

## **PROSPECTUS FOR GERMANY**

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

### **GaveKal UCITS Fund**

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

**Dated: 13 December 2022**

## PRELIMINARY

**THIS PROSPECTUS MAY ONLY BE ISSUED WITH ITS SUB-FUND INFORMATION CARD ATTACHED. THE SUB-FUND INFORMATION CARD CONTAINS SPECIFIC INFORMATION RELATING TO EACH SUB-FUND.**

**SEPARATE CLASS INFORMATION CARDS MAY BE ISSUED CONTAINING SPECIFIC INFORMATION RELATING TO ONE OR MORE CLASSES WITHIN A SUB-FUND.**

The Fund is an open-ended umbrella unit trust authorised by the Central Bank pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended.

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

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

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, issue or sale of Units, other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Manager. Neither the delivery of this Prospectus nor the offer, issue or sale of any of the Units shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. The distribution of this Prospectus and the offer, issue or sale of Units in certain jurisdictions may be restricted and, accordingly, persons into whose possession this Prospectus comes are required to inform themselves about, and to observe, such restrictions. Prospective investors should inform themselves as to (a) the legal requirements within their own jurisdictions for the purchase or holding of Units, (b) any foreign exchange restrictions which may affect them, and (c) the income and other tax consequences which may apply in their own jurisdictions relevant to the purchase, holding or disposal of Units.

Gavekal Capital Limited is exempt from the requirement to hold an Australian Financial Service License under the Corporations Act 2001 in respect of providing financial product advice, dealing in a financial product or making a market for a financial product in respect of the following financial products: derivatives; foreign exchange contracts; securities; debentures stocks or bonds issued by a government; or interests in a managed investment scheme that is not required to be registered under Chapter 5C of the Corporations Act 2001. Gavekal Capital Limited is regulated by the Hong Kong Securities and Futures Commission and Hong Kong laws, which differ from Australian laws.

The Units have not been registered under the United States Securities Act of 1933, as amended, or under the United States Investment Company Act of 1940, as amended, and may not be offered, sold, or delivered directly or indirectly in the United States (except in accordance with an applicable exemption from the registration requirements of such Acts) or to, or for the account or benefit of, any US Person.

Applicants may be required to certify that they are not US Persons.

Pursuant to U.S. Commodity Futures Trading Commission (“CFTC”) Rule 4.13(a)(3) promulgated under the Commodity Exchange Act, Gavekal Capital Limited (the “**Investment Adviser**”) will be exempt from registration with the CFTC as a commodity pool operator (“CPO”) and therefore, unlike a registered CPO, is not required to deliver a disclosure document and a certified annual report to participants in the Fund.

In order for the Investment Adviser to qualify for the exemption provided by CFTC Rule 4.13(a)(3) with respect to each Sub-Fund, the following general criteria must be satisfied: (1) interests in the Sub-Fund are exempt from registration under the U.S. Securities Act of 1933, and such interests are offered and sold without marketing to the public in the United States; (2) at all times each Sub-Fund meets one or the other of the following tests with respect to its commodity interest positions, including positions in security futures products, whether entered into for bona fide hedging purposes or otherwise: (a) the aggregate initial margin, premiums, and required minimum security deposit for retail forex transactions required to establish such positions, determined at the time the most recent position was established, does not exceed five (5) percent of the liquidation value of the Sub-Fund’s portfolio, after taking into account unrealized profits and unrealized losses on any such positions it has entered into; or (b) the aggregate net notional value of the Sub-Fund’s commodity interest positions, determined at the time the most recent position was established, does not exceed one hundred (100) percent of the liquidation value of the Sub-Fund’s portfolio, after taking into account unrealized profits and unrealized losses on any such positions it has entered into; (3) the investors in the Sub-Fund, at the time of investment, met certain eligibility criteria; and (4) interests in the Sub-Fund are not marketed as or in a vehicle for trading in the commodity futures or commodity options markets.

The exemption requires the Investment Adviser to file a claim of exemption with the National Futures Association, maintain certain books and records and submit to such special calls as the CFTC may make to demonstrate eligibility for and compliance with the applicable criteria for exemption under Rule 4.13(a)(3).

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

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

Investors should note that because investments in securities can be volatile and that their value may decline as well as appreciate, there can be no assurance that a Sub-Fund will be able to attain its objective. **The price of Units as well as the income therefrom may go down as well as up to reflect changes in the Net Asset Value of a Sub-Fund. The difference at any one time between the issue and redemption price of Units means that an investment in a Sub-Fund should be viewed as medium to long term.**

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

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

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

# CONTENTS

Page

## Table of Contents

<b>PRELIMINARY</b> .....	<b>2</b>
<b>DEFINITIONS</b> .....	<b>8</b>
<b>SUMMARY</b> .....	<b>21</b>
<b>THE FUND</b> .....	<b>23</b>
INTRODUCTION.....	23
INVESTMENT OBJECTIVES AND POLICIES.....	24
INVESTMENT RESTRICTIONS.....	26
INTEGRATION OF SUSTAINABILITY RISK INTO INVESTMENT DECISION MAKING.....	26
DISTRIBUTION POLICY.....	27
<b>RISK FACTORS</b> .....	<b>28</b>
GENERAL.....	28
SEGREGATED LIABILITY.....	28
MARKET CAPITALISATION RISK.....	28
EMERGING AND FRONTIER MARKETS RISK.....	28
REGISTRATION RISK.....	30
POLITICAL AND/OR REGULATORY RISKS.....	30
HIGH YIELD/LOW RATED DEBT SECURITIES.....	30
SECURITIES LENDING RISK.....	31
CREDIT RISK.....	31
FOREIGN EXCHANGE/CURRENCY RISK.....	31
SUB-FUND CASH ACCOUNTS.....	32
FINANCIAL DERIVATIVE INSTRUMENTS RISK.....	33
GENERAL.....	33
LIQUIDITY OF FINANCIAL DERIVATIVE CONTRACTS.....	33
OPTIONS RISK.....	34
OVER-THE-COUNTER MARKETS RISK.....	34
COUNTERPARTY RISK.....	34
INVESTMENT ADVISER AND SUB-INVESTMENT ADVISER RISK.....	34
ACCOUNTING STANDARDS.....	34
SETTLEMENT RISK.....	35
TAXATION.....	35
FOREIGN ACCOUNT TAX COMPLIANCE ACT.....	35
COMMON REPORTING STANDARD.....	36
THE PEOPLE'S REPUBLIC OF CHINA.....	36
RISKS ASSOCIATED WITH THE CONNECT SCHEME.....	40
HONG KONG SPECIAL ADMINISTRATIVE REGION.....	44
OTHER RISK FACTORS.....	45
LIQUIDITY RISK.....	45
CUSTODY RISKS.....	45
BREXIT.....	46
<b>MANAGEMENT OF THE FUND</b> .....	<b>47</b>
MANAGER.....	47
DISTRIBUTORS.....	49
INVESTMENT ADVISER AND PROMOTER.....	50
SUB-INVESTMENT ADVISER.....	50
DISTRIBUTORS.....	50

ADMINISTRATOR.....	51
DEPOSITARY.....	51
CORRESPONDENT BANKS/PAYING AGENTS .....	54
DEALINGS BY MANAGER, INVESTMENT ADVISER, SUB-INVESTMENT ADVISER, DISTRIBUTORS, ADMINISTRATOR, DEPOSITARY AND ASSOCIATES .....	54
CONFLICTS OF INTEREST .....	55
REMUNERATION POLICY OF THE MANAGER.....	55
DETAILS OF THE REMUNERATION POLICY OF THE MANAGER, INCLUDING, BUT NOT LIMITED TO, A DESCRIPTION OF HOW REMUNERATION AND BENEFITS ARE CALCULATED, THE IDENTITY OF PERSONS RESPONSIBLE FOR AWARDING THE REMUNERATION AND BENEFITS INCLUDING THE COMPOSITION OF THE REMUNERATION COMMITTEE, WHERE SUCH A COMMITTEE EXISTS, WILL BE AVAILABLE FREE OF CHARGE UPON REQUEST FROM THE MANAGER. COLLATERAL POLICY OF THE MANAGER .....	56
POSTING OF COLLATERAL BY A FUND.....	56
<b>ADMINISTRATION OF THE FUND .....</b>	<b>58</b>
DESCRIPTION OF UNITS .....	58
APPLICATION FOR UNITS .....	58
ISSUE PRICE OF UNITS.....	61
REDEMPTION OF UNITS.....	62
COMPULSORY REDEMPTION OF UNITS .....	63
SWITCHING.....	63
TRANSFER OF UNITS .....	63
CALCULATION OF NET ASSET VALUE .....	63
PUBLICATION OF NET ASSET VALUE PER UNIT .....	65
TEMPORARY SUSPENSION OF CALCULATION OF NET ASSET VALUE AND OF ISSUES AND REDEMPTIONS OF UNITS .....	66
DATA PROTECTION NOTICE.....	66
<b>MANAGEMENT AND FUND CHARGES .....</b>	<b>68</b>
THE MANAGER.....	68
THE ADMINISTRATOR .....	68
THE DEPOSITARY .....	69
INVESTMENT ADVISER.....	69
SUB-INVESTMENT ADVISER.....	69
DISTRIBUTORS.....	69
CORRESPONDENT BANKS/PAYING AGENTS/FACILITIES AGENT .....	69
GENERAL.....	69
<b>TAXATION.....</b>	<b>72</b>
GENERAL.....	72
TAXATION IN IRELAND.....	72
TAXATION OF THE FUND.....	72
STAMP DUTY .....	73
UNITHOLDERS TAX .....	74
CAPITAL ACQUISITIONS TAX .....	78
TAXATION IN THE UNITED KINGDOM.....	78
COMPLIANCE WITH US REPORTING AND WITHHOLDING REQUIREMENTS .....	81
COMMON REPORTING STANDARDS .....	82
<b>GENERAL INFORMATION.....</b>	<b>85</b>
MEETINGS .....	85
REPORTS .....	86
NOTICES .....	86
MATERIAL CONTRACTS .....	87
TERMINATION .....	88
CONTINUANCE OR RETIREMENT OF MANAGER.....	90
RETIREMENT OF DEPOSITARY .....	90
DOCUMENTS AVAILABLE FOR INSPECTION .....	91

<b>APPENDIX I INVESTMENT AND BORROWING RESTRICTIONS .....</b>	<b>92</b>
<b>APPENDIX II RECOGNISED EXCHANGES.....</b>	<b>98</b>
<b>APPENDIX III CORRESPONDENT BANKS/PAYING AGENTS/FACILITIES AGENTS .....</b>	<b>103</b>
<b>APPENDIX IV FINANCIAL DERIVATIVE INSTRUMENTS.....</b>	<b>104</b>
<b>SUB-FUND INFORMATION CARD GAVEKAL ASIAN OPPORTUNITIES UCITS FUND .....</b>	<b>109</b>
<b>SUB-FUND INFORMATION CARD GAVEKAL CHINA FIXED INCOME FUND .....</b>	<b>124</b>
<b>SUB-FUND INFORMATION CARD GAVEKAL CHINA ONSHORE RMB BOND FUND.....</b>	<b>153</b>
<b>FIRST ADDENDUM TO THE PROSPECTUS .....</b>	<b>171</b>

## DEFINITIONS

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

<b>"Accounting Date"</b>	the date by reference to which the annual accounts of the Fund and each of its Sub-Funds shall be prepared and shall be December 31 in each year or (in the case of the termination of the Fund or of a Sub-Fund) the date on which monies required for the final distribution shall have been paid to the Unitholders in the relevant Sub-Fund or Sub-Funds with the prior approval of the Central Bank.
<b>"Accounting Period"</b>	in respect of each Sub-Fund, a period ending on an Accounting Date and commencing (in the case of the first such period) from and including the date of the first issue of Units of the relevant Sub-Fund or (in any other case) from the end of the last Accounting Period.
<b>"Administration Agreement"</b>	an agreement dated 29 October 2021 between the Manager and the Administrator
<b>"Administrator"</b>	Société Générale Securities Services, SGSS (Ireland) Limited or any successor company appointed by the Manager and approved by the Central Bank as administrator of the Fund.
<b>"Administration Expenses"</b>	the sums necessary to provide for all costs, charges and expenses including, but not limited to index calculation, performance attribution, risk control and similar services' fees and expenses, costs, fees and expenses incurred by the Manager in connection with any recaptured commission programmes and securities lending programmes, courier's fees, telecommunication costs and expenses, out-of-pocket expenses, legal and professional expenses which the Manager incurs whether in litigation on behalf of the Fund or any of its Sub-Funds or in connection with the establishment of or ongoing administration of the Fund or any of its Sub-Funds or Classes or otherwise together with the costs, charges and expenses, including translation costs, of any notices including but



not limited to reports, prospectuses, listing particulars and newspaper notices given to Unitholders in whatever manner plus value added tax (if any) on any such costs, charges and expenses and all properly vouched fees and reasonable out-of-pocket expenses of the Administrator (as administrator and as registrar and transfer agent) the Investment Adviser or any delegate investment adviser or any Distributor, paying agent and/or correspondent bank incurred pursuant to a contract to which the Manager or the Manager's delegate and such person are party.

**“AIF”**

means an Alternative Investment Fund.

**“Benchmark Regulation”**

means Regulation (EU) 2016/2011 as may be amended, consolidated or substituted from time to time.

**“Beneficial Owner”**

means a natural person(s) who ultimately owns or controls the Fund through either a direct or indirect ownership of a sufficient percentage of shares or voting rights or ownership interest in the Fund (as a whole). Where a natural person holds more than 25% of the shares of the Fund or has an ownership interest of more than 25%, then that shall be an indication of direct ownership by that person. Where a corporate or multiple corporates hold more than 25% of the shares or other ownership interest exceeding 25% in the Fund and those holdings are controlled by the same natural person(s) that shall be an indication of indirect ownership.

**“Beneficial Ownership  
Regulations”**

means the European Union (Anti-Money Laundering Beneficial Ownership of Corporate Entities) Regulations 2019 as may be amended, consolidated or substituted from time to time.

**“Business Day”**

every day which is a bank business day in Dublin and Hong Kong or such other day or days as the Manager may determine from time to time.

<b>“Central Bank”</b>	the Central Bank of Ireland.
<b>“Central Bank UCITS Regulations”</b>	means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities)) Regulations 2019 as may be amended, constituted or substituted from time to time and any notices or guidance issued by the Central Bank pursuant thereto for the time being in force.
<b>“Class” or “Class of Units”</b>	a Class of Units of a Sub-Fund.
<b>“Convertible Bond”</b>	a corporate bond that can be exchanged, at the option of the holder, for a specific number of shares of the company's preferred stock or common stock.
<b>“Data Protection Acts”</b>	The Data Protection Act 1988 as amended by the Data Protection (Amendment) Act, 2003 and, with effect from 25 May 2018, the General Data Protection Regulation (EU 2016/679).
<b>“Dealing Day”</b>	in respect of each Sub-Fund, the dealing day as defined in the Sub-Fund Information Card.
<b>“Dealing Deadline”</b>	in respect of each Sub-Fund, the deadline for receipt of subscription and/or redemption and/or switching applications, as defined in the Sub-Fund Information Card.
<b>“Depositary”</b>	Societe Generale S.A., Dublin Branch or any successor company approved as Depositary and trustee of the Fund by the Central Bank.
<b>“Depositary Receipts”</b>	certificates issued by a depository bank, representing shares held by the bank, usually by a branch or correspondent in the country of issue of the shares, which trade independently from the shares.
<b>“Disbursements”</b>	includes in relation to the Depositary all disbursements properly made by the Depositary in connection with its trusteeship of the Fund and each of its Sub-Funds and Classes under

the Trust Deed including (but not limited to) costs, fees and expenses relating to securities lending programmes, courier's fees, telecommunication costs and expenses and the fees (at normal commercial rates) and out-of-pocket expenses of any sub-custodian appointed by it pursuant to the provisions of the Trust Deed and all costs, charges and expenses of every kind which it may suffer or incur in connection with such trusteeship of the Fund and of each of its Sub-Funds and Classes (including the establishment thereof) and all matters attendant thereon or relative thereto and all legal and other professional expenses incurred or suffered by it in relation to or in any way arising out of the Fund and of each of its Sub-Funds and Classes (including the establishment thereof) and any value added tax liability incurred by the Depositary arising out of the exercise of its powers or the performance of its duties pursuant to the provisions of the Trust Deed.

***"Distribution Date"***

the date or dates by reference to which a distribution may at the option of the Manager be declared.

***"Distribution Payment Date"***

the date upon which the Manager shall determine to make payment of a distribution which shall be within 30 days of the Manager declaring a distribution.

***"Distribution Period"***

any period ending on an Accounting Date or a Distribution Date as the Manager may select and beginning on the day following the last preceding Accounting Date, or the day following the last preceding Distribution Date, or the date of the initial issue of Units of a Sub-Fund or Class, as the case may be.

***"Distributors"***

means Gavekal Capital Management Limited or Gavekal Capital Limited or any one or more persons or companies or any successor persons or company appointed by the Manager

to act as distributor of one or more Classes of Unit of a Sub-Fund.

**“EEA”**

European Economic Area.

**“Exempt Irish Investor”**

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

- a personal retirement savings account (“PRSA”) administrator acting on behalf of a person who is entitled to exemption from income tax and capital gains tax by virtue of Section 787I of the Taxes Act and the Units are assets of a PRSA;
- a credit union within the meaning of Section 2 of the Credit Union Act, 1997;
- the National Asset Management Agency;
- the National Treasury Management Agency or a Fund investment vehicle (within the meaning of section 37 of the National Treasury Management Agency (Amendment) Act 2014) of which the Minister for Finance is the sole beneficial owner, or the State acting through the National Treasury Management Agency;
- the Motor Insurers’ Bureau of Ireland in respect of an investment made by it of moneys paid to the Motor Insurer Insolvency Compensation Fund under the Insurance Act 1964 (amended by the Insurance (Amendment) Act 2018), and the Motor Insurers’ Bureau of Ireland has made a declaration to that effect to the Fund.
- a company which is within the charge to corporation tax in accordance with Section 110(2) of the Taxes Act in respect of payments made to it by the Fund; or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Units under taxation legislation or by written practice or concession of the Irish Revenue Commissioners without giving rise to a charge to tax in the Fund or jeopardising

tax exemptions associated with the Fund giving rise to a charge to tax in the Fund

<b>"Fund"</b>	GaveKal UCITS Fund
<b>"GAFI"</b>	Groupe d'Action Financière contre le blanchiment des capitaux or, in English, Financial Action Task Force on Money Laundering.
<b>"Gavekal Group"</b>	The group of companies controlled by the equity holdings of Louis-Vincent Gave.
<b>"Global Depositary Receipt"</b>	certificate issued by a depositary bank in more than one country, representing shares held by the bank, usually by a branch or correspondent in the country of issue of the shares, which trade independently from the shares.
<b>"Intermediary"</b>	An 'intermediary' means a person who;  (i) carries on a business which consists of, or includes, the receipt of payments from an investment undertaking on behalf of other persons; or  (ii) holds units in an investment undertaking on behalf of other persons.
<b>"Investment Adviser"</b>	any one or more persons or companies or any successor person or company appointed by the Manager in accordance with the requirements of the Central Bank as investment adviser of a Sub-Fund.
<b>"Ireland"</b>	means the Republic of Ireland.
<b>"Irish Resident"</b>	in the case of an individual, means an individual who is resident in Ireland for tax purposes.  • in the case of a trust, means a trust that is resident in Ireland for tax purposes.

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

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

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

A company incorporated in Ireland and also companies not so incorporated but that are managed and controlled in Ireland, will be tax resident in Ireland except to the extent that the company in question is, by virtue of a double taxation treaty between Ireland and another country, regarded as resident in a territory other than Ireland (and thus not resident in Ireland).

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

***"Manager"***

Bridge Fund Management Limited or any successor company approved by the Central Bank as manager of the Fund.

<b>"MiFID II"</b>	Directive 2014/65/EU as may be amended, consolidated or substituted from time to time.
<b>"Member State"</b>	a member state of the European Union.
<b>"Net Asset Value of a Class"</b>	the net asset value of a Class calculated in accordance with the provisions of the Trust Deed, as described under "Administration of the Fund - Calculation of Net Asset Value".
<b>"Net Asset Value of the Fund"</b>	the aggregate Net Asset Value of all the Sub-Funds.
<b>"Net Asset Value of a Sub-Fund"</b>	the net asset value of a Sub-Fund calculated in accordance with the provisions of the Trust Deed, as described under "Administration of the Fund - Calculation of Net Asset Value".
<b>"Net Asset Value per Unit"</b>	the net asset value per Unit of a Class calculated in accordance with the provisions of the Trust Deed, as described under "Administration of the Fund - Calculation of Net Asset Value".
<b>"OECD Member Country"</b>	means the member countries of the Organisation for Economic Co-operation and Development
<b>"Ordinarily Resident in Ireland"</b>	<ul style="list-style-type: none"> <li>- in the case of a trust, means a trust that is ordinarily resident in Ireland for tax purposes.</li> <li>- in the case of an individual, means an individual who is ordinarily resident in Ireland for tax purposes.</li> </ul> <p>An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident</p>



in Ireland in the tax year 1 January 2020 to 31 December 2020 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2023 to 31 December 2023.

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

***"Recognised Clearing System"***

means any clearing system listed in Section 246A of the Taxes Act (including, but not limited to, Euroclear, Clearstream Banking AG, Clearstream Banking SA and CREST) or any other system for clearing shares which is designated for the purposes of Chapter 1A in Part 27 of the Taxes Act, by the Irish Revenue Commissioners, as a recognised clearing system.

***"Recognised Exchange"***

any regulated stock exchange or market on which a Sub-Fund may invest. A list of those stock exchanges or markets is contained in Clause 6.02 of the Trust Deed and listed in Appendix II hereto.

***"Relevant Declaration"***

means the declaration relevant to the Unitholder as set out in Schedule 2B of the Taxes Act. The Relevant Declaration for investors who are neither Irish Resident nor Ordinarily Resident in Ireland (or Intermediaries acting for such investors) is set out in the application form accompanying the relevant Information Card which supplements this Prospectus.

***"Relevant Period"***

a period of eight years beginning with the acquisition of a Unit by a Unitholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

***"Securities Act"***

the United States Securities Act of 1933, as amended.

***"SFDR"***

means Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27

November 2019 on sustainability-related disclosures in the financial services sector.

***“Specified US Person”***

means (i) a US citizen or resident individual, (ii) a partnership or corporation organized in the United States or under the laws of the United States or any State thereof (iii) a trust if (a) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (b) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States; excluding (1) a corporation the stock of which is regularly traded on one or more established securities markets; (2) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation described in clause (i); (3) the United States or any wholly owned agency or instrumentality thereof; (4) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (5) any organization exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (6) any bank as defined in section 581 of the U.S. Internal Revenue Code; (7) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (8) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (9) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (10) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (11) a dealer in

securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or (12) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code. This definition shall be interpreted in accordance with the US Internal Revenue Code.

