sovereign or institutional issuers of above or below investment grade or warrants) in companies in Asia (excluding Japan). These investments may be listed or traded on any of the Recognised Exchanges set out in the Prospectus.

It is intended that the Sub-Fund will focus on those companies which are responding to structural changes in the region. The Sub-Fund will screen and look for low valuation companies with a catalyst for change in the next 6-12 months that has not been discounted by the market. By doing so, it is expected that the Sub-Fund be able to generate higher returns going forward. It is intended that the Sub-Fund will invest in those companies that are able to demonstrate an improvement in their return on equity ("ROE"), looking especially at the three components of a superior ROE, the restoration of and improvement in margins, the optimal use of assets and the implementation of a prudent leveraging policy amongst other factors.

Suitable investments will be primarily selected as a result of on-site meetings between the

fund managers and analysts of the Investment Adviser and key management personnel of the potential investee companies. The Investment Manager believes that frequent visits to investments and potential investments are a key part of the risk minimisation process, as well as providing the potential for greater value driven performance. Investments will generally be limited to listed equity and equity related investments (such as fixed or floating rate convertible bonds issued by corporate, sovereign or institutional issuers of above or below investment grade or warrants) which may be listed or traded on any of the Recognised Exchanges set out in the Prospectus, but the Sub-Fund may invest up to 10 per cent. of its net assets in non-listed companies.

In any event, the Sub-Fund will at all times invest more than 50% of its net asset value directly in Equity Securities.

The Sub-Fund may invest in and have direct access to A-shares listed on the Shanghai Stock Exchange via the Shanghai-Hong Kong Stock Connect scheme and/or the Shenzhen Stock Exchange via the Shenzhen-Hong Kong Stock Connect scheme (as further described in the sub-section headed "Stock Connect Scheme" below). Exposure to A-shares through the Connect Schemes will not be more than 20% of the Fund's Net Asset Value.

Subject to the Equity Securities quota stipulated above, the Sub-Fund may also invest in Equity Linked Securities typically issued by credit institutions or other financial institutions located worldwide, the underlyings of which will be one or more Asian equity securities and which may or may not embed a derivative. Such Equity Linked Securities will constitute transferable securities which will be listed, traded or dealt on a Recognised Exchange or, unlisted securities. In the case of unlisted securities, such investment shall not exceed 10% of the Sub-Fund's Net Asset Value. They will be securitized and will not be leveraged. Equity Linked Securities must be exercisable at any time over their life, be cash settled and the underlying equities will be ones in which the Sub-Fund could invest in directly pursuant to the UCITS Regulations. Such Equity Linked Securities will not result in an exposure to investments other than securities in which the Sub-Fund could invest directly and the use of such products will not cause the Sub-Fund to diverge from its investment policies. The Investment Manager intends to employ such Equity Linked Securities as a strategy to gain exposure to Asian equity securities. The strategy is to purchase, depending on the availability of such products and depending on market conditions and other factors, suitable Equity Linked Securities. These products typically aim to provide economic exposure to the underlying security without the associated administration burdens of investing directly in the local market. Further details on the nature of these products and the risks pertaining thereto are set out under the sub-heading "Equity Linked Securities and Other Structured Products" under the heading "Risk Factors".

The Sub-Fund may also invest up to 10% of its net assets in equity Real Estate Investment Trusts (REITs) which are listed on the Kuala Lumpur Stock Exchange, the Hong Kong Stock Exchange, the Singapore Stock Exchange, the Shanghai Stock Exchange or on the Shenzhen Stock Exchange provided that they do not affect the ability of the Sub-Fund to meet its liquidity obligations in accordance with Regulation 59 of the UCITS Regulations.

### *Stock Connect Scheme*

The Sub-Fund may invest in A-shares through the Connect Scheme.

The Shanghai-Hong Kong Stock Connect scheme is a securities trading and clearing links program developed by HKEx, SSE and ChinaClear and the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEx, SZSE and ChinaClear. The aim of the Connect Scheme is to achieve mutual stock market access between mainland China and Hong Kong.

The Shanghai-Hong Kong Stock Connect scheme enables Hong Kong and overseas investors (including the Fund) to invest in certain eligible A-shares listed on the SSE (“SSE Securities”) through their Hong Kong brokers and a securities trading service company established by The Stock Exchange of Hong Kong Limited (“SEHK”), under the Northbound Trading Link, subject to the rules of the Shanghai-Hong Kong Stock Connect scheme.

The Shenzhen-Hong Kong Stock Connect scheme enables Hong Kong and overseas investors (including the Fund) to invest in certain eligible A-shares listed on the SZSE (“SZSE Securities”) through their Hong Kong brokers and a securities trading service company established by SEHK under the Northbound Trading Link, subject to the rules of the Shenzhen-Hong Kong Stock Connect scheme.

The stock exchanges of the two jurisdictions continue to issue details of Connect Scheme, e.g. operational rules, from time to time.

#### Eligible Securities

(i) Shanghai-Hong Kong Stock Connect scheme

SSE Securities, as of the date of this Supplement include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed A-shares that are not included as constituent stocks of the relevant indices but which have corresponding H-shares listed on SEHK, except the following:

- (a) SSE-listed shares which are not traded in Renminbi (“RMB”); and
- (b) SSE-listed shares which are included in the “risk alert board” (as described in the listing rules of the SSE).

(ii) Shenzhen-Hong Kong Stock Connect scheme

SZSE Securities, as of the date of this Supplement, include all the constituent stocks from time to time of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which have a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed A-shares which have corresponding H-Shares listed on SEHK, except the following:

- (a) SZSE-listed shares which are not traded in RMB; and

(b) SZSE-listed shares which are included in the “risk alert board” or under delisting arrangement.

At the initial stage of the Shenzhen-Hong Kong Stock Connect scheme, investors eligible to trade shares that are listed on the ChiNext Board of the SZSE (“ChiNext Board”) under Northbound trading will be limited to institutional professional investors (which the Fund will qualify as such) as defined in the relevant Hong Kong rules and regulations.

It is expected that the list of eligible securities will be subject to review.

#### Trading Quota

Trading under the Shanghai-Hong Kong Stock Connect scheme and the Shenzhen-Hong Kong Stock Connect scheme is subject to a daily quota (“Daily Quota”). Northbound Shanghai Trading Link under the Shanghai-Hong Kong Stock Connect scheme, Northbound Shenzhen Trading Link under the Shenzhen-Hong Kong Stock Connect scheme, Southbound Hong Kong Trading Link under the Shanghai-Hong Kong Stock Connect scheme and Southbound Hong Kong Trading Link under the Shenzhen-Hong Kong Stock Connect are respectively subject to a separate set of Daily Quota.

The Daily Quota limits the maximum net buy value of cross-boundary trades under each of the Shanghai-Hong Kong Stock Connect scheme and the Shenzhen-Hong Kong Stock Connect scheme each day. The Northbound Daily Quota is currently set at RMB13 billion for each of the Shanghai-Hong Kong Stock Connect scheme and the Shenzhen-Hong Kong Stock Connect scheme.

These Daily Quota may be increased or reduced subject to the review and approval by the relevant PRC regulators from time to time.

SEHK monitors the quota and publishes the remaining balance of the Northbound Daily Quota at scheduled times on the HKEx’s website.

#### Settlement and Custody

Under the Connect Scheme, The Hong Kong Securities Clearing Company Limited (“HKSCC”), a wholly-owned subsidiary of HKEx, is responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by Hong Kong market participants and investors.

The A-shares traded through the Connect Scheme are issued in scripless form, so investors will not hold any physical A-shares. Hong Kong and overseas investors who have acquired SSE Securities or SZSE Securities through Northbound trading should maintain the SSE Securities or SZSE Securities (“China Connect Securities”) with their brokers’ or custodians’ stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

### Corporate Actions and Shareholders' Meetings

Notwithstanding the fact that HKSCC does not claim proprietary interests in the China Connect Securities held in its omnibus stock account in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such China Connect Securities.

HKSCC will monitor the corporate actions affecting China Connect Securities and keep the relevant brokers or custodians participating in CCASS ("CCASS participants") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

SSE-/SZSE-listed companies usually announce their annual general meeting/extraordinary general meeting information about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise CCASS participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

### Currency

Hong Kong and overseas investors will trade and settle China Connect Securities in RMB only. Hence, the Sub-Fund will need to use RMB to trade and settle China Connect Securities.

### Investor Compensation

The Sub-Fund's investments through Northbound trading under the Connect Scheme will not be covered by Hong Kong's Investor Compensation Fund.

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound trading via the Connect Scheme do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund.

On the other hand, since the Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not PRC brokers, they are not protected by the China Securities Investor Protection Fund in the PRC.

Further information about the Connect Scheme is available online at:

<http://www.hkex.com.hk/eng/csm/chinaConnect.asp?LangCode=en>

The Sub-Fund shall be allowed to trade China Connect Securities listed on the SSE through the Northbound Trading Link of the Connect Scheme, subject to applicable rules and

regulations issued from time to time.

In addition to those risk factors set out in relation to PRC investment a number of the key risks of investing in China Connect Securities via the Connect Scheme are set out in the section entitled "Risk Factors" below.

The total gross long position is not expected to exceed 100% of the Net Asset Value of the Sub-Fund and the total gross short position is not expected to exceed 0% of the Net Asset Value of the Sub-Fund.

#### *Investment Strategy*

The Sub-Fund employs a qualitative, long only Asia ex Japan equity strategy primarily driven by bottom-up fundamental research. The Sub-Fund will seek exposure to undervalued companies where the portfolio manager believes that a catalyst, as yet not fully accounted for by the market, will manifest itself in the next six to twelve months. Although the Sub-Fund is not restricted in terms of the market capitalisation of its investments, due to the value bias of the strategy, the Sub-Fund may tend towards smaller and medium sized segments of the market.

The Sub-Fund's bottom-up approach involves a number of stages of analysis:

- 1) An initial screen based on in-house criteria to search for undervalued stocks. The precise components of this screen may vary depending on the portfolio manager's assessment of the stage of the investment cycle and broader macro-economic trends;
- 2) A sift of the hits from the initial screen based on qualitative analysis of their relative merits, taking into account factors such as management's track record, corporate governance, liquidity, valuation multiples and the companies' competitive advantages and disadvantages relative to their peers;
- 3) In depth follow-up research and analysis on the sifted stocks. This may include meetings with company management in the case of smaller capitalised companies with less pre-existing analyst coverage. The portfolio manager is especially seeking to identify companies with un-discounted changes where a potential event, transaction or market development may act as a catalyst to unlock these changes in the short to medium term; and
- 4) Having established a fair value target for the stock on the basis of the preceding analysis, the Sub-Fund will seek to invest where that target indicates the potential for significant appreciation from the current share price.

