

## **D-A-CH PORTFOLIO (IRELAND) PLC**

(an open-ended investment company with variable capital)

A company incorporated with limited liability under the laws of Ireland with registered number 315283

### **PROSPECTUS**

This Prospectus is dated 1 December 2021

The Directors of D-A-CH Portfolio (Ireland) p.l.c., whose names appear under the heading 'Directors of the Company', 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 such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

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## 1. DEFINITIONS

**Administrator** means State Street Fund Services (Ireland) Limited or any other person or persons for the time being duly appointed administrator in succession to the said State Street Fund Services (Ireland) Limited with the prior approval of the Central Bank.

**AIF** means an alternative investment fund as defined in Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers.

**Application Form** means the application form for subscription of Shares.

**Base Currency** means the Euro.

**Business Day** means a day on which retail banks in Dublin, Frankfurt and Stuttgart are open for business and on which securities are traded on Euronext Dublin or such other day(s) as the Directors may, with the approval of the Depositary, determine.

**Central Bank** means the Central Bank of Ireland or any successor regulatory authority with responsibility for authorising and supervising the Company.

**Central Bank UCITS Regulations** mean the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 as amended, consolidated and substituted from time to time.

**Companies Act** means the Irish Companies Act, 2014 (as may be amended, consolidated or supplemented from time to time) including any regulations issued pursuant thereto insofar as they apply to open-ended investment companies with variable capital.

**Company** means D-A-CH Portfolio (Ireland) plc.

**Connected Person** means the persons defined as such in the section headed "**Portfolio Transactions and Conflicts of Interest**".

**Constitution** means the constitution of the Company.

**DACH** is an acronym for Germany (international shortcut "D"), Austria ("A") and Switzerland ("CH").

**Data Protection Legislation** means the EU General Data Protection Regulation (EU) 2016/679 (GDPR), the EU Data Protection Directive 95/46/EC, the EU Privacy & Electronic Communications Directive 2002/58/EC, any amendments and replacement legislation, European Commission decisions, binding EU and national guidance and all national implementing legislation including the Irish Data Protection Acts 1988 to 2018.

**Depositary** means State Street Custodial Services (Ireland) Limited or any other person or persons for the time being duly appointed Depositary in succession to the said State Street Custodial Services (Ireland) Limited with the prior approval of the Central Bank.

**Depositary Agreement** means the custody agreement between the Company and the Depositary dated 10 May 2016.

**Dealing Day** means in respect of subscriptions and repurchases every Business Day or such other day(s) as the Directors may, with the approval of the Depositary, determine provided there is at least one Dealing Day per fortnight and all Shareholders are notified in advance.

**Dealing Deadline** means 1.00 pm Irish time on each Dealing Day by which applications for, and requests for repurchase of, Shares must be received in order to be dealt with on the same Dealing Day.

**Directors** means the directors of the Company.

**EEA** means the European Economic Area.

**Euro** means the lawful currency of the European Monetary Union Member States.

**Euronext Dublin** means the Irish Stock Exchange plc trading as Euronext Dublin.

**FDI** means financial derivative instruments.

**Foreign Person** means (i) a person who is neither resident nor ordinarily resident in Ireland for tax purposes who has provided the company with the appropriate declaration under Schedule 2B TCA and the Company is not in possession of any information that would reasonably suggest that the declaration is incorrect or has at any time been incorrect, or (ii) the company is in possession of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with in respect of that person or class of shareholder to which that person belongs, and that approval has not been withdrawn and any conditions to which that approval is subject have been satisfied.

**Initial Issue Price** means the price (excluding any Preliminary Charge) per Share at which Shares are initially offered in the Company during the Initial Offer Period as may be specified in the Prospectus with regard to a particular class of Shares.

**Initial Offer Period** means the period during which Shares are initially offered at the Initial Issue Price as may be specified in the Prospectus with regard to a particular class of Shares.

**Intermediary** means a person who:-

- (1) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking resident in Ireland on behalf of other persons; or
- (2) holds units in an investment undertaking on behalf of other persons.

**Investment Advisor** means Tresides Asset Management GmbH or any other person or persons for the time being duly appointed to provide non-discretionary investment advice in relation to the Company in succession to the said Tresides Asset Management GmbH in accordance with the requirements of the Central Bank.

**Investment Manager** means LBBW Asset Management Investmentgesellschaft mbH or any other person or persons for the time being duly appointed investment manager of the Company in succession to the said LBBW Asset Management Investmentgesellschaft mbH in accordance with the requirements of the Central Bank.

**Manager** means Waystone Management Company (IE) Limited or any other person or persons for the time being duly appointed as manager of the Company in succession to the said Waystone Management Company (IE) Limited in accordance with the requirements of the Central Bank.

**Member State** means a member state of the European Union.

**Minimum Fund Size** means €5,000,000 or equivalent in another currency.

**month** means calendar month.

**Net Asset Value, NAV or Net Asset Value per Share** means in respect of the assets of the Company the amount determined in accordance with the principles as the Net Asset Value or the Net Asset Value per Share set out in the section entitled "**Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets**".

**Official List** means the list of securities or units admitted to the Official List of Euronext Dublin and published daily by Euronext Dublin.

**OTC** means over-the-counter or off-exchange.

**Personal Data** means any data relating to a living individual who can be identified directly from that data or indirectly in conjunction with other information.

**Preliminary Charge** means the charge of up to 5% of the Net Asset Value per Share payable on the subscription for Shares.

**Regulated Market or Market** means one of the stock exchanges or regulated markets listed in Appendix I to this Prospectus.

**Regulations** mean 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 (S.I. No.143 of 2016) and the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2019 (S.I. No. 430 of 2019) and as may be further amended from time to time and any rules or guidance made by the Central Bank pursuant to them which are applicable to the Company.

**Repurchase Charge** means the charge of up to 3% of the Net Asset Value per Share payable on the repurchase of Shares.

**Responsible Person** means the Manager or, where the Manager is being replaced in accordance with the Central Bank UCITS Regulations, the Company.

**Settlement Date** means in the case of subscriptions two Business Days following the relevant Dealing Day and in the case of repurchases, two Business Days following the relevant Dealing Day and after receipt of the relevant duly signed repurchase documentation.

**Shares** mean participating shares of no par value in the capital of the Company.

**Shareholders** means holders of Shares, and each a **Shareholder**.

**Taxable Irish Person** means any person other than:-

- (1) a Foreign Person;
- (2) an intermediary, including a nominee, for a Foreign Person;
- (3) a qualifying management company within the meaning of section 739B TCA;
- (4) a specified company within the meaning of section 734 TCA;
- (5) an investment undertaking within the meaning of section 739B of the TCA;
- (6) an investment limited partnership within the meaning of section 739J of the TCA;

- (7) an exempt approved scheme or a retirement annuity contract or trust scheme within the provisions of sections 774, 784 or 785 TCA;
- (8) a company carrying on life business within the meaning of section 706 TCA;
- (9) a special investment scheme within the meaning of section 737 TCA;
- (10) a unit trust to which section 731(5)(a) TCA applies;
- (11) a charity entitled to an exemption from income tax or corporation tax under section 207(1)(b) TCA;
- (12) a person entitled to exemption from income tax and capital gains tax under section 784A(2) TCA, section 787I TCA or section 848E TCA and the units held are assets of an approved retirement fund, an approved minimum retirement fund, a special savings incentive account or a personal retirement savings account (as defined in section 787A TCA);
- (13) the Courts Service;
- (14) a Credit Union;
- (15) a company within the charge to corporation tax under section 739G(2) TCA, but only where the fund is a money market fund;
- (16) a company within the charge to corporation tax under section 110(2) TCA;
- (17) the National Asset Management Agency;
- (18) the National Treasury Management Agency or a Fund investment vehicle within the meaning of section 739D(6)(kb) TCA;
- (19) the Motor Insurers' Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurers Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018);
- (20) the National Pensions Reserve Fund Commission or a Commission investment vehicle (within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 as amended);
- (21) the State acting through the National Pensions Reserve Fund Commission or a Commission investment vehicle within the meaning given by section 2 of the National Pensions Reserve Fund Act 2000 (as amended); and
- (22) any other person as may be approved by the directors from time to time provided the holding of Shares by such person does not result in a potential liability to tax arising to the Company in respect of that Shareholder under Part 27, Chapter 1A of the TCA.

in respect of each of which the appropriate declaration set out in Schedule 2B TCA or otherwise and such other information evidencing such status is in the possession of the Company on the appropriate date.

**TCA** means the Taxes Consolidation Act, 1997 as amended.

**transferable securities** shall have the meaning prescribed in the Regulations and/or the Central Bank UCITS Regulations, as applicable.

**UCITS** means an undertaking for collective investment in transferable securities established pursuant to the UCITS Directive.

**UCITS Directive** means Council Directive 2009/65/EC on the co-ordination of laws, regulations and administrative provisions relating to undertakings for the collective investment in transferable securities (UCITS), as amended by Directive 2014/91/EU of the European Parliament and of the Council of 23 July on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities as regards depositary functions, remuneration policies and sanctions as may be amended, supplemented, consolidated or otherwise modified from time to time.

**United States** means the United States of America (including each of the states, the District of Columbia and the Commonwealth of Puerto Rico), its territories, possessions and all areas subject to its jurisdiction.

**United States Person** means a citizen or resident of the United States, a partnership organised or existing in the United States, a corporation organised under the laws of the United States or any estate or trust, other than an estate or trust the income of which comes from sources outside the United States (which is not effectively connected with the conduct of a trade or business within the United States) and is not included in gross income for the purpose of computing United States Federal income tax.

**Valuation Point** means in respect of the calculation of the Net Asset Value of the Company and the Net Asset Value per Share for each Dealing Day, 11.30 pm Irish time on each Dealing Day.



## 2. INTRODUCTION

**The value of and income from Participating Shares ("Shares") in the Company may go up or down and you may not get back the amount you have invested in the Company. Investment in Shares involves above average risk and your attention is drawn to the section headed "Risk Factors" below. Such investment is only suitable for investors who are in a position to understand and take such risks and satisfy themselves that such investment is appropriate for them.**

The Company is an investment company with variable capital incorporated on 16th November 1999 to which the provisions of Part 24 of the Companies Act 2014 apply. The Company has been authorised by the Central Bank as a UCITS pursuant to the Regulations. Accordingly, the Company is supervised by the Central Bank.

The Company was previously authorised by the Central Bank as a designated investment company. The Company sought revocation of this authorisation and was reauthorized by the Central Bank as a UCITS.

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

**If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser. Prices of Shares in the Company may fall as well as rise. The Company may charge a subscription charge of up to 5% of the Net Asset Value per Share payable on the subscription for Shares and/or a redemption charge of up to 3% of the Net Asset Value per Share payable on the repurchase of Shares. Accordingly, the difference at any one time between the sale and repurchase price of Shares in the Company means that an investment in the Company should be viewed as medium to long term.**

Distribution of this Prospectus is not authorised in any jurisdiction after publication of the most recent annual report and audited accounts of the Company unless accompanied by a copy of the then latest published annual report and audited accounts. Such reports and this Prospectus together form the prospectus for the issue of Shares in the Company.

Class A Shares were admitted to listing on the official list and to trading on the Global Exchange Market of Euronext Dublin on 29 February 2000. This Prospectus comprises listing particulars for the purpose of such application.

The Directors do not anticipate that an active secondary market will develop in the Shares.

Neither the admission of the Shares to the Official List and to trading on the Global Exchange Market of Euronext Dublin nor the approval of any listing particulars pursuant to the listing 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 Company, the adequacy of information contained in this Prospectus or the suitability of the Company for investment or for any other purpose. The Global Exchange Market of Euronext Dublin is not a 'regulated market' as defined under the Directive on Markets in Financial Instruments 2014/65/EU.

This Prospectus may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is unlawful or not authorised. In particular:-

- (1) the Shares have not been registered under the United States Securities Act of 1933 (as amended) and may not, except in a transaction which does not violate US securities laws, be directly or indirectly offered or sold in the United States or to any United States Person. The Company will not be registered under the United States Investment Company Act of 1940; and
- (2) the Shares may not be purchased or held by or for Taxable Irish Persons.

The Constitution of the Company gives powers to the Directors to impose restrictions on the holding of Shares by (and consequently to compulsorily repurchase Shares held by) or the transfer of Shares to any persons who are United States Persons (unless permitted under certain exceptions under the laws of the United States) or by any person who appears to be in breach of the laws or requirements of any country or government authority or by any person or persons in circumstances (whether directly or indirectly affecting such person or persons, and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Directors to be relevant) which, in the opinion of the Directors, might result in the Company incurring any liability to taxation or suffering pecuniary disadvantage or being in breach of any law or regulation which the Company might not otherwise have incurred, suffered or breached.

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

**Where distributions may be made from capital of the Company, there is a greater risk that capital will be eroded and the distribution is achieved by foregoing the potential for future capital growth of your investment and the value of future returns may also be diminished. This cycle may continue until all capital is depleted. Distributions out of capital may have different tax implications to distributions of income and recommend that investors seek advice in this regard. In the event that the net distributable income generated by the Company during the relevant period and attributable to the relevant Class is insufficient to pay a distribution which is declared, the Directors may at their discretion determine such dividends may be paid from the capital of the Company. Distributions paid out of capital should be understood as a type of capital reimbursement.**

Any information given, or representations made, by any dealer, salesman or other person not contained in this Prospectus or in any reports and accounts of the Company forming part hereof must be regarded as unauthorised and accordingly must not be relied upon. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares shall under any circumstances constitute a representation that the information contained in this Prospectus is correct as of any time subsequent to the date of this Prospectus. This Prospectus may from time to time be updated and intending subscribers should enquire of the Manager, the Investment Manager or the Administrator as to the issue of any later Prospectus or as to the issue of any reports and accounts of the Company.

All Shareholders are entitled to the benefit of, are bound by and are deemed to have notice of the provisions of the Constitution of the Company, copies of which are available as mentioned herein.

Distribution of this Prospectus in certain jurisdictions will require that the Prospectus, the Constitution and certain of the agreements referred to herein and listed under "**Documents Available for Inspection**" be translated into other languages. Where such translation is required, it will accord in all respects with the English version and in the event of any inconsistency, the English version shall prevail.

References to the Directors herein are taken to mean the Company acting through its board of directors.

Defined terms used in this Prospectus shall have the meanings attributed to them in the section headed "**Definitions**" above.

### 3. **SUMMARY**

The information in this Summary is selective and should be read in conjunction with the full text of the Prospectus:-

**Structure:** The Company is an open-ended variable capital company and has been authorised by the Central Bank pursuant to the Regulations as amended, supplemented or consolidated from time to time. Accordingly, the Company is supervised by the Central Bank.

**Investment Objective:** Long term capital growth.

**Investment Policies:** Investment mainly in equity markets with a focus on European equity markets (mainly in the DACH region) as further described in the "**Investment Policies**" section.

**Manager:** Waystone Management Company (IE) Limited.

**Investment Manager:** LBBW Asset Management Investmentgesellschaft mbH.

**Investment Advisor:** Tresides Asset Management GmbH.

**Depositary:** State Street Custodial Services (Ireland) Limited.

**Administrator:** State Street Fund Services (Ireland) Limited.

**Base Currency:** Euro.

**Minimum Fund Size:** €5,000,000 or equivalent in another currency.

**Annual Accounting Date:** 31st December.

**Dealing Day:** Every Business Day.

**Dealing Deadline:** 1.00 pm Irish time on each Dealing Day.

**Preliminary Charge:** up to 5% of the Net Asset Value per Share payable on the subscription for Shares.

**Repurchase Charge:** up to 3% of the Net Asset Value per Share payable on the repurchase of Shares.

#### **Share Classes:**

Class A            ISIN: IE0009458997

Class B            ISIN: IE00BQV1BW24

**Pricing:** The issue price is calculated on each Dealing Day and will be available from the Administrator and the Investment Manager.

**Listing:** Class A Shares are listed on the Official List and traded on the Global Exchange Market of Euronext Dublin.

#### 4. INVESTMENT OBJECTIVE

The investment objective of the Company is to achieve long-term capital growth.

#### 5. INVESTMENT POLICIES

##### 5.1. General

The Company will mainly invest in equity markets predominantly in European equity markets with a focus on the DACH region (meaning Germany, Austria and Switzerland) and may also invest in other open-ended collective investment schemes authorised in a Member State of the European Union, member state of the EEA, Australia, Canada, Japan, New Zealand, Norway, Switzerland, United States or the UK (**open-ended investment funds**). The Company's holdings in open-ended investment funds may be denominated in currencies other than the Euro. The Company may also invest in bonds, ETCs and derivative instruments, as further detailed below. The Company selects the assets class in which to invest on the basis of what the Investment Manager considers to represent good value and growth opportunities in the prevailing market conditions on the basis of market research conducted by the Investment Manager. No more than 20% of the Company's Net Asset Value will be invested in emerging markets.

The Company will invest primarily in equity securities. The Company will invest at least 51% of its Net Asset Value in equity securities which constitute "equity participation" within the meaning of section 2, Article 8 of the German Investment Tax Act<sup>1</sup>. The equity securities in which the Company will invest will be the shares of companies active in the equity markets included on the list in Appendix I to this Prospectus. Please note that for the purposes of these investment policies, a company will be considered to be active in a country if the company carries out the predominant part (more than 51%) of its economic activities there or if the company is listed on a regulated market in the country.

In addition, as an ancillary policy, the Company will gain exposure to global bond markets by investing up to 20% of Net Asset Value in government and corporate bonds (with a credit rating of at least B- by Standard & Poor's and IBCA or B3 by Moody's or if unrated, or rated by another rating agency, determined to be of equivalent quality by the Investment Manager and which may be fixed or floating rate), bond futures (as described below under "**Financial Derivative Instruments**") and subscription rights.

The Company will gain exposure to currencies by investing in equity securities not denominated in Base Currency.

As a further ancillary policy the Company may invest up to 10% of Net Asset Value in transferable securities, which give indirect exposure to commodities, known as exchange traded certificates (**ETCs**) which enable the Company to gain exposure to commodities without trading the underlying or taking physical delivery. The ETCs in which the Company may invest are transferable securities listed on a Regulated Market in the European Union which do not embed a derivative and which are backed or linked to commodities.