***"Sub-Funds"***

the Sub-Funds listed in the Sub-Fund Information Card attached hereto and any other Sub-Fund established by the Manager from time to time with the approval of the Depositary and of the Central Bank.

***"Sub-Fund Information Card"***

means a supplement to this Prospectus specifying certain information in respect of a Sub-Fund and/or one or more Classes.

***"Sub-Investment Adviser"***

any one or more persons or companies or any successor person or company appointed by the Investment Adviser in accordance with the requirements of the Central Bank as sub-investment adviser with discretionary responsibility (subject to oversight by the Investment Adviser) for the investment of the securities and assets of certain Sub-Funds.

***"Taxes Act"***

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

***"Trust Deed"***

the deed of trust dated 22nd December 2005, as amended by a supplemental trust deed dated 21st September, 2007, as amended by a second supplemental trust deed dated 1 October 2012, a third supplemental trust deed dated 5 June 2014 and a fourth supplemental trust deed dated 27 September 2016, all as novated by a Deed of Novation between the Manager, Gavekal Fund Management (Ireland) Limited (the "**Outgoing Manager**") and the Trustee, dated 29 October 2021.

***"UCITS"***

an Undertaking for Collective Investment in Transferable Securities established pursuant to

EC Council Directive 2009/65/BC of 13 July 2009 as amended by EC Council Directive 2014/91/EU of 23 July 2014.

***"UCITS Regulations"***

the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended and any regulations or notices issued by the Central Bank pursuant thereto for the time being in force.

***"United States"***

the United States of America (including the States and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

***"US Person"***

any resident of the United States, a corporation, partnership or other entity created or organised in or under the laws of the United States, or any person falling within the definition of the term "U. S. person" under Regulation S promulgated under the Securities Act and who does not qualify as "accredited investors" as defined in Rule 501(a) of Regulation D promulgated under the Securities Act.

***"Unitholder"***

a person who is registered as the holder of a Unit from time to time.

***"Unit"***

one undivided share in the assets of a Sub-Fund attributable to the relevant Class.

***"Valuation Day"***

means such day as shall be specified in the Sub-Fund Information Card.

***"Valuation Point"***

means such time as shall be specified in the Sub-Fund Information Card.

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

## SUMMARY

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

<b>The Fund</b>	The Fund is an open-ended umbrella unit trust established as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended.
<b>The Sub-Funds/ Classes</b>	The Fund is made up of the Sub-Funds, each Sub-Fund being a single pool of assets. The Manager may, whether on the establishment of a Sub-Fund or from time to time, create more than one Class of Units in a Sub-Fund to which different levels of subscription fees (if any) and expenses (including the management fee), minimum subscription, minimum holding, designated currency, hedging strategy (if any) applied to the designated currency of the Class, distribution policy and such other features as the Manager may determine may be applicable. Units shall be issued to investors as Units in a Class.
<b>Investment Objectives and Policies</b>	The assets of a Sub-Fund will be invested separately in accordance with the investment objectives and policies of that Sub-Fund as set out in the Sub-Fund Information Card attached to this Prospectus.
<b>Manager</b>	Bridge Fund Management Limited
<b>Investment Adviser</b>	Gavekal Capital Limited, appointed by the Manager to manage the assets of the Sub-Funds.
<b>Distributors</b>	Gavekal Capital Management Limited and Gavekal Capital Limited.
<b>Administrator</b>	Société Générale Securities Services, SGSS (Ireland) Limited.
<b>Depository</b>	Societe Generale S.A., Dublin Branch.
<b>Initial Issue of Units</b>	During the initial offer period of a Class, Units shall be issued at a given initial issue price as set out in the relevant Sub-Fund Information Card. Thereafter, Units shall be issued at the relevant Class Net Asset Value per Unit.

**Redemption of Units**

Units will be redeemed at the option of Unitholders at a price per Unit equal to the Net Asset Value per Unit.

**Distribution Policy**

Save as set out in the relevant Sub-Fund Information Card, it is the present intention of the Directors of the Manager not to declare or pay dividends, and income earned by the Fund will be reinvested and reflected in the value of the Units.

**Sub-Investment Adviser**

Gavekal Capital (Singapore) Pte Ltd appointed by the Investment Adviser to act as sub-investment adviser with discretionary responsibility (subject to oversight by the Investment Adviser) for the investment of the securities and assets of certain Sub-Funds as set out in the relevant Sub-Fund Information Card.

## THE FUND

### Introduction

The Fund, constituted on the 22<sup>nd</sup> December, 2005, is an open-ended umbrella unit trust established as a UCITS and authorised pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended. Its rules are set out in the Trust Deed which is binding upon the Depositary, the Manager and all Unitholders.

The Trust Deed constitutes the Fund which is made up of the Sub-Funds, each Sub-Fund being a single pool of assets. The Manager may, whether on the establishment of a Sub-Fund or from time to time, create more than one Class of Units in a Sub-Fund to which different levels of subscription fees and expenses (including the management fee), minimum subscription, minimum holding, designated currency, hedging strategy (if any) applied to the designated currency of the Class, distribution policy and such other features as the Manager may determine may be applicable. The creation of new Share Classes in any Sub-Fund must be notified to and cleared in advance with the Central Bank. Units shall be issued to investors as Units in a Class.

The current Sub-Funds and the types of Classes available in each are listed in the Sub-Fund Information Cards attached hereto. Sub-Funds may, with the prior approval of, and Classes may, with prior notification to, the Central Bank and, in both cases, with the approval of the Depositary, be added by the Manager. The name of each additional Sub-Fund, details of its investment objective and policies, of the types of Classes available, of the issue of Units and of Sub-Fund specific fees and expenses shall be set out in the Sub-Fund Information Cards attached to this Prospectus. Class specific details are set out in the Classes Information Cards attached to this Prospectus.

The Manager may, with the approval of the Depositary and upon notice to the Central Bank, close any Sub-Fund or Class in existence by serving not less than thirty days' notice on the Unitholders in that Sub-Fund or Class and on the Central Bank.

The Manager may at any time at its sole discretion close any Sub-Fund or Class for subscriptions to investors that are not Unitholders in the Sub-Fund or Class temporarily or permanently upon notice to the Unitholders in that Sub-Fund or Class.

The proceeds from the issue of Units in a Sub-Fund shall be applied in the records and accounts of the Fund for that Sub-Fund and the assets and liabilities and income and expenditure attributable thereto shall be applied to that Sub-Fund subject to the provisions of the Trust Deed. The assets of a Sub-Fund will be invested separately in accordance with the investment objective and policies of that Sub-Fund as set out in the Sub-Fund Information Card attached to this Prospectus which shall be updated as Sub-Funds are added to the Fund or closed, as the case may be. A separate pool of assets is not maintained by a Class of Units.

A Class of Units may be designated in a currency other than the base currency of the relevant Sub-Fund as detailed in the relevant Sub-Fund Information Card. Changes in the exchange rate between the base currency of the Sub-Fund and such designated currency or between the denominated currency of the assets of the Sub-Fund and the designated currency of the Class may lead to a depreciation of the value of such Units as expressed in the designated currency. The Investment Adviser may try to

mitigate these risks in respect of certain Classes of Units, as detailed in the Sub-Fund Information Card, by using financial instruments, such as foreign exchange spot and forward contracts, as a hedge. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Sub-Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes. It is not the intention to over-hedge or under-hedge positions, but this may occur due to factors outside the control of the Sub-Fund. However, over-hedged positions will not exceed 105% of the Net Asset Value of the Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged against currency risk. Hedged positions will be reviewed daily to ensure that over-hedged positions do not exceed 105% of the Net Asset Value of the relevant Hedged Share Class and that any position that is materially in excess of 100% will not be carried forward from month to month. Under-hedged positions shall also be kept under review to ensure that such positions are not carried forward from month to month.

If the Investment Adviser enters into such transactions, then they will each be solely attributable to the relevant Class of Units and may not be combined or offset against the exposures of other Classes or specific assets. The costs and gains / losses of the hedging transactions will accrue solely to the relevant hedged Class. In such circumstances, Unitholders of that Class may be exposed to fluctuations in the Net Asset Value per Unit reflecting the gains/losses on, and the resultant costs of, the relevant financial instruments and this strategy may substantially limit holders of the Class from benefiting if the Class currency falls against the base currency of the Sub-Fund and/or the currency in which the assets of the Sub-Fund are denominated. To the extent that hedging is successful, the performance of the hedged class is likely to move in line with the performance of the underlying assets and investors in a hedged Class will not benefit if the Class currency falls against the Base Currency and/or the currency in which the assets of the Sub-Fund are denominated. Where the Investment Adviser intends to enter into such hedging transactions it will be disclosed in the Sub-Fund Information Card.

Monies subscribed for each Sub-Fund should be in the denominated currency of the relevant Class.

Each Sub-Fund will be treated as bearing its own liabilities as may be determined at the discretion of the Depositary with the approval of the Manager. The Fund is not liable as a whole to third parties, provided however, that if the Depositary is of the opinion that a particular liability does not relate to any particular Sub-Fund or Sub-Funds, that liability shall be borne jointly by all Sub-Funds pro rata to their respective Net Asset Values at the time when the allocation is made.

The assets of each Sub-Fund shall belong exclusively to that Sub-Fund, shall be segregated from the assets of the other Sub-Funds, shall not be used to discharge directly or indirectly the liabilities of or claims against any other Sub-Fund and shall not be available for such purpose.

#### **Investment Objectives and Policies**

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



The investment return to Unitholders of a particular Sub-Fund is related to the Net Asset Value of that Sub-Fund which in turn is primarily determined by the performance of the portfolio of assets held by that Sub-Fund.

Pending investment of the proceeds of a placing or offer of Units or where market or other factors so warrant, a Sub-Fund's assets may, subject to the investment restrictions set out in Appendix I of the Prospectus, be invested in money market instruments and cash deposits denominated in such currency or currencies as the Manager may determine having consulted with the Investment Adviser and where relevant, the Sub-Investment Adviser.

A Sub-Fund may also hold or maintain ancillary liquid assets, including but not limited to time deposits, master demand notes, equity linked notes, variable rate demand notes and short-term funding agreements, subject to the investment restrictions set out in Appendix I of the Prospectus.

The investment objective of a Sub-Fund as disclosed in the Sub-Fund Information Card attached to this Prospectus shall not be altered or amended without prior Unitholder approval on the basis of a majority of votes cast at a general meeting of Unitholders. Similarly a material change in the investment policy of a Sub-Fund shall require prior Unitholder approval on the basis of a majority of votes cast at general meeting of Unitholders. The Manager who, in consultation with the Investment Adviser and where relevant, the Sub-Investment Adviser is responsible for the formulation of each Sub-Fund's present investment policies and any subsequent changes to those policies in the light of political and/or economic conditions, may amend the present investment policies of a Sub-Fund from time to time. In the event of a change of investment objective and/or investment policies a reasonable notification period shall be provided by the Manager to enable Unitholders to redeem their Units prior to implementation of such changes.

Each Sub-Fund may invest in financial derivative instruments dealt in on a Recognised Exchange and/or in over the counter derivative instruments in each case under and in accordance with conditions or requirements imposed by the Central Bank. The financial derivative instruments in which each Sub-Fund may invest, the purpose of such investment, and a description of such investments shall be set out in Appendix IV hereto and in the relevant Sub-Fund Information Card.

For the purpose of providing margin or collateral in respect of transactions in financial derivative instruments, the Depositary may, on the instructions of the Manager, transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Sub-Fund.

The Manager will employ a risk management process which will enable it to monitor and measure the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Manager will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been reviewed by the Central Bank. The Manager will provide on request to Unitholders supplementary information 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.

## **Investment Restrictions**

Investment of the assets of each Fund must comply with the UCITS Regulations. The Manager may impose further restrictions in respect of any Fund. The investment and borrowing restrictions applying to the Fund and each Sub-Fund are set out in Appendix I to this Prospectus.

## **Integration of Sustainability Risk into investment Decision Making**

The management of sustainability risk (being the risk that the value of a Sub-Fund could be materially negatively impacted by an ESG Event, defined below) (“Sustainability Risk”) forms part of the due diligence process implemented by the Investment Adviser for the Sub-Funds. The extent to which Sustainability Risk forms part of the due diligence process implemented by the Investment Adviser for a particular Sub-Fund is described in further detail in the Sub-Fund Information Card relating to that Sub-Fund.

To the extent that it is assessing the sustainability risk associated with underlying investments, the Investment Adviser is assessing the risk that the value of such underlying investments could be materially negatively impacted by an environmental, social or governance event or condition (“ESG Event”).

To the extent that it is assessing the Sustainability Risk associated with underlying investments, Sustainability Risk is identified, monitored and managed by the Investment Adviser in the following manner using both quantitative and qualitative processes:

- (i) Prior to acquiring investments on behalf of a Sub-Fund, the Investment Adviser uses ESG metrics of third party data providers (“Data Providers”) to assess how an issuer takes account of ESG factors in the way it structures its activities, and in turn, how susceptible the issuer might be to Sustainability Risk. This process incorporates applying both an exclusion policy (whereby potential investments are removed from the investment universe on the basis that they pose too great a Sustainability Risk to the Sub-Fund) and positive screening whereby those investments which have a low Sustainability Risk rating as well as strong financial performance are included in the investment universe. The Investment Adviser also conducts fundamental analysis on each potential investment in order to allow it to assess the adequacy of ESG programmes and practices of an issuer to manage the Sustainability Risk it faces. The information gathered from the fundamental analysis conducted will be taken into account by the Investment Adviser in deciding whether to acquire a holding in an issuer and may, in certain circumstances, result in the Investment Adviser investing in an issuer which has a lower ESG rating where it believes that the relevant existing ESG rating does not fully capture recent positive sustainability-related changes which have been implemented by the relevant issuer.
- (ii) During the life of the investment, Sustainability Risk is monitored through review of ESG data published by the issuer (where relevant) or selected Data Providers to determine whether the level of Sustainability Risk has changed since the initial assessment has been conducted. This review is conducted on a quarterly basis. Where the Sustainability Risk associated with a particular investment has increased beyond the ESG risk appetite for the relevant Sub-Fund, the Investment Adviser will consider selling or reducing the Sub-Fund’s exposure to the relevant investment, taking into account the best interests of the Unitholders of the Sub-Fund.

### *Principal Adverse Impact Reporting*

As permitted under Article 4 of the SFDR, the Manager does not consider adverse impacts of investment decisions on sustainability factors on the basis that it is not a financial market participant that is required to do so given that the Manager does not have on its balance sheet an average number of employees exceeding 500 during the financial year. The Manager may choose at a later date to publish and maintain on its website the consideration of principal adverse impacts of investment decisions on sustainability factors. The Manager will review its approach to considering the principal adverse impacts of investment decisions on sustainability factors under the SFDR once the regulatory technical standards come into effect, which is expected to occur on 1 January 2022.

### **Distribution Policy**

Save as set out in the relevant Sub-Fund Information Card, it is the present intention of the Directors of the Manager not to declare or pay dividends, and income earned by the Fund will be reinvested and reflected in the value of the Units.

In the event that Distributions are declared, the amount to be distributed in respect of each Distribution Period shall be determined by the Manager in consultation with the Investment Adviser within the amount available for distribution provided that any amount which is not distributed in respect of such Distribution Period may be carried forward to the next Distribution Period.

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

Any distribution payable will be paid either in cash in the currency of the relevant Class by bank transfer or cheque or in Shares. Every such bank transfer or cheque shall be made payable to the order of such Unitholder or, in the case of joint Unitholders, made payable to the order of the first named joint Unitholder on the register at the risk of such Unitholder or joint Unitholders.

Where a distribution is made by way of the issue of Shares, the Manager will issue and credit to the account of the relevant Unitholder the number of Units in the relevant Sub-Fund corresponding to the relevant amount calculated at the Net Asset Value per Unit pertaining on the relevant Distribution Date. A subscription fee shall not be deducted from such amount.

The distribution policy in relation to each Sub-Fund is set out in the Sub-Fund Information Card attached. If provisions are made for the Fund to change its dividend policy, full details will be disclosed in an updated Information Card and all Unitholders will be notified in advance.

## RISK FACTORS

Potential investors should consider the following risks, in addition to any risks disclosed in the relevant Sub-Fund Information Card and Class Information Card, before investing in any of the Sub-Funds.

### General

**Potential investors should be aware that the value of Units and the income therefrom can, in common with other shares or units, fluctuate. There is no assurance that the investment objective of a Sub-Fund will actually be achieved. The difference at any one time between the issue and redemption price of Units means that an investment in a Sub-Fund should be viewed as medium to long term.**

### Segregated Liability

The Fund is an open-ended umbrella unit trust authorised by the Central Bank pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended, with segregated liability between sub-funds. As a result, as a matter of Irish law, any liability attributable to a particular Sub-Fund may only be discharged out of the assets of that Sub-Fund, and the assets of other Sub-Funds may not be used to satisfy the liability. In addition any contract entered into by the Fund will by operation of law include an implied term to the effect that the counterparty to the contract may not have recourse to assets of the Sub-Funds other than the Sub-Fund in respect of which the contract was entered into. These provisions are binding both on creditors and in any insolvency.

These provisions, while binding in an Irish Court which would be the primary venue for an action to enforce a debt against the Fund, have not been tested in other jurisdictions, and there remains a possibility that a creditor might seek to attach or seize assets of one Sub-Fund in satisfaction of an obligation owed in relation to another Sub-Fund in a jurisdiction which would not recognise the principle of segregation of liability between Sub-Funds.

### Market Capitalisation Risk

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

### Emerging and Frontier Markets Risk

*The following paragraphs describe the risk factors applicable to investment in emerging markets. The risk factors also apply to investment in frontier markets and to a greater degree as frontier markets tend to be smaller, less developed and less accessible than emerging markets.*

Investment in emerging and frontier markets involves risk factors and special considerations which may not be typically associated with investing in more developed markets. Political or economic change and instability may be more likely to occur and have a greater effect on the economies and markets of emerging countries. Adverse government policies, taxation, restrictions on foreign investment and on currency convertibility and repatriation, currency fluctuations and other developments in the laws and regulations of emerging countries in which investment may be made, including expropriation, nationalisation or other confiscation could result in loss to the Sub-Fund.

By comparison with more developed securities markets, most emerging countries' securities markets are comparatively small, less liquid and more volatile. This may result in greater volatility in the Net Asset Value per Unit of the Sub-Fund (and consequently subscription and redemption prices for Units in the Fund) than would be the case in relation to funds invested in more developed markets. In addition, if a large number of securities have to be realised at short notice to meet substantial redemption requests in the Sub-Fund such sales may have to be effected at unfavourable prices which may in turn have an adverse effect on the Net Asset Value per Unit of the Sub-Fund.

In addition settlement, clearing, safe custody and registration procedures may be underdeveloped increasing the risks of error, fraud or default. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of investor information or protection as would generally apply in more developed markets. Investments in certain emerging markets may require consents or be subject to restrictions which may limit the availability of attractive investment opportunities to the Sub-Fund. Emerging markets generally are not as efficient as those in developed countries. In some cases, a market for the security may not exist locally and so transactions may need to be made on a neighbouring exchange.

Emerging markets securities may incur brokerage or stock transfer taxes levied by foreign governments which would have the effect of increasing the cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of same. The issues of emerging markets securities, such as banks and other financial institutions, may be subject to less stringent regulation than would be the case for issuers in developed countries, and therefore potentially carry greater risk. In addition custodial expenses for emerging market securities are generally higher than for developed market securities. Dividend and interest payments from, and capital gains in respect of, emerging markets securities may be subject to foreign taxes that may or may not be reclaimable.

Laws governing foreign investment and securities transactions in emerging markets may be less sophisticated than in developed countries. Accordingly, a Sub-Fund may be subject to additional risks, including inadequate investor protection, unclear or contradictory legislation or regulations and lack of enforcement thereof, ignorance or breach of legislation or regulations on the part of other market participants, lack of legal redress and breaches of confidentiality. It may be difficult to obtain and enforce a judgement in certain emerging markets in which assets of the Sub-Fund are invested. Furthermore, the standard of corporate governance and investor protection in emerging markets may not be equivalent to that provided in other jurisdictions.

## **Registration Risk**

In some emerging market countries evidence of legal title to shares is maintained in "book-entry" form. In order to be recognised as the registered owner of the shares of a company, a purchaser or purchaser's representative must physically travel to a registrar and open an account with the registrar (which, in certain cases, requires the payment of an account opening fee). Thereafter, each time that the purchaser purchases additional shares of the company, the purchaser's representative must present to the registrar powers of attorney from the purchaser and the seller of such shares, along with evidence of such purchase, at which time the registrar will debit such purchased shares from the seller's account maintained on the register and credit such purchased shares to the purchaser's account to be maintained to the register.

The role of the registrar in such custodial and registration processes is crucial. Registrars may not be subject to effective government supervision and it is possible for a Sub-Fund to lose its registration through fraud, negligence or mere oversight on the part of the registrar. Furthermore, while companies in certain emerging market countries may be required to maintain independent registrars that meet certain statutory criteria, in practice, there can be no guarantee that this regulation has been strictly enforced. Because of this possible lack of independence, management of companies in such emerging market countries can potentially exert significant influence over the shareholding in such companies. If the company register were to be destroyed or mutilated, the Sub-Fund's holding of the relevant shares of the company could be substantially impaired, or in certain cases, deleted. Registrars often do not maintain insurance against such occurrences, nor are they likely to have assets sufficient to compensate the Sub-Fund as a result thereof. While the registrar and the company may be legally obliged to remedy such loss, there is no guarantee that either of them would do so, nor is there any guarantee that the Sub-Fund would be able to successfully bring a claim against them as a result of such loss. Furthermore, the registrar or the relevant company could wilfully refuse to recognise the Sub-Fund as the registered holder of shares previously purchased by the Sub-Fund due to the destruction of the company's register.

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

The value of a Sub-Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. As some of the Sub-Funds may invest in markets where the custodial and/or settlement systems are not fully developed, the assets of the Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Depositary will have no liability.

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

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

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

### **Securities Lending Risk**

Certain Sub-Funds may engage in securities lending activities. As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral will be called upon. The value of the collateral will be maintained to exceed the value of the securities transferred. In the event of a sudden market movement there is a risk that the value of the collateral may fall below the value of the securities transferred.

### **Credit Risk**

There can be no assurance that issuers of the securities or other instruments which a Sub-Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. A Sub-Fund will also be exposed to a credit risk in relation to the counterparties with whom they trade or place margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default.