#### *Benchmark*

The Sub-Fund is considered to be actively managed in reference to the FACTSET Asia Ex Japan Index by virtue of the fact that it uses the FACTSET Asia Ex Japan Index for

performance comparison purposes in respect of the U.S. Dollar Units and USD Class D Units. However the FACTSET Asia Ex Japan Index is not used to define the portfolio composition of the Sub-Fund or as a performance target and the Sub-Fund may be wholly invested in securities which are not constituents of the FACTSET Asia Ex Japan Index. FactSet Market Indices are time-series composite indices based on proprietary country, region, sector, and industry classifications.

The Sub-Fund is also considered to be actively managed in reference to the MSCI AC Far East ex Japan Index by virtue of the fact that the performance fees payable to the Investment Manager in respect of the U.S. Dollar Units are calculated based on the performance of the Sub-Fund against the MSCI AC Far East ex Japan Index. However the MSCI AC Far East ex Japan Index is not used to define the portfolio composition of the Sub-Fund or as a performance target and the Sub-Fund may be wholly invested in securities which are not constituents of the MSCI AC Far East ex Japan Index. The MSCI AC Far East ex Japan Index captures large and mid-cap representation across 2 developed markets countries (excluding Japan) and 7 emerging markets countries in the Far East. With 1,097 constituents, the MSCI AC Far East ex Japan Index covers approximately 85% of the free float-adjusted market capitalization in each country.

## **7. Integration of Sustainability Risk**

Pursuant to the SFDR, the Sub-Fund is required to disclose the manner in which Sustainability Risks are integrated into the investment decisions of the Sub-Fund and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Sub-Fund.

The Sub-Fund could be exposed to some Sustainability Risks, which may differ depending on the specific investments in which the Sub-Fund invests in accordance with its investment policy. In particular, some companies, markets and sectors may have greater exposure to Sustainability Risks than others.

Consideration of these Sustainability Risks are integrated alongside other risks into the Investment Manager's investment process, decision making and risk monitoring to the extent that they are considered to represent potential or actual material risk and/or opportunities to maximise the long-term risk-adjusted returns. Sustainability Risks are assessed and monitored on an investment by investment basis by the Investment Manager's in-house research team with the support of an exclusion list provided by an external ESG specialist. This assessment then feeds into the broader investment process that leads to equity selection for the Sub-Fund.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

The Manager is not involved in the investment decision-making process but carries out independent oversight of the investment process and of investment decisions made for the



Sub-Fund.

## **8. Efficient Portfolio Management**

Efficient portfolio management transactions relating to the assets of the Sub-Fund may be entered into by the Investment Manager with one of the following aims:- (a) a reduction of risk, (b) a reduction of cost, or (c) the generation of additional capital or income for the Sub-Fund with a level of risk consistent with the risk profile of the Sub-Fund and the diversification requirements in accordance with the investment restrictions of the Sub-Fund. In relation to efficient portfolio management operations the Investment Manager will look to ensure that the transaction is economically appropriate. Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of transferable securities held on behalf of the Sub-Fund.

In relation to efficient portfolio management operations, the Investment Manager will look to ensure that the transaction is economically appropriate. Financial derivative instruments and/or techniques and instruments entered into for this purpose include, but are not limited to, futures, forwards, options, swaps, warrants, stocklending arrangements, repurchase/reverse repurchase agreements and forward currency contracts. Although the use of derivatives (whether for hedging and/or for investment purposes) may give rise to an additional leveraged exposure, the global exposure of the Sub-Fund to derivatives will not exceed 100% of its Net Asset Value.

The Sub-Fund will use the commitment approach which is one of the two methods permitted under the UCITS Regulations to meet the requirement of the UCITS Regulations to accurately measure, monitor and manage the exposure produced by the use of derivatives. The commitment approach is calculated by converting the derivative position into the equivalent position in the underlying asset, based on the market value of the underlying asset or the market value of the contract, as described in the Manager's risk management process. Using the commitment approach, leverage, if any, will be minimal and as noted above, the Sub-Fund will not be leveraged in excess of 100% of its Net Asset Value as a result of the use of derivatives.

### *Futures*

The Sub-Fund may enter into single stock and index futures contracts in order to hedge against changes in the values of equity securities held by the Sub-Fund or markets to which the Sub-Fund is exposed or to take out hedges against changes in interest or currency rates which may have an impact on a Sub-Fund. The Sub-Fund may also use futures contracts to equitise cash, as a substitute for direct investment where it is more efficient to do so or as a means of gaining exposure to particular securities or markets on a short to medium term basis in advance of making a decision to purchase a particular security or to reallocate assets on a longer term basis. In addition, the Investment Manager may use futures to reduce exposure to a market in advance of raising cash from asset sales to fund redemptions from the Sub-Fund.

In addition, certain markets within the investment universe of the Sub-Fund may be overly concentrated due to the presence of disproportionately highly capitalised issuers in those markets, with the result that a Sub-Fund may have difficulty in maintaining adequate exposure to that market by purchasing transferable securities without breaching its investment limits. The Investment Manager may use index futures to maintain an appropriate level of exposure to such markets.

#### *Forwards*

Forwards may be used for similar purposes as futures. In particular, FX forwards may be used to hedge the currency exposures of securities denominated in a currency other than the base currency of the Sub-Fund and to hedge against changes in interest and currency rates which may have an impact on the Sub-Fund.

#### *Options*

Call options may be used to gain exposure to specific securities and put options may be used to hedge against downside risk. Options may also be purchased to hedge against currency, interest rate and credit spread risk and the Sub-Fund may write covered call options to generate additional revenues for the Sub-Fund. The Sub-Fund will not write uncovered call or put options.

#### *Swaps*

Swaps may also be used to hedge against currency and interest rate risk.

#### *Cash management and efficient investing*

In general, the Sub-Fund may also use futures, forwards, options and swaps as an alternative to fully or partly acquiring the underlying or the related securities in any case where such investment may be accomplished in a more efficient or less costly way through the use of derivatives. Such instruments may also be used to maintain exposure to the market while managing the cashflows from subscriptions and redemptions into and out of each Sub-Fund more efficiently than by buying and selling transferable securities.

#### *Repurchase agreements, reverse repurchase agreements and/or stock lending agreements*

Subject to the quota for Equity Securities stipulated in Section 6 ("Investment Objectives and Policy") above and subject to the conditions and limits set out in the Central Bank UCITS Regulations, the Sub-Fund may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements to generate additional income for the Sub-Fund. Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Sub-Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an

agreed upon date and price. A stocklending agreement is an agreement under which title to the “loaned” securities is transferred by a “lender” to a “borrower” with the borrower contracting to deliver “equivalent securities” to the lender at a later date.

Repurchase agreements, reverse repurchase agreements and/or stocklending arrangements will only be utilised for efficient portfolio management purposes.

#### *Securities Financing Transactions Regulation – General*

The Sub-Fund may engage in SFTs, i.e., repurchase agreements, reverse repurchase agreements and/or stocklending arrangements, within the meaning of EC Regulation 2015/2365 (the “**SFT Regulation**”).

The maximum exposure of the Sub-Fund in respect of SFTs shall be 0.30 times the assets under management of the Sub-Fund. However, the Investment Manager does not anticipate that the exposure of the Sub-Fund to SFTs will exceed 0.15 times the assets under management of the Sub-Fund. The types of assets that will be subject to SFTs will be assets which are of a type which is consistent with the investment policy of the Sub-Fund.

Please see the section entitled “Risk Factors” in the Prospectus for details of the risks involved in these practices, including “Counterparty Risk”, “Legal and Operational Risks Linked to Management of Collateral”, “Stocklending Risk” and “Repurchase Agreement Risk”.

Please see the section entitled “Securities Financing Transactions and Total Return Swaps – Counterparty Procedure” in the Prospectus for details of the criteria used for selecting counterparties to SFTs and “Securities Financing Transactions and Total Return Swaps – Collateral” in respect of any collateral received as a result of SFTs.

#### *Foreign exchange transactions and other currency contracts*

Foreign exchange transactions and other currency contracts may also be used to provide protection against exchange risks in accordance with the requirements of the Central Bank. Such contracts may be used by the Sub-Fund to hedge some or all of the exchange risk/currency risk arising as a result of the fluctuation between the denominated currency of the Sub-Fund and the currencies in which the Sub-Fund's investments are denominated.

The Sub-Fund will not enter into cross currency hedging transactions.

#### *Risk management process*

The Manager will employ a risk management process which will enable it to monitor and measure the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Manager will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to the Central Bank. The Manager will provide on request to Unitholders supplementary information relating to the risk management methods

employed by the Manager including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

**9. Investment Restrictions**

In addition to the investment restrictions as disclosed on page 20 of the Prospectus of the Fund under the Section “The Fund” under the heading “Investment and Borrowing Restrictions”, the Sub-Fund will not invest more than 10% of its net assets in other open ended collective investment schemes.

**10. Distribution Policy**

It is understood that the Fund and each of its Sub-Funds conform to the ‘reporting fund’ regime and are currently certified as “reporting funds”. As reporting funds they will not be required to distribute income. The current requirements and UK tax consequences of the offshore funds regime are summarised in the section entitled "Taxation" in the Prospectus. Dividends, if declared, will normally be declared in June and/or December of each year and will be paid no later than 21 Business Days thereafter.

**11. Issue of Units**

The initial offer period for all Units in the Sub-Fund has now closed. Units in those classes for which the initial offer period is closed are now offered as set out below under the paragraph “Subsequent Issues” below.

*Subsequent Issues*

After the initial offer period, the Units shall be issued in respect of each Subscription Day. The issue of such Units shall take place at a price equal to the Net Asset Value per Unit on the relevant Subscription Day.

*Application Procedure*

The procedures to be followed in applying for Units of all classes are set out in the Prospectus under the heading "Administration of the Fund - Application for Units"

**12. Minimum Subscription and Minimum Holding**

Class	Minimum Subscription	Minimum Holding
U.S. Dollar Units*	U.S. \$10,000	U.S.\$ 10,000
USD Class D Units	U.S. \$10,000	U.S.\$ 10,000

\*As noted above, U.S. Dollar Units are no longer open to subscriptions from new investors.