The Company will invest no more than 10% of its net asset value in other regulated open-ended collective investment schemes, including open-ended investment funds who derive their profits from holdings in an internationally diverse portfolio of bond securities or that hold equities and/or provide

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<sup>1</sup>§2, Abs. 8 InvStG in der Fassung des Gesetzes zur Reform der Investmentbesteuerung.

exposure to commodities (by way of investing in a commodities index or derivative instruments relating to commodities).

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

## 5.2. Sustainability Risks

The Manager has delegated part of the portfolio management of the assets of the Company to the Investment Manager. The Investment Manager integrates sustainability risks into its investment decision making process. A sustainability risk means an environmental, social or governance event or condition that, if it occurs, could cause a negative material impact on the value of the investments, including but not limited to, risks stemming from climate change, natural resource depletion, environmental degradation, human rights abuses, bribery, corruption and social and employee matters.

Whilst the Company does not promote any specific environmental, social and governance (**ESG**) characteristics or have a sustainable investment objective, the evaluation of sustainability risks through the analysis of certain ESG factors is part of the Company's investment process.

The Investment Manager considers sustainability risk as part of its broader analysis of individual issuers using data received from external service providers (such as MSCI ESG Research LLC and/or ISS ESG). In following and considering sustainability risks, the Investment Manager has adopted the exclusion policy set out in the paragraph entitled "**Exclusions**" below.

The impacts following the occurrence of a sustainability risk may be numerous and may vary depending on the specific risk, region and asset class. Where a sustainability risk occurs in respect of an asset, there could be a positive or negative impact on the return of the Company.

The Investment Manager believes that the Company will be exposed to a broad range of sustainability risks. As the Company is broadly diversified, it is not anticipated that any single sustainability risk will drive a material negative financial impact on the value of the Company.

Taking due account of the size, nature and scale of the Company's activities, the Manager acting in respect of the Company does not consider the principal adverse impacts of investment decisions on sustainability factors (being environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters) at this time due to the lack of information and data available to adequately assess such principal adverse impacts. The Manager, together with the Investment Manager, will keep this under review, particularly if the nature and scale of the Company's activities significantly change.

### **Exclusions**

The Investment Manager has adopted the following exclusion policy:

- No direct investment in companies which operate in business areas of ostracized weapon systems or nuclear weapons or for which the revenue from production of civilian arms or tobacco will in excess of 5% of total revenue.
- No direct investment in companies who operate or are engaged into controversial business practices or who violate international norms. A "controversy" is defined as a case or ongoing situation in which the operations or the products of the company in question have a negative impact on (a) the environment (e.g. Energy or Climate Change), (b) the community (e.g. human rights) and/or (c) good governance (e.g. corruption or fraud). Whereas the existence and the severance of the controversy will be

taken into account. Additionally the Investment Manager will supervise the compliance with international norms of UN Global Compact Principles and United Nations Principles for Responsible Investment (PRI), Fundamental Principles. Companies with a controversy with severe negative impacts or in violation against one of the aforementioned international rules will be excluded (from being a potential investment).

- Generally excluded are investments in financial instruments with a direct reference to agriculture commodities.

### 5.3. Cash / Money Market Instruments

Subject to the investment restrictions below, up to 49% of the Net Asset Value of the Company may ordinarily be held in cash or investment grade short-term money market instruments with a maturity of less than one year such as treasury bills, certificates of deposits and bankers' acceptances or equivalent in other Markets to meet margin payments and premium payments in respect of derivative instruments used by the Company and/or to repay redemptions and for liquidity purposes. This percentage may be increased at any time when the Investment Manager believes it to be in the best interests of the Company to do so.

**Investors should be aware that there is a difference between placing money on deposit and the nature of an investment in an investment fund such as the Company. In particular there is a risk that the value of shares in the Company may fall as well as rise.**

### 5.4. Financial Derivative Instruments

The Company will also gain exposure to equity, bond and currency markets by investing in bond futures, currency futures, interest rate futures, equity index futures contracts, put and call options and currency forwards. The Company's use of derivative instruments may increase the risk profile of the Company:

**Futures:** Futures are contracts to buy or sell a standard quantity of a specific asset (or, in some cases, receive or pay cash based on the performance of an underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange. Futures contracts allow investors to hedge against market risk or gain exposure to the underlying market. Since these contracts are marked-to-market daily, investors can, by closing out their position, exit from their obligation to buy or sell the underlying assets prior to the contract's delivery date. Frequently using futures to achieve a particular strategy instead of using the underlying or related security or index, results in lower transaction costs being incurred. The Company may use Futures to either (a) hedge any equity, bond or currency exposure and thus reduce equity, bond or currency exposure and market risk or (b) increase equity, bond or currency exposure within the limits set-out in the investment restrictions section, in a timely and cost efficient manner.

**Forwards:** A forward is a non-standardized, negotiated, over-the-counter contract between two parties to buy or sell an asset at a specified future time at a price agreed upon today. Forward contracts may be cash or physically settled between the parties and these contracts cannot be transferred. The Company may seek to hedge currency exposure through the use of foreign exchange contracts such as currency forwards. The Company may use forward foreign exchange contracts for hedging foreign exchange risks arising from assets of the Company which may be held in currencies other than the base currency. Accordingly, the Company may, depending on its tactical viewpoint and at the discretion of the Investment Manager also enter into such forward foreign exchange contracts to seek to hedge such currency exposures back into the base currency of the Company or the currency of denomination of the relevant share class.

The performance of the Net Asset Value of the Company may be influenced by movement in currency rates where non-hedged, non-Base Currency positions are held.

**Options:** There are two forms of options, put and call options. Put options are contracts sold for a premium that gives one party (the buyer) the right, but not the obligation, to sell to the other party (the seller) of the contract, a specific quantity of a particular product or financial instrument at a specified price. Call options are similar contracts sold for a premium that gives the buyer the right, but not the obligation, to buy from the seller of the option. Options may also be cash settled. The Company may be a seller or buyer of put and call options.

Please refer to "**Derivatives and Techniques and Instruments Risk**" for information on how the use of derivative instruments will affect the risk profile of the Company. The Company intends to invest in the regulated derivatives markets listed in Appendix I to this Prospectus.

The Company employs a Risk Management Process which enables it to accurately measure, monitor and manage the various risks associated with the Company's investment in financial derivative instruments. The Company will, on request, provide supplementary information to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments of the Company.

The Company will have a maximum global exposure of 100% of net asset value through its use of financial derivative instruments. This exposure will be measured using the commitment approach.

All derivative instruments will be traded either on official exchanges or other regulated markets or over the counter with a financial institution which satisfies the credit criteria specified below.

#### 5.5. Efficient Portfolio Management

The Company may use derivative instruments of the type listed above for efficient portfolio management purposes in accordance with the investment policies and subject to the conditions and limits set out in the Regulations and/or the Central Bank UCITS Regulations, as applicable. Any such use should be reasonably believed by the Investment Manager to be economically appropriate to the efficient portfolio management of the Company, i.e., the use of efficient portfolio management may only be undertaken for the purpose of one or more of the following:

- a reduction in risk;
- a reduction in cost; or
- an increase in capital or income returns to the Company with a level of risk which is consistent with the risk profile of the Company and the risk diversification rules set out in the Regulations and/or the Central Bank UCITS Regulations, as applicable.

Direct and indirect operational costs and/or fees arising from the use of techniques and instruments for efficient portfolio management purposes on behalf of the Company may be deducted from the revenue delivered to the Company. These costs and/or fees will be charged at normal commercial rates and will not include hidden revenue.

Where applicable, the entities to which such direct and indirect operational costs and/or fees have been paid during the annual period to the relevant accounting year end of the Company (including whether such entities are related to the Company or Depositary) will be disclosed in the annual report for such period.

All revenues from efficient portfolio management techniques, net of direct and indirect operational costs, will be returned to the Company.

Any change in the investment objective of the Company and any material change in the investment policies of the Company may only be made with the written approval of all Shareholders of the Company or the approval of an ordinary resolution of the Shareholders of the Company. In the event of a change of investment objective and/or policies, a reasonable notification period must be given by the Company to each Shareholder to enable a Shareholder to have its Shares repurchased prior to the implementation of such change.

## 5.6. Collateral Policy

### 5.6.1. Non-Cash Collateral

Non-cash collateral must, at all times, meet with the following requirements:

- (1) **Liquidity:** Non-cash collateral should be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received should also comply with the provisions of Regulation 74 of the Regulations.
- (2) **Valuation:** Collateral must be valued on at least a daily basis and assets that exhibit high price volatility should not be accepted as collateral unless suitably conservative haircuts are in place.
- (3) **Issuer credit quality:** Collateral received should be of high quality, issuers being rated BBB – to AAA by Standard and Poor's or equivalent by any other recognised rating agency.
- (4) **Correlation:** Collateral received should be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty.
- (5) **Diversification (asset concentration):** Collateral should be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of the Net Asset Value of the Company. When a Company is exposed to different counterparties, the different baskets of collateral should be aggregated to calculate the 20% limit of exposure to a single issuer.
- (6) **Immediately available:** Collateral received should be capable of being fully enforced by the Company at any time without reference to or approval from the relevant counterparty; and
- (7) **Non-cash collateral received cannot be sold, pledged or reinvested by the Company.**

## 5.7. Cash Collateral

Reinvestment of cash collateral must be in accordance with the following requirements:

### 5.7.1. Cash received as collateral may only be invested in the following:

- (1) deposits with a credit institution authorised in the European Economic Area (EEA) (EU Member States, Norway, Iceland, Liechtenstein), a credit institution authorised within a signatory state, other than an EU Member State or a Member State of EEA, to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States, UK) or a credit



institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand (the **Relevant Institutions**);

- (2) high quality government bonds;
- (3) reverse repurchase agreements provided the transactions are with credit institutions subject to prudential supervision and the Company is able to recall at any time the full amount of cash on an accrued basis;
- (4) short-term money market funds as defined in the ESMA Guidelines on a Common Definition of European Money Market Funds (ref CESR/10-049);

5.7.2. Invested cash collateral must be diversified in accordance with the requirements in section 5.6.1(5) above;

5.7.3. Invested cash collateral may not be placed on deposit with the counterparty or a related entity.

#### 5.8. Level of Collateral Required

The level of collateral required is as follows:

OTC Derivatives	Such collateral to ensure, in any event, that counterparty exposure is managed within the limits set out in the section headed " <b>Investment Restrictions</b> ".
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#### 5.9. Haircut Policy

In advance of entering into OTC derivative transactions, the Investment Manager will determine what haircut is acceptable for each class of asset received as collateral and will be set out in the agreement with the relevant counterparty or otherwise documented at the time of entering into such agreement. Such haircut will take into account the characteristics of the asset such as the credit standing or price volatility of the assets received as collateral as well as the outcome of any stress test performance in accordance with the Central Bank's requirements. Counterparties may be required to post additional collateral from time to time.

### 6. INVESTMENT RESTRICTIONS

#### 6.1. Permitted Investments

Investments of the Company are confined to:

- 6.1.1. 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.
- 6.1.2. Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
- 6.1.3. Money market instruments other than those dealt on a regulated market.
- 6.1.4. Units of UCITS.

- 6.1.5. Units of AIFs.
  - 6.1.6. Deposits with credit institutions.
  - 6.1.7. Financial derivative instruments.
- 6.2. Investment Restrictions
- 6.2.1. The Company may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 6.1.1 to 6.1.7 above.
  - 6.2.2. Subject to the second paragraph of this section 6.2.2, the Company shall not invest any more than 10% of assets of the Company in securities of the type to which Regulation 68(1)(d) of the UCITS Regulations 2011 apply.  
  
Paragraph (1) does not apply to an investment by the Company in US Securities known as "Rule 144 A securities" provided that:
    - (1) the relevant securities have been issued with an undertaking to register the securities with the U.S. Securities and Exchange Commission within one year of issue; and
    - (2) the securities are not illiquid securities i.e. they may be realised by the Company within seven days at the price, or approximately at the price, at which they are valued by the Company.
  - 6.2.3. The Company 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%.
  - 6.2.4. Subject to the prior approval of the Central Bank, the limit of 10% (as described in 6.2.3) 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 the Company 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 Company.
  - 6.2.5. The limit of 10% (as described in 6.2.3) 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.
  - 6.2.6. The transferable securities and money market instruments referred to in 6.2.4. and 6.2.5 above shall not be taken into account for the purpose of applying the limit of 40% referred to in 6.2.3.
  - 6.2.7. Deposits with any single credit institution, other than a credit institution specified in Regulation 7 of the Central Bank UCITS Regulations held as ancillary liquidity shall not exceed:
    - (1) exceed 10% of net assets of the Company; or
    - (2) where the deposit is made with the Depository 20% of the net assets of the Company.

- 6.2.8. The risk exposure of the Company 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; a credit institution authorised within a signatory state (other than an EEA member state) to the Basle Capital Convergence Agreement of July 1988 (Switzerland, Canada, Japan, United States, UK); or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand.
- 6.2.9. Notwithstanding paragraphs 6.2.3, 6.2.7 and 6.2.8 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:
- (1) investments in transferable securities or money market instruments;
  - (2) deposits, and/or
  - (3) counterparty risk exposures arising from OTC derivatives transactions.
- 6.2.10. The limits referred to in 6.2.3, 6.2.4, 6.2.5, 6.2.7, 6.2.8 and 6.2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.
- 6.2.11. Group companies are regarded as a single issuer for the purposes of 6.2.3, 6.2.4, 6.2.5, 6.2.7, 6.2.8 and 6.2.9. However, a limit of 20% of the net assets may be applied to investment in transferable securities and money market instruments within the same group.
- 6.2.12. The Company 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), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development, The World Bank, The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Export-Import Bank.

The Company must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.

### 6.3. Investment in Collective Investment Schemes (CIS)

- 6.3.1. The Company may not invest more than 10% of net assets in other CIS.
- 6.3.2. Investment in AIFs may not, in aggregate, exceed 10% of net assets.

- 6.3.3. The CIS are prohibited from investing more than 10% of net assets in other open-ended CIS.
- 6.3.4. When the Company invests in the units of other CIS that are managed, directly or by delegation, by the Company's management company or by any other company with which the Company's management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Company's investment in the units of such other CIS.
- 6.3.5. Where a commission (including a rebated commission) is received by the Company's manager / investment manager / investment adviser by virtue of an investment in the units of another CIS, this commission must be paid into the property of the Company.
- 6.4. Index Tracking UCITS
- 6.4.1. The Company may invest up to 20% of its net asset value in shares and/or debt securities issued by the same body where the investment policy of the Company is to replicate an index which satisfies the criteria set out in the Regulations and/or the Central Bank UCITS Regulations, as applicable and is recognised by the Central Bank.
- 6.4.2. The limit in 6.4.1 above may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
- 6.5. General Provisions
- 6.5.1. The Company acting in connection with the fund 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.
- 6.5.2. The Company may acquire no more than:
- (1) 10% of the non-voting shares of any single issuing body;
  - (2) 10% of the debt securities of any single issuing body;
  - (3) 25% of the units of any single CIS;
  - (4) 10% of the money market instruments of any single issuing body.
- NOTE:** The limits laid down in (2), (3) and (4) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.
- 6.5.3. 6.5.1 and 6.5.2 shall not be applicable to:
- (1) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;
  - (2) transferable securities and money market instruments issued or guaranteed by a non-Member State;

- (3) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;
  - (4) shares held by the Company 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 Company 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 6.2.3 to 6.2.11, 6.3.1, 6.3.2, 6.5.1, 6.5.2 and 6.5.6, and provided that where these limits are exceeded, paragraphs 6.5.5 and 6.5.6 below are observed.
  - (5) Shares held by the Company 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.
- 6.5.4. The Company 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.
  - 6.5.5. The Central Bank may allow the Company to derogate from the provisions of 6.2.3 to 6.2.12, 6.3.1, 6.3.2, 6.4.1 and 6.4.2 for six months following the date of its authorisation as a UCITS, provided it observes the principle of risk spreading.
  - 6.5.6. If the limits laid down herein are exceeded for reasons beyond the control of the Company, or as a result of the exercise of subscription rights, the Company must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its Shareholders.
  - 6.5.7. The Company or Manager may not carry out uncovered sales of:
    - (1) transferable securities;
    - (2) money market instruments<sup>2</sup>;
    - (3) units of CIS; or
    - (4) FDI.
  - 6.5.8. The Company may hold ancillary liquid assets.
- 6.6. FDI
    - 6.6.1. The Company's global exposure relating to FDI must not exceed its total net asset value.
    - 6.6.2. 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

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<sup>2</sup> Any short selling of money market instruments by the Company is prohibited.

index is one which meets with the criteria set out in the Central Bank UCITS Regulations, as applicable).

6.6.3. The Company 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.

6.6.4. Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.

## 7. PROFILE OF A TYPICAL INVESTOR

Investors in the Company should have an understanding of investments in equity securities, bonds and equity markets and be able to accept significant losses. Thus, the Company is suitable for investors seeking long term capital appreciation and is not suitable for short-term investors (or those seeking income). Investors are referred to the "**Risk Factors**" set out below.

## 8. BORROWING AND LENDING POWERS

The Company may borrow on a temporary basis up to 10% of its net assets at any time and may charge or pledge its assets as security for any such borrowings.

Without prejudice to the powers of the Company to invest in transferable securities, the Company may not lend to, or act as guarantor on behalf of third parties. The Company may acquire debt securities and securities which are not fully paid. Please also refer to "**Efficient Portfolio Management**" above.

## 9. RISK FACTORS

### 9.1. General Risk

The investments of the Company in securities are subject to normal market fluctuations and other risks inherent in investing in securities. The value of investments and the income from them, and therefore the value of, and income from, Shares can go down as well as up and an investor may not get back the amount he invests. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase. An investor who realises Shares after a short period may, in addition, not realise the amount originally invested in view of the Preliminary Charge and Repurchase Charge which may be made on the issue and repurchase of such Shares.

### 9.2. Investment in other Collective Investment Schemes Risks

The Company will not have control over the activities of any other fund invested in by the Company. The managers of such funds may take undesirable tax positions, employ excessive leverage or otherwise manage the funds in a manner not anticipated by the Company.