### **Foreign Exchange/Currency Risk**

Although Units of certain Sub-Funds may be denominated in Euro, the Sub-Fund may invest its assets in securities denominated in a wide range of currencies, some of which may not be freely convertible. The Net Asset Value of a Sub-Fund as expressed in Euro will fluctuate in accordance with the changes in the foreign exchange rate between the Euro and the currencies in which the Sub-Fund's investments are denominated. A Sub-Fund may, therefore, be exposed to a foreign exchange/currency risk. Further, certain Unit Classes of a Sub-Fund may be denominated in a currency other than the base currency of the relevant Sub-Fund. A currency conversion will take place on subscription, redemption, conversion and distribution at prevailing exchange rates. The value of Units expressed in the currency of the relevant Unit Class will be subject to exchange rate risk in relation to the base currency of the relevant Sub-Fund

It may not be possible or practicable to hedge against the consequent foreign exchange/ currency risk exposure. The Investment Adviser and where relevant, the Sub-Investment Adviser may or may not try to mitigate this risk by using financial instruments.

Certain Sub-Funds may enter from time to time into currency exchange transactions either on a spot (i.e. cash) basis or by buying currency exchange forward contracts. Sub-Funds will not enter into forward contracts for speculative purposes. Neither spot transactions nor forward currency exchange contracts eliminate fluctuations in the prices of a Sub-Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline.

Where disclosed in the relevant Sub-Fund Information Card, a Sub-Fund may enter into currency exchange transactions in an attempt to protect against changes in currency exchange rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. A Sub-Fund may also enter into forward contracts to hedge against a change in such currency exchange rates that would cause a decline in the value of existing investments denominated or principally traded in a currency other than the base currency of that Sub-Fund. To do this, the Sub-Fund would enter into a forward contract to sell the currency in which the investment is denominated or principally traded in exchange for the base currency of the Sub-Fund. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, at the same time they limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the forward contract amounts and the value of the securities involved will not generally be payable because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the forward contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of any Sub-Fund cannot be assured.

Certain Classes that adopt a currency hedging strategy (as disclosed in the relevant Sub-Fund Information Card), in which case this may substantially limit the holders of such Class from benefiting if the designated currency of such Class depreciates against the currencies in which the assets of the relevant Sub-Fund are denominated or its base currency.

### **Sub-Fund Cash Accounts**

The Fund has established subscription and redemption cash accounts in respect of each Sub-Fund. Each of these cash accounts are defined herein as Sub-Fund Cash Accounts. All subscriptions and redemption payments payable to or from the relevant Fund will be channelled and managed through such Sub-Fund Cash Accounts.

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



loss will need to be discharged out of the assets of the relevant Sub-Fund and therefore will represent a diminution in the Net Asset Value per Unit for existing Unitholders of the relevant Sub-Fund.

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

## **Financial Derivative Instruments Risk**

### **General**

The prices of derivative instruments, including futures and options prices, are highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, particularly markets in currencies and interest rate related futures and options. Such intervention often is intended directly to influence prices and may, together with other factors, cause all of such markets to move rapidly in the same direction because of, among other things, interest rate fluctuations. The use of techniques and instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of securities being hedged and movements in interest rates, (2) imperfect correlation between the hedging instruments and the securities or market sectors being hedged, (3) the fact that skills needed to use these instruments are different from those needed to select the Fund's securities and (4) the possible absence of a liquid market for any particular instrument at any particular time, and (5) possible impediments to effective portfolio management or the ability to meet redemption.

### **Liquidity of Financial Derivative Contracts**

Derivative positions may be illiquid because certain exchanges limit fluctuations in certain contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits." Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a contract for a particular derivative contract has increased or decreased by an amount equal to the daily limit, positions in the derivative can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent a Fund from liquidating unfavourable positions.

### **Options Risk**

The Investment Adviser may engage in various portfolio hedging strategies on behalf of the Sub-Funds through the use of options. On execution of an option the Sub-Funds may pay a premium to a counterparty. In the event of the insolvency or bankruptcy of the counterparty, the option premium may be lost in addition to any unrealised gains where the contract is in the money.

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

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

### **Counterparty Risk**

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

### **Investment Adviser and Sub-Investment Adviser Risk**

The Administrator may consult the Investment Adviser and where relevant, the Sub-Investment Adviser with respect to the valuation of certain investments. Whilst there is an inherent conflict of interest between the involvement of the Investment Adviser and Sub-Investment Adviser in determining the valuation price of each Sub-Fund's investments and the Investment Adviser's and Sub-Investment Adviser's other duties and responsibilities in relation to the Sub-Funds, the Investment Adviser and Sub-Investment Adviser will endeavour to resolve any such conflict of interest fairly and in the interests of investors.

### **Accounting Standards**

The legal infrastructure and accounting, auditing and reporting standards in emerging markets in which a Sub-Fund may invest may not provide the same degree of information to investors as would generally apply internationally. In particular, valuation of assets, depreciation, exchange differences, deferred taxation, contingent liabilities and consolidation may be treated differently from international accounting standards.

The Fund's annual report and audited annual accounts (the "Accounts") will be prepared in accordance with International Financial Reporting Standards ("IFRS"), Where there is any conflict between IFRS and the valuation principles set out in the Trust Deed and this document in relation to the calculation of Net Asset Value, there may be a note to the audited accounts to that effect.

## **Settlement Risk**

The trading and settlement practices on some of the Recognised Exchanges on which a Sub-Fund may invest may not be the same as those in more developed markets. That may increase settlement risk and/or result in delay in realising investments made by the relevant Sub-Fund.

## **Taxation**

Any change in the taxation legislation in Ireland, or elsewhere, could affect a (i) the Fund or any Sub-Fund's ability to achieve its investment objective, (ii) the value of the Fund or any Sub-Fund's investments, (iii) the ability to pay returns to Unitholders or alter such returns. Any such changes, retroactive or otherwise, could have an effect on the validity of the information stated herein based on current tax law and practice. Prospective investors and Unitholders should note that the statements on taxation which are set out herein and in this Prospectus are based on advice which has been received by the Manager regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Fund will endure indefinitely.

If, as a result of the status of a Unitholder, the Fund becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon if an event giving rise to a tax liability occurs, the Fund shall be entitled to deduct such amount from the payment arising on such event or to compulsorily redeem or cancel such number of Units held by the Unitholder or the beneficial owner of the Units as have a value sufficient after the deduction of any redemption charges to discharge any such liability. The relevant Unitholder shall indemnify and keep the Fund or the Sub-Fund indemnified against any loss arising to the Fund or the Sub-Fund by reason of the Fund or the Sub-Fund becoming liable to account for tax and any interest or penalties thereon on the happening of an event giving rise to a tax liability including if no such deduction, appropriation or cancellation has been made.

Unitholders and prospective investors' attention is drawn to the taxation risks associated with investing in the Fund. Please refer to the section headed "TAXATION".

## **Foreign Account Tax Compliance Act**

The foreign account tax compliance provisions ("**FATCA**") of the Hiring Incentives to Restore Employment Act 2010 which apply to certain payments are essentially designed to require reporting of Specified US person's direct and indirect ownership of non-US accounts and non-US entities to the US Internal Revenue Service, with any failure to provide the required information resulting in a 30% US withholding tax on direct US investments (and possibly indirect US investments). In order to avoid being subject to US withholding tax, both US investors and non-US investors are likely to be required to provide information regarding themselves and their investors. In this regard the Irish and US Governments signed an intergovernmental agreement ("Irish IGA") with respect to the implementation of FATCA (see section entitled "*Compliance with US reporting and withholding requirements*" for further detail) on 21 December 2012.

Under the Irish IGA (and the relevant Irish regulations and legislation implementing same), foreign financial institutions (such as the Fund) should generally not be required to apply 30% withholding tax. To the extent the Fund however suffers US withholding tax on its investments as a result of FATCA, or

is not in a position to comply with any requirement of FATCA, the Administrator acting on behalf of the Fund, may take any action in relation to a Unitholder's investment in the Fund to redress such non-compliance and/or to ensure that such withholding is economically borne by the relevant Unitholder whose failure to provide the necessary information or to become a participating foreign financial institution or other action or inaction gave rise to the withholding or non-compliance, including compulsory redemption of some or all of such Unitholder's holding of units in the Fund

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

### **Common Reporting Standard**

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard ("CRS") to address the issue of offshore tax evasion on a global basis. Additionally, the European Union adopted EU Council Directive 2014/107/EU, amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation ("DAC2").

The CRS and DAC2 provide a common standard for due diligence, reporting and exchange of financial account information. Pursuant to the CRS and DAC2, participating jurisdictions and EU Member States will obtain from reporting financial institutions, and automatically exchange with exchange partners on an annual basis, financial information with respect to all reportable accounts identified by financial institutions on the basis of common due diligence and reporting procedures.

The Fund is required to comply with the CRS and DAC2 due diligence and reporting requirements, as adopted by Ireland. Unitholders may be required to provide additional information to the Fund to enable the Fund to satisfy its obligations under the CRS and DAC2. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or compulsory redemption of its Units in the relevant Portfolio.

Unitholders and prospective investors should consult their own tax advisor with respect to their own certification requirements associated with an investment in the Fund.

### **The People's Republic of China**

#### *Political and/or Regulatory Risk*

The value of a Sub-Fund's assets may be affected by political and regulatory uncertainties such as international and Chinese political developments and changes in governmental policies in areas including taxation, foreign investment, currency repatriation, currency fluctuation and foreign exchange control. In addition, there is a greater degree of governmental involvement in and control over the economy in mainland China than in more developed markets. The Chinese Government exerts considerable influence on the development of the Chinese stock market. From time to time, official measures may be taken that affect listed companies and their market prices in China and overseas (such as measures discussed in the third paragraph under the heading of "Developmental State of the Chinese Stock Markets" below).

The fiscal and monetary system of China is underdeveloped relative to Western countries and this may affect the stability of the economy and its financial markets.

#### *Legal and/or Accounting Risk*

The legal system in mainland China is still in a developmental stage. Although a legal framework is in place to govern companies and the securities markets, the interpretation and enforcement of laws involve significant uncertainty. It should be noted that the legal infra-structure and accounting, auditing and reporting standards in China and other markets in which a Sub-Fund may invest may not provide the same degree of investor protection or information to investors as would generally apply in more developed countries. In particular, the laws governing insolvency and shareholder protection in mainland China are significantly less developed than in established jurisdictions.

#### *Liquidity Risk*

The substantially smaller size and lower trading volumes of the markets for Chinese equity and debt securities compared to equity and debt securities in companies on more developed securities markets may result in a potential lack of liquidity and increased volatility.

This may affect the price at which a Sub-Fund may liquidate positions to meet redemption requests or other funding requirements. In particular, investors should expect that investment in Chinese companies registered with the Shanghai Stock Exchange and the Shenzhen Securities Stock Exchange may be highly volatile.

#### *Market Risk*

Investors should be aware of the risks associated with investing in emerging markets such as mainland China. The securities of companies in which a Sub-Fund may invest are exposed to the risks of high rates of inflation, high interest rates, currency depreciation and fluctuation and also changes in taxation legislation and interpretation that may affect a Sub-Fund's income and the value of investments.

Specifically, investors should be aware that the Chinese economy is in transition from a centrally planned economy to a more market-oriented economy. Over the course of the past two decades and following China's accession to WTO in December 2001, the PRC government has been reforming the economic and political systems of the PRC. It is likely that the reform will continue to be uneven across regions and industry sectors. There is no assurance that all of the companies whose securities are held by a Sub-Fund will benefit consistently from such reforms, that economic activity will continue to grow at recent rates or that the economic policies adopted by the Chinese government will be conducive to long-term economic growth. China's opening of markets will result in increased competition, which may have an adverse effect on the performance of these companies.

Many of the PRC economic reforms are unprecedented or experimental and are subject to adjustment and modification, and such adjustment and modification may not always have a positive effect on foreign investment.

## *PRC Tax*

As a result of investing in securities of Chinese companies, a Sub-Fund may be subject to withholding and other taxes imposed by the PRC government. Under the prevailing PRC tax policy, there are certain tax incentives available to foreign investment. There can be no assurance, however, that the aforesaid tax incentives will not be abolished in the future.

Investors should be aware that changes in the PRC taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments of a Sub-Fund. Laws governing taxation will also continue to change and may contain conflicts and ambiguities.

It is possible that the current tax laws, regulations and practice in the PRC will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher or lower taxation on PRC investments than currently contemplated. Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in the PRC will be changed with retrospective effect in the future and any such change may have either an adverse or a positive effect on the asset value of a Sub-Fund. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in the PRC which a Sub-Fund may invest in, thereby reducing the income from, and/or value of the Units. Investors may be advantaged or disadvantaged depending on the final rules of the relevant PRC tax authorities, the level of tax provision accrued by a Sub-Fund and when they subscribed and/or redeemed their Units in/from a Sub-Fund. Investors should refer to the section entitled "Taxation – People's Republic of China" in the Prospectus for further information.

## *Developmental State of the Chinese Stock Markets*

A-shares are securities that are listed and traded on the Shanghai Stock Exchange and/or the Shenzhen Stock Exchange and are denominated and traded in Renminbi. The Shenzhen and Shanghai stock markets were established in April, 1991 and July, 1991 respectively and should be regarded as developing stock markets. The Shanghai stock market may be subject to periods of high price volatility, illiquidity, settlement problems and changes in government policy or regulation.

The Chinese government has issued rules allowing qualified foreign institutional investors to invest in A-shares, government bonds, convertible bonds, corporate bonds that are listed on the stock exchanges in the PRC and other financial instruments approved by the China Securities Regulatory Commission. A Sub-Fund is not a qualified foreign institutional investor and will not meet the qualification requirements aside from as set out above in the section entitled "Investment Policy", due to regulatory restraints. Indirect investments in A-shares markets by purchasing equity-related instruments will usually be made in US Dollars and not in Renminbi. A Sub-Fund will be exposed to many fluctuations in the exchange rate between U.S. Dollars and Renminbi.

### *Accuracy of Information*

Whilst reasonable care has been taken to check the accuracy of the information contained in this Prospectus, the quality and limited availability of official data published by the PRC government and government agencies and information on PRC businesses and industries are generally not equivalent to that of more developed countries. Given the inherent uncertainty of the source material, investors should be aware that the accuracy and completeness of statistical data and other factual statements relevant to the PRC contained in this Prospectus, including information concerning actual and proposed macro-economic, fiscal, legal and other matters, cannot be guaranteed.

### *Currency Risk*

The Net Asset Value per Unit will be computed in U.S. Dollars (or other currency), whereas a Sub-Fund will invest most of its assets in securities denominated in Renminbi or convertible into securities denominated in Renminbi. The Net Asset Value of a Sub-Fund as expressed in U.S. Dollars (or other currency) will fluctuate in accordance with the changes in the foreign exchange rate between the U.S. Dollar (or other currency) and the Renminbi. It may not be possible or practicable to hedge against the consequent currency risk exposure and in most instances a Sub-Fund will not hedge against such risk. It is not the present intention of a Sub-Fund to hedge the currency exposure of a Sub-Fund but a Sub-Fund reserves the right to do so in the future if it is desirable or practicable.

The value of Renminbi against the U.S. Dollar (or other currency) or any other foreign currency may fluctuate and is affected by, among other things, changes in the political and economic conditions of the PRC. Renminbi can be converted into the U.S. Dollar (or other currency) or any other foreign currency based on the rates set by The People's Bank of China. There can be no assurance that the value of the Renminbi against the U.S. Dollar (or other currency) or any other foreign currency is on any appreciation trend. Further, any revaluation of the Renminbi may adversely affect the value of, and the dividends payable on, securities held by a Sub-Fund.

### *Custody Risk in respect of Chinese Securities*

The custodial and/or settlement systems of some of the Chinese markets or exchanges on which a Sub-Fund may invest may not be fully developed, and therefore the assets of a Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks in circumstances whereby the Depository will have no liability. Such risks include (but are not limited to): (a) a non-true delivery versus payment settlement; (b) a physical market, and as a consequence the circulation of forged securities; (c) poor information in regards to corporate actions; (d) registration process that impacts the availability of the securities; (e) lack of appropriate legal/fiscal infrastructure devices; and (f) lack of compensation/risk fund with the central depository.

As mentioned above, custodians or sub-custodians may be appointed in the Chinese market for the purpose of safekeeping assets in the market. The assets of a Sub-Fund may be exposed to custodial risk. For example, in case of the liquidation, bankruptcy or insolvency of a custodian or sub-custodian, a Sub-Fund may take a longer time to recover its assets. In circumstances such as the retroactive application of legislation of and fraud or improper registration of title, a Sub-Fund may even be unable

to recover all of its assets. The costs borne by a Sub-Fund in investing and holding investments in such markets will be generally higher than in organized securities markets.

### **Risks associated with the Connect Scheme**

#### *China Connect Securities*

There can be no assurance that an active trading market for such China Connect Securities will develop or be maintained. If spreads on China Connect Securities are wide, this may adversely affect a Sub-Fund's ability to dispose of China Connect Securities at the desired price. If a Sub-Fund needs to sell China Connect Securities at a time when no active market for them exists, the price it receives for its China Connect Securities - assuming it is able to sell them - is likely to be lower than the price received if an active market did exist, and thus the performance of a Sub-Fund may be adversely affected depending on a Sub-Fund's size of investment in China Connect Securities through the Connect Scheme.

#### *Quota Limitations*

The Aggregate Quota and the Daily Quota may change and consequently affect the number of permitted buy trades on the Northbound Trading Link.

A Sub-Fund does not have exclusive use of the Aggregate Quota and Daily Quota and such quotas are utilised on a "first come – first served" basis. Once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the Daily Quota balance). Therefore, quota limitations may restrict a Sub-Fund's ability to invest in China Connect Securities through the Connect Scheme on a timely basis, and a Sub-Fund may not be able to effectively pursue its investment strategies depending on a Sub-Fund's size of investment in China Connect Securities through the Connect Scheme.

#### *Clearing and Settlement Risk*

The HKSCC and ChinaClear have established the clearing links and each becomes a participant of each other to facilitate clearing and settlement of cross-border trades. For cross-border trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

China Connect Securities invested via the Northbound Trading Link will be recorded in the shareholders register held by ChinaClear. HKSCC will become a direct participant in ChinaClear and China Connect Securities acquired by investors including a Sub-Fund through Northbound Trading Link will be: (a) recorded in the name of HKSCC in the nominee securities account opened by HKSCC with ChinaClear and HKSCC will be nominee holder of such China Connect Securities; and (b) held under the depository arrangements of ChinaClear and HKSCC will be recognized as the registered holder of such China Connect Securities.



HKSCC will record interests in such China Connect Securities in the CCASS stock account of the relevant CCASS participant. A Sub-Fund's rights and interests in China Connect Securities will be exercised through HKSCC exercising its rights as the nominee holder of China Connect Securities credited to HKSCC's omnibus account with ChinaClear. The relevant measures and rules in relation to the Connect Scheme generally provide for the concept of a "nominee holder" and recognise the investors including a Sub-Fund as the "beneficial owners" of China Connect Securities.

However, the precise nature and rights of an investor as the beneficial owner of China Connect Securities through HKSCC as nominee is less well defined under PRC law. There is lack of a clear definition of, and distinction between, "legal ownership" and "beneficial ownership" under PRC law. Therefore, a Sub-Fund's assets held by HKSCC as nominee (via any relevant brokers' or custodians' accounts in CCASS) may not be as well protected as they would be if it were possible for them to be registered and held solely in the name of a Sub-Fund.

In connection to this, in the event of a default, insolvency or bankruptcy of a custodian or broker, a Sub-Fund may be delayed or prevented from recovering its assets from the custodian or broker, or its estate, and may have only a general unsecured claim against the custodian or broker for those assets.

In the remote event of any settlement default by HKSCC, and a failure by HKSCC to designate securities or sufficient securities in an amount equal to the default such that there is a shortfall of securities to settle any China Connect Securities trades, ChinaClear may deduct the amount of that shortfall from HKSCC's omnibus account with ChinaClear, such that a Sub-Fund may share in any such shortfall.

As previously discussed, HKSCC is the nominee holder of the China Connect Securities acquired by investors. As a result, in the remote event of a bankruptcy or liquidation of HKSCC, the China Connect Securities may not be regarded as the general assets of HKSCC under the laws of Hong Kong, and will not be available to the general creditors of HKSCC on its insolvency. In addition, as a Hong Kong incorporated company, any insolvency or bankruptcy proceedings against HKSCC will be initiated in Hong Kong and be subject to Hong Kong law. In such circumstances, ChinaClear and the courts of mainland China will regard the liquidator of HKSCC appointed under Hong Kong law as the entity with the power to deal with the China Connect Securities in place of HKSCC.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC will in good faith, seek recovery of the outstanding China Connect Securities and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, a Sub-Fund may suffer delay in the recovery process or may not be able to fully recover its losses from ChinaClear.

#### *No Protection by Hong Kong Investor Compensation Fund*

A Sub-Fund's investments through the Connect Scheme will not be covered by Hong Kong's Investor Compensation Fund. Therefore, a Sub-Fund is exposed to the risks of default of the broker(s) it engages in its trading in China Connect Securities through the Connect Scheme.

### *Short Swing Profit Rule*

According to the PRC Securities Law, a shareholder of 5% or more of the total issued shares of a PRC listed company (“major shareholder”) has to return any profits obtained from the purchase and sale of shares of such PRC listed company if both transactions occur within a six-month period. In the unlikely event that the Fund or a Sub-Fund becomes a major shareholder of a PRC listed company by investing in China Connect Securities via the Connect Scheme, the profits that a Sub-Fund may derive from such investments may be limited, and thus the performance of the Fund and a Sub-Fund may be adversely affected depending on a Sub-Fund’s size of investment in China Connect Securities through the Connect Scheme.

### *Participation in Corporate Actions and Shareholders’ Meetings*

HKSCC will keep CCASS participants informed of corporate actions of China Connect Securities. Hong Kong and overseas investors (including a Sub-Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of China Connect Securities may be as short as one business day only. Therefore, a Sub-Fund may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including a Sub-Fund) may hold China Connect Securities traded via the Connect Scheme through their brokers or custodians. Where the appointment of proxy/multiple proxies by a shareholder is prohibited by the articles of association of the China Connect Securities, a Sub-Fund may not be able to appoint proxy/multiple proxies to attend or participate in shareholders’ meetings in respect of China Connect Securities.

### *Operational Risk*

The Connect Scheme is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in the Connect Scheme subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

Prior to the launch of the Connect Scheme market participants had an opportunity to configure and adapt their operational and technical systems. However, it should be appreciated that the securities regimes and legal systems of the two markets differ significantly and in order for the trial program to operate, market participants may need to address issues arising from the differences on an on-going basis.

Further, the “connectivity” in the Connect Scheme requires routing of orders across the border of Hong Kong and the PRC. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system set up by SEHK to which exchange participants need to connect). There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in China Connect Securities through the Connect Scheme could be disrupted. A Sub-Fund’s ability to access the China

A share market (and hence to pursue its investment strategy) may be adversely affected depending on a Sub-Fund's size of investment in China Connect Securities through the Connect Scheme.