### **13. Redemption of Units**

Units may be redeemed on each Dealing Day at a price per Unit equal to the Net Asset Value per Unit. A redemption fee will not be levied in respect of such redemptions.

Further details are set out in the Prospectus under the heading "Administration of the Fund - Redemption of Units".

### **14. Fees**

In addition to the general management and fund charges set out in the Prospectus under the heading "Management and Fund Charges - General" the following fees and expenses are payable out of the Sub-Fund.

Manager

#### **A. USD Class D Units**

The Manager will receive an annual management fee out of the assets of the Sub-Fund at a rate of 1.5% of the Net Asset Value of the Class, plus VAT (if any), payable monthly in arrears.

#### **B. U.S. Dollar Units**

If the Sub-Fund's net asset value per unit performs in line with the MSCI AC Far East ex Japan Index (Ticker: MSEUCFFX) (the "Index") the Manager will receive an annual management fee out of the assets of the Sub-Fund at a rate of 1.25% of the Net Asset Value of the Class, plus VAT (if any), payable monthly in arrears.

The management fee referred to at C above will :

- (i) reduce proportionately at the rate of 0.20 % per annum for each 1 % of the under-performance of the Sub-Fund relative to the Index over the 52 week period up to the date of calculation, subject to a minimum fee of 0.75 % per annum of net assets; or
- (ii) increase proportionately at the rate of 0.10 % for each 1 % of the out-performance of the Sub-Fund relative to the Index over the 52 week period up to the date of calculation, subject to a maximum fee of 1.75 % per annum of net assets.

The management fee will be calculated and accrued daily and payable monthly in arrears.

With respect to (ii) above, in determining the fee payable to the Manager on the calculation date each week, no increase shall be applied and the fee payable will remain at 1.25 % per annum if the Sub-Fund's Net Asset Value per Unit at the date of calculation is less than the Net Asset Value per Unit as at the start of the preceding 52 week period over which the Sub-Fund's performance is measured for the purpose of calculating the fee, notwithstanding any

outperformance of the Index.

The Manager will also be entitled to be repaid all of its Administration Expenses out of the assets of the Sub-Fund which shall include legal fees, couriers' fees and telecommunication costs and expenses.

#### *Investment Manager and Investment Adviser*

The Manager will pay out of its own fee the fee payable to the Investment Manager. The Investment Manager will pay out of its own fee the fee payable to the Investment Adviser.

All reasonable out-of-pocket expenses incurred by the Investment Manager and the Investment Adviser in connection with the ongoing administration and operation of the Sub-Fund will be paid out of the assets of the Sub-Fund.

#### *Administrator*

In consideration of the services to be performed by the Administrator hereunder, the Administrator shall be entitled to receive an annual fee (plus any applicable value added tax) from the Sub-Fund not exceeding 0.25% of the Net Asset Value of the Sub-Fund. The fee shall accrue on each Dealing Day and be paid monthly in arrears. The Administrator shall also be entitled to be repaid out of the assets of the Sub-Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Sub-Fund which shall include legal fees, couriers' fees and telecommunication costs and expenses.

#### *Trustee*

In consideration of the services to be performed by the Trustee, the Trustee shall be entitled to receive an annual fee payable out of the assets of the Sub-Fund (plus any applicable value added tax) not exceeding 0.10% of the Net Asset Value of the Sub-Fund. The Trustee shall be further entitled to be repaid all of its Disbursements out of the assets of the Sub-Fund, a transaction charge of USD25 per investment trade processed and the fees and transaction charges of any sub-custodian appointed by it which shall be at normal commercial rates. The fee shall accrue on each Dealing Day and be paid monthly in arrears.

#### *Subscription Fee*

No subscription fee will be levied in respect of this Sub-Fund.

#### *Redemption Fee*

No redemption fee will be levied in respect of this Sub-Fund.

#### *General*

The preliminary and organisational expenses and the costs and expenses of and incidental to

the offer of Units in the Sub-Fund will be met by the Investment Manager.

## 15. Risk Factors

The risk factors applicable to the Sub-Fund are set out in the Prospectus under the heading “Risk Factors”. In addition, Investors should be aware that some of the “emerging” or “developing” countries in which the Sub-Fund are permitted to invest may be exposed to a significant risk of radical, political or economic change, both regionally and worldwide, which could adversely affect the value of the investments held there. Accordingly, no assurance can be given that the Sub-Fund’s investment objectives will be achieved. An investment in Units involves a high degree of risk. Investors should also be aware that investment in the People’s Republic of China and the Shanghai-Hong Kong Stock Connect Scheme carries a significant degree of risk. A summary of the risks involved is set out below:-

### **The People’s Republic of China**

#### *Political and/or Regulatory Risk*

The value of the Sub-Fund’s assets may be affected by political and regulatory uncertainties such as international and Chinese political developments and changes in governmental policies in areas including taxation, foreign investment, currency repatriation, currency fluctuation and foreign exchange control. In addition, there is a greater degree of governmental involvement in and control over the economy in mainland China than in more developed markets. The Chinese Government exerts considerable influence on the development of the Chinese stock market. From time to time, official measures may be taken that affect listed companies and their market prices in China and overseas (such as measures discussed in the third paragraph under the heading of “Developmental State of the Chinese Stock Markets” below).

The fiscal and monetary system of China is underdeveloped relative to Western countries and this may affect the stability of the economy and its financial markets.

#### *Legal and/or Accounting Risk*

The legal system in mainland China is still in a developmental stage. Although a legal framework is in place to govern companies and the securities markets, the interpretation and enforcement of laws involve significant uncertainty. It should be noted that the legal infrastructure and accounting, auditing and reporting standards in China and other markets in which the Sub-Fund may invest may not provide the same degree of investor protection or information to investors as would generally apply in more developed countries. In particular, the laws governing insolvency and shareholder protection in mainland China are significantly less developed than in established jurisdictions.

#### *Liquidity Risk*

The substantially smaller size and lower trading volumes of the markets for Chinese equity

and debt securities compared to equity and debt securities in companies on more developed securities markets may result in a potential lack of liquidity and increased volatility.

This may affect the price at which the Sub-Fund may liquidate positions to meet redemption requests or other funding requirements. In particular, investors should expect that investment in Chinese companies registered with the SSE and the SZSE may be highly volatile.

#### *Market Risk*

Investors should be aware of the risks associated with investing in emerging markets such as mainland China. The securities of companies in which the Sub-Fund may invest are exposed to the risks of high rates of inflation, high interest rates, currency depreciation and fluctuation and also changes in taxation legislation and interpretation that may affect the Sub-Fund's income and the value of investments.

Specifically, investors should be aware that the Chinese economy is in transition from a centrally planned economy to a more market-oriented economy. Over the course of the past two decades and following China's accession to WTO in December 2001, the PRC government has been reforming the economic and political systems of the PRC, and these reforms are expected to continue. However, it is likely that the reform will continue to be uneven across regions and industry sectors. There is no assurance that all of the companies whose securities are held by the Sub-Fund will benefit consistently from such reforms, that economic activity will continue to grow at recent rates or that the economic policies adopted by the Chinese government will be conducive to long-term economic growth. In addition, China's accession to WTO and the gradual opening of the markets will result in increased competition, which may have an adverse effect on the performance of these companies.

Many of the PRC economic reforms are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment.

#### *PRC Tax*

As a result of investing in securities of Chinese companies, the Sub-Fund may be subject to withholding and other taxes imposed by the PRC government. Under the prevailing PRC tax policy, there are certain tax incentives available to foreign investment. There can be no assurance, however, that the aforesaid tax incentives will not be abolished in the future.

Investors should be aware that changes in the PRC taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments of the Sub-Fund. Laws governing taxation will also continue to change and may contain conflicts and ambiguities.

It is possible that the current tax laws, regulations and practice in the PRC will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher or lower taxation on PRC investments than currently contemplated. Various



tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in the PRC will be changed with retrospective effect in the future and any such change may have either an adverse or a positive effect on the asset value of the Sub-Fund. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in the PRC which the Sub-Fund may invest in, thereby reducing the income from, and/or value of, the Units. Investors may be advantaged or disadvantaged depending on the final rules of the relevant PRC tax authorities, the level of tax provision accrued by the Sub-Fund and the date when they subscribed and/or redeemed their Units in/from the Sub-Fund. Investors should refer to the section entitled "Taxation – People's Republic of China" in the Prospectus for further information.

#### *Developmental State of the Chinese Stock Markets*

Chinese companies generally issue "A", "B" or "H" shares. A-shares are securities that are listed and traded on the SSE and/or the SZE and are denominated and traded in Renminbi. The Shenzhen and Shanghai stock markets were established in April, 1991 and July, 1991 respectively and should be regarded as developing stock markets. There can be no assurance that the stock markets will develop rapidly in terms of the numbers of listed companies, trading volumes and total market capitalization. The Shenzhen and Shanghai stock markets may be subject to periods of high price volatility, illiquidity, settlement problems and changes in government policy or regulation.

B-shares are securities of Chinese companies that are listed and traded on the SSE and/or the SZSE. Unlike A-shares, B-shares are denominated in Renminbi but traded in U.S. Dollars or H.K. Dollars. H-shares are securities of Chinese companies that are listed and traded on the Hong Kong Stock Exchange, and denominated in Renminbi but traded in H.K. Dollars. The number of B-share listings and H-share listings is very limited and, together, the B and H-shares make up a small percentage of the total capitalisation of the Chinese equity market. These factors can make the B and H-shares more volatile and less liquid than A-shares.

The Chinese government has issued rules allowing QFIIs and RQFIIs to invest in A-shares, government bonds, convertible bonds, corporate bonds that are listed on the stock exchanges in the PRC and other financial instruments approved by the China Securities Regulatory Commission. The Sub-Fund is not a QFII or an RQFII and will not meet the qualification requirements in order to invest in such instruments as a QFII or an RQFII. As set out above in the section entitled "Investment Policy", however, it may invest directly in A-shares through the Connect Scheme. It may invest also indirectly in the A-share market by purchasing Equity Linked Securities. Indirect investments in A-shares markets will usually be made in US Dollars and not in Renminbi. The Sub-Fund will be exposed to many fluctuations in the exchange rate between U.S. Dollars and Renminbi.