### 9.3. Borrowing Risks

If the Company borrows money, its share price may be subject to greater fluctuation until the borrowing is paid off. If the Company makes additional investments while borrowings are outstanding, this may be considered a form of leverage.

### 9.4. Legal and Regulatory Risks

Legal and regulatory (including taxation) changes could adversely affect the Company. Regulation (including taxation) of investment vehicles such as the Company is still evolving and therefore subject

to change. In addition, many governmental agencies, self-regulatory organisations and exchanges are authorised to take extraordinary actions in the event of market emergencies. In some jurisdictions the interpretation and implementation of laws and regulations and the enforcement of Shareholder's rights under such laws and regulations may involve significant uncertainties, may not be consistent with those of other nations and may vary from region to region. Furthermore, there may be differences in accounting and auditing standards, reporting practices and disclosure requirements to those generally accepted internationally. The information provided in this Prospectus is based upon the laws and regulations as at the date of the Prospectus but it is not exhaustive and does not constitute legal or tax advice. Laws and regulations of any country may change from time to time. Any change in the taxation legislation in Ireland or in any jurisdiction where the Company is registered, listed, marketed, or invested could affect the tax status of the Company, the value of the Company's investments in the affected jurisdiction, the Company's ability to achieve its investment objective, and/or alter the post tax returns to Shareholders. The effect of any future legal or regulatory (including taxation) change on the Company is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Shareholders.

#### 9.5. Valuation Risk

The Company may invest some of its assets in unquoted securities or instruments and/or securities which may become illiquid due to market conditions. Such investments or instruments will be valued by the Responsible Person in good faith as to their probable realisation value as set out in this Prospectus. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates resulting from the valuation process will reflect the actual sales or close-out prices of such securities.

In addition, assets in which the Company invests may be valued on a less frequent basis than the Company. Accordingly there is a risk that (i) the valuations of the Company may not reflect the true value of assets held by the Company at a specific time which could result in losses or inaccurate pricing for the Company and/or (ii) the valuations may not be available at the relevant Valuation Point so that some of the assets of the Company may be valued at their probable realisation value.

#### 9.6. Cross Currency Risk

The Company's investments may be denominated in a currency other than the Base Currency and the Company's exposure to such a currency may not be hedged back to the Base Currency. Accordingly, the value of the Shares may be affected by any currency movement between the currency of the investments and the Base Currency.

#### 9.7. Derivatives and Techniques and Instruments Risk

While the prudent use of derivatives can be beneficial, derivatives also involve risks different from, and in certain cases greater than, the risks presented by more traditional investments.

#### 9.8. Derivative Trading is Leveraged Risk

Because of the low margin deposits normally required in derivative trading, a degree of leverage is typical of a trading account. As a result, a relatively small price movement in a contract may result in losses to Shareholders. Thus, like other leveraged investments, any purchase or sale of a derivative contract may result in losses to the Company in excess of the amount initially deposited by the Company as margin with respect to that contract.

#### 9.9. Derivative Trading May Be Illiquid Risk

Most futures exchanges limit fluctuations in futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". During a single trading day no trades may

be executed at prices beyond the daily limit. Once the price of a futures contract for a particular future has increased or decreased by an amount equal to the daily limit, positions in the futures contract can be neither taken nor liquidated unless traders are willing to effect trades at or within the limit. Futures prices have in the past moved the daily limit for several consecutive days with little or no trading. Similar occurrences could prevent the Company from promptly liquidating unfavourable positions and thus subject the Company to losses.

#### 9.10. Possible Effects of Speculative Position Limits Risk

Certain exchanges have established limits referred to as "speculative position limits" on the maximum net long or net short position which any entity may hold or control in particular futures. It is possible that the trading instructions for the Company may have to be modified and that positions held by the Company may have to be liquidated in order to avoid exceeding such limits. Such modification or liquidation, if required, could adversely affect the operations and profitability of the Company.

#### 9.11. Correlation Risk

Some derivatives seek to hedge against fluctuations in the relative values of the Company's portfolio positions as a result of changes in currency exchange rates and market interest rates. Hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolios positions nor does it prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the positions' value. Such hedge transactions also limit the opportunity for gain if the value of the portfolio positions should increase. Moreover, it may not be possible to hedge against any exchange rate or interest rate fluctuation which is so generally anticipated that it is not possible to enter into a hedging transaction at a price sufficient to afford protection from the decline in value of the portfolio position anticipated as a result of such a fluctuation.

#### 9.12. Interest Rate Risk

Changes in interest rates may adversely affect the market value of some of the Company's investments. Declining interest rates may affect the return on available reinvestment opportunities.

In the event of a general rise in interest rates, the value of certain investments that may be contained in the Company's investment portfolio may fall, reducing the Net Asset Value of a Company. Fluctuation in rates may affect interest rate spreads in a manner adverse to the Company. Interest rates are highly sensitive to factors beyond a Company's control, including, among others, government monetary and tax policies, and domestic and international economic and political conditions.

#### 9.13. Legal Risk

There is a possibility that the agreements governing derivative techniques may be terminated due, for instance, to supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated. There is also a risk if such agreements are not legally enforceable or if the derivative transactions are not documented correctly.

#### 9.14. Counterparty and Settlement Risk

The Company may be exposed to a credit risk on the counterparties with which they trade in relation to OTC derivative contracts such as forwards. OTC derivative contracts are not afforded the same protections as may apply to participants trading such contracts on organised exchanges, such as the performance guarantee of an exchange clearing house. Non-exchange traded contracts are agreements specifically tailored to the needs of an individual investor which enable the user to structure precisely the date, market level and amount of a given position. The counterparty for these



agreements will be the specific company or firm involved in the transaction rather than a recognised exchange and accordingly the insolvency, bankruptcy or default of a counterparty with which the Company trades such contracts could result in substantial losses to the Company. If settlement never occurs the loss incurred by the Company would be the difference between the price of the original contract and the price of the replacement contract or, in the case where the contract is not replaced, the absolute value of the contract at the time it is voided.

Furthermore, if the creditworthiness of a derivative counterparty declines, the risk that the counterparty may not perform could increase, potentially resulting in a loss to the portfolio. Regardless of the measures the Company may implement to reduce counterparty credit risk there can be no assurance that a counterparty will not default or that the Company will not sustain losses on the transactions as a result.

#### 9.15. Futures Risk

Futures are standardised forwards which are traded on exchanges. Transactions in futures involve the obligation to make, or to take, delivery of the underlying asset of the contract at a future date, or in some cases to settle the Company's position with cash. They carry a high degree of risk. The "gearing" or "leverage" often obtainable in futures trading means that a small deposit or down payment can lead to large losses as well as gains. It also means that a relatively small market movement can lead to a proportionately much larger movement in the value of the Company's investment, and this can work against as well as for the Company. Futures transactions have a contingent liability, and investors should be aware of the implications of this, in particular the margining requirements.

#### 9.16. Forwards Risk

Forward contracts, unlike futures contracts, are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Forward and cash trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to the Company.

#### 9.17. Options Risk

The Company may engage in the trading of options including options on futures contracts. Such trading involves risks similar to those involved in trading futures contracts or margined securities, in that options are leveraged. Specific market movements of the futures contracts or securities underlying an option cannot accurately be predicted. The purchaser of an option is subject to the risk of losing the entire purchase price of the option. The writer of an option is subject to the risk of loss resulting from the difference between the premium received for the option and the price of the futures contract or security underlying the option which the writer must purchase or deliver upon exercise of the option.

#### 9.18. Risks pertaining to ETCs

The following is a general discussion of a number of risks which may affect the value of the ETCs in which the Company may invest. Such risks are not, nor are they intended to be, exhaustive. Not all risks listed necessarily apply to each ETC, and there may be other considerations that should be taken into account in relation to a particular issue. What factors will be of relevance to a particular ETC will depend upon a number of interrelated matters including, but not limited to, the nature of the ETC and the ETC's investment policy/underlying.

### 9.18.1. Introduction

The value of ETCs can go down as well as up. Due to the various commissions and fees which may be payable with regard to the Company's ability to invest in ETCs, an investment in the Company should be viewed as medium to long term. Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of the Shares.

### 9.18.2. General Risks

The value of the Company's interest in an ETC will fluctuate as a result of, amongst other things, changes in the value of the ETCs assets and any underlying asset to which the ETC is linked.

The Company will value ETCs in accordance with the section entitled "**Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets**". The assets held by ETCs may be complex and specialist in nature. With regard to how an ETC values assets it holds, valuations for such assets will only usually be available to the ETC from a limited number of market professionals which frequently act as counterparties to the transactions to be valued. Such valuations are often subjective and there may be substantial differences between any available valuations.

The currency denomination of any ETC asset in another currency than the ETC's reference currency will involve exchange rate risk for the ETC.

*Interest Rates:* Fluctuations in interest rates of the currency or currencies in which the ETC, or the ETC's assets are denominated may affect financing costs and the real value of the ETC.

*Yield:* Returns on ETCs may not be directly comparable to the yields which could be earned if any investment were instead made in any underlying assets.

*Correlation:* The value of the ETCs may not correlate either perfectly or highly with movements in the value of the ETC's assets.

*Volatility:* The value of the ETCs may be affected by market volatility and/or the volatility of the ETCs assets.

*Credit Risk:* The ability of the ETC to make payments to holders of the ETC will be diminished to the extent of any other liabilities undertaken by, or imposed on, the ETC.

*Liquidity Risk:* Certain types of securities may be difficult to buy or sell, particularly during adverse market conditions, which may affect their value. The fact that the ETCs may be listed on a stock exchange is not an assurance of liquidity.

In certain circumstances, an ETC may not be able to recover or may encounter delays in the recovery of some of its assets. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets or non-OECD member states, may not provide the same degree of investor information or protection as would generally apply to major markets.

The issuers of ETCs are special purpose vehicles with the sole business of issuing ETC securities and are not operating companies. As such, the issuers have, and will have, no assets other than (i) the small sums of money raised by issuing shares on the date of its incorporation, (ii) such fees (if any) as are payable to it in connection with the issue of any series of ETC securities from time to time, (iii) any amounts standing to the credit of the

reserve trust account and (iv) any rights, property, sums or other assets on which series of ETC securities issued under the relevant programme are secured. In respect of a series of ETC securities entered into, the security holders (such as the Company) will have recourse only to the secured property in respect of the relevant series of ETC securities, and not to any other assets held by the issuer.

There is no regulation of the issuer of ETC securities by any regulatory authority. The issuers are not required to be licensed, registered or authorised under any current securities, commodities or banking laws of its jurisdiction of incorporation and will operate without supervision by any authority in any jurisdiction. There can be no assurance, however, that regulatory authorities in one or more other jurisdictions will not determine that the issuers are required to be licensed, registered or authorised under the securities, commodities or banking laws of that jurisdiction or that legal or regulatory requirements with respect thereto will not change in the future. Any such requirement or change could have an adverse impact on the issuers or the holders of ETC securities.

#### 9.19. Risks pertaining to Indirect Investment in Commodities

The Company may invest up to 10% of Net Asset Value in transferable securities, which give indirect exposure to commodities, known as ETCs. Performance of a commodity, and consequently the corresponding ETC, is dependent upon various factors, including (without limitation) supply and demand, liquidity, weather conditions and natural disasters, direct investment costs, location, changes in tax rates and changes in laws, regulations and the activities of governmental or regulatory bodies. Commodity prices tend to be more volatile than most other asset categories, making investments in commodities riskier and more complex than other investments. Some of the factors affecting the price of commodities are:

*Supply and demand:* Commodities are typically considered a finite rather than a renewable resource. If supplies of a commodity increase the price of the commodity will typically fall and vice versa if all other factors remain constant.

*Liquidity:* Not all commodities markets are liquid and able to quickly and adequately react to changes in supply and demand. The fact that there are only a few market participants in the commodities markets means that speculative investments can have negative consequences and may distort prices.

*Direct investment costs:* Direct investments in commodities involve storage, insurance and tax costs. Moreover, no interest or dividends are paid on commodities. The returns from investments in commodities are therefore influenced by these factors.

*Location:* Commodities are often produced in emerging market countries, with demand coming principally from industrialised nations. The political and economic situation is, however, far less stable in many emerging market countries than in the developed world.

*Changes in tax rates.* Changes in tax rates and customs duties may have a positive or a negative impact on the profit margins of commodities producers. When these costs are passed on to purchasers, these changes will affect prices.

*Changes in exchange rates and interest rates:* Changes in exchange rates and interest rates may have a positive or negative impact on the price, demand, production costs, direct investment costs of commodities and the returns from investments in commodities are therefore influenced by and may be correlated to these factors.

*Laws, regulation and action of regulatory bodies risk:* Changes in law and regulation and/or the action of any applicable government or regulatory body may have a positive or a negative impact on commodities prices and on any of the factors listed above.

#### 9.20. Use of Company Cash Subscription and Redemption Accounts Risk

Subscription monies received in respect of the Company in advance of the issue of Shares will be held in a Cash Subscription and Redemption Account in the name of the Company and will be treated as assets of the Company. Investors will be unsecured creditors of the Company with respect to the amount subscribed and held by the Company until Shares are issued on the Dealing Day. As such, investors will not benefit from any appreciation in the NAV of the Company or any other Holder rights (including dividend entitlement) until such time as Shares are issued on the relevant Dealing Day in the case of subscriptions. In the event of the insolvency of the Company, there is no guarantee that the Company will have sufficient funds to pay unsecured creditors in full. Subscribing Shareholders should ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

Payment of redemption proceeds and dividends in respect of the Company is subject to receipt by the Administrator of original subscription documents and compliance with all anti-money laundering procedures. Notwithstanding this, redeeming Shareholders will cease to be Shareholders, with regard to the redeemed Shares, and will be unsecured creditors of the Company, from the relevant Dealing Day. Pending redemptions and distributions, including blocked redemptions or distributions, will, pending payment to the relevant Shareholder, be held in the Cash Subscriptions and Redemptions Account in the name of the Company.

Redeeming Shareholders and Shareholders entitled to such distributions will be unsecured creditors of the Company, and will not benefit from any appreciation in the NAV of the Company or any other Holder rights (including further dividend entitlement), with respect to the redemption or distribution amount held in the Company Cash Subscription and Redemption Account. In the event of an insolvency of the Company, there is no guarantee that the Company will have sufficient funds to pay unsecured creditors in full. Redeeming Shareholders and Shareholders entitled to distributions should ensure that any outstanding documentation and information is provided to the Administrator promptly. Failure to do so is at such Shareholder's own risk.

#### 9.21. Cyber Security Risk

The Company and its service providers' use of internet, technology and information systems may expose the Company to potential risks linked to cyber security breaches of those technological or information systems. Cyber security breaches, amongst other things, could allow an unauthorised party to gain access to proprietary information, customer data, or fund assets, or cause the Company and/or its service providers to suffer data corruption or lose operational functionality.

#### 9.22. The EU Regulation on OTC Derivatives, Central Counterparties and Trade Repositories Risk

The EU Regulation on OTC derivatives, central counterparties and trade repositories (**EMIR**) introduced uniform requirements covering financial counterparties, such as investment firms, credit institutions, insurance companies and managers of alternative investment funds and certain non-financial counterparties in respect of central clearing of so-called "eligible" OTC derivative contracts through a duly authorised central counterparty, reporting the details of derivative contracts to a trade repository and certain risk mitigation requirements. EMIR requires the adoption of further delegated acts and regulatory technical standards before becoming fully effective. Certain of the EMIR risk mitigation requirements, such as the requirement for parties to formalize portfolio reconciliation and related dispute resolution procedures, have become effective. Reporting to a trade repository became effective in February 2014. Prospective investors should be aware that the regulatory changes arising from EMIR may increase the cost of entering into derivative transactions and

adversely affect the Company's ability to adhere to its investment approach and achieve its investment objective.

#### 9.23. FATCA Risk

FATCA imposes a withholding tax of 30% on certain payments including interest paid on, and proceeds of sale of, certain US assets, including securities of US issuers, unless the payee enters into and complies with an agreement with the IRS to collect and provide to the IRS substantial information regarding direct and indirect owners and accountholders. The publication of the IGA and subsequent enabling legislation, should serve to reduce the burden of compliance with FATCA and, accordingly the risk of a FATCA withholding. The imposition of such taxes could materially affect the value of the Company. The Company and the Administrator may request the Shareholders to provide such identification documents as they deem necessary in order to comply with FATCA. Failure to provide such identification documents may put the Company and its Shareholders at risk for non-compliance with FATCA.

#### 9.24. Legal Matters Risk

A&L Goodbody Solicitors LLP serves as legal counsel, solely as to Irish legal matters to the Company in connection with the organisation of and the preparation of this Prospectus. A&L Goodbody Solicitors LLP may continue to advise the Directors in matters relating to operation of the Company – including, without limitation, on matters relating to its fiduciary obligations – on an ongoing basis.

A&L Goodbody Solicitors LLP's engagement by the Company is limited to the specific matters as to which it is consulted by the Company and, therefore, there may exist facts or circumstances which could have a bearing on the Company's or a service provider's financial condition or operations with respect to which A&L Goodbody Solicitors LLP have not been consulted and for which A&L Goodbody Solicitors LLP expressly disclaims any responsibility.

#### 9.25. Collateral Reinvestment Risk

If cash collateral received by the Company is re-invested, the Company is exposed to the risk of loss on that investment. Should such loss occur, the value of the collateral will be reduced and the Company will have less protection if the counterparty defaults. In order to manage this risk, the Company reinvests cash collateral in accordance with section 5.7 above.

#### 9.26. Pandemic Risk

An outbreak of an infectious disease, pandemic or any other serious public health concern could occur in any jurisdiction in which the Company may invest, leading to changes in regional and global economic conditions and cycles which may have a negative impact on the Company's investments and consequently its Net Asset Value. Any such outbreak may also have an adverse effect on the wider global economy and/or markets which may negatively impact the Company's investments more generally. In addition a serious outbreak of infectious disease may also be a force majeure event under contracts that the ICAV has entered into with counterparties thereby relieving a counterparty of the timely performance of the services such counterparties have contracted to provide to the Company (the nature of the services will vary depending on the agreement in question). In a worst case scenario, this may result in the Company being delayed in calculating its Net Asset Value, processing dealing in Shares, undertaking independent valuations of the Company or processing trades in respect of the Company. However each of the Manager, the Depositary, the Administrator, the Investment Manager and the Investment Advisor have business continuity plans in place which are tested regularly.