#### *Regulatory Risk and Other China Specific Investment Requirements*

Any investments of a Sub-Fund through the Connect Scheme will be subject to rules and regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong as well as other regulations applicable to the Connect Scheme including but not limited to trading restrictions, disclosure requirements and foreign ownership limits. In particular, Investments in China Connect Securities through the Connect Scheme are subject to the following shareholding restrictions: (a) single foreign investors' shareholding by any Hong Kong or overseas investor (such as a Sub-Fund) in a China Connect Security must not exceed 10% of the total issued shares; and (b) aggregate foreign investors' shareholding by all Hong Kong and overseas investors (such as a Sub-Fund) in a China Connect Security must not exceed 30% of the total issued shares.

When Hong Kong and overseas investors carry out strategic investments in listed companies in accordance with the "Measures for the Administration of Strategic Investment of Foreign Investors in Listed Companies", the shareholding of the strategic investments is not capped by the above-mentioned percentages.

Should the shareholding of a single investor in a China A share listed company exceed the above restriction, the investor would be required to unwind his position on the excessive shareholding according to a last-in-first-out basis within a specific period. The SSE and the SEHK will issue warnings or restrict the buy orders for the related China A shares if the percentage of total shareholding is approaching the upper limit.)

As there are limits on the total shares held by all underlying foreign investors in one listed company in the PRC, the capacity of a Sub-Fund to make investments in China A shares will be affected by the activities of all underlying foreign investors investing through the Connect Scheme.

Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under the Connect Scheme, which may affect a Sub-Fund's investments in China Connect Securities.

The rules and regulations, in connection with the Connect Scheme, including the taxation of transactions involving China Connect Securities (see the section entitled "PRC Tax" above), are uncertain and/or untested and are subject to change. There is no certainty as to how they will be applied and there can be no assurance that the Connect Scheme will not be abolished.

#### *Risk of Suspension*

It is contemplated that both SEHK and SSE would reserve the right to suspend the Northbound Trading Link if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound Trading Link is effected, a Sub-Fund's ability to trade China Connect securities will be affected.

### *Front-End Monitoring*

PRC regulations require that before an investor sells any shares, there should be sufficient shares in the investor's account; otherwise SSE will reject the sell order concerned.

China Connect Securities sell orders of its exchange participants (i.e. the stock brokers) to ensure there is no over-selling. If a Sub-Fund desires to sell China Connect Securities it holds, it will be required to transfer those China Connect Securities to the respective accounts of its brokers before the market opens on the day of selling ("trading day") unless its brokers can otherwise confirm that a Sub-Fund has sufficient shares in its account. If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, a Sub-Fund may not be able to dispose of its holdings of China Connect Securities in a timely manner.

Alternatively, if a Sub-Fund maintains its China Connect Securities with a custodian which is a custodian participant or general clearing participant participating in CCASS, a Sub-Fund may request such custodian to open a special segregated account ("SPSA") in CCASS to maintain its holdings in China Connect Securities under the enhanced pre-trade checking model. Each SPSA will be assigned a unique "Investor ID" by CCASS for the purpose of facilitating the Connect Scheme system to verify the holdings of an investor such as a Sub-Fund. Provided that there is sufficient holding in the SPSA when a broker inputs a Sub-Fund's sell order, a Sub-Fund will only need to transfer China Connect Securities from its SPSA to its broker's account after execution and not before placing the sell order and a Sub-Fund will not be subject to the risk of being unable to dispose of its holdings of China Connect Securities in a timely manner due to failure to transfer China Connect Securities to its brokers in a timely manner.

### *Differences in Trading Day*

The Connect Scheme will only operate on days when both the SEHK and the SSE are open for trading and when banks in both markets are open on the corresponding settlement days. It is therefore possible that there are occasions when it is a normal trading day for the SSE a Sub-Fund cannot carry out any trading of the China Connect Securities. A Sub-Fund may be subject to a risk of price fluctuations in China Connect Securities during the time when the Connect Scheme is not trading as a result.

### *Recalling of Eligible Stocks*

When a stock is recalled from the scope of eligible stocks for trading via the Connect Scheme, the stock can only be sold but will be restricted from being bought. This may affect the investment portfolio or strategies of a Sub-Fund, for example, when a Sub-Fund wishes to purchase a stock which has been recalled from the scope of eligible stocks.

## **Hong Kong Special Administrative Region**

### *Devaluation of the H.K. Dollar*

The H.K. Dollar has been pegged to the U.S. Dollar since 1983. The Government has repeatedly reaffirmed its commitment to this pegged exchange rate system. However, in the event this policy were

to be changed, there would be a risk that the H.K. Dollar would be devalued which would increase the H.K. Dollar cost of a Sub-Fund's foreign currency capital expenditures.

## **Other Risk Factors**

### *Legal Risk*

A Sub-Fund may be subject to a number of risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgement in certain of the markets in which assets of the relevant Sub-Fund may be invested. Standardised documentation may not exist for all types of transactions in which the relevant Sub-Fund may invest.

### *Conflicts of interest*

The Manager, the Investment Adviser, the Sub-Investment Adviser, the Distributor, the Administrator, the Depositary, and their respective affiliates, officers and shareholders (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of a Sub-Fund. These include management of other funds, purchases and sales of securities, investment and management counselling, brokerage services, fx and derivative services, Depositary and custodial services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which a Sub-Fund may invest. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with a Sub-Fund. In the event that a conflict of interest does arise, the Directors shall endeavour to ensure that it is resolved fairly.

## **Liquidity Risk**

The substantially smaller size and lower trading volumes of the markets for Chinese equity securities compared to equities in companies on more developed securities markets may result in a potential lack of liquidity and increased volatility.

This may affect the price at which the Fund may liquidate positions to meet redemption requests or other funding requirements. In particular, investors should expect that investment in Chinese companies registered with the Shanghai Stock Exchange and the Shenzhen Securities Stock Exchange may be highly volatile.

## **Custody Risks**

Certain Sub-Funds may invest in markets where custodial and/or settlement systems are not fully developed, the assets of the Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks in circumstances whereby the Depositary will have no liability.

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

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

## **Brexit**

The Fund, the Manager, the Investment Adviser and the Sub-Investment Adviser face ongoing uncertainty and potential risks associated following the result of the referendum on the United Kingdom's continued membership of the European Union which resulted in a vote for the United Kingdom to leave the European Union ("Brexit"). That decision to leave could materially and adversely affect the regulatory regime to which the Investment Adviser and Sub-Investment Adviser are currently subject in the United Kingdom, particularly in respect of financial services regulation and taxation.

Furthermore, Brexit has and may continue to result in substantial volatility in foreign exchange markets which may lead to a sustained weakness in the British pound's exchange rate against the United States dollar, the euro and other currencies which may have an adverse effect on the Fund, the Sub-Funds' investments, and the Investment Adviser's and Sub-Investment Adviser's business, financial condition, results of operations and prospects. Whatever the ultimate outcome of Brexit, it has set in train a sustained period of uncertainty both in the United Kingdom and the European Union, particularly in respect of the period during which the United Kingdom has sought to negotiate the terms of its exit. It may also destabilize some or all of the other 27 members of the European Union and/or the euro zone.

While the full impact of Brexit continues to evolve, the exit of the United Kingdom from the European Union could have a material impact on the region's economy and the future growth of that economy, which may impact adversely on the Investment Adviser's business and the Sub-Funds' investments in the United Kingdom and Europe. It could also result in prolonged uncertainty regarding aspects of the U.K. and European economy and damage customers' and investors' confidence. Any of these events, as well as an exit or expulsion of a Member State other than the United Kingdom from the European Union, could have a material adverse effect on the financial condition, results of operations and prospects of the Sub-Funds and the Investment Adviser.

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

## MANAGEMENT OF THE FUND

### Manager

Bridge Fund Management Limited is appointed as the manager of the Fund pursuant to the Trust Deed and is responsible on a day-to-day basis, for the management of the Fund's affairs.

The Manager, an MJ Hudson Group plc company, is a limited liability company incorporated in Ireland on 16 December 2015 with registration number 573961. MJ Hudson Group plc is an AIM-listed provider of advice, outsourcing services, and data and analytics to the global fund management sector. The Manager is authorized by the Central Bank to act as a fund management company pursuant to the UCITS Regulations and an Alternative Investment Fund Manager (AIFM) pursuant to the European Communities (Alternative Investment Fund Managers) Regulations, 2013, as amended. Its principal business is acting as manager of investment funds. The Manager has appointed the Investment Adviser to act as discretionary investment manager of the Sub-Funds. The Manager has appointed the Administrator to perform the day-to-day administration of the Fund, including the calculation of the Net Asset Value of the Sub-Funds and of the Shares, and related fund accounting services.

The Manager's corporate secretarial function is provided by the company secretary of the Manager.

The Manager may act as manager of, and/or provide other services to, other funds or clients established in Ireland or elsewhere any of which may be competing with the Fund in the same markets.

The directors of the Manager are as follows:

#### David Dillon

David Dillon is a solicitor having qualified in 1978. He is a graduate of University College Dublin (Bachelor of Law) and has an MBA from Trinity College Dublin. David was a founding partner of the law firm Dillon Eustace. David is a director of a number of Irish based investment and fund management companies. He has served as a member of a number of committees and sub-committees established by the Irish Law Society relating to commercial and financial services law. He is a former Chairman of the Investment Funds Committee (Committee I) of the International Bar Association, past Chairman of the Irish government's IFSC Funds Working group and a member of the IFSC's Clearing Group. He was a member of the Certified Accountant Accounts Awards Committee. He is currently on the organising committee of the Globalisation of Investment Funds organised by the ICI and the IBA. He worked with the international law firm of Hamada and Matsumoto (now Mori Hamada and Matsumoto) in Tokyo during 1983/1984. Mr. Dillon speaks regularly at international fora.

#### Paul McNaughton

Paul McNaughton has over 30 years' experience in the Banking/Finance, Fund Management & Securities Processing Industries. In addition Mr. McNaughton spent 10 years with IDA (Ireland) both in Dublin and in the USA marketing Ireland as a location for multinational investment. He went on to establish Bank of Ireland's IFSC Fund's business before joining Deutsche Bank to establish their funds business in Ireland. He was overall Head of Deutsche Bank's Offshore Funds business, including their hedge fund administration businesses primarily based in Dublin and the Cayman Islands, before

assuming the role of Global Head of Deutsche's Fund Servicing business worldwide. Mr. McNaughton left Deutsche Bank in August 2004 after leading the sale of Deutsche's Global Custody and Funds businesses to State Street Bank and now acts as an advisor and non-executive director for several investment companies and other financial entities. Mr. McNaughton holds an Honours Economics Degree from Trinity College Dublin. He was the founding Chairman of the IFIA (Irish Funds Industry Association) and a member of the Irish Government Task Force on Mutual Fund Administration. He was instrumental in the growth of the funds business in Ireland both for traditional and alternative asset classes.

#### Patrick Robinson

Patrick Robinson has over 20 years' experience in the asset management and funds services industry. Patrick began working as a consultant with Bridge Consulting Limited, an affiliate of the Manager, in October 2009, before becoming Chief Executive Officer in August 2014. Patrick has an in-depth knowledge of UCITS and AIFM requirements and has project managed fund launches to include providing assistance on product development. He has established the risk, compliance and operational infrastructures of a number of asset management firms. Patrick joined Bridge Consulting Limited from RBS Fund Services (Ireland) Ltd where he headed the Operations Team responsible for the supervision and oversight of a variety of managers and service providers contracted to funds managed by RBS FSI. Prior to this Patrick worked with Olympia Capital (Ireland) Ltd where he managed the fund accounting operations for an array of clients with a diverse range of alternative fund products. He holds a Masters degree in Finance and Investment from the University of Ulster.

#### Hugh Grootenhuis

Hugh Grootenhuis has over 35 years' experience of working in financial services, in a variety of roles. He worked for the Schroder banking group for eighteen years where he obtained a wide range of investment banking experience. He worked for Schroders in London, Tokyo and Singapore, and spent the majority of his time in the international equity capital markets group. Hugh joined Waverton Investment Management Limited ("Waverton", previously called J O Hambro Investment Management Limited) in 1999 as a director of new business. While with Waverton, he was responsible for marketing Waverton's private client business as well as structuring long only equity and hedge fund vehicles. In May 2007 he was appointed head of the funds business and joined the executive board. In June 2009 he was appointed Chief Executive Officer and acted in this capacity until July 2015. Hugh was appointed as a special advisor to S.W. Mitchell Capital LLP in January 2016 to assist with the development of its business, including governance and oversight. He is also a director of S.W. Mitchell Capital plc, UCITS established in Ireland. In 2017 he joined the Boards of Charles Stanley Group PLC and Charles Stanley & Co. Hugh graduated from the University of Cambridge where he read geography and land economy.

#### William Roxburgh

William Roxburgh is an experienced investment professional with a focus on investment management, fund structuring, fund and risk management and operational infrastructure.

William is currently Managing Director of the Fund Management Solutions division within MJ Hudson Limited, a leading asset management consultancy wherein he heads a team of 20 focusing on three



core service lines; fund management infrastructure solutions, regulatory hosting and fund administration.

William has 14 years' of experience in illiquid investment markets. William started his career as a real estate fund manager and investment professional, and then joined MJ Hudson in 2010 wherein he has managed a venture capital portfolio including growth and spin out start-ups, and for the last ten years has been focussed on variable capital, real estate and private equity investment management and markets. William has extensive experience in investment analysis as well as building out companies as a founder / entrepreneur.

William holds degrees in Business Management and Estate Management, Member of the Royal Institution of Chartered Surveyors (MRICS) and an Investment Management Certificate (IMC) holder.

Brian Finneran

Brian Finneran is an Irish resident with over 20 years' experience in the financial services industry. Since joining MJ Hudson Bridge in November 2014, Brian has been appointed as the Designated Person (PCF-39), including for the Fund Risk Management function, to a number of self-managed UCITS funds, UCITS management companies and AIFMs. He has also undertaken a number of risk-based consultancy projects for asset managers. Before joining MJ Hudson Bridge, Brian worked for Marathon Asset Management (London) managing the Hedge fund operations team with responsibility for the oversight, control and development of Marathon's alternative fund range. Prior to this, Brian worked with Citi Hedge Fund Services (previously BISYS Hedge Fund Services) where he managed a team responsible for the administration of a number of hedge fund and fund of hedge fund clients. Brian has served as a member of the Irish Funds Investment Risk Working group including as Chair since 2021. Brian holds a Degree in Accounting & Finance from Dublin City University and is an affiliate of the Association of Chartered Certified Accountants.

The Manager is also the manager of GaveKal Multi-Fund plc.

The Trust Deed contains provisions governing the responsibilities of the Manager and providing for its indemnification in certain circumstances subject to the exclusions of bad faith, negligence, wilful default, fraud, or its failure to comply with obligations therein or in the UCITS Regulations.

## **Distributors**

The Manager may appoint one or more Distributors to distribute on its behalf Units in one or more Classes of one or more Sub-Funds. There may be more than one Distributor for a Sub-Fund. The names of certain Classes may include the name of the relevant Distributor and certain Classes may be distributed exclusively under the brand or logo of the relevant Distributor. Except where the Distributor has been appointed in some other capacity in respect of the Fund, the sole relationship between the Distributor and the Fund will be as Distributor of Units of the relevant Classes/Sub-Funds to its own clients. Separate Class Information Cards may be issued relating to one or more of the Classes of Units being distributed by a Distributor and may carry that Distributor's brand/logo.

The fees of any Distributors so appointed will be as set out in the relevant Sub-Fund Information Card.

### **Investment Adviser and Promoter**

Under the terms of an Investment Advisory Agreement dated 29 October 2021, the Manager has delegated the power to determine investment strategy and the investment management of the Sub-Funds to Gavekal Capital Limited (“Investment Adviser”). Gavekal Capital Limited (“GCL”) was incorporated in Hong Kong on November 6, 2002 as a limited liability company, and is licensed by the SFC to carry on Type 9 (Asset Management) regulated activity under the Securities and Futures Ordinance of Hong Kong in respect of the Manager. As at the end of April 2021, the Investment Adviser had USD2.6bn in assets under management. The Investment Adviser forms part of the Gavekal Group of companies. Gavekal Capital Limited is also the Promoter of the Fund.

The executive directors of GCL are Louis-Vincent Gave and Alfred Ho. Louis-Vincent Gave is a 75% shareholder in GCL.

The Investment Advisory Agreement shall continue indefinitely, unless otherwise agreed in advance by the parties. The Agreements are terminable by either party upon giving 3 months’ prior written notice to the other.

### **Sub-Investment Adviser**

Under the terms of a Sub-Investment Advisory Agreement dated 13 December 2022, the Investment Adviser has appointed Gavekal Capital (Singapore) Pte Ltd (the “Sub-Investment Adviser”) to act as sub-investment adviser with discretionary responsibility (subject to oversight by the Investment Adviser) for the investment of the securities and assets of certain Sub-Funds. Gavekal Capital (Singapore) Pte Limited is a company incorporated under the laws of Singapore having a place of business at 96 Robinson Road, #17-03, SIF Building, Singapore 068899, Singapore. The Sub-Investment Adviser forms part of the Gavekal Group of companies. The executive directors of Gavekal Capital (Singapore) Pte Limited are Louis Vincent Gave and Christine Cheung.

The Sub-Investment Advisory Agreement shall continue indefinitely, unless otherwise agreed in advance by the parties. The Agreements are terminable by either party upon giving ninety (90) days’ prior written notice to the other.

### **Distributors**

#### *Gavekal Capital Management Limited*

Under the terms of a distribution agreement (the “GCML Distribution Agreement”) dated 29 October 2021, the Manager has delegated responsibility for marketing issues of the Fund and Sub-Funds to Gavekal Capital Management Limited (“GCML”).

Gavekal Capital Management Limited is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law (2004 Revision) of the Cayman Islands and is registered as an Excluded Person under Section 5(2) and paragraph 4 of the Fourth Schedule to the Securities Investment Business Law (2004 Revision) of the Cayman Islands for the purposes of the services provided to the Manager pursuant to the terms of the GCML Distribution Agreement.

### *Gavekal Capital Limited*

Under the terms of a distribution agreement dated 29 October 2021 the Manager has delegated responsibility for marketing issues of the Fund and Sub-Funds to Gavekal Capital Limited (the “Gavekal Distribution Agreement”)

### **Administrator**

The Administrator is Société Générale Securities Services, SGSS (Ireland) Limited. The Administrator is a private company incorporated with limited liability in Ireland on 9th January 2003. It is ultimately a wholly-owned subsidiary of Société Générale S.A. and is engaged in the business of, inter alia, providing fund administration transfer agency and registrar services to and in respect of collective investment undertakings and investment companies.

The Administrator was appointed by the Manager under the Administration Agreement dated 29 October 2021, and is responsible for the administration of the Fund's affairs including maintaining the Fund's accounting records, calculating the Net Asset Value of each Sub-Fund, the Net Asset Value per Unit and serving as registrar and as transfer agent.

### **Depositary**

Société Générale S.A., Dublin Branch has been appointed to act as depositary in respect of the Fund and each of its Sub-Funds pursuant to the terms of the Trust Deed. The Depositary is a branch of Société Générale S.A., a French public limited company founded in 1864 and which is one of France's leading commercial and investment banking institutions with operations throughout the world and with its head office at 29, boulevard Haussmann, 75009 Paris, France. The Depositary is registered with the Paris Trade and Companies Register under number 552 120 222, is an establishment approved by the French Prudential Control and Resolution Authority (ACPR) and supervised by the French Financial Markets Authority (AMF). Société Générale S.A. is actively engaged in asset management, private banking and corporate and investment financial services throughout the world. Société Générale S.A. provides global custody services to retail, institutional, industrial and corporate clients. As of the end of December 2015 it had approximately EUR 3,984 billion in assets under custody.

The duties of the Depositary are to provide safekeeping, oversight and asset verification services in respect of the assets of the Fund and each of its Sub-Funds in accordance with the provisions of the Regulations. The Depositary will also provide cash monitoring services in respect of each Sub-Funds' cash flows and subscriptions.

The Depositary will be obliged, inter alia, to ensure that the sale, issue, repurchase and cancellation of Units in the Fund are carried out in accordance with relevant legislation and the Trust Deed. The Depositary will carry out the instructions of the Manager unless they conflict with the UCITS Regulations or the Trust Deed. The Depositary is also obliged to enquire into the conduct of the Fund in each financial year and report thereon to the Unitholders. The Depositary's report shall state, among other things, whether in the Depositary's opinion the Fund has been managed in that period:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund and the Depositary by the Trust Deed and the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Trust Deed and the UCITS Regulations.

If the Fund has not been managed in accordance with (i) or (ii) above, the Depositary must state why this is the case and outline the steps which the Depositary has taken to rectify the situation.

Pursuant to the Trust Deed, the Depositary will be liable to the Fund and to the Unitholders for the loss by the Depositary or a duly appointed third party of any assets that are financial instruments required to be held in custody in accordance with paragraph 4(a) of Regulation 34 of the UCITS Regulations (the "**Custody Assets**") unless it can prove that the loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. In the event of such a loss (and in the absence of proof of the loss being caused by such an external event), the Depositary is required to return Custody Assets of an identical type to those lost or the corresponding amount to the Fund without undue delay. The Trust Deed provides that the Depositary will be liable to the Fund and to the Unitholders in respect of all other losses suffered by them as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations as set out in the Trust Deed and the UCITS Regulations. In the event of a loss by the Depositary of assets which are not Custody Assets, the Depositary will only be liable to the extent the loss has occurred due to the negligent or intentional failure to properly fulfil its obligations as set out in the Trust Deed and the UCITS Regulations. The Manager, out of the assets of the relevant Sub-Fund, shall indemnify and hold harmless the Depositary and each of its directors, officers, servants, employees and agents against all actions, proceedings, claims (including claims of any person purporting to be the beneficial owner of any part of the assets of the Fund or relevant Sub-Fund), demands, losses, damages, costs and expenses (including legal and professional fees and expenses) which may be brought against, suffered or incurred by the Depositary other than as a result of the Depositary's negligent or intentional failure to properly fulfil its obligations as set out in the Trust Deed and UCITS Regulations.

The Trust Deed also provides that the appointment of the Depositary will continue unless and terminated in accordance with the circumstances set out therein provided that the appointment of the Depositary shall continue in force until a replacement Depositary approved in advance by the Central Bank has been appointed and provided further that if within a period of three months from the date on which notice of removal has been given to the Depositary, no replacement Depositary shall have been appointed, the Depositary may terminate the Fund. In such case, the Depositary will remain in place until the authorisation of the Fund has been revoked.

#### *Conflicts of Interest*

Pursuant to the UCITS Regulations the Depositary must act in accordance with the best interests of the Unitholders of the Fund.

Potential conflicts of interest may arise as between the Fund and the Depositary in circumstances, where in addition to providing depositary services to the Fund, the Depositary or its affiliates may also provide other services on a commercial basis to the Fund including administration and transfer agency

services, currency hedging services as well as acting as acting as counterparty to OTC transactions and providing credit facility arrangements.