### *Accuracy of Information*

Whilst reasonable care has been taken to check the accuracy of the information contained in this Prospectus, the quality and limited availability of official data published by the PRC government and government agencies and information on PRC businesses and industries are generally not equivalent to that of more developed countries. Given the inherent uncertainty of the source material, investors should be aware that the accuracy and completeness of statistical data and other factual statements relevant to the PRC contained in this Prospectus, including information concerning actual and proposed macro-economic, fiscal, legal and other matters, cannot be guaranteed.

### *Currency Risk*

The Net Asset Value per Share will be computed in U.S. Dollars, whereas the Sub-Fund will invest most of its assets in securities denominated in Renminbi or H.K. Dollars or convertible into securities denominated in Renminbi or H.K. Dollars. The Net Asset Value of the Sub-Fund as expressed in U.S. Dollars will fluctuate in accordance with the changes in the foreign exchange rate between the U.S. Dollar and the Renminbi/H.K. Dollar. It may not be possible or practicable to hedge against the consequent currency risk exposure and in certain instances the Sub-Fund may not hedge against such risk. It is not the present intention of the Sub-Fund to hedge the currency exposure but the Sub-Fund reserves the right to do so in the future if it is desirable or practicable.

The value of Renminbi against the U.S. Dollar or any other foreign currency may fluctuate and is affected by, among other things, changes in the political and economic conditions of the PRC. Renminbi can be converted into the U.S. Dollar or any other foreign currency based on the rates set by The People's Bank of China. There can be no assurance that the value of the Renminbi against the U.S. Dollar or any other foreign currency is on any appreciation trend. Further, any revaluation of the Renminbi may adversely affect the value of, and the dividends payable on, securities held by the Sub-Fund.

### *Custody Risk in respect of Chinese Securities*

The custodial and/or settlement systems of some of the Chinese markets or exchanges on which the Sub-Fund may invest may not be fully developed, and therefore the assets of a Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks in circumstances whereby the Trustee will have no liability. Such risks include (but are not limited to): (a) a non-true delivery versus payment settlement; (b) a physical market, and as a consequence the circulation of forged securities; (c) poor information in regards to corporate actions; (d) registration process that impacts the availability of the securities; (e) lack of appropriate legal/fiscal infrastructure devices; and (f) lack of compensation/risk fund with the central depository.

As mentioned above, custodians or sub-custodians may be appointed in local markets for the purpose of safekeeping assets in those markets. Where the Sub-Fund invests in markets

where custodial and/or settlement systems are not fully developed, the assets of the Sub-Fund may be exposed to custodial risk. For example, in case of the liquidation, bankruptcy or insolvency of a custodian or sub-custodian, the Sub-Fund may take a longer time to recover its assets. In circumstances such as the retroactive application of legislation of and fraud or improper registration of title, the Sub-Fund may even be unable to recover all of its assets. The costs borne by the Sub-Fund in investing and holding investments in such markets will be generally higher than in organized securities markets.

### **Risks associated with the Connect Scheme**

#### *China Connect Securities*

There can be no assurance that an active trading market for such China Connect Securities will develop or be maintained. If spreads on China Connect Securities are wide, this may adversely affect the Sub-Fund's ability to dispose of China Connect Securities at the desired price. If the Sub-Fund needs to sell China Connect Securities at a time when no active market for them exists, the price it receives for its China Connect Securities - assuming it is able to sell them - is likely to be lower than the price received if an active market did exist, and thus the performance of the Sub-Fund may be adversely affected depending on the Sub-Fund's size of investment in China Connect Securities through the Connect Scheme.

#### *Quota Limitations*

The Connect Scheme is subject to quota limitations which may restrict the Sub-Fund's ability to invest in A-shares through the Connect Scheme on a timely basis and as a result, the Sub-Fund's ability to access the A-share market (and hence to pursue its investment strategy) may be adversely affected.

Trading under the Connect Scheme is subject to the Daily Quota. The Daily Quota may change and consequently affect the number of permitted buy trades on the Northbound Trading Link.

The Sub-Fund does not have exclusive use of the Daily Quota and such quotas are utilised on a "first come – first served" basis. The Daily Quota will apply on a "net buy" basis. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call auction session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the Daily Quota balance). Therefore, quota limitations may restrict the Sub-Fund's ability to invest in or dispose of China Connect Securities through the Connect Scheme on a timely basis, and the Sub-Fund may not be able to effectively pursue its investment strategies depending on the Sub-Fund's size of investment in China Connect Securities through the Connect Scheme.

#### *Clearing and Settlement Risk*

The HKSCC and ChinaClear have established the clearing links and each becomes a participant of each other to facilitate clearing and settlement of cross-border trades. For cross-

border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

China Connect Securities invested via the Northbound Trading Link will be recorded in the shareholders register held by ChinaClear. HKSCC will become a direct participant in ChinaClear and China Connect Securities acquired by investors including the Sub-Fund through Northbound Trading Link will be:

- a) recorded in the name of HKSCC in the nominee securities account opened by HKSCC with ChinaClear and HKSCC will be nominee holder of such China Connect Securities; and
- b) held under the depository arrangements of ChinaClear and HKSCC will be recognized as the registered holder of such China Connect Securities.

HKSCC will record interests in such China Connect Securities in the CCASS stock account of the relevant CCASS participant. The Sub-Fund's rights and interests in China Connect Securities will be exercised through HKSCC exercising its rights as the nominee holder of China Connect Securities credited to HKSCC's omnibus account with ChinaClear. The relevant measures and rules in relation to the Connect Scheme generally provide for the concept of a "nominee holder" and recognise the investors including the Sub-Fund as the "beneficial owners" of China Connect Securities.

However, the precise nature and rights of an investor as the beneficial owner of China Connect Securities through HKSCC as nominee is less well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law. Therefore, the Sub-Fund's assets held by HKSCC as nominee (via any relevant brokers' or custodians' accounts in CCASS) may not be as well protected as they would be if it were possible for them to be registered and held solely in the name of the Sub-Fund.

In connection to this, in the event of a default, insolvency or bankruptcy of a custodian or broker, the Sub-Fund may be delayed or prevented from recovering its assets from the custodian or broker, or its estate, and may have only a general unsecured claim against the custodian or broker for those assets.

In the remote event of any settlement default by HKSCC, and a failure by HKSCC to designate securities or sufficient securities in an amount equal to the default such that there is a shortfall of securities to settle any China Connect Securities trades, ChinaClear may deduct the amount of that shortfall from HKSCC's omnibus account with ChinaClear, such that the Sub-Fund may share in any such shortfall.

As previously discussed, HKSCC is the nominee holder of the China Connect Securities acquired by investors. As a result, in the remote event of a bankruptcy or liquidation of HKSCC, the China Connect Securities may not be regarded as the general assets of HKSCC

under the laws of Hong Kong, and will not be available to the general creditors of HKSCC on its insolvency. In addition, as a Hong Kong incorporated company, any insolvency or bankruptcy proceedings against HKSCC will be initiated in Hong Kong and be subject to Hong Kong law. In such circumstances, ChinaClear and the courts of mainland China will regard the liquidator of HKSCC appointed under Hong Kong law as the entity with the power to deal with the China Connect Securities in place of HKSCC.

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

#### *No Protection by Hong Kong Investor Compensation Fund*

The Sub-Fund's investments through the Connect Scheme will not be covered by Hong Kong's Investor Compensation Fund. Therefore, the Sub-Fund is exposed to the risks of default of the broker(s) it engages in its trading in China Connect Securities through the Connect Scheme.

#### *Short Swing Profit Rule*

According to the PRC Securities Law, a shareholder of 5% or more of the total issued shares of a PRC listed company ("major shareholder") has to return any profits obtained from the purchase and sale of shares of such PRC listed company if both transactions occur within a six-month period. In the unlikely event that the Fund or the Sub-Fund becomes a major shareholder of a PRC listed company by investing in China Connect Securities via the Connect Scheme, the profits that the Sub-Fund may derive from such investments may be limited, and thus the performance of the Fund and the Sub-Fund may be adversely affected depending on the Sub-Fund's size of investment in China Connect Securities through the Connect Scheme.

#### *Participation in Corporate Actions and Shareholders' Meetings*

HKSCC will keep CCASS participants informed of corporate actions of China Connect Securities. Hong Kong and overseas investors (including the Sub-Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of China Connect Securities may be as short as one business day only. Therefore, the Sub-Fund may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the Sub-Fund) may hold China Connect Securities traded via the Connect Scheme through their brokers or custodians. Where the appointment of proxy/multiple proxies by a shareholder is prohibited by the articles of

association of the China Connect Securities, the Sub-Fund may not be able to appoint proxy/multiple proxies to attend or participate in shareholders' meetings in respect of China Connect Securities.

#### *Operational Risk*

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

Market participants generally have configured and adapted their operational and technical systems for the purpose of trading A-shares through the Connect Scheme. However, it should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the "connectivity" in the Connect Scheme requires routing of orders across the border of Hong Kong and the PRC. SEHK has set up an order routing system ("China Stock Connect System") to capture, consolidate and route the cross-boundary orders input by exchange participants. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in China Connect Securities through the Connect Scheme could be disrupted. The Sub-Fund's ability to access the A-share market (and hence to pursue its investment strategy) may be adversely affected depending on the Sub-Fund's size of investment in China Connect Securities through the Connect Scheme.

#### *Regulatory Risk and Other China Specific Investment Requirements*

Any investments of the Sub-Fund through the Connect Scheme will be subject to rules and regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong as well as other regulations applicable to the Connect Scheme including but not limited to trading restrictions, disclosure requirements and foreign ownership limits. In particular, Investments in China Connect Securities through the Connect Scheme are subject to the following shareholding restrictions:

- Single foreign investors' shareholding by any Hong Kong or overseas investor (such as the Sub-Fund) in a China Connect Security must not exceed 10% of the total issued shares; and
- Aggregate foreign investors' shareholding by all Hong Kong and overseas investors (such as the Sub-Fund) in a China Connect Security must not exceed 30% of the total issued shares.

When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the "Measures for the Administration of Strategic Investment of Foreign

Investors in Listed Companies”, the shareholding of the strategic investments is not capped by the above-mentioned percentages.

Should the shareholding of a single investor in a A-share listed company exceed the above restriction, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. The SSE and the SEHK will issue warnings or restrict the buy orders for the related A-shares if the percentage of total shareholding is approaching the upper limit.)

As there are limits on the total shares held by all underlying foreign investors in one listed company in the PRC, the capacity of the Sub-Fund to make investments in A-shares will be affected by the activities of all underlying foreign investors investing through the Connect Scheme.

Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Connect Scheme, which may affect the Sub-Fund’s investments in China Connect Securities.

The rules and regulations, in connection with the Connect Scheme, including the taxation of transactions involving China Connect Securities (see the section entitled “PRC Tax” above), are subject to change which may have potential retrospective effect. There can be no assurance that the Connect Scheme will not be abolished. The Sub-Fund, which may invest in the PRC markets through the Connect Scheme, may be adversely affected as a result of such changes.

#### *Risk of Suspension*

Each of SEHK, SSE and SZSE reserves the right to suspend the Northbound Trading Link and/or Southbound Trading Link if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound Trading Link is effected, the Sub-Fund’s ability to access the PRC market will be adversely affected.

#### *Front-End Monitoring*

PRC regulations require that before an investor sells any shares, there should be sufficient shares in the investor’s account; otherwise SSE or SZSE will reject the sell order concerned.

SEHK will carry out pre-trade checking on China Connect Securities sell orders of its exchange participants (i.e. the stock brokers) to ensure there is no over-selling. If the Sub-Fund desires to sell China Connect Securities it holds, it will be required to transfer those China Connect Securities to the respective accounts of its brokers before the market opens on the day of selling (“trading day”) unless its brokers can otherwise confirm that the Sub-Fund has sufficient shares in its account. If it fails to meet this deadline, it will not be able to execute the sale of those China Connect Securities on behalf of the Sub-Fund on that trading

day sell those shares on the trading day. Because of this requirement, the Sub-Fund may not be able to dispose of its holdings of China Connect Securities in a timely manner.

Alternatively, if the Sub-Fund maintains its China Connect Securities with a custodian which is a custodian participant or general clearing participant participating in CCASS, the Sub-Fund may request such custodian to open a special segregated account (“SPSA”) in CCASS to maintain its holdings in China Connect Securities under the enhanced pre-trade checking model. Each SPSA will be assigned a unique “Investor ID” by CCASS for the purpose of facilitating the China Stock Connect System to verify the holdings of an investor such as a Sub-Fund. Provided that there is sufficient holding in the SPSA when a broker inputs the Sub-Fund’s sell order, the Sub-Fund will only need to transfer China Connect Securities from its SPSA to its broker’s account after execution and not before placing the sell order and the Sub-Fund will not be subject to the risk of being unable to dispose of its holdings of China Connect Securities in a timely manner due to failure to transfer China Connect Securities to its brokers in a timely manner.

#### *Differences in Trading Day*

The Connect Scheme only operates on days when both the PRC and the Hong Kong stock markets are open for trading and when banks in both markets are open on the corresponding settlement days. It is therefore possible that there are occasions when it is a normal trading day for the PRC stock markets but the Sub-Fund cannot carry out any trading of the China Connect Securities. The Sub-Fund may be subject to a risk of price fluctuations in China Connect Securities during the time when the Connect Scheme is not trading as a result.

#### *Recalling of Eligible Stocks*

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

#### *Risks associated with the Small and Medium Enterprise Board of the SZSE (“SME Board”) and/or the ChiNext Board*

The Sub-Fund investing through the Connect Scheme may invest in the SME Board and/or the ChiNext Board via the Shenzhen-Hong Kong Stock Connect scheme. Investments in the SME board and/or ChiNext Board may result in significant losses for the Sub-Fund and its investors. The following additional risks apply:

*Higher fluctuation on stock prices* - Listed companies on the SME Board and/or ChiNext Board are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the Main Board of the SZSE (“Main Board”).

*Over-valuation risk* - Stocks listed on SME Board and/or ChiNext Board may be overvalued



and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

*Differences in regulation* - The rules and regulations regarding companies listed on ChiNext Board are less stringent in terms of profitability and share capital than those in the Main Board and SME Board.

*Delisting risk* - It may be more common and faster for companies listed on the SME Board and/or ChiNext Board to delist. This may have an adverse impact on the Sub-Fund if the companies that it invests in are delisted.

Investments in the SME Board and/or ChiNext Board may result in significant losses for the Fund and its investors.

*Risk associated with small-capitalisation / mid-capitalisation companies*

The stocks of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

**ATLANTIS JAPAN OPPORTUNITIES FUND**  
**SUPPLEMENT DATED 28 NOVEMBER, 2023 TO THE PROSPECTUS DATED 28 NOVEMBER,**  
**2023, FOR ATLANTIS INTERNATIONAL UMBRELLA FUND**

This Supplement contains specific information in relation to the Atlantis Japan Opportunities Fund (the "Sub-Fund"), a sub-fund of Atlantis International Umbrella Fund (the "Fund") an open-ended umbrella unit trust established as a UCITS pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No. 352 of 2011), as amended.

This Supplement forms part of the Prospectus dated 28 November, 2023 for the Fund and should be read in conjunction with the Prospectus which is available from the Administrator at George's Court, 54-62 Townsend Street, Dublin 2.

The Directors of the Manager of the Fund, whose names appear in the Prospectus under the heading "Management of the Fund", 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) such information is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

**An investment in the Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors.**

**1. Units**

U.S. Dollar Units, GBP Units and Euro Units in the Sub-Fund are available for subscription.

**2. Base Currency**

The Base Currency of the Fund is U.S. Dollar.

The denominated currency of each Class is as follows:

- (a) GBP Units shall be denominated in GBP.
- (b) U.S. Dollar Units shall be denominated in U.S. Dollar.
- (c) Euro Units shall be denominated in Euro.

**3. Business Day, Dealing Day and Valuation Point**

A Business Day means any day (except Saturday and Sunday and such other days as the Manager may determine) on which banks are open for business in Dublin, London and Tokyo.

Each Business Day shall be a Dealing Day or such other day or days as the Manager may from time to time determine and notify in advance to investors provided that there shall be at

least one Dealing Day per fortnight.

The Valuation Point is 12.00 noon (Irish time) on each Dealing Day.

#### **4. Investment Adviser**

Pursuant to the Investment Advisory Agreement dated 8th September, 2011, as amended, novated or supplemented, Atlantis Investment Management Limited has appointed Atlantis Investment Research Corporation of Hamamatsu-cho Square, Studio 1805, 1-30-5 Hamamatsu-cho, Minato-ku, Tokyo 105-0013, Japan to provide investment advice and research in respect of the Sub-Fund. The Investment Adviser was established on 22nd December, 1995 as a limited liability company incorporated in Japan and is registered as an investment adviser with the Ministry of Finance in Japan. It specialises in the provision of investment advice and research in relation to Japanese securities.

#### **5. Profile of a Typical Investor**

The Sub-Fund is suitable for investors who can afford to set aside the invested capital for the medium to long term and who are prepared to accept a high level of volatility.

#### **6. Investment Objective and Policies**

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

The Sub-Fund will invest mainly in a portfolio of equities, and equity-related instruments (such as convertible bonds, preference shares or warrants) issued by companies located in Japan or deriving a preponderant part of their income and/or assets from Japan. In any event, the Sub-Fund will at all times invest more than 50% of its net asset value directly in Equity Securities. Subject to this Equities Securities quota, the Sub-Fund may also invest up to 20% of its net assets in the following instruments:- (i) investment grade debt securities; (ii) Money Market Instruments (such as debentures, notes (including corporate and sovereign issued floating and fixed rate notes) with a minimum term of one year or more); (iii) deposits with credit institutions; (iv) American Depository Receipts; (v) UCITS or certain other open-ended collective investment schemes within the meaning of Regulation 3(2) as may be permitted by the Central Bank (namely, schemes established as "recognised funds" in Jersey, as "class A" schemes in Guernsey, as "authorised schemes" in the Isle of Man, non-UCITS retail schemes authorised by the Central Bank provided that such schemes comply in all material respects with the provisions of the Central Bank UCITS Regulations issued by the Central Bank and other non-UCITS schemes authorised in a Member State of the EEA, the U.S., the United Kingdom, Jersey, Guernsey or the Isle of Man and which comply in all material respects with the Central Bank UCITS Regulations issued by the Central Bank) provided that the aggregate investment by the Sub-Fund in UCITS or other open-ended collective investment schemes shall not exceed 10% of its net assets.

The Sub-Fund may also invest up to 10% of its net assets in equity Real Estate Investment Trusts (REITs) which are listed on the Tokyo Stock Exchange or on the Osaka Stock

Exchange provided that they do not affect the ability of the Sub-Fund to meet its liquidity obligations in accordance with Regulation 104 of the UCITS Regulations, 2011.

The securities in which the Sub-Fund will invest will be principally listed or traded on one or more Recognised Exchanges located in Japan. To a lesser extent, the Sub-Fund will also invest in securities listed or traded on Recognised Exchanges located outside Japan.

The total gross long position is not expected to exceed 100% of the Net Asset Value of the Sub-Fund and the total gross short position is not expected to exceed 0% of the Net Asset Value of the Sub-Fund.

#### *Investment Strategy*

The Sub-Fund employs a qualitative, long only Japanese equity strategy primarily driven by bottom-up fundamental research. The Sub-Fund will seek exposure over a three to five year investment horizon in companies that combine attractive valuation with a positive long term growth profile, including cyclical growth companies and, to a lesser extent, recovery situations. Although the Sub-Fund is not restricted in terms of the market capitalisation of its investments, the bias of the strategy tends to be towards smaller and medium sized segments of the market. The Sub-Fund's bottom-up approach involves a number of stages of analysis for any prospective, core portfolio holding:

- 1) An initial screen based on in-house criteria developed to assess long term earnings potential, balance sheet strength and valuation;
- 2) A deeper understanding of the business's prospects for future growth through meetings with management;
- 3) In depth evaluation of the company's balance sheet, its profit margin trends, cash flow, yield outlook, valuation ratios, market share and other due diligence; and
- 4) Group investment team discussion of the stock.

Although the strategy is based primarily upon a bottom-up to individual stock selection, the Sub-Fund does employ a top-down overlay as part of the portfolio construction process which takes into account sector allocations and the impact of the macro-economic environment.

#### *Benchmark*

The Sub-Fund is considered to be actively managed in reference to – TOPIX USD Index (the "Benchmark") by virtue of the fact that it uses the Benchmark for performance comparison purposes. Certain of the Sub-Fund's securities may be components of and may have similar weightings to the Benchmark. However the Benchmark is not used to define the portfolio composition of the Sub-Fund or as a performance target and the Sub-Fund may be wholly invested in securities which are not constituents of the Benchmark. The Benchmark is a free-float adjusted market capitalization-weighted index that is calculated based on all the

domestic common stocks listed on the Tokyo Stock Exchange First Section. The Benchmark shows the measure of current market capitalization assuming that market capitalization as of the base date (January 4,1968) is 100 points. This is a measure of the overall trend in the stock market, and is used as a benchmark for investment in Japan stocks.