### 10. **DIVIDEND POLICY**

Dividends will be declared on such date as the Directors see fit having regard to the interests of shareholders.

Under the Constitution, the Directors at such times as they think fit may declare such dividends as appear to the Directors to be justified by the profits of the Company being:

- (i) the accumulated net income (consisting of all revenue accrued including interest and dividends earned by the Company less accrued expenses);
- (ii) realised and unrealised capital gains on the disposal/valuation of the Company's investments and other funds less realised and unrealised accumulated capital losses; and
- (iii) capital of the Company.

The Directors may, satisfy any dividend due to Shareholders in whole or in part by distributing to them in specie any of the assets, and in particular any investments. A Shareholder may require the Company, instead of transferring those assets, to arrange for their sale and payment of the proceeds of sale to that Shareholder. The costs of such sale may be charged to the relevant Shareholder.

The Company will be obliged and entitled to deduct an amount in respect of Irish taxation from any dividend payable to any Shareholder who is or is deemed to be a Taxable Irish Person and pay such sum to the Revenue Commissioners in Ireland. Dividends (if any) will be paid in accordance with Euronext Dublin policy.

It is the Director's current intention that dividends will be paid in accordance with this section 10.

Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

Dividends payable in cash to Shareholders will be paid by electronic transfer at the expense of the payee.

## **11. DIRECTORS OF THE COMPANY**

The Directors of the Company are described below:-

### **11.1. Paul Dobbyn (Irish national)**

Mr Dobbyn is a retired solicitor and former partner in the law firms A&L Goodbody and Maples and Calder Solicitors. His areas of specialism included asset management and investment funds. Mr Dobbyn currently holds a number of directorships in investment funds.

### **11.2. John McGrath (Irish national)**

Mr McGrath was the Managing Director of W&W Asset Management Dublin DAC from 2000 and W&W Advisory Dublin DAC from 1995 until he retired from these positions at the end of 2017. Mr McGrath worked for the Central Bank of Ireland from 1973 to 1987 and then worked for NCB Stockbrokers until he was recruited as Portfolio Manager of the Württembergische Insurance Group's Irish based investment companies in 1993. In 1995, he became managing director of these companies.

### **11.3. Michael Krauss (German national)**

Mr Krauss is a Fund Manager and Partner of Tresides Asset Management GmbH. He began his career in Baden-Württembergische Bank AG in Stuttgart in 1995 and was appointed vice president of Baden-Württembergische Bank AG in 2002. In 2006 he joined LBBW Asset Management as Vice President. He was Head of Product Development & Alternative Investments up to 2012. In 2012 he was announced Co-Head of Fixed Income & Alternative Investments. Mr Krauss is a founding member of Tresides Asset Management GmbH and joined the company in 2014.

11.4. Andreas Schmidt (German national)

Mr Schmidt is head of the Portfolio Management Office at LBBW Asset Management in Stuttgart, Germany. He began his career in Deutsche Bank in Karlsruhe, Germany in 1988 as a Relationship Manager in Private Banking and was promoted to Head of Private Banking in 1991. In 1994 he was appointed Head of Portfolio Management at Deutsche Bank, Argentina and in 1996 became Head of Private Banking International. He returned to Deutsche Bank in Germany to take up the position of Senior Relationship Manager Private Wealth in Stuttgart in 1999 and remained there until 2001 when he was named head of portfolio management at LBBW Bank. In 2016 he was named to his present position in LBBW Bank. Mr Schmidt is also a director of Aureus Fund (Ireland) plc.

11.5. Christoph Schaefer (German national)

Mr Schaefer began his career as a Financial Analyst in LG Landesgirokasse. In March 2000 he joined LBBW (Landesbank Baden-Wuerttemberg) as Product and Fund Manager. In September 2006 he joined Portfolio-Management at Baden-Wuerttembergische Bank (an operational unit within LBBW), and was promoted to Head of Fund Portfolio-Management in March 2007.

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

All the Directors of the Company are non-executive.

No Director has:

- (1) any unspent convictions in relation to indictable offences; or
- (2) been bankrupt or the subject of a voluntary arrangement, or has had a receiver, liquidator or receiver appointed to any asset of such Director; or
- (3) been a director of any company which, while he was a director with an executive function or within twelve months after he ceased to be a director with an executive function, had a receiver appointed or went into compulsory liquidation, creditors voluntary liquidation, administration or company voluntary arrangement, or made any composition or arrangements with its creditors generally or with any class of its creditors; or
- (4) been a partner of any partnership, which while he was a partner or within twelve months after he ceased to be partner, went into liquidation, administration or partnership voluntary arrangement, or made any composition or arrangements with its creditors generally or with any class of its creditors or had a receiver appointed to any partnership asset; or
- (5) had any official public incrimination or sanctions issued against them by statutory or regulatory authorities (including designated professional bodies); or

- (6) been disqualified by a court from acting as a director or from acting in the management or conduct of affairs of any company.

Save for information given above, no further information relating to the Directors is required to be disclosed under the listing requirements of Euronext Dublin.

## 12. SERVICE PROVIDERS TO THE COMPANY

### 12.1. Manager

The Company has appointed Waystone Management Company (IE) Limited as manager of the Company pursuant to the Management Agreement. The Manager is authorised and regulated as a management company by the Central Bank under the Regulations and has the necessary permissions to manage an Irish domiciled UCITS.

The Manager was incorporated in Ireland as a private limited company on 7 August 2012. It is a wholly-owned subsidiary of Waystone (Ireland) Limited, a limited liability company incorporated in Ireland, which is a wholly-owned subsidiary of Waystone Governance Ltd, a Cayman incorporated private limited company which is regulated by the Cayman Islands Monetary Authority. The Manager, Waystone (Ireland) Limited and Waystone Governance Limited are part of Waystone (**Waystone**). Waystone focuses on fund governance, with a worldwide team of more than 80 full-time directors, associate directors and associates, who utilize forensic governance techniques and proprietary technologies. Based in Dublin, Waystone also has offices in Cashel, Cayman, Luxembourg, London, Hong Kong, Singapore and New York led by principals experienced in their specialist markets. The company secretary of the Manager is Waystone Centralised Services (IE) Limited.

The directors of the Manager are as follows:

#### 1.1.1 Conor MacGuinness

Mr MacGuinness is Global Head of Onboarding and Relationship Management at Waystone Management Company (IE) Limited. Prior to joining Waystone, Conor was Vice President and Manager of the Client Services Team for BNY Mellon, Alternative Investment Services from 2005 to 2013. In this role, he was responsible for managing a team of client service professionals covering a range of alternative asset manager clients (hedge, FOHF and PE) worth approx \$100 billion AUA and covering Ireland, Luxembourg, Hong Kong and Tokyo offices. From 1999 to 2004, Conor served as Team Leader, Operations (Dublin) for Man Investments, a leading provider of alternative investment solutions to private and institutional clients worldwide. Conor holds a Master's degree in Business Administration from UCD Michael Smurfit School of Business in Ireland and a Certificate in Investment Management from the Society of Investment Analysts (Ireland). He also holds a Bachelor of Arts degree in Accounting and Finance from Dublin City University.

#### 1.1.2 Tim Madigan

Mr Madigan has served as an independent non-executive director of a number of Dublin based investment funds, both UCITS and alternative investment vehicles. He is chairman and independent non-executive director of the Manager. From 2010 to 2011 Mr Madigan was finance director of Aviva Investment Management Europe, where he led the set-up of the finance function for Aviva Europe's Dublin based centre of excellence, established to manage treasury assets and investment management mandates. Prior to this, Mr Madigan was managing director of cross-border life insurance company Aviva Life International from 2006 to 2010 (previously he was finance director for that company). He holds a bachelor's degree in Business Studies (Finance) from the University of Limerick and is a Fellow of the Association of Chartered Certified Accountants.

#### 1.1.3 David McGeough



Mr McGeough is a lawyer by professional qualification and has over 25 years' experience in the international asset management industry. Mr. McGeough serves as a non-executive director of a number of investment funds and hedge funds. Mr. McGeough spent five years as a partner, chief operating officer, general counsel and member of the international management committee of Vega Asset Management from 2002 to 2007. Prior to that, he held the role of chief operating officer, and subsequently, chief executive officer of Mobileaware, an international technology company in which the principal shareholders were Intel, Island Capital (the investment vehicle for the Telecom entrepreneur, Denis O'Brien) and various U.S. and European private equity firms. Prior to joining Mobileaware in January 2001, Mr McGeough was a partner and Head of the Investment Funds and Asset Management Advisory Group and of the Capital Markets Group at Matheson's, a large international law firm headquartered in Dublin. Mr McGeough is a qualified solicitor and holds a Bachelor of Civil Law Degree (magna cum laude) from University College Dublin law school.

#### 1.1.4 Siobhan Moloney

Ms Moloney is Global Head of Legal: M&A and is based in Waystone's Dublin, Ireland location. She came to Waystone from the Asset Management division of A&L Goodbody. Siobhán is responsible for legal strategy within the Waystone group with a focus on M&A transactions and leads from a legal perspective on strategic matters affecting the group. She sits on the board of the Waystone management company and other operational entities within the group. Siobhán is a graduate of University College Dublin and received her Diploma in Finance Law from the Law Society of Ireland.

#### 1.1.5 Caoimhghin O'Donnell

Mr O'Donnell joined Waystone in 2017, bringing with him over 18 years of extensive fund administration and fund accounting experience. As Chief Operations Officer, Europe, Caoimhghin is responsible for growth in Europe along and has a rigorous focus on risk and compliance with MiFID, AIFM and EMIR regulations. Prior to joining Waystone, Caoimhghin spent over 12 years working with the Bank of New York Mellon as Managing Director, AIS Fund Accounting EMEA with responsibility for Fund Accounting and Financial Reporting services for EMEA, where he led a team of over 300 accounting professionals in 6 locations across Europe. Caoimhghin has a BSc in Actuarial Mathematics and Statistics from the Heriot-Watt University, Edinburgh.

### 12.2. Investment Manager and Distributor

The Manager has delegated part of the portfolio management of the assets of the Company to LBBW Asset Management Investmentgesellschaft mbH (the **Investment Manager**) pursuant to the Investment Management Agreement summarised under "**Material Contracts**" below. The Investment Manager also provides promotional, marketing and/or distribution services to the Company. The Manager retains responsibility for the performance of the risk management function but relies on the Investment Manager for assistance with aspects of this function.

LBBW Asset Management Investmentgesellschaft mbH is a public limited company incorporated under the laws of Germany and regulated by BaFin. As of 31 December 2020 the Investment Manager had approximately €80 billion of assets under discretionary investment management and approximately €53 billion of assets under administration. The principal function of the Investment Manager is the provision of investment advice, investment management services and/or fund administration services to funds and other clients.

### 12.3. Investment Advisor

The Manager has appointed Tresides Asset Management GmbH on behalf of the Company to provide non-discretionary investment advisory services to it and any of its delegates in relation to the Company in accordance with the terms and conditions set out in the Investment Advisory Agreement

summarised under "**Material Contracts**" below. The Investment Advisor is incorporated under the laws of Germany and authorised by Bafin (the German financial regulator) as a "Wertpapierinstitut" (§§ 1, 2 Nr. 9 WpIG) (Financial Service Provider / Asset Manager).

#### 12.4. Depositary

State Street Custodial Services (Ireland) Limited has been appointed to act as Depositary of the Company.

The principal activity of the Depositary is to act as trustee/depositary of the assets of Collective Investment Schemes. The Depositary is regulated by the Central Bank.

The Depositary is a private limited company incorporated in Ireland on 22 May 1991. The Depositary is ultimately owned by State Street Corporation. Its authorised share capital is GBP 5,000,000 and its issued and paid up capital is GBP200,000.

#### *Depositary's Duties*

The Depositary has been entrusted with following main duties:

- oversight of the Company including the valuation policies and procedures
- oversight of the subscriptions and redemptions procedures
- monitoring of the Company's cash
- safe-keeping of the Company's assets
- oversight of certain transactions and operations relating to the Company.

The main duties referred to in the foregoing paragraph as well as any additional duties which the Depositary has been entrusted with, are more fully described in the Depositary Agreement, a copy of which is available at the registered office of the Company.

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

The Depositary may not retire or be removed from office until a new depositary approved by the Central Bank is appointed as a replacement. If no depositary has been appointed within a period of three months from the date on which the Depositary notifies the Company of its intention to retire or from the date on which the Company notifies the Depositary of its desire to terminate its appointment, the Company shall repurchase all of the Shares outstanding at that time. The Company shall be terminated and the Company shall apply to the Central Bank for revocation of the Company's authorisation. In such event, the Depositary shall not retire until the Company's authorisation has been revoked by the Central Bank.

The Depositary is liable for any loss suffered by the Company or the Shareholders as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations under the Regulations. In the event of the loss of a financial instrument held in custody, the Depositary must immediately return a financial instrument of identical type or the corresponding amount to the Company. In the case of such a loss, the liability is strict: the Depositary may avoid liability only in the case of an external event beyond the reasonable control of the Depositary, the consequences of which are unavoidable despite all reasonable efforts to the contrary. The cumulative fulfilment of these conditions should be proven by the Depositary in order for it to be discharged of liability.

## *Delegation*

The Depositary has full power to delegate the whole or any part of its custodial functions but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. In order to discharge its liability with respect to third parties, the Depositary must exercise care and diligence in choosing and appointing a third party as a safekeeping agent so as to ensure that the third party has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned and must maintain an appropriate level of supervision over safe-keeping agents and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged. The Depositary may not delegate its fiduciary duties.

Information about the safe-keeping functions which have been delegated and the identification of the relevant delegates are contained in **Appendix II**.

### 12.5. Administrator

The Manager has appointed State Street Fund Services (Ireland) Limited (defined herein as the **Administrator**) on behalf of the Company to act as administrator, registrar and transfer agent of the Company pursuant to an Administration Agreement (summarised under "**Material Contracts**" below).

The Administrator is a limited liability company incorporated in Ireland on 23 March, 1992 and is ultimately a wholly-owned subsidiary of the State Street Corporation.

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

The duties and functions of the Administrator will include, inter alia, the calculation of the Net Asset Value and the Net Asset Value per Share, the keeping of all relevant records in relation to the Company as may be required with respect to the obligations assumed by it pursuant to the Administration Agreement, the preparation and maintenance of the Company's books and accounts, liaising with the Auditor in relation to the audit of the financial statements of the Company and the provision of certain Shareholder registration and transfer agency services in respect of shares in the Company.

### 12.6. Paying Agents/Distributors

Local regulations in EEA countries may require the appointment of paying agents and the maintenance of accounts by such agents through which subscriptions and redemption monies may be paid. Investors who choose or are obliged under local regulations to pay/receive subscription/redemption monies via an intermediary entity rather than directly to the Depositary (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 Depositary for the account of the Company and (b) redemption monies payable by such intermediate entity to the relevant Shareholder.

## 13. **SUBSCRIPTION FOR SHARES**

### 13.1. Applications for Shares

Application for Shares shall be made in accordance with the requirements set out below in the section entitled "**Application Procedure**".

### 13.2. Issue Price

During the Initial Offer Period, Class B Shares will be offered at an Initial Issue Price of €500 per Share.

A Preliminary Charge of up to 5% of the Net Asset Value per Share may be charged by the Company for payment on the issue of Shares to the Investment Manager out of which the Investment Manager may pay commission to financial intermediaries.

Under the Constitution, the Directors are given authority to effect the issue of Shares and to create new classes of Shares and have absolute discretion to accept or reject in whole or in part any application for Shares. The creation of further share classes must be effected in accordance with the requirements of the Central Bank. All Shares will rank *pari passu*.

Where relevant, a currency conversion to Base Currency will take place on subscription, redemption, switching and distributions at prevailing exchange rates. The value of a share expressed in a currency other than Base Currency will be subject to exchange rate risk in relation to Base Currency. Please refer to the "**Risk Factors**" section of this Prospectus.

Subscriptions for Shares are made with effect from a Dealing Day in respect of applications received by the Administrator on or prior to the Dealing Deadline for the relevant Dealing Day. Applications for the issue of Shares received after the Dealing Deadline (but before the Valuation Point) shall, unless the Directors shall otherwise agree, be treated as having been received by the following Dealing Deadline. The Company may only accept applications received after the Dealing Deadline (but before the Valuation Point) in what the Directors deem to be exceptional circumstances.

After the Initial Offer Period for a class, the subscription price for Shares is based on the Net Asset Value per Share for the relevant class calculated at the Valuation Point for the relevant Dealing Day (plus any applicable duties and charges). The Net Asset Value and the Net Asset Value per Share will be determined by means of the method of valuation of assets and liabilities described under "**Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets**" below.

### 13.3. In kind Issues

The Constitution permits, subject to the provisions of the Companies Act, the issue of Shares in consideration of the vesting in the Depositary on behalf of the Company of investments approved by the Directors of a type consistent with the investment objective and policies of the Company, which would form part of the assets of the Company. The number of Shares to be issued in this way shall be the number which would on the day the investments are transferred to the Depositary on behalf of the Company have been issued for cash (together with the relevant Preliminary Charge) against the payment of a sum equal to the value of the investments. The value of the investments transferred shall be calculated by applying the valuation methods described under the section entitled "**Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets**" below.

### 13.4. Payment for Shares

Payment for Shares must be made by the Settlement Date in the Base Currency by electronic transfer to the Administrator as set out on the Application Form. The Administrator may accept payment in other currencies but such payments will be converted into the Base Currency at the then prevailing exchange rate available to the Administrator and only the net proceeds (after deducting the conversion expenses) will be applied towards payment of the subscription monies. If payment in full has not been received by the Settlement Date or in the event of non-clearance, any allotment of Shares made in respect of such application may, at the discretion of the Administrator, be cancelled. In such a case and notwithstanding cancellation of the application, the Company may charge the applicant for any resulting loss incurred by the Company.