To manage these situations, the Depositary has implemented, and keeps up to date, a conflicts of interest management policy intended to identify and analyse potential conflict of interest situations and record, manage and track conflict of interest situations by:

- implementing permanent measures to manage conflicts of interest including the separation of tasks, the separation of reporting and functional lines, the tracking of insider lists and dedicated information technology environments;
- implementing, on a case-by-case basis:
  - (a) appropriate preventive measures including the creation of an ad hoc tracking list and new ethical wall arrangements, and by verifying that transactions are processed appropriately and/or by informing the clients in question; or
  - (b) by refusing to manage activities which may involve potential conflicts of interest.

*Description of the safekeeping functions delegated by the Depositary, list of delegates and sub-custodians and identification of potential conflicts of interest resulting from delegation*

In accordance with the Trust Deed and the requirements of the UCITS Regulations, the Depositary may delegate its safekeeping obligations provided that:

- (i) the services are not delegated with the intention of avoiding the requirements of the UCITS Regulations;
  - the Depositary can demonstrate that there is an objective reason for the delegation; and
  - the Depositary: (a) exercises all due, skill, care and diligence in the selection and the appointment of the sub-custodian; (b) carries out periodic reviews and ongoing monitoring of the sub-custodian and of the arrangements put in place by the sub-custodian in respect of the delegation; and (c) continues to exercise all due skill, care and diligence in carrying out such review and monitoring.

In accordance with the Trust Deed, the liability of the Depositary will not be affected by virtue of any such delegation.

In order to provide asset custody services in discharge of its safekeeping obligations in respect of financial instruments held in custody in a large number of countries and to enable the Sub-Funds to achieve their investment objectives, the Depositary has delegated its safe-keeping duties in respect of financial instruments in custody in countries where it does not have local representation to the third parties listed at Schedule 1 an up-to-date list of which will be made available to Shareholders upon request and/or at the following website:

<http://www.securities-services.societegenerale.com/en/who-are/key-figures/financial-reports/>

In accordance with the UCITS Regulations, the Depositary seeks to ensure that the process of appointing and supervising its sub-custodians meets the highest quality standards, including the management of potential conflicts of interest which may arise as a result of such appointments. The Depositary has established an effective conflict of interest identification, prevention and management policy in line with applicable laws, regulations and standards.

Delegation of the Depositary's safekeeping duties may entail potential conflicts of interest, which have been identified and will be monitored. The conflicts of interest policy implemented by the Depositary consists of a system which prevents conflicts of interest and enables the Depositary to exercise its activities in a way that ensures that the Depositary always acts in the best interests of the UCITS. The conflicts of interest prevention measures consist, specifically, of ensuring the confidentiality of the information exchanged, the physical separation of the main activities which may create potential conflicts of interest, the identification and classification of remuneration and monetary and non-monetary benefits, and the implementation of systems and policies for gifts and events.

Up-to-date information in relation to the identity of the Depositary, the Depositary's duties, conflicts of interest, safekeeping functions delegated by the Depositary, list of delegates and sub-delegates and any conflicts of interest that may arise from such delegation will be made available to Unitholders on request.

#### **Correspondent Banks/Paying Agents**

Local laws/regulations in EEA Member States and the United Kingdom may require the appointment of paying agents/representatives/correspondent banks ("Paying Agents") and maintenance of accounts by such Paying Agents through which subscription and redemption monies or dividends may be paid. Unitholders who choose or are obliged under local regulations to pay or receive subscription or redemption monies or dividends via an intermediate entity rather than directly to the Depositary (e.g. a Paying Agent in a 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 Fund or the relevant Sub-Fund and (b) redemption monies payable by such intermediate entity to the relevant Unitholder. Biographical details of the Correspondent Banks and Paying Agents appointed in different countries shall be set out in Appendix III to this Prospectus. Fees of Paying Agents may be borne by the Fund.

#### **Dealings by Manager, Investment Adviser, Sub-Investment Adviser, Distributors, Administrator, Depositary and Associates**

There is no prohibition on dealings in the assets of a Sub-Fund by the Manager, the Investment Adviser, the Sub-Investment Adviser, the Distributors, the Administrator, the Depositary or entities related to the Manager, the Investment Adviser, the Sub-Investment Adviser, the Distributors, the Administrator or the Depositary or to their respective officers, directors or executives, provided that the transaction is effected on normal commercial terms negotiated at arms length. Such transactions must be in the best interests of the Unitholders.

Transactions effected in accordance with paragraphs (i), (ii) or (iii) below are acceptable where:

- (i) a person approved by the Depositary as independent and competent certifies the price at which the transaction is effected is fair; or
- (ii) the execution of the transaction is on best terms on organised investment exchanges under their rules; and
- (iii) where the conditions set out in (i) or (ii) above are not practical, the transaction is executed on terms which the Depositary is satisfied confirm with the principle set out in the first paragraph above.

### **Conflicts of Interest**

The Manager, the Investment Adviser, the Sub-Investment Adviser, the Distributors, the Administrator, the Depositary, and their respective affiliates, officers and shareholders (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause conflict of interest with the management of a Sub-Fund. These include management of other funds, purchases and sales of securities, investment and management counselling, brokerage services, Depositary and custodial services and serving as directors, officers, advisers or agents of other funds or other companies, including companies in which a Sub-Fund may invest. In particular, it is envisaged that the Investment Adviser or where relevant, the Sub-Investment Adviser may be involved in valuing unlisted securities and as their respective fees are based on the Net Asset Value of the relevant Sub-Funds, the amount of their fees will increase as the value of the relevant Sub-Funds increase. The Investment Adviser or where relevant, the Sub-Investment Adviser may also be managing or advising on the investments of other investment funds which may have similar or overlapping investment objectives to or with a Sub-Fund. Each of the Parties will respectively ensure that the performance of their respective duties will not be impaired by any such involvement that they might have. In the event that a conflict of interest does arise, the Directors of the Manager shall endeavour to ensure that it is resolved fairly.

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

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

Further information on the remuneration policy of the Manager is available on <https://www.mjHUDSON.com/bfml/>. As the Manager has delegated the investment management of the Sub-Funds to the Investment Adviser, the Manager will ensure that the Investment Adviser applies in a proportionate manner the remuneration rules as detailed in the UCITS Regulations or, alternatively, that the Investment Adviser is subject to equally effective remuneration requirements or contractual arrangements are put in place between with the Manager and the Investment Adviser in order to ensure that there is no circumvention of the remuneration rules set down in the ESMA Guidelines on Remuneration for UCITS.

**Details of the remuneration policy of the Manager, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, will be available free of charge upon request from the Manager.**  
**Collateral Policy of the Manager**

In accordance with the requirements of the Central Bank, the Manager will also employ a collateral management policy for and on behalf of each Sub-Fund in respect of collateral received in respect of OTC financial derivative transactions whether used for investment or for efficient portfolio management purposes.

The Manager will generally not seek to pledge the securities of any Sub-Fund as collateral and will not receive any non-cash collateral on behalf of the Fund or any Sub-Fund.

### ***Collateral Policy***

A Sub-Fund may accept cash collateral only where disclosed in the relevant Sub-Fund and will not receive any non-cash collateral.

Cash collateral will be valued in accordance with the valuation policies and principles applicable to the relevant Sub-Fund.

The Investment Adviser and where relevant, the Sub-Investment Adviser will monitor collateral received, on an ongoing basis, taking into consideration the level of correlation, diversity and liquidity and the level of haircut applied, if any as well as availability, valuation and issuer credit quality. Until such time as the Prospectus is updated to provide otherwise, cash collateral received by a Sub-Fund shall not be re-invested.

Where a Fund receives collateral for at least 30% of its net assets, the Investment Adviser and where relevant, the Sub-Investment Adviser will employ an appropriate stress testing policy to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Investment Adviser or the Sub-Investment Adviser to assess the liquidity risk attached to the collateral. The liquidity stress testing policy shall be disclosed in the risk management process employed by the Investment Adviser or Sub-Investment Adviser. The Fund does not currently engage in any such stock-lending or receive any non-cash collateral.

### **Posting of collateral by a Fund**

Collateral provided by a Sub-Fund to a counterparty shall be agreed with the relevant counterparty and may comprise of cash and shall, where applicable, comply with the requirements of EMIR. Non-cash collateral will not be provided by a Sub-Fund.

### ***Risks Associated with Collateral Management***

Where cash collateral received by a Sub-Fund is re-invested in accordance with the conditions imposed by the Central Bank, a Sub-Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.



Because the passing of collateral is effected through the use of standard contracts, a Fund may be exposed to legal risks such as the contract may not accurately reflect the intentions of the parties or the contract may not be enforceable against the counterparty in its jurisdiction of incorporation.

## ADMINISTRATION OF THE FUND

### Description of Units

Units of each Sub-Fund are all freely transferable and, subject to the differences between Units of different Classes as outlined below, are all entitled to participate equally in the profits and distributions (if any) of that Sub-Fund and in its assets in the event of termination. The Units, which are of no par value and which must be fully paid for upon issue, carry no preferential or pre-emptive rights. Fractions of Units may be issued up to three decimal places.

A Unit in a Sub-Fund represents the beneficial ownership of one undivided share in the assets of the relevant Sub-Fund attributable to the relevant Class.

The Fund is made up of the Sub-Funds, each Sub-Fund being a single pool of assets. The Manager may, on prior notice to and clearance by the Central Bank, whether on the establishment of a Sub-Fund or from time to time, create more than one Class of Units in a Sub-Fund to which different levels of subscription fees and expenses (including the management fee), minimum subscription, minimum holding, designated currency, hedging strategy (if any) applied to the designated currency of the Class, distribution policy and such other features as the Manager may determine may be applicable. Units shall be issued to investors as Units in a Class.

### Application for Units

#### *Application Procedure*

Applications for Units should be made to the Administrator or to the Correspondent Bank/Paying Agent by completing an application form in such form as the Manager may from time to time prescribe, the original of which should be delivered to the Administrator or to the Correspondent Bank/Paying Agent.

All applications must be received (by letter or by such other means as may be prescribed by the Manager from time to time) by the Administrator or by the Correspondent Bank/Paying Agent for onward transmission to the Administrator, as relevant at their respective business addresses no later than the relevant Dealing Deadline as provided for in the Sub-Fund Information Card. If an application is received after the time aforesaid such application shall be deemed to be made in respect of the Dealing Day next following such relevant Dealing Day. Receipt of such application shall be evidenced by a written confirmation of receipt issued to the applicant by the Administrator (or its agent) or the Correspondent Bank/Paying Agent, in the absence of which confirmation, the applicant should make immediate contact with the Administrator or Correspondent Bank/Paying Agent as appropriate.

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

Following the initial offer period of a Sub-Fund, any issue of Units shall only be made by the Administrator on a Dealing Day.

The Units shall be issued in registered form. Written confirmations will be issued confirming Unitholders holdings and registration in the register of Unitholders. Certificates for Units will not normally be issued.

US Persons may not purchase Units of any Sub-Fund in the Fund (except in accordance with an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended and the United States Investment Company Act of 1940, as amended) and applicants may be required to certify that they are not acquiring Units for, directly or indirectly, US Persons and that such applicants will not sell or offer to sell or transfer such Units to a US Person.

#### *Minimum Subscription*

Different minimum subscriptions may be imposed on initial and subsequent subscriptions and minimum subscriptions may differ between Classes, as specified in the relevant Sub-Fund Information Cards attached to this Prospectus. In exceptional circumstances, the minimum initial subscription and the subsequent instalments may be reduced by the Manager at its discretion in any particular case.

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

The Criminal Justice (Money Laundering and Terrorist Financing) Act, 2010 imposes obligations on both the Fund and the Manager to implement risk based and adequate measures to include ongoing monitoring of the business relationship to prevent and detect money laundering and terrorist financing which includes measures to identify the source of subscription monies and verify the identity and address of all Unitholders and in some instances the beneficial owner on whose behalf a Unitholder holds Units.

The application of this risk based approach dictates that in certain circumstances the Manager will be required to apply enhanced customer due diligence to certain investor types e.g. Politically Exposed Persons (“PEPs”), an individual who is or has, at any time in the preceding year been entrusted with prominent public functions and immediate family members or person known to be close associates of such persons, must also be identified as well as other investors who have been assessed as falling within a high risk category. The Manager reserves the right to request, at the time of an application for Units and at any time whilst an investor holds Units including at the time of redemption of such Units such information as may be necessary to verify the identity and address of that Unitholder and any beneficial owner on whose behalf such Units are held.

Typically the Manager will require customer due diligence documentation on the investor’s first application to subscribe for Units. However, as a result of regulatory changes or in relation to a redemption, or otherwise, the Manager may require continuing due diligence to be carried out and accordingly the Manager reserves the right to request any information at any time as may be necessary to verify the identity of a Unitholder or any beneficial owner of Units.

The Manager may request such information and documentation as it considers is necessary to verify the identity and address of any applicant. Where a subscription is being made through a regulated intermediary, and the intermediary operates within a country recognised in Ireland by applicable law as having anti-money laundering and counter terrorist financing regulations equivalent to Ireland, the

Manager may be entitled to apply simplified customer due diligence to such an investor or rely on written representations from the regulated intermediary with respect to the underlying prospective investor, but will also have to conduct ongoing monitoring of the investor for anti-money laundering purposes. Intermediaries cannot rely on third parties to meet the obligation to monitor the ongoing business relationship with an investor which remains their ultimate responsibility.

The Manager will notify prospective investors as to the types of evidence of their identity that are required. By way of example only, an individual may be required to produce an original certified copy of passport or identification card duly certified by a particular person or entity (such as a lawyer or notary public), together with evidence of their address such as two original copies of evidence of their address (such as a utility bill or bank statement) and tax residence. A corporate subscriber may be required to produce a certified copy of its certificate of incorporation (including any name change) and memorandum and articles of association (or equivalent) as well as the names, occupations, dates of births and residential and business addresses of all directors and beneficial owners as defined by the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010.

The details given above are by way of example only and the Manager will request such information and documentation as it considers is necessary to verify the identity and address of each applicant. In the event of delay or failure by the applicant to produce any information required by the Manager to verify the applicant's identity, the Manager may refuse to accept the application and return any subscription funds received without interest and at the cost of the applicant to the account from which such funds were originally debited. If Units have been issued to a Unitholder who has not provided the documentation necessary to verify their identity, the Manager will process any redemption requests, but will withhold the redemption proceeds belonging to such Unitholder. Prospective investors should note specifically redemption proceeds will not be paid to a third party account.

Each applicant acknowledges and agrees that the Fund and the Manager shall be held harmless against any loss arising as a result of a refusal to process such applicant's subscription application or any delay in the payment of redemption proceeds if such information and documentation as has been requested by the Manager has not been provided by such applicant.

Any failure to supply the Manager or the Administrator with any documentation requested by them for anti-money laundering or client identification purposes will result in a delay in the settlement of redemption proceeds. In such circumstances, the Administrator will process any redemption request received by a Unitholder. However the proceeds of that redemption shall remain an asset of the relevant Sub-Fund and the Unitholder will rank as a general creditor of the Sub-Fund until such time as the Administrator is satisfied that its anti-money-laundering and anti-fraud procedures have been fully complied with, following which redemption proceeds will be released. In the event of the insolvency of the Sub-Fund before such monies are transferred from the Fund's account to the redeeming investor, there is no guarantee that the Sub-Fund will have sufficient funds to pay its unsecured creditors in full. Investors who are due redemption proceeds which are held in the Fund's account will rank equally with other unsecured creditors of the relevant Sub-Fund and will be entitled to pro-rata share of any monies made available to all unsecured creditors by the insolvency practitioner.

Accordingly, Unitholders and investors should ensure that all documentation required by the Manager or Administrator to comply with anti-money laundering and anti-fraud procedures are submitted promptly to the Manager/Administrator when subscribing for Units.

#### *Method of Payment*

Payment in respect of subscriptions must be received in cleared funds to the bank account specified on the application form no later than three Business Days after the relevant Valuation Day provided that the Manager reserves the right to defer the issue of Units until receipt of cleared subscription monies by the Fund. In the event of late settlement, the Depositary on the instructions of the Manager may cancel any allotment made. In addition, the Manager may charge the applicant for or, if the applicant is a Unitholder, redeem or sell all or part of his holding of Units and use the proceeds thereof to satisfy and make good, any loss, cost, expense or fees suffered by the Fund as a result of non receipt of such funds within the deadline.

Subscription monies received from an investor in advance of a Dealing Day in respect of which an application for Units has been, or is expected to be, received will be held in a Sub-Fund Cash Account and will be treated as an asset of the relevant Sub-Fund upon receipt and will not benefit from the application of any investor money protection rules (i.e. the subscription monies in such circumstance will not be held on trust as investor monies for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Sub-Fund with respect to the amount subscribed and held by the Fund until such Units are issued as of the relevant Dealing Day.

#### **Issue Price of Units**

##### *Initial Issues*

During the initial offer period of a Sub-Fund or Class the Manager and the Depositary shall, before the issue of any Units in the Sub-Fund or Class, determine the initial issue price thereof. The time at which, the terms upon which and the initial issue price per Unit of the initial issue of Units of a Sub-Fund or Class shall be specified in the relevant Sub-Fund Information Card to this Prospectus.

##### *Subsequent Issues*

Thereafter, Units shall be issued at a price equal to the Net Asset Value per Unit on the relevant Dealing Day on which the Units are to be issued. A subscription fee not exceeding 2% of the total subscription amount shall be deducted from the total subscription amount and shall be paid to the Manager or to any placing or sales agent or agents or Distributors appointed by the Manager for its or their absolute use and benefit and shall not form part of the assets of the relevant Sub-Fund. The Manager may at its sole discretion waive such fee or fees or differentiate between applicants as to the amount of such fee or fees within the permitted limits.

## **Redemption of Units**

The Administrator will at any time during the term of a Sub-Fund on receipt by it or by its duly authorised agent of a request by a Unitholder redeem on any Dealing Day all or any part of such Unitholder's holding of Units at a price per Unit equal to the Net Asset Value per Unit.

All redemption requests must be received (by letter or by such other means as may be prescribed by the Manager from time to time) by the Administrator or by the Correspondent Bank/Paying Agent for onward transmission to the Administrator, as relevant at their respective business addresses no later than the relevant Dealing Deadline as provided for in the Sub-Fund Information Card. Any request received after the time aforesaid shall be deemed to be made in respect of the Dealing Day next following such relevant Dealing Day. Receipt of such application shall be evidenced by a written confirmation of receipt issued to the applicant by the Administrator (or its agent) or the Correspondent Bank/Paying Agent, in the absence of which confirmation, the applicant should make immediate contact with the Administrator or Correspondent Bank/Paying Agent as appropriate.

Redemption monies payable to an investor subsequent to a Dealing Day of a Sub-Fund as of which Units of that investor were redeemed (and consequently the investor is no longer a Unitholder of the Fund as of the relevant Dealing Day) will be held in a Sub-Fund Cash Account, and will be treated as an asset of the Sub-Fund until paid to that investor and will not benefit from the application of any investor money protection rules (i.e. the redemption monies in such circumstance will not be held on trust for the relevant investor). In such circumstance, the investor will be an unsecured creditor of the relevant Sub-Fund with respect to the redemption amount held by the Fund until paid to the investor.

The redemption price will be payable to the Unitholder within three Business Days after the relevant Dealing Day on which the redemption is to be effected subject to receipt by the Manager of the original redemption request in respect of the Units. The redemption price payable to the Unitholder will be paid in the currency of the relevant class being redeemed by bank transfer or cheque at the expense of the Unitholder. Every such bank transfer or cheque shall be made payable to the order of such Unitholder, or in the case of joint Unitholders, made payable to the order of the joint Unitholder who has requested such redemption at the risk of such Unitholder or joint Unitholders.

If the number of Units of a Sub-Fund falling to be redeemed on any Dealing Day is equal to one tenth or more of the total number of Units of that Sub-Fund in issue or deemed to be in issue on such Dealing Day, then the Manager may in its discretion refuse to redeem any Units in excess of one tenth of the total number of Units of that Sub-Fund in issue or deemed to be in issue as aforesaid and, if the Manager so refuses, the requests for redemption on such Dealing Day shall be reduced rateably and the Units to which each request relates which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent Dealing Day until all the Units to which the original request related have been redeemed. For the avoidance of doubt, requests for redemption which have been carried forward from an earlier Dealing Day shall not receive priority but will be dealt with on a pro-rata basis with all other redemption requests should the decision to defer redemption requests in the manner as described above continue to apply.

Applicants should note that the Manager or the Administrator or their agents may refuse to accept a redemption request if it is not accompanied by such additional information as they may in their absolute

discretion require. This power may, without limitation to the generality of the foregoing, be exercised where proper information has not been provided for money laundering verification purposes as described under “Application for Units”. Applicants should note in particular that redemption proceeds will not be paid by the Administrator to an account which is not in the name of the applicant.

### **Compulsory Redemption of Units**

The Administrator may at any time redeem, or request the transfer of, Units held by Unitholders who are excluded from purchasing or holding Units under the Trust Deed. Any such redemption will be made on a Dealing Day at a price equal to the Net Asset Value per Unit on the relevant Dealing Day on which the Units are to be redeemed.

### **Switching**

It will not be permissible to switch between Classes of different Sub-Funds.

### **Transfer of Units**

Units in each Sub-Fund will be transferable by instrument in writing signed by the transferor and the transferor shall be deemed to remain the holder of the Units until the name of the transferee is entered in the relevant register in respect thereof. Other than in the case of transfers to US Persons approved by the Manager which are exempt or excluded from the registration requirements of the United States Securities Act of 1933 and the United States Investment Company Act of 1940, as amended, the instrument of transfer must be accompanied by a certificate from the transferee that it is not, nor is it acquiring such Units on behalf of or for the benefit of, a US Person. In the case of the death of one of joint Unitholders, the survivor or survivors will be the only person or persons recognised by the Administrator as having any title to or interest in the Units registered in the names of such joint Unitholders.

A fee not exceeding €25 may be charged by the Manager for the registration of each transfer if requested in the name of the transferee and such fee must, if required by the Manager, be paid before the registration of the transfer.

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

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

The increase or decrease in the Net Asset Value of a Sub-Fund over or under, as the case may be, the closing Net Asset Value of that Sub-Fund as at the Valuation Point on the immediately preceding Dealing Day is then allocated between the different Classes of Units in that Sub-Fund based on their pro rata closing Net Asset Values as calculated as of the immediately preceding Valuation Point, as adjusted for subscriptions and redemptions and any other factor which differentiates one Class from another, including the gains/losses and resultant costs of financial instruments employed for currency

hedging between the base currency of a Sub-Fund and the designated currency of a Class or the denominated currency of the assets of the Sub-Fund and the designated currency of a Class to determine the Net Asset Value of each Class. Each Net Asset Value of a Class is then divided by the number of Units in issue, respectively, at the relevant Valuation Point and then rounded to the nearest two decimal places to give the Net Asset Value per Unit.