## **7. Integration of Sustainability Risk**

Pursuant to the SFDR, the Sub-Fund is required to disclose the manner in which Sustainability Risks are integrated into the investment decisions of the Sub-Fund and the results of the assessment of the likely impacts of Sustainability Risks on the returns of the Sub-Fund.

The Sub-Fund could be exposed to some Sustainability Risks, which may differ depending on the specific investments in which the Sub-Fund invests in accordance with its investment policy. In particular, some companies, markets and sectors may have greater exposure to Sustainability Risks than others.

Consideration of these Sustainability Risks are integrated alongside other risks into the Investment Manager's investment process, decision making and risk monitoring to the extent that they are considered to represent potential or actual material risk and/or opportunities to maximise the long-term risk-adjusted returns. Sustainability Risks are assessed and monitored on an investment by investment basis by the Investment Manager's in-house research team with the support of an exclusion list provided by an external ESG specialist. This assessment then feeds into the broader investment process that leads to equity selection for the Sub-Fund.

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk, region and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there will be a negative impact on, or entire loss of, its value.

The Manager is not involved in the investment decision-making process but carries out independent oversight of the investment process and of investment decisions made for the Sub-Fund.

## **8. Efficient Portfolio Management**

Efficient portfolio management transactions relating to the assets of the Sub-Fund may be entered into by the Investment Manager with one of the following aims:- (a) a reduction of risk, (b) a reduction of cost, or (c) the generation of additional capital or income for the Sub-Fund with a level of risk consistent with the risk profile of the Sub-Fund and the diversification requirements in accordance with the investment restrictions of the Sub-Fund. In relation to efficient portfolio management operations the Investment Manager will look to ensure that the transaction is economically appropriate. Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of transferable securities held on behalf of the Sub-Fund.

In relation to efficient portfolio management operations, the Investment Manager will look to ensure that the transaction is economically appropriate. Financial derivative instruments and/or techniques and instruments entered into for this purpose include, but are not limited to, futures, forwards, options, swaps, warrants, stocklending arrangements, repurchase/reverse repurchase agreements and forward currency contracts. Although the use of derivatives (whether for hedging and/or for investment purposes) may give rise to an additional leveraged exposure, the global exposure of the Sub-Fund to derivatives will not exceed 100% of its Net Asset Value.

The Sub-Fund will use the commitment approach which is one of the two methods permitted under the UCITS Regulations to meet the requirement of the UCITS Regulations to accurately measure, monitor and manage the exposure produced by the use of derivatives. The commitment approach is calculated by converting the derivative position into the equivalent position in the underlying asset, based on the market value of the underlying asset or the market value of the contract, as described in the Manager's risk management process. Using the commitment approach, leverage, if any, will be minimal and as noted above, the Sub-Fund will not be leveraged in excess of 100% of its Net Asset Value as a result of the use of derivatives.

#### *Futures*

The Sub-Fund may enter into single stock and index futures contracts in order to hedge against changes in the values of equity securities held by the Sub-Fund or markets to which the Sub-Fund is exposed or to take out hedges against changes in interest or currency rates which may have an impact on a Sub-Fund. The Sub-Fund may also use futures contracts to equitise cash, as a substitute for direct investment where it is more efficient to do so or as a means of gaining exposure to particular securities or markets on a short to medium term basis in advance of making a decision to purchase a particular security or to reallocate assets on a longer term basis. In addition, the Investment Manager may use futures to reduce exposure to a market in advance of raising cash from asset sales to fund redemptions from the Sub-Fund.

In addition, certain markets within the investment universe of the Sub-Fund may be overly concentrated due to the presence of disproportionately highly capitalised issuers in those markets, with the result that a Sub-Fund may have difficulty in maintaining adequate exposure to that market by purchasing transferable securities without breaching its investment limits. The Investment Manager may use index futures to maintain an appropriate level of exposure to such markets.

#### *Forwards*

Forwards may be used for similar purposes as futures. In particular, FX forwards may be used to hedge the currency exposures of securities denominated in a currency other than the base currency of the Sub-Fund and to hedge against changes in interest and currency rates which may have an impact on the Sub-Fund.

### *Options*

Call options may be used to gain exposure to specific securities and put options may be used to hedge against downside risk. Options may also be purchased to hedge against currency, interest rate and credit spread risk and the Sub-Fund may write covered call options to generate additional revenues for the Sub-Fund. The Sub-Fund will not write uncovered call or put options.

### *Swaps*

Swaps may also be used to hedge against currency and interest rate risk.

### *Cash management and efficient investing*

In general, the Sub-Fund may also use futures, forwards, options and swaps as an alternative to fully or partly acquiring the underlying or the related securities in any case where such investment may be accomplished in a more efficient or less costly way through the use of derivatives. Such instruments may also be used to maintain exposure to the market while managing the cashflows from subscriptions and redemptions into and out of each Sub-Fund more efficiently than by buying and selling transferable securities.

### *Repurchase agreements, reverse repurchase agreements and/or stock lending agreements*

Subject to the quota for Equity Securities stipulated in Section 6 (“Investment Objectives and Policy”) above and subject to the conditions and limits set out in the Central Bank UCITS Regulations, the Sub-Fund may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements to generate additional income for the Sub-Fund. Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Sub-Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. A stocklending agreement is an agreement under which title to the “loaned” securities is transferred by a “lender” to a “borrower” with the borrower contracting to deliver “equivalent securities” to the lender at a later date.

Repurchase agreements, reverse repurchase agreements and/or stocklending arrangements will only be utilised for efficient portfolio management purposes.

### *Securities Financing Transactions Regulation – General*

The Sub-Fund may engage in SFTs, i.e., repurchase agreements, reverse repurchase agreements and/or stocklending arrangements, within the meaning of EC Regulation 2015/2365 (the “**SFT Regulation**”).

The maximum exposure of the Sub-Fund in respect of SFTs shall be 0.30 times the assets

under management of the Sub-Fund. However, the Investment Manager does not anticipate that the exposure of the Sub-Fund to SFTs will exceed 0.15 times the assets under management of the Sub-Fund. The types of assets that will be subject to SFTs will be assets which are of a type which is consistent with the investment policy of the Sub-Fund.

Please see the section entitled “Risk Factors” in the Prospectus for details of the risks involved in these practices, including “Counterparty Risk”, “Legal and Operational Risks Linked to Management of Collateral”, “Stocklending Risk” and “Repurchase Agreement Risk”.

Please see the section entitled “Securities Financing Transactions and Total Return Swaps – Counterparty Procedure” in the Prospectus for details of the criteria used for selecting counterparties to SFTs and “Securities Financing Transactions and Total Return Swaps – Collateral” in respect of any collateral received as a result of SFTs.

#### *Foreign exchange transactions and other currency contracts*

Foreign exchange transactions and other currency contracts may also be used to provide protection against exchange risks in accordance with the requirements of the Central Bank. Such contracts may be used by the Sub-Fund to hedge some or all of the exchange risk/currency risk arising as a result of the fluctuation between the denominated currency of the Sub-Fund and the currencies in which the Sub-Fund's investments are denominated.

The Sub-Fund will not enter into cross currency hedging transactions.

#### *Risk management process*

The Manager will employ a risk management process which will enable it to monitor and measure the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Manager will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to the Central Bank. The Manager will provide on request to Unitholders supplementary information relating to the risk management methods employed by the Manager including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

## **9. Distribution Policy**

It is understood that the Fund and each of its Sub-Funds conform to the ‘reporting fund’ regime and are currently certified as “reporting funds”. As reporting funds they will not be required to distribute income. The current requirements and UK tax consequences of the offshore funds regime are summarised in the section entitled “Taxation” in the Prospectus. Dividends, if declared, will normally be declared in June and/or December of each year and will be paid no later than 21 Business Days thereafter.



## 10. Issue of Units

The initial offer period for all Units in the Sub-Fund has now closed. Units are now offered as set out below under the paragraph "Subsequent Issues" below.

### *Subsequent Issues*

After the initial offer period, the Units shall be issued in respect of each Subscription Day. The issue of such Units shall take place at a price equal to the Net Asset Value per Unit on the relevant Dealing Day.

### *Application Procedure*

The procedures to be followed in applying for Units of all classes are set out in the Prospectus under the heading "Administration of the Fund - Application for Units"

## 11. Minimum Subscription and Minimum Holding

Class	Minimum Subscription	Minimum Holding
U.S. Dollar Class	U.S. \$10,000	U.S. \$10,000
GBP Class	£10,000	£10,000
Euro Class	€10,000	€10,000

## 12. Redemption of Units

Units may be redeemed on each Dealing Day at a price per Unit equal to the Net Asset Value per Unit. A redemption fee will not be levied in respect of such redemptions.

Further details are set out in the Prospectus under the heading "Administration of the Fund - Redemption of Units".

## 13. Fees

In addition to the general management and fund charges set out in the Prospectus under the heading "Management and Fund Charges - General" the following fees and expenses are payable out of the Sub-Fund.

### *Manager*

The Manager will receive an annual management fee out of the assets of the Sub-Fund at a rate of 1% of the Net Asset Value of the Sub-Fund, plus VAT (if any), payable monthly in arrears.

The Manager will also be entitled to be repaid all of its Administration Expenses out of the assets of the Sub-Fund which shall include legal fees, couriers' fees and telecommunication costs and expenses.

#### *Investment Manager and Investment Adviser*

The Manager will pay out of its own fee the fee payable to the Investment Manager. The Investment Manager will pay out of its own fee the fee payable to the Investment Adviser.

All reasonable out-of-pocket expenses incurred by the Investment Manager and the Investment Adviser in connection with the ongoing administration and operation of the Sub-Fund will be paid out of the assets of the Sub-Fund.

#### *Administrator*

In consideration of the services to be performed by the Administrator hereunder, the Administrator shall be entitled to receive an annual fee (plus any applicable value added tax) from the Sub-Fund not exceeding 0.25% of the Net Asset Value of the Sub-Fund. The fee shall accrue on each Dealing Day and be paid monthly in arrears. The Administrator shall also be entitled to be repaid out of the assets of the Sub-Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Sub-Fund which shall include legal fees, couriers' fees and telecommunication costs and expenses.