Applications for Shares may be made for specified amounts in value. Fractions of not less than 1/100 of a Share may be issued. Subscription moneys representing smaller fractions of Shares will not be returned to the applicant but will be retained as part of the assets of the Company.

The Shares may be repurchased at the absolute discretion of the Directors if, the Net Asset Value is less than Euro 1 million or its equivalent in a foreign currency. In such case, all of the holders of issued Shares will be so notified by the Directors and will be deemed to have requested within 30 days of the date of the notice that their Shares be repurchased by the Company in accordance with the repurchase procedure set out in this Prospectus.

The Application Form contains certain conditions regarding the application procedure for Shares in the Company and certain indemnities in favour of the Company, the Manager, the Administrator, the Depositary and the other Shareholders where applicants agree to indemnify the Company, the Manager, the Administrator, the Depositary and the other Shareholders for any loss suffered by them as a result of such applicant or applicants providing incorrect information when completing the Application Form and failing to disclose any relevant details required by the Application Form.

#### 13.5. Limitations on Purchases

Shares may not be issued or sold by the Directors during any period when the calculation of the Net Asset Value is suspended in the manner described under "**Suspension of Calculation of Net Asset Value**" below. Applicants for Shares will be notified of such postponement or cancellation and, unless withdrawn, their applications will be considered as at the next Dealing Day following the ending of such suspension.

#### 13.6. Company Cash Subscription and Redemption Account

The Company has established a subscriptions and redemptions account in the name of the Company. All subscriptions, redemptions and dividends or cash distributions payable to or from the Company will be channelled and managed through the Company Cash Subscription and Redemption Account. In the case of redemptions, please refer to the section below entitled "**Repurchases of Shares**".

### 14. REPURCHASES OF SHARES

#### 14.1. Repurchase Price

The repurchase price per Share is based on the Net Asset Value per Share calculated at the Valuation Point for the relevant Dealing Day. The Net Asset Value and the Net Asset Value per Share will be determined by means of the method of valuation of assets and liabilities described under "**Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets**" below.

A Repurchase Charge of up to 3% of the Net Asset Value per Share may be charged by the Company on the repurchase of Shares for payment to the Investment Manager.

Requests for the repurchase of Shares shall be made to the Administrator in writing (or by facsimile and requests by facsimile will be treated as definite orders even if not subsequently confirmed in writing) and requests received on or prior to the Dealing Deadline will, subject as mentioned in this section, normally be dealt with on the relevant Dealing Day. Repurchase requests received after the Dealing Deadline (but before the Valuation Point) shall, unless the Directors shall otherwise agree, be treated as having been received by the following Dealing Deadline. Such request will not be capable of withdrawal after acceptance by the Administrator. The Company may only accept requests to repurchase Shares received after the Dealing Deadline (but before the Valuation Point) in what the Directors deem to be exceptional circumstances.

No redemption payment will be made in relation to a holding in the Company until the subscription Application Form has been received from the Shareholder and all documentation required by the Company or the Administrator (including any documents in connection with anti-money laundering procedures) and the anti-money laundering procedures have been completed. Redemption orders can be processed on receipt of electronic instructions only where payment is made to the account of record.

If requested, the Directors may, in their absolute discretion and subject to the prior approval of the Depository and the prior notification to all the Shareholders, agree to designate additional Dealing Days and Valuation Points for the repurchase of Shares from time to time.

If Shares are held in certificate form, the duly endorsed certificate together with the repurchase instruction should be sent to the Administrator. Payment of repurchase proceeds will be made to the registered Shareholder or in favour of the joint registered Shareholders as appropriate unless the Administrator is otherwise instructed in writing by the registered Shareholder or joint registered Shareholders.

#### 14.2. Payment of Repurchase Proceeds

The amount due on repurchase of Shares will be paid by a bank draft or a cheque or bank transfer in the Base Currency or in such other currency as may be requested by any Shareholder and as may be approved by the Directors from time to time by the Settlement Date. Any costs of conversion from the Base Currency to such other currency shall be borne by the Shareholder requesting the repurchase of Shares. The Directors may, at the request, risk and expense of the Shareholder requesting repurchase remit the amount due on repurchase by electronic transfer to an account nominated by the Shareholder. The proceeds of the repurchase of Shares will only be paid on receipt by the Administrator of the original instrument requesting repurchase together with the original certificate, if any, issued in respect of the Shares to be repurchased.

#### 14.3. In-kind repurchases

The Constitution contains special provisions where a repurchase request received from a Shareholder would result in more than 5 per cent of the Net Asset Value of Shares (or less than 5 per cent with the consent of the redeeming Shareholder) being repurchased by the Company on any Dealing Day. In such a case, the Company may satisfy the repurchase request by a distribution of investments in specie provided that such a distribution would not be prejudicial to the interests of the remaining Shareholders. Where the Shareholder requesting such repurchase receives notice of the Company's intention to elect to satisfy the repurchase request by such a distribution of assets that Shareholder may require the Company, instead of transferring those assets, to arrange for their sale and payment of the proceeds of sale to that Shareholder. The cost of such sale may be charged to the relevant Shareholder. Asset allocation is subject to the approval of the Depository.

#### 14.4. Limitations on Repurchases

The Directors are entitled to limit the number of Shares repurchased on any Dealing Day to 10 per cent of the total Net Asset Value of Shares in issue at the Valuation Point for that Dealing Day. In this event, the limitation will apply pro rata so that all Shareholders wishing to have Shares repurchased on that Dealing Day realise the same proportion of such Shares and Shares not repurchased, but which would otherwise have been repurchased, will be carried forward for repurchase on the next Dealing Day and will be dealt with on a rateable basis to repurchase requests received subsequently. If requests for repurchase are so carried forward, the Administrator will inform the Shareholders affected.

Shares may not be repurchased and no repurchase proceeds shall be paid by the Company during any period when the calculation of the Net Asset Value of the Company is suspended in the manner

described under "**Suspension of Calculation of Net Asset Value**" below. Applicants for repurchase of Shares will be notified of such postponement or cancellation and, unless withdrawn, their repurchase applications will be considered as at the next Dealing Day following the ending of such suspension.

The Shares may be repurchased at the absolute discretion of the Directors if, the Net Asset Value is less than Euro 1 million or its equivalent in a foreign currency. In such case, all of the holders of issued Shares will be so notified by the Directors and will be deemed to have requested within 30 days of the date of the notice that their Shares be repurchased by the Company in accordance with the repurchase procedure set out in the Prospectus.

#### 14.5. Company Cash Subscription and redemption Account

The Company has established a subscriptions and redemptions account in the name of the Company. All subscriptions, redemptions and dividends or cash distributions payable to or from the Company will be channelled and managed through the Company Cash Subscription and Redemption Account. In the case of subscriptions, please refer to the section above entitled "**Applications for Shares**".

### 15. **SUBSCRIPTION AND REDEMPTIONS THROUGH A CLEARING SYSTEM**

Applications for and redemptions of Shares can also be made indirectly through a clearing system and/or a selling agent. The clearing system and/or the selling agent may provide a nominee service for investors purchasing and selling through them, pursuant to which the nominee will hold Shares in its name for and on behalf of the investors. Provisions might exist under which the nominee holder / selling agent will exercise the underlying shareholder voting rights on a discretionary basis.

Accountholders may incur fees normally payable in respect of the maintenance and operation of accounts in such clearing system (or nominee). Full payment instructions for subscribing via a clearing system, and/or a selling agent, including the subscription and redemption procedures imposed by the clearing system/ selling agent for subscribing in the Company via a clearing system/ selling agent may be obtained through the clearing system and/or the selling agent. Investors should note that they may be unable to purchase or sell Shares via the clearing system and/or the selling agent on days that a clearing system is not open for business. Applicants seeking to become accountholders through a clearing system and/or the selling agent (or accountholders seeking to redeem shares) have to contact the clearing system and/or the selling agent directly for arrangements regarding applications (or redemptions) to be made or pending during any period when the calculation of the Net Asset Value of the Company is suspended in the manner described below under "**Suspension of Calculation of Net Asset Value**".

The transfer of interests in Shares registered in the name of a clearing system and/or the selling agent may be arranged by the accountholder directly with the relevant clearing system and/or selling agent. Accountholders who wish to transfer their interests in Shares out of a clearing system and/or a selling agent must also apply directly to the relevant clearing system and/or the relevant selling agent. Transfers made by the accountholders within any clearing system may be made between the accountholders on the books of the clearing system and will not be registered on the register as the relevant clearing system (or its nominee) will remain the registered Shareholder. Investors should note that the Application Form will not be used for subscriptions made via any clearing system.

Investors purchasing and selling Shares indirectly through a clearing system and/or a selling agent may obtain important information about the Company on <http://d-a-ch-portfolio.com/d-a-ch-portfolio-ireland-plc/>.

### 16. **ISSUE AND REPURCHASE PRICES/CALCULATION OF NET ASSET VALUE/VALUATION OF ASSETS**

As the Directors have appointed the Manager, their powers, authorities and exercise of discretion under the Constitution in relation to the valuation of assets and calculation of the Net Asset Value will be exercised by the Manager as the Responsible Person.

After the Initial Offer Period for a class, the issue price at which Shares in a class will normally be issued on a Dealing Day is calculated by ascertaining the Net Asset Value for the relevant class as at the Valuation Point for the relevant Dealing Day. The Net Asset Value per Share is calculated by dividing the value of the assets of the Company less its liabilities, by the total number of Shares in issue at the relevant Valuation Point. The Net Asset Value per Share is the resulting sum rounded up to the nearest two decimal points. The Net Asset Value is calculated in respect of each Dealing Day. Where there is more than one class in issue in the Company, the Net Asset Value per Share of the relevant class is calculated by determining that proportion of the Net Asset Value of the Company which is attributable to the relevant class at the Valuation Point, and adding thereto or deducting therefrom such sum (if any) as the Administrator may consider represents the appropriate provision for fiscal and purchase or sales charges and by dividing this sum by the total number of Shares of the relevant class in issue at the relevant Valuation Point.

The Company may add to the issue price for its own account, a Preliminary Charge sufficient to cover stamp duties and taxation (if any) in respect of the issue of Shares or certificates and delivery and insurance costs in respect of certificates and may also add a charge in respect of fiscal and purchase charges.

The price at which Shares will normally be repurchased on a Dealing Day is based on the Net Asset Value per Share which is calculated by dividing the value of the assets of the Company as at the relevant Valuation Point less its liabilities, by the total number of Shares in issue as at that Valuation Point. The repurchase price is the resulting sum rounded to the nearest two decimal points. The Company may, in calculating the repurchase price, deduct from the Net Asset Value per Share a Repurchase Charge in respect of fiscal and sales charges.

As part of the Repurchase Charge deducted, the Directors may, include such sum as they consider fair, in respect of repurchase requests which will necessitate the Company breaking deposits at a penalty or realising investments at a discount in order to realise assets to provide monies to meet such repurchase requests or, in the event that the Company borrows funds to meet any such repurchase a sum to meet the cost of such borrowing.

- 16.1. The Constitution provides for the method of valuation of the assets and liabilities of the Company. The Constitution provides that the value of any investment listed or dealt in on a market shall be calculated at the last traded price at the Valuation Point. Where such investment is listed or dealt in on more than one market, the Responsible Person shall, in their absolute discretion, select the market which constitutes the main market for such investment for the foregoing purpose. Securities listed or traded on a regulated market, but acquired at a premium or at a discount outside or off the relevant market may be valued taking into account the level of premium or discount at the date of valuation and the Depositary must ensure the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.
- 16.2. The value of any investment which is not listed or dealt in on a market or of any investment which is normally listed or dealt in on a market but in respect of which no price is currently available or the current price of which does not in the opinion of the Responsible Person represent fair market value shall be the probable realisation value thereof estimated with care and in good faith by the Responsible Person or by a competent person appointed by the Responsible Person, being in each case approved, for such purpose, by the Depositary. In determining the probable realisation value of any such investment, a certified valuation thereof provided by a competent independent person or in the absence of any independent



person, the Investment Manager, who in each case shall have been approved for such purpose by the Depositary, shall be sufficient.

- 16.3. The value of any cash in hand or on deposit is valued at face/nominal value plus accrued interest. The value of prepaid expenses, cash dividends and interest declared or accrued and not yet received as at a Valuation Point shall be deemed to be the face value thereof plus accrued interest.
- 16.4. The value of any demand notes, promissory notes and accounts receivable shall be deemed to be the face value or full amount thereof after making such discount as the Responsible Person may consider appropriate to reflect the true current value thereof as at any Valuation Point.
- 16.5. Certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments shall each be valued by reference to the best price available for certificates of deposit, treasury bills, bank acceptances, trade bills and other negotiable instruments of like maturity, amount and credit risk at each Valuation Point.
- 16.6. The value of any futures contracts, share price index futures contracts and options which are dealt in on a market shall be the settlement price as determined by the market in question as at the Valuation Point, provided that where it is not the practice for the relevant market to quote a settlement price or such settlement price is not available for any reason as at a Valuation Point, such value shall be the probable realisation value thereof estimated with care and in good faith by the Responsible Person or another competent person appointed by the Responsible Person and approved for such purpose by the Depositary.
- 16.7. The value of units or shares or other similar participation in any collective investment scheme which provides for the units or shares or other similar participation therein to be redeemed at the option of the holder out of the assets of that undertaking shall be the last available net asset value per unit or share or other similar participation published by the collective investment scheme as at the Valuation Point or if bid prices are published the last available bid price. Units or shares or other similar participation in other collective investment schemes will, if listed or traded on a market, be valued in accordance with 16.1 above.
- 16.8. Notwithstanding any of the foregoing, the Responsible Person may with the approval of the Depositary adjust the value of any investment or other asset if, having regard to currency, applicable rate of interest, anticipated rate of dividend, maturity, marketability, liquidity and/or such other considerations as they may deem relevant, they consider that such adjustment is required to reflect the fair value thereof as at any Valuation Point.
- 16.9. If in any case a particular value is not ascertainable as above provided or if the Responsible Person shall consider that some other method of valuation necessary as it better reflects the fair value of the relevant investment then in such case the method of valuation of the relevant investment shall be such as the Responsible Person in their absolute discretion shall determine, such method of valuation to be approved by the Depositary.

## 17. **SUSPENSION OF CALCULATION OF NET ASSET VALUE**

The Directors may at any time temporarily suspend the calculation of the Net Asset Value of the Company and the issue and repurchase of Shares and the payment of repurchase proceeds during (i) any period when any of the principal markets or stock exchanges on which a substantial portion of the investments of the Company from time to time are quoted is closed, otherwise than for ordinary holidays, or during which dealings therein are restricted or suspended; or (ii) any period when, as a result of political, economic, military or monetary events or any circumstances outside the control, responsibility and power of the Directors, disposal or valuation of a substantial portion of the

investments of the Company is not reasonably practicable without this being seriously detrimental to the interests of the Company or if, in the opinion of the Directors, the Net Asset Value cannot be fairly calculated; or (iii) any breakdown in the means of communication normally employed in determining the price of a substantial portion of any of the investments of the Company or when for any other reason the current prices on any market or stock exchange of any of the investments of the Company cannot be promptly and accurately ascertained; or (iv) any period during which any transfer of funds involved in the realisation or acquisition of investments of the Company cannot, in the opinion of the Directors, be effected at normal prices or rates of exchange; or (v) any period when the Company is unable to repatriate funds required for the purpose of making payments due on the repurchase of Shares; or (vi) any period when the Directors consider it to be in the best interests of the Company. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

Shareholders who have requested the issue or repurchase of Shares will be notified of any such suspension in such manner as may be directed by the Directors and, unless withdrawn but subject to the limitation referred to above, their requests will be dealt with on the first Dealing Day after the suspension is lifted. Any such suspension shall be notified immediately to the Central Bank and Euronext Dublin and in any event within the same working day on which such suspension occurs.

## **18. CHARGES AND EXPENSES**

A Preliminary Charge of up to 5% of the Net Asset Value per Share may be charged by the Company for payment on the issue of Shares to the Investment Manager out of which the Investment Manager may pay commission to financial intermediaries.

A Repurchase Charge of up to 3% of the Net Asset Value per Share may be charged by the Company on the repurchase of Shares for payment to the Investment Manager.

The Directors will be entitled to remuneration for their services as directors provided however that the aggregate emoluments of each Director in respect of any twelve month accounting period shall not exceed €12,500 (per director, save, from 1 July 2018, for the chairperson which is dealt with below) or such higher amount as may be approved by the Board of Directors.

From 1 July 2018, the chairperson will be entitled to remuneration for their services provided however that the aggregate emoluments of the chairperson in respect of any twelve month accounting period shall not exceed €18,750 each or such higher amount as may be approved by the Board of Directors.

In addition, the Directors will also be entitled to be reimbursed for their reasonable out of pocket expenses incurred in discharging their duties as directors. Any increase to Directors fees will be notified in advance to Shareholders.

The Manager is entitled under the terms of the Management Agreement to receive out of the assets of the Company a fee of up to 0.025% per annum of the Net Asset Value of the Company, accrued at each Valuation Point and payable monthly in arrears. The fee is subject to a minimum fee of €30,000 per annum. The Manager will also be entitled to be reimbursed by the Company for all reasonable general out of pocket expenses incurred by it or any delegate appointed by it under the Management Agreement and a once-off on boarding fee of such amount as may be agreed between the Manager and the Company subject to a maximum of €5,000. All amounts are exclusive of VAT (if any).

The Depositary is entitled under the terms of the Depositary Agreement to receive out of the assets of the Company a fee of up to 0.03% per annum of the Net Asset Value of the Company subject to a minimum annual fee of US\$10,000. Such fees shall be accrued daily and be paid monthly in arrears. The Depositary is also entitled to be reimbursed for all its reasonable out-of-pocket expenses incurred in the performance of its duties under the Depositary Agreement. The fees and expenses (other than those expenses for which the Depositary is entitled to be reimbursed by the Company) of any sub-

depositories will be at normal commercial rates and will be discharged by the Company, or if paid by the Depository, reimbursed by the Company to the Depository forthwith. Any increase to the maximum Depository fee of 0.03% per annum of the Net Asset Value of the Company will be notified in advance to Shareholders.