Where there is more than one Class of Units in issue in a Sub-Fund, the Net Asset Value per Unit of each Class may be adjusted to reflect the accumulation and distribution of income and/or capital and the expenses, liabilities and assets attributable to such Class of Unit.

The assets of a Sub-Fund will be valued as follows:-

- (a) any asset listed and regularly traded on a Recognised Exchange and for which market quotations are readily available shall be valued at the latest mid-market prices as at the Valuation Point, provided that the value of any investment listed on a Recognised Exchange but acquired or traded at a premium or at a discount outside or off the relevant Recognised Exchange or on an over-the-counter market, shall be valued taking into account the level of premium or discount as of the date of valuation of the investment and subject to approval of the Depositary;
- (b) if an asset is listed on several Recognised Exchanges, the latest mid-market prices on the stock exchange or market which in the opinion of the Administrator with the approval of the Depositary, constitutes the main market for such assets will be used;
- (c) the assets of a Sub-Fund which are not listed or which are listed but in respect of which prices are not available or in respect of which the latest mid-market prices does not in the opinion of the Administrator represent fair market value shall be valued at their probable realisation value estimated with care in good faith based upon the advice of the Investment Adviser or where relevant, the Sub-Investment Adviser and such value will be approved by the Depositary;
- (d) derivative instruments dealt in on a market shall be valued by reference to the price which appears to the Administrator to be the settlement price for such instruments on such market. The Manager must value an over the counter ("OTC") derivative on a daily basis. Where the Manager values an OTC derivative which is not traded on a regulated market and which is not cleared by a clearing counterparty the valuation shall be on the basis of the mark to market value of the derivative contract or if market conditions prevent marking to market, reliable and prudent marking to model may be used. Where the Manager values an over the counter derivative which is cleared by a clearing counterparty using the clearing counterparty valuation, the valuation must be approved or verified by a party who is approved for the purpose by the Depositary and who is independent of the counterparty and the independent verification must be carried out at least weekly. The reference to an independent party may include the Investment Adviser or where relevant, the Sub-Investment Adviser. It can also include a party related to the counterparty provided the related party constitutes an



independent unit within the counterparty's group which does not rely on the same pricing models employed by the counterparty. Where the independent party is related to the OTC counterparty and the risk exposure to the counterparty may be reduced through the provision of collateral, the position must also be subject to verification by an unrelated party to the counterparty on a six monthly basis;

- (e) forward foreign exchange contracts shall be valued in the same manner as derivatives contracts which are not traded in a regulated market or by reference to the price at the Valuation Point at which a new forward contract of the same size and maturity could be undertaken;
- (f) units in other collective investment schemes not valued pursuant to paragraph (a) above shall be valued by reference to the latest available net asset value of the units of the relevant collective investment scheme;
- (g) the Manager may, with the approval of the Depositary, adjust the value of any investment if, having regard to its currency, marketability, applicable interest rates, anticipated rates of dividend, maturity, liquidity or any other relevant considerations, they consider that such adjustment is required to reflect the fair value thereof;
- (h) assets denominated in a currency other than in the base currency of the relevant Sub-Fund shall be converted into that base currency at the rate (whether official or otherwise) which the Administrator after consulting or in accordance with a method approved by the Depositary deems appropriate in the circumstances; and
- (i) cash and other liquid assets shall be valued at their nominal value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.

In the event of it being impossible or impracticable to carry out a valuation of an asset in accordance with the valuation rules set out in paragraphs (a) to (i) above, or if such valuation is not representative of the securities fair market value, the Manager is entitled to use other generally recognised valuation principles approved by the Depositary, in order to reach a proper valuation of such asset

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

Except where the determination of the Net Asset Value of a Sub-Fund, the Net Asset Value per Unit and the issue and redemption of Units has been suspended in the circumstances described below, the Net Asset Value per Unit on each Dealing Day will be available at the registered office of the Manager and will be published by the Investment Adviser or where relevant, the Sub-Investment Adviser at the following website address [web.gavekal-capital.com](http://web.gavekal-capital.com) and/or on Bloomberg and/or such other publication, as the Manager and the Depositary may agree, circulating in the jurisdictions in which Units are marketed and which are notified to Unitholders. The prices posted on the internet shall be kept up to date.

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

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

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

Any such suspension will be notified without delay to the Central Bank and shall be notified to Unitholders if in the opinion of the Manager it is likely to exceed fourteen (14) days and will be notified to investors or Unitholders requesting issue or redemption of Units by the Manager at the time of application for such issue or filing of the written request for such redemption.

### **Data Protection Notice**

The Manager is a Data Controller and Data Processor within the meaning of the Data Protection Acts and undertakes to hold, process and be responsible for the destruction of personal information provided by investors in confidence and in accordance with the Data Protection Acts.

By signing the application form, prospective investors consent to the recording of telephone calls made to and received from investors by the Manager, its delegates, its duly appointed agents and any of their

respective related, associated or affiliated companies for record keeping, security and/or training purposes.

Prospective investors should note that by completing the Application Form they are providing information to the Manager which may constitute personal data within the meaning of data protection legislation in Ireland. This data will be used for the purposes of client identification and the subscription process, administration, transfer agency, statistical analysis, market research and to comply with any applicable legal or regulatory requirements, disclosure to the Manager (its delegates and agents) and, if an applicant's consent is given, for direct marketing purposes.

Data may be disclosed and / or transferred to third parties including:

- (a) regulatory bodies, tax authorities; and
- (b) delegates, advisers and service providers of the Fund and their or the Manager's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside the EEA which may not have the same data protection laws as in Ireland) for the purposes specified. For the avoidance of doubt, each service provider to the Fund (including the Investment Adviser, its delegates and its or their duly authorised agents and any of their respective related, associated or affiliated companies) may exchange the personal data, or information about the investors in the Fund, which is held by it with another service provider to the Fund .

Personal data will be obtained, held, used, disclosed and processed for any one or more of the purposes set out in the application form.

Investors have a right to obtain a copy of their personal data kept by the Manager and the right to rectify any inaccuracies in personal data held by the Manager . As of 25 May 2018 being the date the General Data Protection Regulation (EU 2016/679) comes into effect, investors will also have a right to be forgotten and a right to restrict or object to processing in a number of circumstances. In certain limited circumstances a right to data portability may apply. Where investors give consent to the processing of personal data, this consent may be withdrawn at any time.

## MANAGEMENT AND FUND CHARGES

The fees of the Manager may be different from Sub-Fund to Sub-Fund and from Class to Class and shall be calculated on that proportion of the Net Asset Value attributable to the relevant Class.

The annual management fee payable out of the Sub-Fund's assets may differ from Sub-Fund to Sub-Fund and from Class to Class.

The fees of the Administrator (other than the registrar and transfer agency fee, disclosed below under "General") and the Depositary shall be calculated on the Net Asset Value of each Sub-Fund. The expenses of the Manager, the Administrator and the Depositary shall similarly be borne jointly by all the Sub-Funds save that any expenses which are directly or indirectly attributable to a particular Sub-Fund or Class shall be borne solely by that Sub-Fund or Class.

### **The Manager**

**The Manager shall be entitled to receive out of that proportion of the assets of a Sub-Fund attributable to the relevant Class an annual fee, accrued at each Valuation Point and payable monthly in arrears at the rate (plus VAT, if any) set out in the relevant Sub-Fund Information Cards attached to this Prospectus, (the "Management Fee") in relation to the provision of performance attribution, performance measurement, risk analyses and research services to each relevant Sub-Fund.**

Where the Manager or any of its delegates successfully negotiates the recapture of a portion of the commissions charged by brokers or dealers in connection with the purchase and/or sale of securities for a Sub-Fund ("recaptured commission"), the recaptured commission shall be paid to the relevant Sub-Fund and the Manager shall be entitled to be reimbursed out of the assets of the relevant Sub-Fund for the reasonable, properly-vouched costs, fees and expenses directly incurred by the Manager in negotiating recaptured commissions and in monitoring the programmes seeking highest standards for execution, value added services and investment research on behalf of the Sub-Funds. Accordingly, there may be circumstances where the Manager shall not be entitled to reimbursement of part or all of the costs, fees and expenses it incurs in relation to recapture commission programmes.

**The Manager shall also be entitled to be repaid all of its Administration Expenses out of the assets of the Fund.**

### **The Administrator**

#### *Administration Fee*

The Manager shall pay to the Administrator out of the assets of each Sub-Fund such fee as will be disclosed in the relevant Sub-Fund Information Card (plus VAT, if any), which shall accrue as at each Valuation Day and shall be payable monthly in arrears.

The Administrator shall also be entitled to be repaid out of the assets of the relevant Sub-Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Sub-Fund which shall include but are not limited to legal fees, couriers' fees and telecommunication costs and expenses.

### **The Depositary**

The Depositary shall be entitled to receive out of the assets of each Sub-Fund such fee as will be disclosed in the relevant Sub-Fund Information Card (plus VAT, if any), which shall accrue as at each Valuation Day and shall be payable monthly in arrears.

The Depositary shall be further entitled to be repaid all of its Disbursements out of the assets of the relevant Sub-Fund. The Depositary shall pay the fees of any sub-custodian appointed by it from its own fee, such fees will be charged at normal commercial rates.

### **Investment Adviser**

The Manager shall pay to the Investment Adviser out of its own management fees (plus VAT, if any) the fees of the Investment Adviser for each relevant Sub-Fund. The Investment Adviser shall be entitled to be repaid for any out-of-pocket expenses out of the assets of the relevant Sub-Fund.

### **Sub-Investment Adviser**

The Investment Adviser shall arrange for the payment of the Sub-Investment Adviser, as compensation for its services under the Sub-Investment Advisory Agreement, a fee, out of the fee paid by the Manager to the Investment Adviser at such rate or rates as may be agreed in writing from time to time between the parties.

### **Distributors**

The Manager shall pay to the Distributors out of its own management fees (plus VAT, if any) the fees of the Distributors for each relevant Sub-Fund. The Distributors shall be entitled to be repaid for any out-of-pocket expenses out of the assets of the relevant Sub-Fund.

### **Correspondent Banks/Paying Agents/Facilities Agent**

Fees and expenses of any Correspondent Banks, Paying Agents Fees and/or Facilities Agents appointed by the Manager which will be at normal commercial rates and will be borne by the Fund or the relevant Sub-Fund(s).

### **General**

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

Each Sub-Fund pays out of its assets all fees, costs and expenses, including Administration Expenses and Disbursements, of or incurred by the Manager, the Administrator and the Depositary in connection with the ongoing management, administration and operation of the Sub-Fund. Such fees, costs expenses and disbursements payable by the relevant Sub-Fund include, but are not limited to:

- (a) auditors and accountants fees;
- (b) lawyers fees;
- (c) commissions, fees and reasonable out-of-pocket expenses payable to any placing agent, structuring agent, paying agent, correspondent bank or Distributor of the Units;
- (d) merchant banking, stockbroking or corporate finance fees including interest on borrowings, index calculation, performance attribution, risk control and similar services' fees and expenses;
- (e) taxes or duties imposed by any fiscal authority;
- (f) costs of preparation, translation and distribution of all prospectuses, reports, confirmations of purchase of Units and notices to Unitholders;
- (g) fees and expenses incurred in connection with the listing of Units on any Recognised Exchange and in complying with the listing rules thereof;
- (h) initial and ongoing fees and expenses in connection with registering the Units for sale in any other jurisdictions;
- (i) custody and transfer expenses;
- (j) expenses of Unitholders' meetings;
- (k) insurance premia;
- (l) any other expenses, including clerical costs of issue or redemption of Units;
- (m) the cost of preparing, translating, printing and/or filing in any language the Trust Deed and all other documents relating to the Fund or to the relevant Sub-Fund including registration statements, prospectuses, listing particulars, explanatory memoranda, annual, half-yearly and extraordinary reports with all authorities (including local securities dealers associations) having jurisdiction over the Fund or any of the Sub-Funds or the offer of Units of the relevant Sub-Fund and the cost of delivering any of the foregoing to the Unitholders;
- (n) advertising and marketing expenses relating to the distribution of Units of the Sub-Fund;
- (o) the cost of publication of notices in local newspapers or web-sites in any relevant jurisdiction;

- (p) the total costs of any amalgamation or reconstruction of any Sub-Fund;
- (q) all fees payable in respect of investments in other collective investment schemes including, without limitation, subscription, redemption, management, investment management, performance, distribution, administration and/or custody fees in respect of each collective investment fund in which any of the Sub-Funds invest, except where this is not permitted by the Central Bank;
- (r) the fees, costs and expenses of any Correspondent Bank or Paying Agent; and
- (s) the expenses of the Investment Adviser and Distributors;

in each case plus any applicable VAT.

Each Sub-Fund will also pay fees relating to the maintenance of the official register of the Fund of up to 40 Euro per subscription or redemption or transfer effected by the registrar in relation to the Units. Such fee will be payable monthly in arrears.

All fees and expenses relating to the establishment and organisation of the Fund and each of the initial Sub-Funds including the fees of the Fund's professional advisers and the fees and expenses incurred in registering them for sale in various markets will be borne by the Fund. Such fees and expenses are estimated to amount to €50,000 and may be amortised over the first 3 Accounting Periods of the Fund or such other period as the Manager may determine and in such manner as the Manager in its absolute discretion deems fair and shall be subject to such adjustment following the establishment of new Sub-Funds as the Manager may determine. Upon the opening of subsequent Sub-Funds within forty eight months after the launch of the initial Sub-Funds, the amount of such expenses and costs remaining to be amortised as of the date on which such additional Sub-Funds are opened shall be apportioned equally against the initial Sub-Funds and those Sub-Funds. Such costs may (at the discretion of the Manager) be amortised over the first five years (or such other period as may be determined by the Manager) and will represent a liability for the purposes of calculating the Net Asset Value of the relevant Sub-Fund.

## TAXATION

### General

***The information given is not exhaustive and does not constitute legal or tax advice. It does not purport to deal with all of the tax consequences applicable to the Fund or its current or future Sub-Funds or to all categories of investors, some of whom may be subject to special rules.***

***Prospective investors should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, switching or disposing of Units under the laws of the jurisdictions in which such prospective investors may be subject to tax.***

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

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

### Taxation in Ireland

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

### Taxation of the Fund

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

The Manager has been advised that, under current Irish law and practice, the Fund qualifies as an investment undertaking as defined in Section 739B of the Taxes Act so long as the Fund is resident in Ireland. Accordingly, the Fund is not chargeable to Irish tax on its income and gains.

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



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

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

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

Dividends received by the Fund from investment in Irish equities may be subject to Irish dividend withholding tax at a rate of 25% (such sum representing income tax. However, the Fund can make a declaration to the payer that it is a collective investment undertaking beneficially entitled to the dividends, which will entitle the Fund to receive such dividends without deduction of Irish dividend withholding tax.

### **Stamp Duty**

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

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

## **Unitholders Tax**

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

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

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

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

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

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

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

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

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

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

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

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

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

### 10% Threshold

The Fund will not have to deduct tax (“exit tax”) in respect of this deemed disposal where the value of the chargeable units (i.e. those Units held by Unitholders to whom the declaration procedures do not apply) in the Fund (or Sub-Fund being an umbrella scheme) is less than 10% of the value of the total Units in the Fund (or the Sub-Fund) and the Fund has made an election to report certain details in respect of each affected Unitholder to the Irish Revenue Commissioners (the “Affected Unitholder”) in each year that the de minimus limit applies. In such a situation the obligation to account for the tax on any gain arising on a deemed disposal will be the responsibility of the Unitholder on a self-assessment basis (“self-assessors”) as opposed to the Fund or Sub-Fund (or their service providers). The Fund is deemed to have made the election to report once it has advised the Affected Unitholders in writing that it will make the required report.

### 15 % Threshold

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

### *Other*

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

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

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

### *Equivalent Measures*

The Finance Act 2010 ("Act") introduced measures commonly referred to as equivalent measures to amend the rules with regard to Relevant Declarations. The position prior to the Act was that no tax would arise on an investment undertaking with regard to chargeable events in respect of a unitholder who was neither Irish Resident nor Ordinarily Resident in Ireland at the time of the chargeable event, provided that a Relevant Declaration was in place and the investment undertaking was not in possession of any information which would reasonably suggest that the information contained therein was no longer materially correct. In the absence of a Relevant Declaration there was a presumption that the investor was Irish Resident or Ordinarily Resident in Ireland. The Act however contained provisions that permit the above exemption in respect of unitholders who are not Irish Resident nor Ordinarily Resident in Ireland to apply where the investment undertaking is not actively marketed to such investors and appropriate equivalent measures are put in place by the investment undertaking to ensure that such unitholders are not Irish Resident nor Ordinarily Resident in Ireland and the investment undertaking has received approval from the Irish Revenue Commissioners in this regard.

### *Personal Portfolio Investment Undertaking ("PPIU")*

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

### *Reporting*

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

- Exempt Irish Investors (as defined above);

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

### **Capital Acquisitions Tax**

The disposal of Units may be subject to Irish gift or inheritance tax (Capital Acquisitions Tax). However, provided that the Fund falls within the definition of investment undertaking (within the meaning of Section 739B (1) of the Taxes Act), the disposal of Units by a Unitholder is not liable to Capital Acquisitions Tax provided that (a) at the date of the gift or inheritance, the donee or successor is neither domiciled nor Ordinarily Resident in Ireland; (b) at the date of the disposition, the Unitholder disposing (“disponer”) of the Units is neither domiciled nor Ordinarily Resident in Ireland; and (c) the Units are comprised in the gift or inheritance at the date of such gift or inheritance and at the valuation date.

With regard to Irish tax residency for Capital Acquisitions Tax purposes, special rules apply for non-Irish domiciled persons. A non-Irish domiciled donee or disponer will not be deemed to be resident or ordinarily resident in Ireland at the relevant date unless;

- i) that person has been resident in Ireland for the 5 consecutive years of assessment immediately preceding the year of assessment in which that date falls; and
- ii) that person is either resident or ordinarily resident in Ireland on that date.

### **Taxation in the United Kingdom**

**The following information, which relates only to UK taxation, is applicable to the Fund and to persons who are resident or ordinarily resident in the UK and who hold Units as investments. It is based on the law and practice currently in force in the UK. The information does not constitute legal or tax advice. It only relates to certain aspects of making an investment in the fund, and is not exhaustive. Potential investors are advised to consult their own professional tax advisers.**

**Investors should note that tax law and interpretation can change and that, in particular, the levels and basis of, and reliefs from, taxation may change and it may alter the benefits of investment in the Fund.**

### ***The Fund***

The Manager and the Depositary intend that the affairs of the Fund and the Depositary should be managed and conducted so that the Fund does not become resident in the United Kingdom for United Kingdom taxation purposes. In these circumstances, the Fund will not be subject to United Kingdom corporation tax or income tax on its profits. However, certain interest and other income received by the Fund which has a United Kingdom source may be subject to withholding taxes in the United Kingdom.

## **Unitholders**

Unitholders who are resident or ordinarily resident in the UK for taxation purposes should be aware that their Units will constitute "material interests" in an "offshore fund" for the purposes of the United Kingdom Offshore Funds (Tax) Regulations 2009 (the "Regulations"). Each Class of Units in the Fund is expected to constitute an "offshore fund" for the purposes of the above mentioned tax regime. Where such a Unitholder holds such a material interest, any gain arising to that person on the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income and not as capital gain, unless the offshore fund has been certified by HM Revenue and Customs ("HMRC"), the UK Revenue authority, as a "reporting fund" throughout the period during which that person has held that interest.

An application has been made to HMRC to obtain reporting status for a limited number of Classes of Units, in each case as specified in the relevant Supplement. Where no application for reporting fund status is made, or where a Class of Units did not have reporting fund status throughout the period of investment by a relevant Unitholder, any gain realised by UK resident or ordinarily resident Unitholders on a sale, redemption or other disposal of their Units (including a deemed disposal on death) will be taxed as income (or corporation tax on income, in the case of UK taxable corporate Unitholders) and not as capital gains. The precise consequences of such treatment will depend upon the particular tax position of each such Unitholder.

For those Classes of Units where an application for reporting fund status has been made, subject to satisfying certain conditions (such as the relevant Class having had reporting fund status throughout the period of investment by a relevant Unitholder), any gains arising to Unitholders resident or ordinarily resident in the UK on a sale, redemption or other disposal of their Units would be taxed as capital gains (or corporation tax on capital gains, in the case of UK taxable corporate Unitholders). The precise consequences of such treatment will depend upon the particular tax position of each Unitholder. Further, under the Regulations, a reporting fund is required to provide each Unitholder in the relevant Class of Units, for each Accounting Period, a report of the income of the Class for that account period which is attributable to the Unitholder's interest (whether or not such income has been distributed), and such reported income is treated as an additional distribution made by the Class to the Unitholder. A UK resident or ordinarily resident Unitholder in the relevant Class of Units will therefore (subject to their particular UK tax position) be potentially subject to UK tax on that reported income as if such reported income were a distribution upon their Units. These rules are complex and Unitholders or potential investors are advised to consult their own tax advisers. Further, there can be no guarantee that the relevant conditions to achieve or maintain "reporting" status will be satisfied at all times.

Persons within the charge to United Kingdom corporation tax should note that the regime for the taxation of most corporate debt contained in the Corporation Tax Act 2009 provides that, if at any time in an accounting period such a person holds a material interest in an offshore fund within the meaning of the relevant provisions of the Taxes Act, and there is a time in that period when that fund fails to satisfy the "non-qualifying investments test", the material interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to satisfy the "non-qualifying investments test" at any time when more than 60 per cent of its assets by market value comprise government and corporate debt

securities or cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the "non-qualifying investments test". The Units will constitute material interests in an offshore fund. On the basis of the investment policies of certain Funds, such a Fund could invest more than 60% of its assets by market value in government and corporate debt securities or as cash on deposit or certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the "non-qualifying investments test" and could, therefore, fail to satisfy the "non-qualifying investments test". In that eventuality, the Units in that Fund will be treated for corporation tax purposes as within the loan relationships regime with the result that all returns on the Units in that Fund in respect of such a person's accounting period (including gains, profits and losses) will be taxed or relieved as an income receipt or expense on a "fair value accounting" basis. Accordingly, such a person who acquires Units in the Fund may, in that eventuality and depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Units (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Units).

Subject to their personal circumstances and the nature of the relevant dividend or distribution, Unitholders resident in the UK for taxation purposes will generally be liable to UK income tax or corporation tax in respect of dividends or other distributions of the relevant Fund (including deemed distributions), whether or not such distributions are reinvested. UK resident individual Unitholders who are not domiciled in the United Kingdom (and who, where relevant, elect for the remittance basis of taxation for the tax year in which such dividends or other distributions are received) will normally (depending on the investment portfolio of the Fund) be subject to United Kingdom income tax on such dividends or distributions only to the extent that such dividends or distributions are remitted to the United Kingdom.