#### *Trustee*

In consideration of the services to be performed by the Trustee, the Trustee shall be entitled to receive an annual fee payable out of the assets of the Sub-Fund (plus any applicable value added tax) not exceeding 0.10% of the Net Asset Value of the Sub-Fund. The Trustee shall be further entitled to be repaid all of its Disbursements out of the assets of the Sub-Fund, a transaction charge of USD25 per investment trade processed and the fees and transaction charges of any sub-custodian appointed by it which shall be at normal commercial rates. The fee shall accrue on each Dealing Day and be paid monthly in arrears.

#### *Subscription Fee*

No subscription fee will be levied in respect of this Sub-Fund.

#### **14. Risk Factors**

The risk factors applicable to the Sub-Fund are set out in the Prospectus under the heading "Risk Factors"



## **ADDITIONAL INFORMATION FOR INVESTORS IN THE FEDERAL REPUBLIC OF GERMANY**

### **Right to publicly distribute units in Germany**

The Fund has notified the Bundesanstalt für Finanzdienstleistungsaufsicht (“BaFin”) of its intention to publicly distribute Units in the Sub-Funds in the Federal Republic of Germany. Since completion of the notification process the Fund has the right to publicly distribute Units in the Sub-Funds in Germany.

### **Paying and Information Agent in Germany**

The function of paying and information agent in the Federal Republic of Germany is carried out by:

Marcard, Stein & Co AG  
Ballindamm 36  
20095 Hamburg

(the “Paying and Information Agent”).

Redemption and conversion applications may be sent to the Paying and Information Agent for onward transmission to the Administrator. Unitholders in Germany may request that they receive payments (redemption proceeds, distributions, if any, and any other payments) through the Paying and Information Agent.

Unitholders in Germany will be entitled to receive the same information and documents from the Paying and Information Agent as investors may request in Ireland.

Copies of the Trust Deed and any instrument amending the Trust Deed, the Prospectus and the Sub-Fund Supplements, the Key Investor Information Documents as well as the audited annual report and, if subsequently published, the unaudited semi-annual report may be obtained free of charge in paper form at the registered office of the Paying and Information Agent.

The following documents may also be examined on any Business Day at the registered office of the Paying and Information Agent:

the Administration Agreement and Investment Management Agreement; the UCITS Regulations; a memorandum of the directorships and partnerships held by each Director of the Manager in the most recent five years, indicating which are current.

The subscription, conversion and redemption prices are available free of charge at the Paying and Information Agent as well.

### **Publications**

The above named prices will be based on the Net Asset Value calculated as at the previous Dealing Day and are solely for information purposes. They do not constitute any invitation to issue or redeem Units at these prices.

The issue and redemption prices are published in Börsen-Zeitung. Notifications to the Unitholders are also published in Börsen-Zeitung.

Unitholders additionally will be notified by means of a durable medium in terms of Sec. 167 KAGB with regard to the following: (i) the suspension of the redemption of the Shares; (ii) termination of the management or liquidation of the Fund or a Sub-Fund; (iii) amendments to the investment conditions that are inconsistent with the existing investment policies, that affect material investor rights or relate to the fees and reimbursement of expenses (including the reasons for the amendments, the rights of investors and an indication on where and how to obtain further information); (iv) any merger of the Fund or the Sub-Funds; and (v) any conversion of the Fund or the Sub-Funds into a feeder fund.

The German paying and information agent is entitled to receive an annual fee of €6,000 as remuneration for the services it provides to the Fund, which is payable by the Manager together with all recorded cash expenses. The German paying and information agent is also entitled to a fee of €4.00 for each single amount incurred, posted in the current account denominated in Euro and to a fee of €4.00 for any single redemption amount paid to a Unitholder of the Fund.

### **Tax risks**

The following considerations provide an overview of the income tax consequences of an investment in the sub-funds specified in this Prospectus (hereinafter the "Investment Funds"). These statements do not purport to be exhaustive. They only relate to the German taxation of investors in Investment Funds who are subject to unlimited tax liability in Germany (hereinafter the "Investors"). The German taxation of Investment Funds and their Investors has fundamentally changed as from 1 January 2018 on. The following section describes the consequences for income tax purposes under the applicable law as from 1 January 2018.

These statements are based on an interpretation of the applicable tax laws on 19 September 2019. The relevant tax treatment may change at any time – including retroactively – and depends on the Investor's personal situation. This may cause future deviations from the taxation described below. Investors and potential investors are strongly recommended to seek professional tax advice on the tax effects of an investment in shares of Investment Funds.

### **Legal situation after entry into force of the Investment Tax Reform Act as from 1 January 2018**

The Investment Tax Reform Act of 19 July 2016 (*Investmentsteuerreformgesetz - InvStRefG*), which was published in the Federal Gazette on 26 July 2016, has replaced the former semi-transparent taxation regime for mutual investment funds in favour of a concept providing for a separate taxation at the fund level on the one hand and at the investor level on the other hand starting from 1 January 2018.

Thereafter, mutual investment funds are no longer fully tax-exempt. Rather, certain domestic earnings are subject to taxation at the Investment Fund level (I.). At the Investor level (II.), distributions made by a mutual investment fund, capital gains from a disposal of shares in mutual investment funds and a so-called advance lump-sum (*Vorabpauschale*) are subject to taxation. As compensation, the Investor receives under certain conditions a tax-exemption for a portion of the earnings received from the

mutual investment fund (so-called partial exemption) to compensate for the tax burden at the Investment Fund level.

As a result of the implementation of the InvStRefG, all shares in the Investment Funds were deemed to be sold at their redemption price on 31 December 2017 and deemed to be re-acquired at their redemption price on 1 January 2018 for tax purposes. This deemed sale constituted a realisation event for tax purposes for Investors holding Investment Fund shares before 1 January 2018. The capital gain realised as a result of the deemed sale has to be determined pursuant to the tax provisions applicable until 31 December 2017, but will be taxed only when the shares in the Investment Funds are actually sold pursuant to the then applicable rules. At the Investment Fund level, the amounts determined for taxation pursuant to the rules applicable until 31 December 2017, such as loss carry-forwards, deemed distributed or accumulated income, were forfeited as of 1 January 2018.

The description below only relates to the tax provisions that apply to mutual investment funds and their investors as from 1 January 2018. Special investment funds, which must fulfil certain additional requirements, are subject to separate provisions. Essentially, special investment funds are at fund level subject to taxation with certain domestic earnings; special fund investors continue to be subject to a semi-transparent taxation regime similar to the legal situation that applied until 31 December 2017 (i.e. taxation at the investor level of distributed and deemed distributed earnings and of capital gains from a disposal of the Investment Fund shares) with certain tax exemptions applying at investor level. In relation to specific income special funds may opt for a fully transparent taxation leading to a tax exemption at special fund level.

## **I. Taxation at the Investment Fund level**

### **1. Taxable income**

The Investment Funds are foreign investment funds and, as such, separate legal estates within the meaning of § 2 no. 1 of the German Corporate Income Tax Act (*KStG*) and are partially subject to limited tax liability in Germany with certain income from a domestic source. In particular, domestic income from participations, domestic real estate earnings and other domestic income are subject to limited tax liability in Germany at the Investment Fund level. Domestic income from participations includes, in particular, dividends and payments on equity participation rights paid by German companies as well as manufactured dividend payments and securities lending fees paid in relation to participations in companies resident in Germany. Domestic real estate earnings include, in particular, income from letting and leasing as well as gains from the sale of real estate located in Germany. Other domestic income includes all income within the meaning of § 49 (1) of the German Income Tax Act (*EStG*) except for capital gains within the meaning of § 49 (1) no. 2 lit. e) *EStG* (i.e. capital gains from the disposal of participations in corporations of at least 1%) unless they are included in domestic income from participations or domestic real estate earnings. Accordingly, the tax liability relates in particular to interest on loans collateralised by domestic real estate, payments on debt participation rights and income from typical silent partnerships, from profit-participating loans and from convertible bonds if the debtor is resident in Germany (§ 49 (1) no. 5 lit. a) and c) *EStG*).

To the extent that the taxable income of the Investment Funds is subject to withholding tax (in particular dividends), the tax rate is 15.00% (if the Investment Fund presents a valid status certificate

to the withholding agent) and has final effect settling the relevant Investment Fund's tax liability. Where solidarity surcharge is levied, the amount of withholding tax is reduced accordingly so that an ultimate withholding tax rate of 15.00% is applied including solidarity surcharge. Where the taxable income of the Investment Funds is not subject to a tax deduction at source (in particular domestic real estate earnings), tax is levied on such income by way of a tax assessment. In this case, corporate income tax is applied at a rate of 15.00% plus solidarity surcharge of 5.5% thereon, i.e. at a total rate of 15.825%.

To the extent that certain tax-privileged investors hold interests in the Investment Funds, the relevant Investment Fund's generally taxable domestic income may be tax-exempt pursuant to § 8 of the German Investment Tax Act (*InvStG*) at the level of the Investment Fund under certain conditions and upon application by the relevant Investment Fund. If only tax-privileged investors within the meaning of § 8 (1) or (2) *InvStG* may participate in an Investment Fund or one of its share classes under the relevant investment conditions, the Investment Fund or the relevant share class is fully tax-exempt under certain conditions without having to make a separate application (§ 10 *InvStG*).

## **2. Non-taxable income**

Any other types of income not specified under I.1. above are not taxable at the level of the Investment Fund. This applies, in particular, to domestic and foreign interest earnings (except for the interest earnings covered by § 49 (1) *EStG*), foreign dividends, foreign real estate earnings, gains from derivatives transactions, capital gains from the disposal of shares in domestic or foreign corporations as well as earnings from domestic or foreign target investment funds (i.e., for target mutual investment funds, distributions, the advance lump-sum and capital gains from a disposal of fund shares and, for target special investment funds, distributed earnings and deemed distributed earnings as well as capital gains from a disposal of fund shares).

## **II. Taxation at the Investor level**

### **1. Taxation of investment earnings**

At the Investor level, current distributions by the Investment Funds, capital gains from a disposal of Investment Fund shares and advance lump-sums are generally fully taxable as investment earnings within the meaning of § 16 *InvStG*. § 3 no. 40 *EStG* and § 8b *KStG* are not applicable. Capital distributions (*Substanzausschüttungen*) are, in general, fully taxable investment earnings.