The Administrator is entitled under the terms of the Administration Agreement to receive out of the assets of the Company a fee of up to 0.10% per annum of the Net Asset Value of the Company subject to a minimum annual fee of US\$35,000. Such fees shall be accrued daily and be paid monthly in arrears. The Administrator is also entitled to receive out of the assets of the Company a minimum annual share registration fee of US\$2,000. The Administrator is also entitled to be reimbursed for all its reasonable out-of-pocket expenses incurred in the performance of its duties under the Administration Agreement. Any increase to the maximum Administration fee of 0.10% per annum of the Net Asset Value of the Company will be notified in advance to Shareholders.

The total combined fee payable to the Investment Manager and/or the Investment Advisor and any amount to discharge promotional, marketing or distribution fees, costs and expenses shall not exceed 1.5% per annum of the Net Asset Value.

The Investment Manager is entitled under the terms of the Investment Management Agreement to an annual fee of 1.2% per annum of the Net Asset Value which shall be accrued daily and be payable monthly in arrears. The Investment Manager is also entitled to be reimbursed for all its reasonable out-of-pocket expenses incurred in the performance of its duties under the Investment Management Agreement.

The Investment Advisor is entitled under the terms of the Investment Advisory Agreement, to an annual fee of up to 0.20% per annum of the Net Asset Value of the Company (& VAT), provided that the total combined fee of the Investment Manager and the Investment Advisor shall not exceed the maximum limit set out above in respect of the fees payable to the Investment Manager and the Investment Advisor. The Investment Advisor fee shall be accrued daily and be payable monthly in arrears. The Investment Advisor is also entitled to be reimbursed for all its reasonable out-of-pocket expenses incurred in the performance of its duties under the Investment Advisory Agreement.

The Company may accrue an amount of up to 0.1% per annum of Net Asset Value and use any amount accrued to discharge promotional, marketing or distribution fees, costs and expenses.

The Company will pay out of its assets the fees and expenses payable to the Manager, Investment Manager, the Investment Advisor, the Depository, the Administrator and the Directors (as referred to above), any fees in respect of circulating details of the Net Asset Value, stamp duties, taxes, company secretarial fees, brokerage or other expenses of acquiring and disposing of investments and the fees and expenses of the auditors, tax and legal advisers and the fees at normal commercial rates of any sub-distributors and paying agents. The costs of printing and distributing reports, accounts and any explanatory memoranda, any necessary translation fees, publishing prices and any costs incurred as a result of periodic updates of the Prospectus, or of a change in law or the introduction of any new law (including any costs incurred as a result of compliance with any applicable code, whether or not having the force of law) will also be paid by the Company.

The cost of converting the Company to a UCITS, which includes the preparation and printing of this Prospectus, marketing costs and the fees of all professionals relating to it, was borne by the Investment Manager.

## 19. FEE INCREASES

The total combined maximum annual fee payable to the Investment Manager and/or the Investment Advisor is 1.5% per annum of Net Asset Value as disclosed in this Prospectus and the maximum may

not be increased without the approval of the Shareholders on the basis of a majority of votes cast at a general meeting.

In the event that an increase to the maximum annual fee payable to the Investment Manager and/or Investment Advisor is approved, a reasonable notification period shall be provided to Shareholders to enable Shareholders redeem their holding of Shares in the Company prior to the implementation of the increase.

## 20. SOFT COMMISSIONS

There will be no soft commissions payable.

## 21. PORTFOLIO TRANSACTIONS AND CONFLICTS OF INTEREST

Subject to the provisions of this section, the Manager, the Investment Manager, the Administrator, the Depositary, any Shareholder and any of their respective subsidiaries, affiliates, associates, agents or delegates (**Connected Persons** and each a **Connected Person**) may contract or enter into any financial, banking or other transaction with one another or with the Company including, without limitation, investment by the Company in securities of a Shareholder or investment by any Connected Persons in any company or bodies any of whose investments form part of the assets of the Company or be interested in any such contract or transactions and in particular, without limitation, they may invest in and deal with Shares or any property of the kind included in the property of the Company for their respective individual accounts or for the account of someone else provided that no such transactions or dealings shall result in Shares being acquired for or on behalf of a Taxable Irish Person.

In addition, any cash of the Company may be deposited, subject to the provisions of the Central Bank Acts, 1942 to 2013, of Ireland, with any Connected Person (being a banker or other financial institution) or invested in certificates of deposit or banking instruments issued by any Connected Person. Banking and similar transactions may also be undertaken with or through a Connected Person.

There may be a conflict of interest where the Investment Manager or Investment Advisor is appointed to be the competent person to value certain investments in accordance with the section entitled "**Issue and Repurchase Prices/Calculation of Net Asset Value/Valuation of Assets**" as the fee of the Investment Manager and/or Investment Advisor will increase as the Net Asset Value of the Company increases.

Any Connected Person may also deal as agent or principal in the sale or purchase of securities and other investments to or from the Company through or with any Connected Person. There will be no obligation on the part of any Connected Person to account to Shareholders for any benefits so arising and any such benefits may be retained by the relevant party, provided that such transactions are carried out as if effected on normal commercial terms negotiated at arm's length and are consistent with the best interests of Shareholders and:-

- (1) a certified valuation of such transaction by a person approved by the Depositary (or the Directors in the case of transactions involving the Depositary) as independent and competent; or
- (2) such transaction has been executed on best terms obtainable on an organised investment exchange under its rules; or
- (3) where (1) and (2) are not practical, such transaction has been executed on terms which the Depositary is (or the Directors are in the case of transactions involving the Depositary) satisfied conform with the principle that such transactions be carried out as if effected on

normal commercial terms negotiated at arm's length and are consistent with the best interests of Shareholders.

The Manager, Investment Manager and/or Investment Advisor may also, in the course of its business, have potential conflicts of interest with the Company in circumstances other than those referred to above. The Manager, Investment Manager and/or Investment Advisor will, however, have regard in such event to its obligations under the Management Agreement, the Investment Management Agreement or Investment Advisory Agreement as applicable and, in particular, to its obligations to act in the best interests of the Company and the Shareholders so far as practicable, having regard to its obligations to other clients when undertaking any investments where conflicts of interest may arise. In the event that a conflict of interest does arise, the Directors will endeavour to ensure that such conflicts are resolved fairly.

Conflicts of interest may arise for the Depositary or its delegates where the Depositary or its delegates

- (1) is likely to make a financial gain, or avoid a financial loss at the expense of the Company or its investors;
- (2) has an interest in the outcome of a service or an activity provided to the Company or of a transaction carried out on behalf of the Company which is distinct from the Company's interest;
- (3) has a financial or other incentive to favour the interest of another client or group of clients over the interests of the Company;
- (4) carries on the same activities for the Company and for other clients that adversely affect the Company or
- (5) is in receipt of inducement in the form of monies, good or services other than the standard commission or fee for that service.

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

## **22. DATA PROTECTION**

The Company may hold some or all of the following types of Personal Data in relation to investors and prospective investors (and their officers, employees and beneficial owners); name, address/other contact details (telephone, email address), date/place of birth, gender, tax number, bank details, photographic ID, proofs of address (usually utility bills) as furnished by investors when completing the Application Form or to keep that information up to date. The Company may also obtain further Personal Data on those individuals by way of PEP (Politically Exposed Person) checks, sanctions checks, negative news checks and screening checks. The Company is obliged to verify the Personal Data and carry out ongoing monitoring. Where existing and prospective investors have furnished Personal Data in respect of their officers, employees and beneficial owners to the Company, those investors must furnish the information in this section on data protection to them.

In the course of business, the Company will collect, record, store, adapt, transfer and otherwise process Personal Data. The Company is a data controller within the meaning of Data Protection Legislation and will hold any Personal Data provided by or in respect of investors in accordance with Data Protection Legislation.

The Company and/or any of its delegates or service providers (including the Manager, the Administrator, Depository, Investment Manager and Investment Advisor) may process prospective investor's and investor's Personal Data for any one or more of the following purposes and on the following legal bases:

1. to operate the Company, including managing and administering a Shareholder's investment in the relevant Company on an on-going basis which enables the Company to satisfy its contractual duties and obligations to the Shareholder and any processing necessary for the preparation of the contract with the Shareholder).
2. to comply with any applicable legal, tax or regulatory obligations on the Company, for example, under the Companies Acts and anti-money laundering and counter-terrorism and tax legislation and fraud prevention;
3. for any other legitimate business interests' of the Company or a third party to whom Personal Data is disclosed, where such interests are not overridden by the interests of the investor, including for statistical analysis, market research purposes and to perform financial and/or regulatory reporting; or
4. for any other specific purposes where investors have given their specific consent and where processing of Personal Data is based on consent, the investors will have the right to withdraw it at any time.

The Company and/or any of its delegates or service providers may disclose or transfer Personal Data, whether in Ireland or elsewhere (including entities situated in countries outside of the EEA), to other delegates, duly appointed agents and service providers of the Company (and any of their respective related, associated or affiliated companies or sub-delegates) and to third parties including advisers, regulatory bodies, taxation authorities, auditors, technology providers for the purposes specified above.

The Company will not keep Personal Data for longer than is necessary for the purpose(s) for which it was collected. In determining appropriate retention periods, the Company shall have regard to the Statute of Limitations Act 1957, as amended, and any statutory obligations to retain information, including anti-money laundering, counter-terrorism, tax legislation. The Company will take all reasonable steps to destroy or erase the data from its systems when they are no longer required.

Where specific processing is based on an investor's consent, that investor has the right to withdraw it at any time. Investors have the right to request access to their Personal Data kept by Company; and the right to rectification or erasure of their data; to restrict or object to processing of their data, and to data portability, subject to any restrictions imposed by Data Protection Legislation and any statutory obligations to retain information including anti money laundering, counter-terrorism, tax legislation.

The Company and/or any of its delegates and service providers will not transfer Personal Data to a country outside of the EEA unless that country ensures an adequate level of data protection or appropriate safeguards are in place. The European Commission has prepared a list of countries that are deemed to provide an adequate level of data protection which, to date, includes Switzerland, Guernsey, Argentina, the Isle of Man, Faroe Islands, Jersey, Andorra, Israel, New Zealand, Uruguay, Japan and Canada (commercial organisations). Further countries may be added to this list by the European Commission at any time. If a third country does not provide an adequate level of data protection, then the Company and/or any of its delegates and service providers will ensure it puts in place appropriate safeguards such as the model clauses (which are standardised contractual clauses, approved by the European Commission) or binding corporate rules, or relies on one of the derogations provided for in Data Protection Legislation. As at the date of this prospectus such countries outside of the EEA (that are not deemed to provide an adequate level of investor protection) to which data may be transferred are United States, China, India

and the Philippines. This list may change from time to time and any change will be made available via <https://d-a-ch-portfolio.com/d-a-ch-portfolio-ireland-plc/>.

Where processing is carried out on behalf of the Company, the Company shall engage a data processor, within the meaning of Data Protection Legislation, which implements appropriate technical and organisational security measures in a manner that such processing meets the requirements of Data Protection Legislation, and ensures the protection of the rights of investors. The Company will enter into a written contract with the data processor which will set out the data processor's specific mandatory obligations laid down in Data Protection Legislation, including to process Personal Data only in accordance with the documented instructions from the Company.

As part of the Company's business and ongoing monitoring, the Company may from time to time carry out automated decision-making in relation to investors, including, for example, profiling of investors in the context of anti-money laundering reviews, and this may result in an investor being identified to the revenue authorities, law enforcement authorities and to other entities where required by law, and the Company terminating its relationship with the investor.

Investors are required to provide their Personal Data for statutory and contractual purposes. Failure to provide the required Personal Data will result in the Company being unable to permit, process, or release the investor's investment in the Company and this may result in the Company terminating its relationship with the investor. Investors have a right to lodge a complaint with the data protection authority in their habitual place of residence or place of work if they are unhappy with how the Company is handling their Personal Data.

Any questions about the operation of the Company's data protection policy should be referred in the first instance to [irelandfunds@lbbw-am.de](mailto:irelandfunds@lbbw-am.de).

## 23. TAXATION

### 23.1. General

**Shareholders and potential investors should note that the following statements on taxation are based on advice received by the Directors regarding the law and practice in force in the relevant jurisdiction at the date of this document and proposed regulations and legislation in draft form and do not constitute legal or tax advice. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely as the basis for, and rates of, taxation can fluctuate.**

**The following statements are by way of a general guide to potential investors and Shareholders only and do not constitute tax advice. Shareholders and potential investors are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of the Shares under the laws of their country of incorporation, establishment, citizenship, residence or domicile.**

### 23.2. Taxation of the Company

Ireland

*Tax on Income and Capital Gains*

The Company

On the basis that the Company is a UCITS, it is outside the scope of Part 27, Chapter 1B, TCA dealing with Irish Real Estate Funds.

The Company will only be subject to tax on chargeable events in respect of Shareholders who are Taxable Irish Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes – see below for more details).

A chargeable event occurs on, for example:

- (i) a payment of any kind to a Shareholder by the Company;
- (ii) a transfer of Shares; and
- (iii) on the eighth anniversary of a Shareholder acquiring Shares and every subsequent eighth anniversary

but does not include any transaction in relation to Shares held in a clearing system recognised by the Irish Revenue Commissioners, certain transfers arising as a result of an amalgamation or reconstruction of fund vehicles and certain transfers between spouses or former spouses.

If a Shareholder is not a Taxable Irish Person at the time a chargeable event arises no Irish tax will be payable on that chargeable event in respect of that Shareholder.

Where tax is payable on a chargeable event, subject to the comments below, it is a liability of the Company which is recoverable by deduction or, in the case of a transfer and on the eight year rolling chargeable event by cancellation or appropriation of Shares from the relevant Shareholders. In certain circumstances, and only after notification by the Company to a Shareholder, the tax payable on the eight year rolling chargeable event can at the election of the Company become a liability of the Shareholder rather than the Company. In such circumstances the Shareholder must file an Irish tax return and pay the appropriate tax (at the rate set out below) to the Irish Revenue Commissioners.

In the absence of the appropriate declaration being received by the Company that a Shareholder is not an Irish Person or if the Company has information that would reasonably suggest that a declaration is incorrect, and in the absence of written notice of approval from the Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with (or following the withdrawal of, or failure to meet any conditions attaching to such approval), the Company will be obliged to pay tax on the occasion of a chargeable event (even if, in fact, the Shareholder is neither resident nor ordinarily resident in Ireland). Where the chargeable event is an income distribution tax will be deducted at the rate of 41%, or at the rate of 25% where the Shareholder is a company and the appropriate declaration has been made, on the amount of the distribution. Where the chargeable event occurs on any other payment to a Shareholder, not being a company which has made the appropriate declaration, on a transfer of Shares and on the eight year rolling chargeable event, tax will be deducted at the rate of 41% on the increase in value of the shares since their acquisition. Tax will be deducted at the rate of 25% on such transfers where the Shareholder is a company and the appropriate declaration has been made. In respect of the eight year rolling chargeable event, there is a mechanism for obtaining a refund of tax where the Shares are subsequently disposed of for a lesser value.

An anti-avoidance provision increases the 41% rate of tax to 60% (80% where details of the payment/disposal are not correctly included in the individual's tax return) if, under the terms of an investment in a fund, the investor or certain persons associated with the investor have an ability to influence the selection of the assets of the fund.

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

#### *Other Countries*



The Company may be subject to taxes in respect of investments in the other countries, such taxes being taxes on income and/or gains which are withheld in the place where such income and/or gains arise. The Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in repayment to the Company, the Net Asset Value of the Company will not be restated and the benefit will be allocated to the existing Shareholders in the Company rateably at the time of repayment.

### 23.3. Shareholders

#### *Ireland*

Shareholders who are neither resident nor ordinarily resident in Ireland in respect of whom the appropriate declarations have been made (or in respect of whom written notice of approval from the Revenue Commissioners has been obtained by the Company to the effect that the requirement to have been provided with such declaration from that Shareholder or class of shareholders to which the Shareholder belongs is deemed to have been complied with) will not be subject to tax on any distributions from the Company or any gain arising on redemption, repurchase or transfer of their shares provided the shares are not held through a branch or agency in Ireland. No tax will be deducted from any payments made by the Company to those Shareholders who are not Irish Persons.

Shareholders who are Irish resident or ordinarily resident or who hold their shares through a branch or agency in Ireland may have a liability under the self-assessment system to pay tax, or further tax, on any distribution or gain arising from their holdings of Shares. In particular where the Company has elected to not deduct tax at the occasion of the eight year rolling chargeable event a Shareholder will have an obligation to file a self-assessment tax return and pay the appropriate amount of tax to the Irish Revenue Commissioners.

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

### 23.4. Relevant Irish Tax Definitions

#### *Irish residence and ordinary residence for tax purposes*

##### **Residence - Company**

Prior to Finance Act 2014, company residence was determined with regard to the long-established common law rules based on central management and control. These rules were significantly revised in Finance Act 2014 to provide that a company incorporated in the State will be regarded as resident for tax purposes in the State, unless it is treated as resident in a treaty partner country by virtue of a double taxation treaty. While the common law rule based on central management and control remains in place, it is subject to the statutory rule for determining company residence based on incorporation in the State set out in the revised section 23A TCA 1997.

The new incorporation rule for determining the tax residence of a company incorporated in the State will apply to companies incorporated on or after 1 January 2015. For companies incorporated in the State before this date, a transition period will apply until 31 December 2020.

##### **Residence – Individual**

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

- (a) Spends 183 or more days in the State in that tax year;

or

- (b) has a combined presence of 280 days in the State, taking into account the number of days spent in the State in that tax year together with the number of days spent in the State in the preceding year.

Presence in a tax year by an individual of not more than 30 days in the State will not be reckoned for the purpose of applying the two year test. Up to 31 December, 2008, presence in the State for a day means the personal presence of an individual at the end of the day (midnight). From 1 January 2009, presence in the State for a day means the personal presence of an individual at any time during the day.

### **Ordinary Residence – Individual**

The term "ordinary residence" as distinct from "residence", relates to a person's normal pattern of life and denotes residence in a place with some degree of continuity.

An individual who has been resident in the State for three consecutive tax years becomes ordinarily resident with effect from the commencement of the fourth tax year.