An exchange of Units for Units in a different Fund, or for a different Class of Units in the same Fund, may result in UK resident or ordinarily resident Unitholder who exchanges Units in these circumstances being treated as making a disposal of Units giving rise to a chargeable gain or allowable loss for UK tax purposes. However, whether or not such an exchange gives rise to a chargeable disposal will depend on the precise circumstances as not all exchanges of Units are expected to give rise to a taxable event. Further, special tax rules exist governing the exchange of Units of a "reporting" Class of Units into a "non-reporting" Class of Units, and vice versa. The rules described in this paragraph are complex and Unitholders and potential investors are advised to consult their own tax advisers.

The attention of individuals ordinarily resident in the United Kingdom for taxation purposes is drawn to the provisions of Sections 714 to 751 of the Income Tax Act 2007. These Sections contain anti-avoidance provisions dealing with the transfer of assets to overseas persons in circumstances which may render such individuals liable to taxation in respect of undistributed profits of the Fund.

The attention of person resident or ordinarily resident in the United Kingdom for taxation purposes is drawn to the provisions of section 13 Taxation of Chargeable Gains Act 1992 ("section 13"). Section 13 could be material to any such person who has an interest in the Fund as a "participator" for United Kingdom taxation purposes (which term includes a unitholder) at a time when any gain accrues to the Fund (such as a disposal of any of its investments) which constitutes a chargeable gain or offshore



income gain if, at the same time, the Company is itself controlled in a manner and by a sufficiently small number of persons as to render the Company a body corporate that would, were it have been resident in the United Kingdom for taxation purposes, be a “close” company for those purposes. While the application of section 13 to Funds constituted as unit trusts is not free from doubt, if HMRC or a UK court were to determine that section 13 applied to offshore funds constituted as unit trusts, the provisions of section 13 would result in any such person who is a Unitholder being treated for the purposes of United Kingdom taxation as if a part of any chargeable gain or offshore income gain accruing to the Fund had accrued to that person directly, that part being equal to the proportion of the gain that corresponds to that person’s proportionate interest in the Fund. No liability under section 13 could be incurred by such a person, however, in respect of a chargeable gain or offshore income gain accruing to the Fund if the aggregate proportion of that gain that could be attributed under section 13 both to that person and to any persons connected with him for United Kingdom taxation purposes does not exceed one-tenth of the gain. Finance Act 2008 extended section 13 with effect from 6 April 2008 to Unitholders who are individuals domiciled outside the United Kingdom subject to the remittance basis in particular circumstances.

It should be noted that the levels and basis of, and reliefs from taxation can change.

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

The foreign account tax compliance provisions (“**FATCA**”) of the Hiring Incentives to Restore Employment Act 2010 represent an expansive information reporting regime enacted by the United States (“**US**”) aimed at ensuring that Specified US persons with financial assets outside the US are paying the correct amount of US tax. FATCA will generally impose a withholding tax of up to 30% with respect to certain US source income (including dividends and interest) and gross proceeds from the sale or other disposal of property that can produce U.S. source interest or dividends paid to a foreign financial institution (“**FFI**”) unless the FFI enters directly into a contract (“**FFI agreement**”) with the US Internal Revenue Service (“**IRS**”) or alternatively the FFI is located in a IGA country (please see below). An FFI agreement will impose obligations on the FFI including disclosure of certain information about US investors directly to the IRS and the imposition of withholding tax in the case of non-compliant investors. For these purposes the Fund would fall within the definition of a FFI for the purpose of FATCA.

In recognition of both the fact that the stated policy objective of FATCA is to achieve reporting (as opposed to being solely the collecting of withholding tax) and the difficulties which may arise in certain jurisdictions with respect to compliance with FATCA by FFIs, the US has developed an intergovernmental approach to the implementation of FATCA. In this regard the Irish and US Governments signed an intergovernmental agreement (“**Irish IGA**”) on the 21<sup>st</sup> December 2012 and provisions were included in Finance Act 2013 for the implementation of the Irish IGA and also to permit regulations to be made by the Irish Revenue Commissioners with regard to registration and reporting requirements arising from the Irish IGA. In this regard, the Irish Revenue Commissioners (in conjunction with the Department of Finance) have issued Regulations – S.I. No. 292 of 2014 which is effective from 1<sup>st</sup> July, 2014. Supporting Guidance Notes have been issued by the Irish Revenue Commissioners and are updated on an ad-hoc basis.

The Irish IGA is intended to reduce the burden for Irish FFIs of complying with FATCA by simplifying the compliance process and minimising the risk of withholding tax. Under the Irish IGA, information

about relevant US investors will be provided on an annual basis by each Irish FFI (unless the FFI is exempted from the FATCA requirements) directly to the Irish Revenue Commissioners. The Irish Revenue Commissioners will then provide such information to the IRS (by the 30<sup>th</sup> September of the following year) without the need for the FFI to enter into a FFI agreement with the IRS. Nevertheless, the FFI will generally be required to register with the IRS to obtain a Global Intermediary Identification Number commonly referred to as a GIIN.

Under the Irish IGA, FFIs should generally not be required to apply 30% withholding tax. To the extent the Fund does suffer US withholding tax on its investments as a result of FATCA, the Directors of the AIFM may take any action in relation to an investor's investment in the Fund to ensure that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI gave rise to the withholding.

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

### **Common Reporting Standards**

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

The main objective of the CRS and DAC2 is to provide for the annual automatic exchange of certain financial account information between relevant tax authorities of participating jurisdictions or EU member states.

The CRS and DAC2 draw extensively on the intergovernmental approach used for the purposes of implementing FATCA and, as such, there are significant similarities between the reporting mechanisms. However, whereas FATCA essentially only requires reporting of specific information in relation to Specified US Persons to the IRS, the CRS and DAC2 have significantly wider ambit due to the multiple jurisdictions participating in the regime.

Broadly speaking, the CRS and DAC2 will require Irish Financial Institutions to identify Account Holders (and, in particular situations, Controlling Persons of such Account Holders) resident in other participating jurisdictions and to report specific information in relation to these Account Holders (and, in particular situations, specific information in relation to identified Controlling Persons) to the Irish Revenue Commissioners on an annual basis (which, in turn, will provide this information to the relevant tax authorities where the Account Holder is resident). In this regard, please note that the Fund will be considered an Irish Financial Institution for the purposes of the CRS and DAC2.

For further information on the CRS and DAC2 requirements of the Fund, please refer to the below "CRS/DAC2 Data Protection Information Notice".

Unitholders and prospective investors should consult their own tax advisor regarding the requirements under CRS/DAC2 with respect to their own situation.

#### *CRS/DAC2 Data Protection Information Notice*

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

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

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

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

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

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

#### *Mandatory Disclosure Rules*

Council Directive (EU) 2018/822 (amending Directive 2011/16/EU), commonly referred to as "DAC6", became effective on 25 June 2018. Relevant Irish tax legislation has since been introduced to implement this Directive in Ireland.

DAC6 creates an obligation for persons referred to as “intermediaries” to make a return to the relevant tax authorities of information regarding certain cross-border arrangements with particular characteristics, referred to as “hallmarks” (most of which focus on aggressive tax planning arrangements). In certain circumstances, instead of an intermediary, the obligation to report may pass to the relevant taxpayer of a reportable cross-border arrangement.

The transactions contemplated under the prospectus may fall within the scope of DAC6 and thus may qualify as reportable cross-border arrangements. If that were the case, any person that falls within the definition of an “intermediary” (this could include the Administrator, the legal and tax advisers of the Fund, the Manager, the Distributors, etc.) or, in certain circumstances, the relevant taxpayer of a reportable cross-border arrangement (this could include Unitholder(s)) may have to report information in respect of the transactions to the relevant tax authorities. Please note that this may result in the reporting of certain Unitholder information to the relevant tax authorities.

Unitholders and prospective investors should consult their own tax advisor regarding the requirements of DAC6 with respect to their own situation.

## GENERAL INFORMATION

### Meetings

The Depositary or the Manager may convene a meeting of Unitholders at any time. The Manager must convene such a meeting if requested to do so by the holders of not less than 15% in aggregate of the Units in issue (excluding Units held by the Manager).

All business transacted at a meeting of Unitholders duly convened and held shall be by way of extraordinary resolution.

Not less than fourteen (14) days' notice of every meeting must be given to Unitholders. The notice shall specify the place, day and hour of meeting and the terms of the resolution to be proposed. A copy of the notice shall be sent by post to the Depositary unless the meeting shall be convened by the Depositary. A copy of the notice shall be sent by post to the Manager unless the meeting shall be convened by the Manager. The accidental omission to give notice to or the non-receipt of notice by any of the Unitholders shall not invalidate the proceedings at any meeting.

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

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

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

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

## Reports

The Accounting Date of the Fund and of each of its Sub-Funds is December 31 in each year or (in the case of the termination of the Fund or of a Sub-Fund) the date on which monies required for the final distribution shall have been paid to the Unitholders in the relevant Sub-Fund or Sub-Funds with the prior approval of the Central Bank.

In respect of each Accounting Period the Manager shall cause to be audited and certified by the auditors an annual report relating to the management of the Fund and each of its Sub-Funds. Such annual report shall be in a form approved by the Central Bank and shall contain such information required under the UCITS Regulations. There shall be attached to such annual report a statement by the Depositary in relation to the Fund and each of its Sub-Funds and a statement of such additional information as the Central Bank may specify.

The annual report shall be made available not later than four months after the end of the period to which it relates.

The Manager shall prepare an un-audited half-yearly report for the six months immediately succeeding the Accounting Date by reference to which the last annual report of the Fund and of each of the Sub-Funds was prepared. Accordingly, the half-yearly reporting date is June 30<sup>th</sup> in each year. Such half-yearly report shall be in a form approved by the Central Bank and shall contain such information required under the UCITS Regulations. The half-yearly report will be made available not later than two months from the end of the period to which it relates.

The Manager shall provide the Central Bank with any monthly or other reports it may require.

The Trust Deed is available for consultation at the respective registered offices of the Manager, of the Depositary and of the Correspondent Bank.

## Notices

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

MEANS OF DISPATCH	DEEMED RECEIVED
Delivery by Hand	: The day of delivery
Post	: 7 business days after posting
Telex	: Answer back received at end of telex
Fax	: Positive transmission receipt received
Publication	: The day of publication in a leading financial newspaper circulating in the market in which the Units are sold or such other newspaper as the Manager and the Depositary may agree

## Material Contracts

The following contracts, further details of which are set out in the sections headed "Management of the Fund" and "Management and Fund Charges", not being contracts entered into in the ordinary course of business, have been or will be entered into and are or may be material:

- (i) The Trust Deed;
- (ii) The Administration Agreement between the Administrator and the Manager dated 29 October 2021. This Agreement is for an indefinite period and may be terminated by the Manager or the Administrator on not less than ninety days' written notice. This Agreement provides that the Manager shall indemnify and hold harmless the Administrator against all actions, proceedings and claims and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Administrator by reason of the performance or non-performance of its duties under the terms of this Agreement (other than directly due to the material breach of the Agreement by the Administrator or the negligence, fraud or wilful default of the Administrator). The terms of this Agreement regarding the remuneration of the Administrator are set out under the section "Management and Fund Charges".
- (iii) The Investment Advisory Agreement between the Manager and the Investment Adviser dated 29 October 2021. This Agreement is for an indefinite period and may be terminated by the Manager or the Investment Adviser on not less than 3 months' written notice. This Agreement provides that the Manager shall indemnify and hold harmless the Investment Adviser against all actions, proceedings and claims and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by the Investment Adviser by reason of the performance or non-performance of its duties under the terms of this Agreement (other than directly due to the material breach of the Agreement by the Investment Adviser or the negligence, fraud or wilful default of the Investment Adviser).
- (iv) The Sub-Investment Advisory Agreement between the Manager, the Investment Adviser and the Sub-Investment Advisor dated 13 December 2022. This Agreement is for an indefinite period and may be terminated by the Investment Adviser or the Sub-Investment Advisor on not less than ninety (90) days' written notice. This Agreement provides that the Sub-Investment Adviser shall indemnify and keep indemnified and hold harmless the Investment Adviser (and each of its directors and officers) from and against any and all claims, actions, proceedings, judgments, liabilities, damages, losses, costs and expenses (including, without limitation, reasonable legal fees and expenses in relation thereto) suffered or incurred by them or any of them arising out of or in connection with any negligence, fraud, recklessness, bad faith or wilful default of the Sub-Investment Adviser in the performance of its duties pursuant to the Investment Advisory Agreement. The Sub-Investment Adviser shall use reasonable efforts to mitigate any such claim, action, proceeding, judgment, liability, damage, loss, cost or expense.
- (v) The GCML Distribution Agreement dated 29 October 2021. This Agreement is for an initial term of three years, thereafter it shall be renewed automatically on an annual basis unless otherwise

agreed in advance by the parties. The Agreement provides that the appointment of the Distributor may terminate by the Manager on not less than 3 months' written notice. The Agreement may also be terminated forthwith by either party by notice in writing in certain circumstances such as the insolvency of either party. This Agreement provides that the Manager shall indemnify and hold harmless GCML against all actions, proceedings and claims and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by GCL by reason of the performance or non-performance of its duties under the terms of this Agreement other than due to the negligence, dishonesty, fraud or wilful default of GCML.

- (vi) The Gavekal Distribution Agreement dated 29 October 2021. This Agreement is for an initial term of three years, thereafter it shall be renewed automatically on an annual basis unless otherwise agreed in advance by the parties. The Agreement provides that the appointment of the Distributor may terminate by the Manager on not less than 3 months' written notice. The Agreement may also be terminated forthwith by either party by notice in writing in certain circumstances such as the insolvency of either party. This Agreement provides that the Manager shall indemnify and hold harmless Gavekal against all actions, proceedings and claims and against all costs, demands and expenses (including legal and professional expenses) arising therefrom which may be brought against, suffered or incurred by GCML by reason of the performance or non-performance of its duties under the terms of this Agreement other than due to the negligence, dishonesty, fraud or wilful default of Gavekal Capital Limited.

The Manager shall also enter into one or more correspondent bank or paying agency agreements pursuant to which it shall appoint one or more Correspondent Banks or Paying Agents to provide correspondent bank or paying agency facilities for the Fund in one or more countries. Any such agreements shall be detailed in Appendix III to this Prospectus.

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

### **Termination**

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

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



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

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

- (i) if one year from the date of the first issue of Units or on any Dealing Day thereafter the Net Asset Value of any Sub-Fund shall be less than 15 million Euros or the Net Asset Value of the Fund shall be less than 50 million Euros;
- (ii) if the Fund shall cease to be an authorised UCITS under the UCITS Regulations or if any of its Sub-Funds or Classes shall cease to be authorised by the Central Bank;
- (iii) if any law shall be passed which renders it illegal or in the reasonable opinion of the Manager impracticable or inadvisable to continue the Fund or any of its Sub-Funds;
- (iv) if within a period of three months from the date of the Manager expressing in writing to the Depositary its desire to retire, a replacement manager shall not have been appointed;
- (v) if within a period of six months from the date of the Investment Adviser or where relevant, the Sub-Investment Adviser expressing in writing to the Manager its desire to retire the Manager shall have failed to appoint a new Investment Adviser or Sub-Investment Adviser.

The party terminating the Fund or a Sub-Fund or Class shall give notice thereof to the Unitholders in the manner herein provided and by such notice fix the date on which such termination is to take effect which date shall not be less than two months after the service of such notice.

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

Not later than two months before the termination of the Fund or of a Sub-Fund or Class, as the case may be, the Manager shall (if practically possible) give notice to the Unitholders advising them of the impending distribution of the assets of the Fund, the Sub-Fund or attributable to the relevant Class, as the case may be. After the giving of notice of such termination, the Manager shall procure the sale of all investments then remaining in the Depositary's and its nominee's hands as part of the assets of the Fund, the Sub-Fund or attributable to the relevant Class and such sale shall be carried out and completed in such manner and within such period before or after the termination of the Fund or of the Sub-Fund or Class as the Manager and the Depositary thinks desirable. The Manager shall at such time or times as it shall deem convenient and at its entire discretion procure the distribution to the

Unitholders, in accordance with the latest available allocation of the Net Asset Value of the Sub-Fund or Class between Units pursuant to the Trust Deed and then pro rata to the number of Units of the relevant Class held by them respectively, of all net cash proceeds derived from the realisation of the investments and any cash then forming part of the assets of the relevant Sub-Fund or attributable to the relevant Class so far as the same are available for the purpose of such distribution. Every such distribution shall be made only after such form of request of payment and receipt as the Manager shall in its absolute discretion require provided that the Manager shall be entitled to retain out of any such monies in the hands of the Depositary full provision for all costs, charges, expenses, claims, liabilities and demands relating to the relevant Sub-Funds or Classes, for which the Manager is or may become liable or incurred, made or expended by the Manager in connection with the liquidation of the Fund or any of the Sub-Funds or Classes, as the case may be, and out of the monies so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands. Any unclaimed net proceeds or other cash held by the Depositary may at the expiration of twelve months from the date on which the same were payable be paid into court subject to the right of the Depositary to deduct therefrom any expenses it may incur.

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

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

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

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

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

#### **Retirement of Depositary**

The Depositary for the time being shall be subject to removal by notice in writing given by the Manager to the Depositary in any of the following events:

- (a) if the Depositary goes into liquidation (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the Manager) or ceases business or if a receiver is appointed in respect of any of the assets of the Depositary

or if an examiner is appointed to the Depositary pursuant to the Companies (Amendment) Act, 1990; or

- (b) if a meeting of the Unitholders by extraordinary resolution determines that the Depositary should retire; or
- (c) if for good and sufficient reason, the Manager determines, and so states in writing to the Depositary, that a change of Depositary is desirable in the interests of Unitholders.

In the case of (a) aforesaid the Depositary for the time being shall upon notice by the Manager as aforesaid ipso facto cease to be the Depositary upon the appointment of a successor Depositary and in the case of (b) aforesaid, the Depositary for the time being shall upon notice by the Manager as aforesaid and after the expiration of 3 months cease to be the Depositary upon the appointment of a successor Depositary. The Manager shall by writing under its seal appoint some other corporation approved by the Central Bank to be the Depositary of the Fund upon and subject to such corporation entering into such deed or deeds as the Manager may be advised is or are necessary or desirable to be entered into by such corporation in order to secure the due performance of its duties as Depositary. If within a period of three months of the date on which notice of removal of the Depositary is given, no successor Depositary has been appointed, the Depositary may terminate the Fund and revocation of the Fund's authorisation will be sought from the Central Bank provided that the Depositary shall remain in office until the Fund's authorisation has been revoked

The Depositary shall not be entitled to retire voluntarily except upon the appointment of a new Depositary which must be approved by the Central Bank or the termination of the Fund, including termination of the Fund by the Depositary where the Manager shall have failed to appoint a new Depositary within a period of six months from the date of the Depositary expressing in writing its desire to retire, and the revocation of the Fund's authorisation by the Central Bank. In the event of the Depositary desiring to retire, the Manager may by supplemental deed appoint with the prior approval of the Central Bank any Depositary which has been approved by the Central Bank to be the Depositary in the place of the retiring Depositary.

#### **Documents Available for Inspection**

The following documents are available for inspection on any Business Day at the registered office of the Manager and at the offices of Dillon Eustace, 33 Sir John Rogerson's Quay, Dublin 2, Ireland from the date of this Prospectus:

- (a) the material contracts referred to above;
- (b) annual reports, incorporating audited financial statements, and half-yearly reports, incorporating unaudited financial statements, when published.

Copies of each of the documents referred to at (a) and (b) above can be obtained by Unitholders at the registered office of the Manager and at the business addresses of the Correspondent Banks free of charge on request.