For private investors, investment earnings qualify as capital income and are, as such, subject to a final withholding tax at a rate of 25% (plus solidarity surcharge of 5.5%), in accordance with § 20 (1) no. 3 *EStG*. Upon application of a private investor, the personal income tax rate applies if this is more beneficial for the respective private investor (so-called more beneficial test - *Günstigerprüfung*). A lump sum for income-related expenses is deducted from all capital income received by the relevant Investor, in the amount of EUR 801 in case of a separate tax assessment and in the amount of EUR 1,602 in case of a joint tax assessment of spouses. No additional income-related expenses are deductible. Losses from capital investments may not be netted with other types of income or be deducted therefrom pursuant to § 10d *EStG*; however, they reduce the amount of income from capital investments in subsequent assessment periods.

Business investors are taxed on any taxable income at their personal income tax rate (plus solidarity

surcharge of 5.5%). In relation to investors subject to German corporate income tax (*Körperschaftsteuerpflichtige Anleger*), a tax rate of 15% (plus 5.5% solidarity surcharge) applies. In the case of a trading business, income is further subject to trade tax. Business expenses related to income from the Investment Funds are generally fully deductible. Losses from investments in the Investment Funds may be offset without limitation.

For private investors and business investors which are not corporate entities, church tax may be due in addition.

Investment earnings are generally subject to withholding tax at a rate of 26.375% (including solidarity surcharge) pursuant to § 43 (1) sentence 1 no. 5 and 9, § 43a (1) sentence 1 no. 1 EStG. The deduction of withholding tax generally has a final settling effect for a private investor (so-called final withholding tax - *Abgeltungsteuer*), so that income from capital investments, as a rule, does not need to be declared in the income tax return. For business investors and investors subject to corporate income tax as well as for private investors in the event of the more beneficial test (*Günstigerprüfung*), the withholding tax deducted is, as a general rule, creditable on the relevant investor's income or corporate income tax or refundable in the relevant investor's tax assessment.

If tax is deducted by a domestic custodian, any applicable church tax thereon is normally withheld at source in addition to the tax deduction. The deductibility of church tax as a special expense is taken into account when calculating the amount of taxes to be withheld.

For private investors, no tax needs to be deducted where the Investor provides a withholding tax exemption certificate of a sufficient amount, if the taxable earnings portions do not exceed an amount of EUR 801 or, in case of a joint tax assessment of spouses, EUR 1,602.

For tax-exempt institutional investors (such as, for example, pension funds), no withholding tax is deducted under specific conditions in accordance with § 44a (4) EStG. The same applies under certain conditions where Investors are domestic credit or financial services institutions or domestic asset management companies; in the case of capital gains from a disposal of Investment Fund shares, this also applies under certain conditions where the Investor is a corporation subject to unlimited tax liability or where the capital gains are business income of a domestic business (§ 43 (2) sentences 2 and 3 EStG).

Investment earnings are not recognised for tax purposes where the Investment Fund shares are held in connection with retirement or basic pension contracts certified pursuant to § 5 or § 5a of the Pension Contract Certification Act (*Altersvorsorgeverträge-Zertifizierungsgesetz*) (§ 16 (2) sentence 1 InvStG).

## **2. Calculation of advance lump-sum**

For accumulating Investment Funds, a so-called advance lump-sum (*Vorabpauschale*) is to be applied for tax purposes, irrespective of any distribution to the Investor, pursuant to § 18 InvStG. The advance lump-sum corresponds to the amount by which an Investment Fund's distributions in a calendar year fall below the basic income for such calendar year. The basic income is determined by multiplying the redemption price of the investment share at the beginning of the calendar year by 70% of the base interest rate pursuant to § 18 (4) InvStG. However, the basic income is limited to the surplus amount



that occurs between the first and the last redemption price determined in the calendar year plus the distributions made within such calendar year. If no redemption price is determined, the redemption price is replaced by the exchange or market price.

The advance lump-sum is deemed to be accrued to Investors on the first working day of the following calendar year, irrespective of the Investment Fund's financial year. To avoid double taxation, if Investment Fund shares are sold the advance lump-sums recognised during the holding period are to be deducted from the capital gains pursuant to § 19 (1) sentences 3 and 4 InvStG. For this purpose, Investors preparing a balance sheet must include an adjustment item and business investors preparing cash flow accounts must include a memorandum item, each in the amount of the advance lump-sums recognised during the holding periods, which is reversed on the sale of the investment share with the effect of reducing profits or, as the case may be, increasing losses.

In certain conditions, the advance lump-sum is not to be recognised for life insurance companies, health and nursing care insurance companies and in relation to Investment Fund shares held in connection with occupational pension provision under the German Company Pension Act (§ 16 (2) sentence 2 InvStG).

If the shares are held in safe custody in a German securities account, the taxable advance lump-sums are subject to a withholding tax at a rate of 25% (plus solidarity surcharge and, where applicable, church tax). For private investors, no tax needs to be deducted where the Investor provides a withholding tax exemption certificate of a sufficient amount. The same applies, under certain conditions, to tax-exempt institutional investors and to domestic credit or financial services institutions or domestic asset management companies (see II.1. above). Otherwise, the Investor must provide to the domestic custodian the amount of withholding tax to be imposed. For this purpose, the custodian may collect the amount of withholding tax to be imposed, without the Investor's consent, from an account of the Investor it maintains in the Investor's name. To the extent that the Investor does not fulfil its obligation to provide to the custodian the amount of withholding tax to be imposed, the custodian must notify this to the competent tax office.

### **3. Partial exemptions**

As a compensation for the tax burden of investment earnings at the Investment Fund level, Investors of Investment Funds with a specific investment focus (*equity, mixed and real estate funds*) receive a partial exemption from tax. The partial exemption is available for all investment earnings from the Investment Funds, i.e. distributions, the advance lump-sum and capital gains from a disposal of Investment Fund shares. The level of exemption depends on the investment focus and the typical tax burden applying to investment funds with the relevant investment focus.

*Equity funds* are investment funds which, in accordance with their investment conditions, continuously invest more than 50% of their value in equity investments (see § 2 (6) InvStG).

Pursuant to § 2 (8) InvStG, equity investments are shares in corporations listed on an exchange or quoted on other organised markets, shares in other corporations to the extent that they are resident and subject to tax and not tax-exempt in an EU/EEA state or are resident in a third state and subject to income tax at a rate of at least 15% without being tax exempt, and shares in target equity funds (at a portion of 51% of the value of the investment fund share) and target mixed funds (at a portion of

25% of the value of the investment share). If the target fund stipulates in its investment conditions a higher equity investment percentage than 51% in case of target equity funds or 25% in case of target mixed funds, such stipulated higher percentage of the value of the investment fund share is deemed as an equity investment.

According to the German tax authorities, equity investments may only be taken into account for purposes of the equity investments ratio if the investment fund is their civil law owner and their beneficial owner pursuant to § 39 (2) no. 1 Fiscal Code (Abgabenordnung, AO). If an investment fund has transferred civil law ownership in equity investments (e.g. in the context of a securities lending transaction), such equity investments may not be considered when calculating the equity investments ratio.

For equity funds, the partial exemption is 30% for private investors, 60% for business investors and 80% for investors subject to corporate income tax. If the Investor is a life or health insurance company and the investment fund shares are held as capital assets, if the Investor is a credit or financial services institution and the investment fund shares are attributable to its trading book, or if the Investor is a financial enterprise the majority of which is held by a credit or financial services institution and the investment shares are to be reported as current assets at the time of their receipt as business assets, then the partial exemption is 30%, irrespective of whether the Investor is a business investor or an investor subject to corporate income tax.

*Mixed funds* are investment funds which, pursuant to their investment conditions, continuously invest a minimum of 25% of their value in equity investments within the meaning of § 2 (8) InvStG. For mixed funds, the partial exemption is granted at half the rate granted for equity funds, i.e. 15% for private investors, 30% for business investors and 40% for investors subject to corporation tax (for each of the latter two investor types subject to the exceptions mentioned in the preceding paragraph).

*Real estate funds* are investment funds which, pursuant to their investment conditions, continuously invest more than 50% of their value in real estate and real estate companies (§ 2 (9) sentence 1 InvStG). In this case, the partial exemption is granted at a uniform rate of 60% for private investors, business investors and investors subject to corporate income tax. If the real estate fund, in accordance with its investment conditions, continuously invests more than 50% of its value in foreign real estate and foreign real estate companies, the partial exemption is granted at a uniform rate of 80% for private investors, business investors and investors subject to corporate income tax.

For trade tax purposes, the partial exemptions apply at half the rate at the Investor level. Partial exemptions for investment earnings are, in general, already to be considered when calculating the amount of withholding tax. However, in the tax deduction procedure for equity and mixed funds, the exemption rate applicable to private investors of 30% or, as the case may be, 15% is always initially applied in each case; business investors and investors subject to corporate income tax may claim the applicable higher partial exemption rates (60% or 80%) in the tax assessment procedure only.

Business expenses with an economic nexus to investment earnings from equity, mixed or real estate funds, are proportionally not deductible at the Investor level in the percentage of the relevant partial exemption rates (§ 21 InvStG).

To qualify as an equity, mixed or real estate fund, the Investment Funds must generally fulfil the relevant investment requirements in their investment conditions. The investment conditions include, in

particular, the constitutive documents of the relevant fund such as, for example, its articles of association or company agreement.

At the point in time, an equity fund, a mixed fund or a real estate fund significantly breaches its investment conditions and falls below the relevant equity investments ratio resp. real estate ratio, it does no longer qualify as an equity fund, mixed fund or real estate fund. In this case, the investment shares are deemed to be sold at their redemption price at the time of the breach and to be re-acquired at the same price on the next day. Whether a breach is significant has to be assessed on the basis of the entire circumstances of each individual case, in particular taking into account the degree to which the breach was caused by the fund manager, the duration and the extent of the breach. A mere passive breach of the equity investments ratio (e.g. due to value fluctuations of the assets) does according to the German tax authorities not constitute a significant breach, if appropriate measures to meet the equity investments ratio (resp. real estate ratio) again are taken by the Investment Fund without undue delay after it becomes aware of the passive breach.

If the investment conditions of an Investment Fund do not specify a sufficient equity or real estate ratio or if no investment conditions exist, Investors will nevertheless be granted partial exemptions if they prove that the Investment Fund has in fact continuously exceeded the minimum investment levels during the financial year. In this case, partial exemptions are taken into account in the relevant Investor's tax assessment upon application by the Investor.