An individual who has been ordinarily resident in the State ceases to be ordinarily resident at the end of the third consecutive tax year in which s/he is not resident. Thus, an individual who is resident and ordinarily resident in the State in 2021 and departs from the State in that tax year will remain ordinarily resident up to the end of the tax year in 2024.

### **Intermediary**

This means a person who:

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

### **Stamp duty**

No Irish stamp duty will be payable on the subscription, transfer or redemption of Shares provided that no application for Shares or re-purchase or redemption of Shares is satisfied by an in specie transfer of any Irish situated property.

### **Capital acquisitions tax**

No Irish gift tax or inheritance tax (capital acquisitions tax) liability will arise on a gift or inheritance of Shares provided that:

- at the date of the disposition the transferor is neither domiciled nor ordinarily resident in Ireland and at the date of the gift or inheritance the transferee of the Shares is neither domiciled nor ordinarily resident in Ireland; and
- the Shares are comprised in the disposition at the date of the gift or inheritance and the valuation date.

### **Other tax matters**

The income and/or gains of a company from its securities and assets may suffer withholding tax in the countries where such income and/or gains arise. The Company may not be able to benefit from reduced

rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in repayment to that company, the net asset value of the Company will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

### **Taxation in Other Jurisdictions**

As Shareholders are no doubt aware, the tax consequences of any investment can vary considerably from one jurisdiction to another, and ultimately will depend on the tax regime of the jurisdictions within which a person is tax resident. Therefore the Directors strongly recommend that Shareholders obtain tax advice from an appropriate source in relation to the tax liability arising from the holding of Shares in the Company and any investment returns from those Shares. It is the Directors' intention to manage the affairs of the Company so that it does not become resident outside of Ireland for tax purposes.

#### **23.5. Information exchange and the implementation of FATCA in Ireland**

With effect from 1 July 2014, the Company is obliged to report certain information in respect of U.S. investors in the Company to the Irish Revenue Commissioners who will share that information with the U.S. tax authorities.

The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 (**FATCA**), impose a 30% US withholding tax on certain 'withholdable payments' made on or after 1 July 2014 unless the payee enters into and complies with an agreement with the U.S. Internal Revenue Service (**IRS**) to collect and provide to the IRS substantial information regarding direct and indirect owners and account holders.

On 21 December 2012 Ireland signed an Intergovernmental Agreement (**IGA**) with the United States to Improve International Tax Compliance and to Implement FATCA. Under this agreement Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. persons in a broad category of Irish financial institutions and vice versa.

Under the IGA and the Financial Accounts Reporting (United States of America) Regulations 2014 (as amended) (the Irish Regulations) implementing the information disclosure obligations, Irish financial institutions such as the Company are required to report certain information with respect to U.S. account holders to the Revenue Commissioners. The Revenue Commissioners will automatically provide that information annually to the IRS. The Company (and/or the Administrator or Investment Manager on behalf of the Company) must obtain the necessary information from investors required to satisfy the reporting requirements whether under the IGA, the Irish Regulations or any other applicable legislation published in connection with FATCA and such information is being sought as part of the application process for shares in the Company. It should be noted that the Irish Regulations require the collection of information and filing of returns with the Revenue Commissioners regardless as to whether the Company holds any U.S. assets or has any U.S. investors.

If a Shareholder causes the Company to suffer a withholding for or on account of FATCA (**FATCA Deduction**) or other financial penalty, cost, expense or liability, the Company may compulsorily redeem any Shares of such Shareholder and/or take any actions required to ensure that such FATCA Deduction or other financial penalty, cost, expense or liability is economically born by such Shareholder. While the IGA and the Irish Regulations should serve to reduce the burden of compliance with FATCA, and accordingly the risk of a FATCA withholding on payments to the Company in respect of its assets, no assurance can be given in this regard. As such, Shareholders should obtain independent tax advice in relation to the potential impact of FATCA before investing.

### 23.6. Common Reporting Standard (**CRS**)

The CRS framework was first released by the OECD in February 2014. On 21 July 2014, the Standard for Automatic Exchange of Financial Account Information in Tax Matters (the **Standard**) was published, involving the use of two main elements, the Competent Authority Agreement (**CAA**) and the CRS.

The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions (**FIs**) relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CAA and CRS, have used FATCA concepts and as such the Standard is broadly similar to the FATCA requirements, albeit with numerous alterations. It will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS while Sections 891F and 891G of the TCA contain measures necessary to implement the CRS internationally and across the European Union, respectively. Regulations, the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the CRS Regulations), gave effect to the CRS from 1 January 2016.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation (**DAC II**) implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis. Section 891G of the TCA contained measures necessary to implement the DAC II. Regulations, the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (together with the CRS Regulations, the **Regulations**), gave effect to DAC II from 1 January 2016.

Under the Regulations, reporting financial institutions, are required to collect certain information on accountholders and on certain Controlling Persons in the case of the accountholder(s) being an Entity, as defined for CRS purposes, (e.g. name, address, jurisdiction of residence, TIN, date and place of birth (as appropriate), the account number and the account balance or value at the end of each calendar year) to identify accounts which are reportable to the Irish tax authorities. The Irish tax authorities shall in turn exchange such information with their counterparts in participating jurisdictions. Further information in relation to CRS and DAC II can be found on the Automatic Exchange of Information (AEOI) webpage on [www.revenue.ie](http://www.revenue.ie).

### 23.7. OECD BEPS

In 2013 the OECD published its report on Addressing Base Erosion and Profit Shifting (**BEPS**) and its Action Plan on BEPS. The aim of the report and Action Plan was to address and reduce aggressive international tax planning. BEPS remains an ongoing project. On 5 October 2015, the OECD published its final reports, analyses and sets of recommendations (deliverables) with a view to implementing internationally agreed and binding rules which could result in material changes to relevant tax legislation of participating OECD countries. The final package of deliverables was subsequently approved by the G20 Finance Ministers on 8 October 2015. On 24 November 2016, more than 100 jurisdictions concluded negotiations on a multilateral instrument that will amend their respective tax treaties (more than 2,000 tax treaties worldwide) in order to implement the tax treaty-related BEPS recommendations. The multilateral instrument was signed on 7 June 2017 and entered into force on 1 July 2018. The multilateral instrument will then enter into effect for a specific tax treaty at certain times after all parties to that treaty have ratified the multilateral instrument. The final actions to be implemented in the tax legislation of the countries in which the Company will have investments, in the countries where the Company is domiciled or resident, or changes in tax treaties negotiated by these countries, could adversely affect the returns from the Company.

## 24. FORM OF SHARES, SHARE CERTIFICATES AND TRANSFER OF SHARES

Shares will be issued in registered form. Share certificates will only be issued if requested in writing by the applicant(s) and any certificates issued will normally be issued within thirty days after the receipt of a request for the issue of such a certificate. Written confirmations of entry in the register of Shareholders will be issued within 28 days after the Dealing Day on which Shares are allotted subject to receipt of payment in respect of such Shares.

Shares will be transferable by instrument in writing signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor. In the case of the death of one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Company as having any title to or interest in the Shares registered in the names of such joint Shareholders.

Shares may only be transferred to persons who complete the application process set out in this Prospectus.

Shares may not be transferred to a United States Person except pursuant to an exemption available under the United States Securities Act of 1933 (as amended) or to a Taxable Irish Person.

## 25. GENERAL INFORMATION

### 25.1. Reports and Accounts

The Company's year end is 31st December in each year. The annual report and audited accounts of the Company will be sent to Shareholders within four months after the conclusion of each accounting year and at least 21 days before the general meeting of the Company at which they are to be submitted for approval. The Company will also send a semi-annual report and unaudited accounts to Shareholders normally within two months after the end of each semi-annual period. The Company's semi-annual period ends on 30th June in each year.

Such reports and accounts will contain a statement of the Net Asset Value and of the investments comprised therein as at the year end or the end of such semi-annual period.

### 25.2. Notification of Prices

The latest Net Asset Value per Share will be calculated daily and will be available from the Administrator and the Investment Manager following calculation. The latest Net Asset Value per Share is available on the website of Euronext Dublin at [www.euronext.com/en/markets/dublin](http://www.euronext.com/en/markets/dublin) and also at <http://d-a-ch-portfolio.com/d-a-ch-portfolio-ireland-plc/>. The Company reserves the right to make additional arrangements for the publication of the Net Asset Value per Share in relevant publications. Dealing prices posted on the internet will be up-to-date.

The Net Asset Value per Share will be notified to Euronext Dublin immediately upon calculation.

### 25.3. Directors' Confirmation - Commencement of Business

The Directors confirm that the Company was incorporated on 16th November, 1999. The Company does not have any subsidiaries at the date hereof.

### 25.4. Incorporation and Share Capital

The Company was incorporated and registered in Ireland under the Companies Act, as an investment company with variable capital on 16th November, 1999 with registered number 315283.

At the date hereof, the authorised share capital of the Company is 7 Subscriber Shares of 1 Euro each and 1,000,000,000 unclassified participating shares of no par value. The minimum issued

share capital of the Company is Euro 2 or its equivalent in any other currency. The maximum issued share capital of the Company is Euro 1,000,000,000,000 or its equivalent in any other currency

The unclassified shares are available for issue as Shares. The issue price is payable in full on acceptance.

#### 25.5. The Constitution

Clause 2 of the Constitution provides that the sole object of the Company is the collective investment of its funds in property with the aim of spreading investment risk and giving members of the Company the benefit of the results of the management of its funds.

The Constitution contain provisions to the following effect:

25.5.1. **Directors' Authority to Allot Shares.** The Directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities, including fractions thereof, up to an amount equal to the authorised but as yet unissued share capital of the Company.

25.5.2. **Variation of rights.** The rights attached to any class may, be varied or abrogated with the consent in writing of the holders of three-fourths in number of the issued shares of that class, or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of the class, and may be so varied or abrogated whilst the Company is a going concern or during or in contemplation of a winding-up. The quorum at any such separate general meeting, other than an adjourned meeting, shall be two persons holding or representing by proxy at least one third of the issued shares of the class in question and the quorum at an adjourned meeting shall be one person holding shares of the class in question or his proxy.

25.5.3. **Voting Rights.** Subject to disenfranchisement in the event of non-compliance with any notice requiring disclosure of the beneficial ownership of shares and subject to any rights or restrictions for the time being attaching to any class or classes of shares on a show of hands at a general meeting or class meeting of the Company, every holder who is present in person or by proxy shall have one vote and on a poll every holder present in person or by proxy shall have one vote for every share of which he is the holder. Holders who hold a fraction of a share may not exercise any voting rights, whether on a show of hands or on a poll in respect of such fraction of a share.

The holder(s) of subscriber shares present in person or by proxy at a general meeting shall, on a show of hands, have one vote in respect of all the subscriber shares in issue and on a poll, every holder of a subscriber shares present in person or by proxy shall have one vote in respect of his holding of subscriber shares.

25.5.4. **Change in Share Capital.** The Company from time to time by ordinary resolution may increase the share capital by such amount and/or number as the resolution may prescribe. The Company may also by ordinary resolution, consolidate and divide all or any of its share capital into shares of larger amount, subdivide its shares, or any of them, into shares of smaller amount or value or cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person and reduce the amount of its authorised share capital by the amount of the shares so cancelled or redenominate the currency of any class of shares.

25.5.5. **Directors' Interests.** Provided that the nature and extent of his interest shall be disclosed as set out below, no Director or intending Director shall be disqualified by his office from contracting with the Company nor shall any such contract or arrangement entered into by or on behalf of the other company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established.

The nature of a Director's interest must be declared by him at the meeting of the Directors at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of that meeting interested in the proposed contract or arrangement at the next meeting of the Directors held after he becomes so interested, and in a case where the Director becomes interested in a contract or arrangement after it is made, at the first meeting of the Directors held after he becomes so interested.

A Director shall not vote at a meeting of the Directors or any committee established by the Directors on any resolution concerning a matter in which he has, directly, or indirectly an interest which is material (other than an interest arising by virtue of his interest in shares or debentures or other securities or otherwise in or through the Company) or a duty which conflicts or may conflict with the interest of the Company. A Director shall not be counted in the quorum present at a meeting in relation to any such resolution on which he is not entitled to vote. A Director shall not vote (or be counted in the quorum present) on any resolution in respect of his appointment (or the arrangement of the terms of appointment) to hold any office or place of profit with the Company.

A Director shall be entitled (in the absence of some other material interest than is indicated under "**Interests of Directors**" below) to vote (and be counted in the quorum) in respect of any resolutions concerning any of the following matters, namely:

- (1) the giving of any security, guarantee or indemnity to him in respect of money lent by him to the Company or any of its subsidiary or associated companies or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiary or associated companies;
- (2) the giving of any security, guarantee or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiary or associated companies for which he himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
- (3) any proposal concerning any offer of shares or debentures or other securities of or by the Company or any of its subsidiary or associated companies for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;
- (4) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer, shareholder or otherwise howsoever.

The Company by ordinary resolution may suspend or relax the provisions described above to any extent or ratify any transaction not duly authorised by reason of a contravention thereof.

- 25.5.6. **Borrowing Powers.** The Directors may exercise all the powers of the Company to borrow or raise money and to mortgage or charge its undertaking, property and assets (both present and future), and uncalled capital or any part thereof provided that all such borrowings shall be within the limits laid down by the Central Bank.
- 25.5.7. **Committees.** The Directors may delegate any of their powers to any committee whether or not consisting of Directors. Any such delegation may be made subject to any conditions the Directors may impose, and either collaterally with or to the exclusion of their own powers and may be revoked. Subject to any such conditions, the proceedings of a committee with two or more members shall be governed by the provisions of the Constitution regulating the proceedings of Directors so far as they are capable of applying.
- 25.5.8. **Retirement of Directors.** The Directors shall not be required to retire by rotation or by virtue of their attaining a certain age.
- 25.5.9. **Directors' Remuneration.** Unless and until otherwise determined from time to time by the Company in general meeting, the ordinary remuneration of each Director shall be determined from time to time by resolution of the Directors. Any Director who holds any executive office (including for this purpose the office of chairman or deputy chairman) or who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise as the Directors may determine. The Directors may be paid all travelling, hotel and other expenses properly incurred by them in connection with their attendance at meetings of the Directors or committees established by the Directors or general meetings or separate meetings of the holders of any class of shares of the Company or otherwise in connection with the discharge of their duties.
- 25.5.10. **Transfer of/Compulsory Repurchase of Shares.** Subject as set out below, the shares of any holder may be transferred by instrument in writing in any usual or common form or any other form which the Directors may approve. The Directors in their absolute discretion and without assigning any reason therefor may decline to register any transfer of a share to (and consequently may compulsorily repurchase Shares held by) any person who is a United States Person, any person who appears to be 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 shares, or any person or persons in circumstances which might result in the Company incurring any liability to taxation or suffering pecuniary disadvantages or being in breach of any law or regulation which the Company might not otherwise have incurred, suffered or breached and any transfer to or by a minor or a person of unsound mind. The Directors may decline to recognise any instrument of transfer unless it is accompanied by the certificate for the shares to which it relates (if issued), is in respect of one class of share only, is in favour of not more than four transferees and is lodged at the registered office or at such other place as the Directors may appoint.
- 25.5.11. **Right of Repurchase.** Holders have the right to request the Company to repurchase their Shares in accordance with the provisions of the Constitution.
- 25.5.12. **Dividends.** The Constitution permits the Directors to declare such dividends on any class of shares as appears to the Directors to be justified by the profits of the Company. The Directors may, satisfy any dividend due to holders of shares in whole or in part by distributing to them in specie any of the assets of the Company,



and in particular any of the investments of the Company. Any dividend unclaimed for six years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

25.5.13. **Winding up.** The Constitution contains provisions to the following effect:

- (1) If the Company shall be wound up the liquidator shall, subject to the provisions of the Companies Act, apply the assets of the Company in such manner and order as he thinks fit in satisfaction of creditors' claims.
- (2) The assets available for distribution amongst the holders shall be applied as follows: first the proportion of the assets attributable to each class of share shall be distributed to the holders of shares in the relevant class in the proportion that the number of shares held by each holder bears to the total number of shares relating to each such class of shares in issue as at the date of commencement to wind up; secondly, in the payment to the holder(s) of the subscriber shares of sums up to the nominal amount paid thereon out of the assets of the Company not attributable to any class of share. In the event that there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets of the Company attributable to each class of share; and thirdly, any balance then remaining and not attributable to any of the classes of shares shall be apportioned pro-rata as between the classes of shares based on the Net Asset Value of each class of shares as at the date of commencement to wind up and the amount so apportioned to a class shall be distributed to holders pro-rata to the number of shares in that class of shares held by them.
- (3) If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the court) the liquidator may, with the authority of a special resolution of the relevant holders and any other sanction required by the Companies Act, divide among the holders of shares of any class or classes in specie the whole or any part of the assets of the Company, and whether or not the assets shall consist of property of a single kind, and may for such purposes set such value as he deems fair upon any one or more class or classes of property, and may determine how such division shall be carried out as between all the holders of the Company or the holders of different classes of shares. The liquidator may, with the like authority, vest any part of the assets of the Company in trustees upon such trusts for the benefit of holders as the liquidator, with the like authority, shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no holder shall be compelled to accept any assets of the Company in respect of which there is a liability.

25.5.14. **Compulsory Repurchase** The Directors may, in their sole and absolute discretion, compulsorily redeem all shares in the capital of the Company by notice in writing to the affected Shareholders in any of the following events:-

- (1) if at any time the Net Asset Value of the Company shall be less than the Minimum Fund Size;
- (2) if the Company shall cease to be authorised or otherwise officially approved;  
or
- (3) if any law shall be passed which renders it illegal or in the opinion of the Directors impracticable or inadvisable to continue the Company;

- (4) if there is any material change in the tax status of the Company in Ireland or in any other jurisdiction (including any adverse tax ruling by the relevant authorities in Ireland or any jurisdiction affecting the Company) which the Directors consider would result in material adverse consequences on the Shareholders and/or the investments of the Company;
- (5) if there is a change in material aspects of the business or in the economic or political situation relating to the Company which the Directors consider would have material adverse consequences on the Shareholders and/or the investments of the Company;
- (6) if the Directors shall have resolved that it is impracticable or inadvisable for the Company to continue to operate having regard to prevailing market conditions and the best interests of the Shareholders; or
- (7) if the assets held in respect of the Company are terminated or redeemed and the Directors determine that it is not commercially practical to reinvest the realisation proceeds of such assets in replacement assets on terms that will enable the Company achieve its investment objective and/or to comply with its investment policy.

The decision of the Directors in any of the events specified above shall be final and binding on all the parties concerned but the Directors shall be under no liability on account of any failure to compulsorily redeem the shares pursuant to this Clause or otherwise.

25.5.15. **Share Qualification.** The Constitution does not contain a share qualification for Directors.

## 25.6. Litigation and Arbitration

The Company is not involved in any litigation or arbitration nor are the Directors aware of any pending or threatened litigation or arbitration.

## 25.7. Interests of Directors

25.7.1. There are no service contracts in existence between the Company and any of its Directors, nor are any such contracts proposed.

25.7.2. At the date of this Prospectus, no Director has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of by, or issued to, the Company and no Director is materially interested in any contract or arrangement subsisting at the date hereof which is unusual in its nature and conditions or significant in relation to the business of the Company.

25.7.3. At the date of this Prospectus neither the Directors nor their spouses nor their infant children nor their connected persons have any interest in the share capital of the Company or any options in respect of such capital.

25.7.4. Andreas Schmidt is an employee of the Investment Manager.

25.7.5. Christoph Schaefer is an employee of a company within the same group of companies as the Investment Manager.

25.7.6. Michael Krauss is an employee of the Investment Advisor.

## 26. 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 Company and are or may be material:

- 26.1.1. the Management Agreement dated 30 November 2021 between the Manager and the Company (the **Management Agreement**); this agreement provides that the appointment of the Manager shall continue in force for an initial term of 1 year and thereafter may be terminated by either party giving to the other not less than 6 months written notice. The Management Agreement contains indemnities in favour of the Manager other than matters arising by reason of its negligence, wilful misconduct, or fraud;
- 26.1.2. the Depositary Agreement dated 10 May 2016 between inter alios the Company and the Depositary (the **Depositary Agreement**); this agreement provides that the appointment of the Depositary is for an initial term of six months and thereafter may be terminated by either of the parties on giving ninety days' prior written notice to the other party; this agreement contains certain indemnities in favour of the Depositary which are restricted to exclude any actions, proceedings, claims, costs, demands or expenses arising as a result of the Depositary's unjustifiable failure to perform its obligations or its improper performance of them;
- 26.1.3. the Administration Agreement dated 30 November 2021 between the Manager, the Company and the Administrator (the **Administration Agreement**); this agreement provides that the appointment of the Administrator was for an initial term of two years and shall automatically renew for successive two year terms unless notice of non-renewal is delivered by the non-renewing party to the other parties no later than ninety days prior to the expiration of the initial term or any renewal term as the case may be. In certain circumstances the agreement may be terminated forthwith by notice in writing by any party to the other parties; this agreement contains certain indemnities in favour of the Administrator which are restricted to exclude matters arising by reason of the negligence, wilful default, bad faith or fraud of the Administrator or any of its directors, officers, servants, employees, delegates or sub-contractors in the performance of its duties and certain provisions regarding its legal responsibilities and limitations thereon;
- 26.1.4. the Investment Management Agreement dated 30 November 2021 between the Manager, the Company and the Investment Manager (the **Investment Management Agreement**); this agreement provides that the appointment of the Investment Manager will continue unless and until terminated by any party giving to the other parties not less than ninety days' written notice although in certain circumstances the agreement may be terminated forthwith by notice in writing by any party to the other parties; this agreement also contains certain indemnities in favour of the Investment Manager which are restricted to exclude matters arising by reason of the negligence, wilful default, bad faith or fraud of the Investment Manager or persons designated by it in the performance or non-performance of its duties and certain provisions regarding its legal responsibilities and limitations thereon; and
- 26.1.5. the Investment Advisory Agreement dated 1 April 2014 between Company and the Investment Advisor as supplemented by way of supplemental agreement dated 30 November 2021 between the Manager, the Company and the Investment Advisor (the **Investment Advisory Agreement**); this agreement provides that the appointment of the Investment Advisor will, after an initial term of one year, continue unless and until terminated by any party giving to the other parties not less than ninety days' written notice although in certain circumstances the agreement may be terminated forthwith by notice in writing by any party to the

other parties and in addition the agreement may be terminated by the Manager or the Company at any time where necessary to protect the best interests of Shareholders; this agreement also contains certain indemnities in favour of the Investment Advisor which are restricted to exclude matters arising by reason of the fraud, wilful default, negligence bad faith, breach of contract and wilful misconduct of the Investment Advisor or its officers, servants, employees, agents and or delegates in the performance of its duties and obligations under the Investment Advisory Agreement.

## 27. MISCELLANEOUS

Save as disclosed under "**Incorporation and Share Capital**" above, no share or loan capital of the Company has been issued or agreed to be issued, under option or otherwise. As of the date of this Prospectus, the Company does not have any loan capital (including term loans) outstanding or created but unissued or any outstanding mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances or acceptance credits, hire purchase or finance lease commitments, guarantees or other contingent liabilities which are material in nature.

Save as disclosed under the heading, "**Interests of Directors**" above, no Director has any interest in the promotion of or in any property acquired or proposed to be acquired by the Company.

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

No commissions, discounts, brokerages or other special terms have been paid or granted or are payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscriptions, for any Shares or loan capital of the Company.

### 27.1. Remuneration Policy

The Manager's policy is to design and implement a remuneration policy which is consistent with and promotes sound and effective risk management. In line with the Central Bank UCITS Regulations, the ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive and the requirements of the Central Bank, all of which may be amended from time to time, the Manager applies its remuneration policy in a manner which is proportionate to its size and that of the Company, its internal organisation and the nature, scope and complexity of its activities.

The Manager does not impose a limit with regard to variable compensation versus fixed compensation. However, the Manager's policy is to pay all staff a fixed component representing a sufficiently high proportion of the total remuneration of the individual to allow the Manager to operate a fully flexible policy, with the possibility of not paying any variable component.

Where the Manager pays its staff performance related pay, the following requirements, among others will be applied:

- (a) where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit or the relevant Funds and of the overall results of the Manager, and when assessing individual performance, financial as well as non-financial criteria are taken into account;
- (b) the assessment of performance is set in a multi-year framework appropriate to the life-cycle of the relevant Funds in order to ensure that the assessment process is based on longer term performance and that the actual payment of performance-based components of remuneration

is spread over a period which takes account of the performance fee calculation period of the relevant Fund, the Fund's redemption policy and its investment risks.

The Manager will ensure that the remuneration policy is reviewed internally and independently on an annual basis.

When delegating portfolio management or risk management activities according to the Regulations, the Manager shall use its best efforts to ensure that:

- (a) the entities to which portfolio management or risk management activities have been delegated are subject to regulatory requirements on remuneration that are equally as effective as those applicable under the relevant remuneration rules applicable to the Manager; or
- (b) appropriate contractual arrangements are put in place with entities to which portfolio management or risk management activities have been delegated in order to ensure that there is no circumvention of the remuneration rules applicable to the Manager.

Details of the Manager's up-to-date policy in respect of remuneration, including a description of how remuneration and benefits are calculated and the identities of the persons responsible for awarding such remuneration/benefits can be accessed from the following website: <https://www.waystone.com/wp-content/uploads/2021/03/Waystone-Mgt-Co-IE-Limited-Remuneration-Policy.pdf>. A paper copy of the remuneration policy is also available free of charge from the Manager upon request.

#### 27.2. Whistleblowing Policy

The Company has in place appropriate procedures for their employees to report infringements internally through a specific, independent and autonomous channel, in compliance with the Regulations.

#### 27.3. Documents Available

Copies of the following documents may be inspected at the registered office of the Company at during usual business hours on weekdays, except Saturdays and public holidays:

- 27.3.1. the Constitution of the Company;
- 27.3.2. the material contracts referred to above;
- 27.3.3. the Companies Act;
- 27.3.4. the Key Investor Information Document; and
- 27.3.5. the Regulations and/or the Central Bank UCITS Regulations, as applicable.

Copies of the Constitution of the Company (and, after publication thereof, the periodic reports and accounts) and the Key Investor Information Document may be obtained free of charge from the Investment Manager upon request. The Key Investor Information Document may also be viewed on <http://d-a-ch-portfolio.com/d-a-ch-portfolio-ireland-plc/>.

## 28. APPLICATION PROCEDURE

All requests for subscriptions and repurchases may be made on the Application Form, signed and sent by mail or by facsimile to the Administrator at the address/facsimile number set out in the Application Form. Applications by facsimile will be treated by the Administrator as definitive orders even if not subsequently confirmed in writing and will not be capable of withdrawal after acceptance

by the Administrator. In the case of all applications for subscriptions and redemptions, any required supporting documentation in relation to money laundering prevention checks must be received promptly by the Administrator.

The Administrator will retain the right to seek such evidence of identity from applicants as the Administrator deems appropriate to comply with the Company's obligations under anti-money laundering Legislation and, in the absence of satisfactory evidence or for any other reason, may reject any application in whole or in part. If an application is rejected, the Administrator, at the risk of the applicant, will return application moneys or the balance thereof by cheque within 28 Business Days of the rejection or, at the cost of the applicant, by electronic transfer. Amendments to an applicant or Shareholder's registration details and payment instructions will only be effected on receipt of original documentation or electronic instruction.

A contract note will be sent to each successful applicant. In cases where subscription moneys are not enclosed with the application for Shares, settlement is due by the Settlement Date. If payment in full has not been received by the relevant time, the application may be refused and any allotment or transfer of Shares made on the basis thereof cancelled, or, alternatively, the Company may treat the application as an application for such number of Shares as may be purchased or subscribed with such payment. The Company reserves the right, in the event of non-receipt of cleared funds by the due date and cancellation thereof of such subscription, to charge the applicant for losses accruing.

Payment is due in the Base Currency. The Company may accept payment in other currencies, but such payments will be converted into the Base Currency and only the proceeds of such conversion (after deducting expenses relating to such conversion) will be applied by the Company towards payment of the subscription moneys. The Company has standing arrangements for subscription moneys to be paid by electronic transfer as specified in the Application Form.

Payments by electronic transfer should quote the applicant's name, bank, bank account number, and contract note number (if one has already been issued). Any charges incurred in making payment by electronic transfer will be payable by the applicant.

Should investors prefer to make payment in any currency other than the Base Currency they are advised to make direct contact with the Administrator.

Fractions of not less than 1/100 of a Share may be issued. Application moneys representing smaller fractions of a Share will not be returned to the applicant but will be retained as part of the Company's assets.

29. **DIRECTORY**  
**D-A-CH Portfolio (Ireland) p.l.c.**  
25-28 North Wall Quay  
Dublin 1  
D01 H104  
Ireland
- 29.1. **MANAGER**  
Waystone Management Company (IE) Limited  
3rd Floor  
76 Lower Baggot Street  
Dublin 2  
Ireland
- 29.2. **INVESTMENT MANAGER AND DISTRIBUTOR**  
**LBBW Asset Management Investmentgesellschaft mbH**  
Fritz-Elsas-Str. 31  
70174 Stuttgart  
Germany
- 29.3. **INVESTMENT ADVISOR**  
**Tresides Asset Management GmbH**  
Stephanstrasse 25  
70173 Stuttgart  
Germany
- 29.4. **DEPOSITARY**  
State Street Custodial Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland
- 29.5. **ADMINISTRATOR**  
State Street Fund Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland
- 29.6. **AUDITORS**  
PricewaterhouseCoopers  
Chartered Accountants  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland
- 29.7. **IRISH LEGAL ADVISERS TO THE COMPANY**  
A & L Goodbody LLP  
International Financial Services Centre  
North Wall Quay  
Dublin 1  
Ireland
- 29.8. **SPONSORING BROKERS**  
Arthur Cox Listing Services Limited

Earlsfort Centre  
Earlsfort Terrace  
Dublin 2  
Ireland

- 29.9. **SECRETARY**  
Goodbody Secretarial Limited  
International Financial Services Centre  
North Wall Quay  
Dublin 1  
Ireland



## APPENDIX 1

### The Regulated Markets

Subject to the provisions of the Regulations and/or the Central Bank UCITS Regulations, as applicable and with the exception of permitted investments in unlisted securities, over-the-counter derivative instruments or in units of collective investment schemes, the Company will only invest in securities listed or traded on the following stock exchanges and regulated markets which meets with the regulatory criteria (regulated, operate regularly, be recognised and open to the public):

(i) any stock exchange which is:-

located in any Member State of the European Union (except Malta); or

located in any member state of the EEA (Norway, Iceland) except Liechtenstein; or

located in any of the following countries:-

- Australia
- Canada
- Japan
- Hong Kong
- New Zealand
- Switzerland
- United States of America
- UK

any of the following stock exchanges or markets:-

- |            |   |                                   |
|------------|---|-----------------------------------|
| Argentina  | - | Bolsa de Comercio de Buenos Aires |
| Argentina  | - | Mercado Abierto Electronico S.A.  |
| Bahrain    | - | Bahrain Bourse                    |
| Bangladesh | - | Dhaka Stock Exchange              |
| Bangladesh | - | Chittagong Stock Exchange         |
| Bermuda    | - | Bermuda Stock Exchange            |
| Botswana   | - | Botswana Stock Exchange           |
| Brazil     | - | BM&F BOVESPA S.A.                 |
| Chile      | - | Bolsa de Comercio de Santiago     |

Chile	-	Bolsa Electronica de Chile
Chile	-	Bolsa de Valparaiso
Peoples' Rep. of China	-	Shanghai Stock Exchange
Peoples' Rep. of China	-	Shenzhen Stock Exchange
Colombia	-	Bolsa de Valores de Colombia
Croatia	-	Zagreb Stock Exchange
Egypt	-	Egyptian Exchange
Ghana	-	Ghana Stock Exchange
India	-	Bombay Stock Exchange, Ltd.
India	-	National Stock Exchange
Indonesia	-	Indonesia Stock Exchange
Israel	-	Tel-Aviv Stock Exchange
Ivory Coast	-	Bourse Régionale des Valeurs Mobilières
Jordan	-	Amman Stock Exchange
Kazakhstan (Rep. Of)	-	Kazakhstan Stock Exchange
Kenya	-	Nairobi Securities Exchange
Kuwait	-	Kuwait Stock Exchange
Malaysia	-	Bursa Malaysia Securities Berhad
Malaysia	-	Bursa Malaysia Derivatives Berhad
Mauritius	-	Stock Exchange of Mauritius
Mexico	-	Bolsa Mexicana de Valores
Mexico	-	Mercado Mexicano de Derivados
Morocco	-	Boursa de Casablanca
New Zealand	-	NZX Limited
Nigeria	-	Nigeria Stock Exchange
Pakistan	-	Islamabad Stock Exchange
Pakistan	-	Karachi Stock Exchange
Pakistan	-	Lahore Stock Exchange

Peru	-	Bolsa de Valores de Lima
Philippines	-	Philippine Stock Exchange
Russia	-	Moscow Exchange
Saudi Arabia	-	Tadawul Stock Exchange
Saudi Arabia	-	Saudi Arabian Monetary Agency
Singapore	-	Singapore Exchange Limited
Singapore	-	CATALIST
South Africa	-	JSE Limited
South Africa	-	South African Futures Exchange
South Korea	-	Korea Exchange
Sri Lanka	-	Colombo Stock Exchange
Taiwan		
(Republic of China)	-	Taiwan Stock Exchange
Taiwan		
(Republic of China)	-	Gre Tai Securities Market
Taiwan		
(Republic of China)	-	Taiwan Futures Exchange
Thailand	-	Stock Exchange of Thailand
Thailand	-	Market for Alternative Investments
Thailand	-	Bond Electronic Exchange
Thailand	-	Thailand Futures Exchange
Tunisia	-	Bourse des Valeurs Mobilieres de Tunis
Turkey	-	Istanbul Stock Exchange
Turkey	-	Turkish Derivatives Exchange
UAE	-	Abu Dhabi Securities Exchange
UAE	-	Dubai Financial market
UAE	-	NASDAQ Dubai Limited
Ukraine	-	Persha Fondova Torgoveln Systema

Ukraine	-	Ukrainian Interbank Currency Exchange
Uruguay	-	Bolsa de Valores de Montevideo
Uruguay	-	Bolsa Electronica de Valores del Uruguay SA
Vietnam	-	Hanoi Stock Exchange
Vietnam	-	Unlisted Public Companies Market (UPCOM)
Vietnam	-	Ho Chi Minh Stock Exchange
Zambia	-	Lusaka Stock Exchange

(ii) any of the following markets:

Moscow Exchange (equity securities that are traded on level 1 or level 2 only);

the market organised by the International Capital Market Association;

the market conducted by the **listed money market institutions**, as described in the Financial Conduct Authority publication **The Investment Business Interim Prudential Sourcebook** which replaces 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;

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

The over-the-counter market in the United States regulated by the National Association of Securities Dealers Inc. (also described as the over-the-counter market in the United States 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 US Comptroller of the Currency, the Federal Reserve System or Federal Deposit Insurance Corporation);

The French market for Titres de Créances Négociables (over-the-counter market in negotiable debt instruments);

NASDAQ Europe (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.

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

(iii) All derivatives exchanges on which permitted financial derivative instruments may be listed or traded:

in a Member State;

in a Member State in the European Economic Area to include European Union, Norway and Iceland;

in the United States of America, on the

- Chicago Board of Trade;
- Chicago Board Options Exchange;
- Chicago Mercantile Exchange;
- Eurex US;
- New York Futures Exchange;
- New York Board of Trade;
- New York Mercantile Exchange;

in China, on the Shanghai Stock Exchange;

in Hong Kong, on the Hong Kong Futures Exchange;

in Japan, on the

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

in New Zealand, on the New Zealand Futures and Options Exchange;

in Singapore, on the

- Singapore International Monetary Exchange;
- Singapore Commodity Exchange.

These exchanges and markets are listed in accordance with the requirements of the Central Bank which does not issue a list of approved exchanges and markets.

## **APPENDIX 2**

The Depositary delegates its safe-keeping of assets functions to State Street Bank & Trust Company.