**APPENDIX I**  
**INVESTMENT AND BORROWING RESTRICTIONS**

**Investment Restrictions**

The Fund is authorised as a UCITS pursuant to the UCITS Regulations. Pursuant to the provision of the UCITS Regulations and the Central Bank UCITS Regulations, a UCITS is subject to the following investment restrictions:-

<b>1</b>	<b>Permitted Investments</b>
	Investments of each Sub-Fund are confined to:
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.
1.2	Recently issued transferable securities which will be admitted to official listing on a stock exchange or other market (as described above) within a year.
1.3	Money market instruments, other than those dealt on a regulated market.
1.4	Units of UCITS.
1.5	Units of AIFS
1.6	Deposits with credit institutions.
1.7	Financial derivative instruments.
<b>2</b>	<b>Investment Restrictions</b>
2.1	Each Sub-Fund may invest no more than 10% of net assets in transferable securities and money market instruments other than those referred to in paragraph 1.
2.2	Each Sub-Fund may invest no more than 10% of net assets in recently issued transferable securities to which Regulation 68(i) of the UCITS Regulations apply. This restriction will not apply in relation to investment by the UCITS in certain US securities known as Rule 144A securities provided that: <ul style="list-style-type: none"> <li>- the securities are issued with an undertaking to register with the US Securities and Exchanges Commission within one year of issue; and</li> <li>- the securities are not illiquid securities i.e. they may be realised by the UCITS within seven days at the price, or approximately at the price, at which they are valued by the UCITS.</li> </ul>
2.3	Each Sub-Fund may invest no more than 10% of net assets in transferable securities or money market instruments issued by the same body provided that the total value of transferable

- securities and money market instruments held in the issuing bodies in each of which it invests more than 5% is less than 40%.
- 2.4 Subject to the prior approval of the Central Bank the limit of 10% (in 2.3) is raised to 25% in the case of bonds that are issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. If a Sub-Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Sub-Fund.
- 2.5 The limit of 10% (in 2.3) is raised to 35% if the transferable securities or money market instruments are issued or guaranteed by a Member State or its local authorities or by a non-Member State or public international body of which one or more Member States are members.
- 2.6 The transferable securities and money market instruments referred to in 2.4. and 2.5 shall not be taken into account for the purpose of applying the limit of 40% referred to in 2.3.
- 2.7 Cash held as deposits and/or booked in accounts and held as ancillary liquidity with any one credit institution shall not, in aggregate, exceed 20% of the net assets of the UCITS.
- 2.8 The risk exposure of each Sub-Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.
- This limit is raised to 10% in the case of credit institutions authorised in the EEA or credit institutions authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1998; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand or such other credit institutions as may be permitted by the UCITS Regulations, the Central Bank's UCITS Regulations and/or the Central Bank from time to time.
- 2.9 Notwithstanding paragraphs 2.3, 2.7 and 2.8 above, a combination of two or more of the following issued by, or made or undertaken with, the same body may not exceed 20% of net assets:  
investments in transferable securities or money market instruments;  
deposits, and/or  
risk exposures arising from OTC derivatives transactions.
- 2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

2.11	Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and money market instruments within the same group.
2.12	Each Sub-Fund may invest up to 100% of net assets in different transferable securities and money market instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members,
<b>The individual issuers must be listed in the prospectus and may be drawn from the following list:</b>	
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. The Sub-Fund must hold securities from at least 6 different issues, with securities from any one issue not exceeding 30% of net assets.	
<b>3</b>	<b>Investment in Collective Investment Schemes ("CIS")</b>
3.1	Each Sub-Fund may not invest more than 10% of net assets in aggregate in any other CIS.
3.2	Investment in AIFS may not, in aggregate, exceed 10% of net assets.
3.3	The CIS are prohibited from investing more than 10 per cent of net assets in other CIS. When a Sub-Fund invests in the units of other CIS that are managed, directly or by delegation, by the Sub-Fund management company or by any other company with which the Sub-Fund management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Sub-Fund's investment in the units of such other CIS.
3.4	Where a commission (including a rebated commission) is received by the Sub-Fund 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 Sub-Fund.
<b>4</b>	<b>Index Tracking UCITS</b>

4.1	Each Sub-Fund may invest up to 20% of net assets in shares and/or debt securities issued by the same body where the investment policy of the Sub-Fund is to replicate an index which satisfies the criteria set out in the UCITS Regulations and Central Bank UCITS Regulations and is recognised by the Central Bank.
4.2	The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.
<b>5</b>	<b>General Provisions</b>
5.1	An investment company, or management company acting in connection with all of the CIS it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
5.2	<p>Each Sub-Fund may acquire no more than:</p> <ul style="list-style-type: none"> <li>10% of the non-voting shares of any single issuing body;</li> <li>10% of the debt securities of any single issuing body;</li> <li>25% of the units of any single CIS;</li> <li>10% of the money market instruments of any single issuing body.</li> </ul> <p>NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the money market instruments, or the net amount of the securities in issue cannot be calculated.</p>
5.3	<p>5.1 and 5.2 shall not be applicable to:</p> <ul style="list-style-type: none"> <li>(i) transferable securities and money market instruments issued or guaranteed by a Member State or its local authorities;</li> <li>(ii) transferable securities and money market instruments issued or guaranteed by a non-Member State;</li> <li>(iii) transferable securities and money market instruments issued by public international bodies of which one or more Member States are members;</li> <li>(iv) shares held by a Sub-Fund in the capital of a company incorporated in a non-member State which invests its assets mainly in the securities of issuing bodies having their registered offices in that State, where under the legislation of that State such a holding represents the only way in which the Sub-Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.</li> <li>(v) Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit-holders' request exclusively on their behalf.</li> </ul>

5.4	Each Sub-Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or money market instruments which form part of their assets.
5.5	The Central Bank may allow recently authorised UCITS to derogate from the provisions of 2.3 to 2.12, 3.1, 3.2, 4.1 and 4.2 for six months following the date of their authorisation, provided they observe the principle of risk spreading.
5.6	If the limits laid down herein are exceeded for reasons beyond the control of a Sub-Fund, or as a result of the exercise of subscription rights, the Sub-Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its unitholders.
5.7	Neither an investment company, nor a management company or a Depositary acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of: transferable securities; money market instruments; units of CIS; or financial derivative instruments.
5.8	A UCITS may hold ancillary liquid assets.
<b>6</b>	<b>Financial Derivative Instruments ('FDIs')</b>
6.1	The Fund's global exposure relating to FDI must not exceed its total net asset value.
6.2	Position exposure to the underlying assets of FDI, including embedded FDI in transferable securities or money market instruments, when combined where relevant with positions resulting from direct investments, may not exceed the investment limits set out in the UCITS Regulations / Guidelines. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the UCITS Regulations.)
6.3	The Fund may invest in FDIs dealt in over-the-counter (OTC) provided that The counterparties to over-the-counter transactions (OTCs) are institutions subject to prudential supervision and belonging to categories approved by the Central Bank.
6.4	Investment in FDIs are subject to the conditions and limits laid down by the Central Bank.
<b>7</b>	<b>Restrictions on Borrowing and Lending</b>
(a)	A Fund may borrow up to 10% of its Net Asset Value provided such borrowing is on a temporary basis. A Fund may charge its assets as security for such borrowings.
(b)	A Fund may acquire foreign currency by means of a "back to back" loan agreement. Foreign currency obtained in this manner is not classified as borrowing for the purposes of Regulation 70(1) set out at (a) above provided that the offsetting deposit:



- (i) is denominated in the base currency of the Fund; and
- (ii) equals or exceeds the value of the foreign currency loan outstanding.

## **APPENDIX II RECOGNISED EXCHANGES**

The following is a list of regulated stock exchanges and markets on which a Sub-Fund's investments in securities and financial derivative instruments other than permitted investment in unlisted investments, will be listed or traded and is set out in accordance with Authority's requirements. With the exception of permitted investments in unlisted securities investment in securities will be restricted to the stock exchanges and markets listed below.

The exchanges and markets listed below are listed in accordance with the regulatory criteria set out in the Central Bank UCITS Regulations. The Central Bank does not issue a list of approved stock exchanges or markets.

- (i) Any market which is a "regulated market" within the meaning of Article 4(1) of MiFID II
- (ii) The following markets, being regulated markets in a Member State which do not constitute a "regulated market" within the meaning of Article 4(1) of MiFID II but which operate regularly, are recognised and open to the public

The French market for Titres de Créances Négotiables (OTC market in negotiable debt instruments)

- (iii) any stock exchange which is:-

- located in any Member State of the European Union; or
  - located in any Member State of the European Economic Area (European Union, Norway, Iceland and Liechtenstein)
  - located in any of the following countries:-

Australia  
Canada  
Japan  
China  
Hong Kong  
New Zealand  
Switzerland  
United Kingdom  
United States of America

- (iv) any of the following stock exchanges or other regulated markets, being regulated markets in a third country which operate regularly, are recognised and open to the public:-

Abu Dhabi - Abu Dhabi Securities Exchange

Argentina	-	Bolsa de Comercio de Buenos Aires
Bahrain	-	Bahrain Bourse
Bangladesh	-	Dhaka Stock Exchange
Bangladesh	-	Chittagong Stock Exchange
Bermuda	-	Bermuda Stock Exchange
Botswana	-	Botswana Stock Exchange
Brazil	-	B3-Brasil Bolsa Balcao S.A.
China (PRep. of)	-	Shanghai Stock Exchange
China (PRep. of)	-	Shenzhen Stock Exchange
Colombia	-	Bolsa de Valores de Colombia
Dubai	-	Dubai Financial Market
Dubai	-	NASDAQ Dubai
Egypt	-	Egyptian Exchange
Ghana	-	Ghana Stock Exchange
India	-	Bombay Stock Exchange
	-	National Stock Exchange of India
Indonesia	-	Indonesia Stock Exchange
Ivory Coast	-	Bourse Régionale des Valeurs Mobilières (BRVM)
Kazakhstan	-	Kazakhstan Stock Exchange
Kuwait	-	Boursa Kuwait
Malaysia	-	Bursa Malaysia
Mauritius	-	Stock Exchange of Mauritius
Mexico	-	Mexican Stock Exchange
Morocco	-	Casablanca Stock Exchange
Namibia	-	Namibian Stock Exchange
Nigeria	-	Nigerian Stock Exchange

Norway	-	Oslo Stock Exchange
Oman	-	Muscat Securities Market
Pakistan	-	Pakistan Stock Exchange
Philippines	-	Philippine Stock Exchange
Qatar	-	Qatar Exchange
Russia	-	Moscow Exchange
Saudi Arabia	-	Tadawul
Singapore	-	Singapore Exchange
South Africa	-	Johannesburg Stock Exchange
South Korea	-	Korea Exchange
Taiwan (RC)	-	Taiwan Stock Exchange
Tanzania	-	Dar-es-Salaam Stock Exchange
Thailand	-	Stock Exchange of Thailand
Tunisia	-	Tunis Stock Exchange
Turkey	-	Borsa Istanbul
Uganda	-	Uganda Securities Exchange
Ukraine	-	Ukrainian Exchange
Uruguay	-	Bolsa Electronica de Valores de Montevideo
United Kingdom	-	London Stock Exchange
	-	AIM
Zambia	-	Lusaka Stock Exchange
Zimbabwe	-	Zimbabwe Stock Exchange

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

The OTC market in the United States conducted by broker dealers regulated by the Financial Industry Regulatory Authority);

(iii) any of the following markets

the market organised by the International Securities Market Association;

the market conducted by the "listed money market institutions", as described in the FSA 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);

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 (European Union, Norway, Iceland and Liechtenstein);
- in the United Kingdom

United States of America:

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

Asia (including Australia):

- Malaysia Derivatives Exchange;
- Osaka Securities Exchange;
- Singapore International Monetary Exchange;
- Sydney Futures Exchange;
- Taiwan Futures Exchange;
- Tokyo International Futures Exchange;
- Tokyo Stock Exchange;
- China Interbank Bond Market;
- Bond Connect Scheme;
- China Connect Scheme.

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

**APPENDIX III**  
**CORRESPONDENT BANKS/PAYING AGENTS/FACILITIES AGENTS**

FRANCE;

Société Générale  
29, boulevard Haussmann  
75009 Paris  
France

ENGLAND:

Societe Generale London Branch  
of Societe Generale Securities Services Custody London  
One Bank Street  
Canary Wharf  
London  
E14 4SG

GERMANY:

Fiducia Capital GmbH  
Kirchplatz 1  
82049 Pullach  
Germany

## **APPENDIX IV FINANCIAL DERIVATIVE INSTRUMENTS**

### **1. Investment in Financial Derivative Instruments**

A Sub-Fund may use financial derivative instruments for investment purposes and/or use financial derivative instruments traded on a Recognised Exchange and/or on over-the-counter markets to attempt to hedge or reduce the overall risk of its investments, enhance performance and/or to manage interest rate and exchange rate risk. A Sub-Fund's ability to invest in and use these instruments and strategies may be limited by market conditions, regulatory limits and tax considerations and these strategies may be used only in accordance with the investment objectives of the relevant Sub-Fund.

The financial derivative instruments which the Sub-Fund may invest in, and the expected effect of investment in such financial derivative instruments on the risk profile of a Sub-Fund are set out below and, if applicable to one or more particular Sub-Funds, in the relevant Supplement. In addition the attention of investors is drawn to the section of the Prospectus and each Supplement headed "Efficient Portfolio Management" and the risks described in the Risk Factors Section of the Prospectus and, if applicable to a particular Sub-Fund, the relevant Supplement.

The use of derivative instruments (whether for efficient portfolio management and/or for investment purposes) may expose a Sub-Fund to the risks disclosed in the Prospectus. Only derivative instruments which are provided for in the Fund's risk management process, which has been approved by the Central Bank, may be used by a Sub-Fund.

### **2. Efficient Portfolio Management**

A Sub-Fund may engage in transactions in financial derivative instruments for the purposes of efficient portfolio management and/or to protect against exchange risks within the conditions and limits laid down by the Central Bank from time to time. Efficient portfolio management transactions relating to the assets of a Sub-Fund may be entered into by the Investment Adviser or where relevant, the Sub-Investment Adviser with one of the following aims (a) a reduction of risk (including currency exposure risk); (b) a reduction of cost (with no increase or minimal increase in risk); and (c) generation of additional capital or income for the Sub-Fund with a level of risk consistent with the risk profile of the Sub-Fund and the diversification requirements in accordance with the Central Bank's UCITS Regulations and as disclosed in Appendix I to the Prospectus. In relation to efficient portfolio management operations the Investment Adviser or where relevant, the Sub-Investment Adviser will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way. Such transactions may include foreign exchange transactions which alter the currency characteristics of transferable securities held by the Sub-Fund. Such techniques and instruments include but are not limited to futures, options, swaps, forward foreign exchange contracts, interest, over the counter swap contracts, stocklending and repurchase and reverse repurchase agreements and when issued and/or delayed delivery securities.

A Fund will typically use these instruments and/or techniques as set out under the heading "Investment Policies" in the Sub-Fund Supplement.



## Derivative Instruments

The financial derivative instruments which the Investment Adviser or where relevant the Sub-Investment Adviser may invest in on behalf of the relevant Sub-Fund may include but are not limited to futures, forwards, options, contracts for differences and swaps. A Sub-Fund may enter into long and synthetic short positions in futures, options, contracts for differences and swaps in order to gain exposure to securities in line with the Investment Objective and Policy of each Sub-Fund.

Futures would be used to gain exposure to positions in a more efficient manner. For example a single stock future could be used to provide the Sub-Fund with exposure to a single security. Index Futures could also be used to manage risk, for example an Index Future to hedge the risk of a security or group of securities held within the underlying index or with a high correlation with the underlying index. Short sterling futures may be used to change the maturity profile of the portfolio allowing the Investment Adviser or Sub-Investment Adviser to lock in or unlock yields for three month interest rate periods at varying points in the future. Long gilt futures could be used to create or liquidate longer term interest rate positions. Future rate agreements can be used to create or liquidate interest rate exposures for fixed periods at varying dates in the future.

Forward currency contracts could be used to enhance returns from positions held in the Sub-Fund that are not in the base currency of the Sub-Fund. A Sub-Fund, may, also, for example, use forward currency contracts by selling forward a foreign currency against the base currency to protect the Sub-Fund from foreign exchange risk that has risen from holding assets in that currency.

Options could be held as long or short positions (buying or selling calls and puts). Calls could be held to give exposure to underlying securities or indices. Puts could be held to hedge position exposure, for example index puts to hedge market risk in a single security or group of securities. Options on interest rates and currencies may also be used in order to protect the Sub-Fund from interest rate and foreign exchange risks. Without prejudice to the generality of the foregoing, a Sub-Fund may purchase and write call and put options on securities and baskets of securities (including straddles), securities indices and currencies and enter into interest rate, currency, equity and bond index futures contracts and use options on such futures contracts (including straddles).

Swaps – Total return, interest rate, currency and other swaps, could be used to enable the Sub-Fund to gain exposure to securities, currencies or indices. A total return swap could be used if it provided exposure to a security or index position in a more cost efficient manner than a direct investment in that security or index position.

Where considered appropriate, a Sub-Fund may utilize collateralised debt obligations ("CDO"), or low exercise price option ("LEPO"), or credit linked notes ("CLN") for investment purposes or for hedging purposes, including protection against credit or default risks, subject to the conditions set out in the relevant Supplement, and the Investment Restrictions set out in Appendix I hereto.

A CDO is a security backed by a pool of bonds, loans and other assets. CDOs do not specialize in one type of debt and accordingly, a CDO may own corporate bonds, commercial loans, asset-backed securities, residential mortgage-backed securities, commercial mortgage-backed securities, and

emerging market debt. The CDO's securities are typically divided into several classes, or bond tranches, that have differing levels of investment grade or credit tolerances. Most CDO issues are structured in a way that enables the senior bond classes and mezzanine classes to receive investment-grade credit ratings; credit risk is shifted to the most junior class of securities. If any defaults occur in the assets backing a CDO, the senior bond classes are first in line to receive principal and interest payments, followed by the mezzanine classes and finally by the lowest rated (or nonrated) class, which is known as the equity tranche.

A LEPO is a call option with typically a low exercise price of 1 per cent and a contract size of 1000 shares to be delivered on exercise. LEPOs can only be exercised at expiry. As delivery and payment are deferred, a LEPO investor is required to pay margins to take into consideration any change in price over time, similar to a futures contract.

A CLN is a security that pays a fixed or floating coupon during the life of the note (the coupon is linked to the performance of a reference asset, typically bonds) and which allows the issuer to transfer a specific credit risk to an investor. At maturity, the investor receives the par value of the underlying security unless the referenced credit defaults or declares bankruptcy, in which case the investor receives an amount equal to the recovery rate.

#### *General/Interest Rate Risks*

A Sub-Fund may use derivative instruments traded on organised exchanges and over-the-counter markets to attempt to hedge or reduce the overall risk of its investments and to manage interest rate risk.

#### *Exchange Rate Risks*

A Sub-Fund may employ techniques and instruments intended to provide protection against exchange rate risks, in the context of the management of its assets and liabilities. In this regard, a Sub-Fund may:

- (i) utilise OTC contracts;
- (ii) utilise currency options;
- (iii) hedge exposure to one currency by entering into forward currency transactions in a related currency because of the intrinsic and expected future correlation between the two currencies.

Warrants would be held to gain exposure to underlying securities for the purpose of efficient portfolio management.

Forward currency contracts could be used to hedge against currency risk that has resulted from assets held by the Sub-Fund that are not in the base currency of the Sub-Fund. The Sub-Fund, may, for example, use forward currency contracts by selling forward a foreign currency against the base currency to protect the Sub-Fund from foreign exchange risk that has risen from holding assets in that currency.

Exchange rate swaps may be used in order to protect the Sub-Fund against foreign exchange risks. Exchange rate swaps could be used by the Sub-Fund to protect assets held in foreign currencies from foreign exchange risk. Interest rate swaps can be used to create or liquidate interest rate exposures for fixed periods.

#### **When Issued/Delayed Delivery Securities**

A Sub-Fund may purchase or sell securities on a when-issued or delayed-delivery basis for the purposes of efficient portfolio management. In this instance delivery of securities takes place in the future at a stated price in order to secure what is considered to be an advantageous price and yield to the Sub-Fund at the time of entering into the transaction. Securities are considered “delayed delivery” securities when traded in the secondary market, or “when-issued” securities if they are an initial issuance of securities. Delayed delivery securities (which will not begin to accrue interest until the settlement date) and when-issued securities will be recorded as assets of the Sub-Fund and will be subject to risks of market value fluctuations. The purchase price of delayed delivery and when-issued securities will be recorded as a liability of the Sub-Fund until settlement date and when issued or delivered as the case may be such securities will be taken into account when calculating the limits set out in Appendix I under the heading Investment Restrictions.

#### **Repurchase/Reverse Repurchase and Stocklending Agreements for the Purpose of Efficient Portfolio Management**

Subject to the conditions and limits set out in the Central Bank UCITS Regulations, a Sub-Fund may use repurchase agreements, reverse repurchase agreements and/or stock lending agreements to generate additional income for the relevant Sub-Fund. Repurchase agreements are transactions in which one party sells a security to the other party with a simultaneous agreement to repurchase the security at a fixed future date at a stipulated price reflecting a market rate of interest unrelated to the coupon rate of the securities. A reverse repurchase agreement is a transaction whereby a Sub-Fund purchases securities from a counterparty and simultaneously commits to resell the securities to the counterparty at an agreed upon date and price. A stocklending agreement is an arrangement whereby title to the “loaned” securities is transferred by a “lender” to a “borrower” with the borrower contracting to deliver “equivalent securities” to the lender at a later date.

## DIRECTORY

### MANAGER

Bridge Fund Management  
Limited  
Ferry House  
48 – 53 Mount Street Lower  
Dublin 2  
Ireland

### FUND

GaveKal UCITS Fund  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

### INVESTMENT ADVISER, DISTRIBUTOR AND PROMOTER

Gavekal Capital Limited  
Suites 3101, Central Plaza  
18 Harbour Road  
Hong Kong

### SUB-INVESTMENT ADVISER<sup>1</sup>

Gavekal Capital (Singapore) Pte  
Ltd  
96 Robinson Road  
#17-03, SIF Building  
Singapore 068899  
Singapore

### DEPOSITARY

Société Générale S.A.  
(Head Office)  
29 Boulevard Haussmann  
75009 Paris  
France

Société Générale S.A.  
(Registered Branch)  
3rd Floor, IFSC House  
IFSC  
Dublin 1  
Ireland

### ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT

Société Générale Securities  
Services, SGSS (Ireland) Limited  
3rd Floor, IFSC House  
IFSC  
Dublin 1  
Ireland

### DISTRIBUTOR

**Cayman Islands**  
Gavekal Capital  
Management Limited  
c/o Codan Trust Company  
(Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

<sup>1</sup> The Investment Adviser has appointed Gavekal Capital (Singapore) Pte Ltd to act as discretionary sub-investment adviser to the GaveKal China Fixed Income Fund and to the GaveKal China Onshore RMB Bond Fund

**SUB-FUND INFORMATION CARD**  
**GAVEKAL ASIAN OPPORTUNITIES UCITS FUND**

**This Sub-Fund Information Card dated 13 December 2022 is a supplement to and forms part of and should be read in conjunction with the prospectus dated 13 December 2022 for the Fund (together the “Prospectus”) and which is available from the Administrator at 3rd Floor, IFSC House, IFSC, Dublin 1, Ireland.**

This Sub-Fund Information Card contains specific information in relation to GaveKal Asian Opportunities UCITS Fund, a sub-fund of GaveKal UCITS Fund (the "Fund") an open-ended umbrella unit trust established as a UCITS pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).

There are currently two other sub-funds in the Fund, GaveKal China Fixed Income Fund and GaveKal China Onshore RMB Bond Fund.

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

**1. Investment Objectives and Policies**

The investment objective of GaveKal Asian Opportunities UCITS Fund is capital appreciation through tactical asset allocation between the currencies, government bonds, corporate bonds, Convertible Bonds and equities of the Asia-Pacific region. The Sub-Fund's strategy aims to produce consistent absolute returns through a top-down, tactical asset allocation investment process as well as bottom-up, individual company analysis.

The Sub-Fund's investment universe consists of equities, bonds and other fixed income instruments issued by companies based in, and the governments of, New Zealand, Australia, Indonesia, Philippines, Taiwan, South Korea, Japan, China, Hong Kong, Singapore, Malaysia, Thailand and India, as well as deposits in currencies of the region. Investments may also include securities of issuers in Asia and Australasia but traded elsewhere (e.g. Depositary Receipts, Global Depositary Receipts listed in New York, London and Frankfurt).

The Sub-Fund may invest in and have direct access to China A shares listed on the Shanghai Stock Exchange via the Shanghai-Hong Kong Stock Connect Scheme or the Shenzhen-Hong Kong Stock Connect Scheme (as further described in the sub-section headed "Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Schemes" below).

The Sub-Fund may also invest in Debt and Debt-Related Securities in the People's Republic of China ("PRC") traded in the China interbank bond market ("CIBM") via Bond Connect (as further described in the sub-section headed "China-Hong Kong Mutual Access Program" below.)

The Sub-Fund has the ability to borrow an amount of up to 10% of the NAV on a temporary basis to deal with short-term liquidity issues, such as mismatches between settlement of investment transactions and subscriptions and redemptions.

Reduction of the risk of equity markets, and of the volatility, is otherwise usually achieved through increasing the proportion of fixed income instruments and cash in the Sub-Fund.

At any given time, it is expected that the Sub-Fund will invest between 20 per cent. and 90 per cent. in Asian and Australasian equity markets and the remainder of assets in Asian and Australasian debt securities or currency deposits. Total exposure to Asian and Australasian financial markets, whether fixed income or equity, will not exceed 100 per cent of Net Asset Value.

The Sub-Fund will invest continuously at least 25% of its latest available Net Asset Value in equity participations within the meaning of paragraph 2, section 8 GITA (German Investment Tax Act) meaning equities admitted for trading on Recognised Exchanges which shall not include equities in the form of securities issued by real estate investment trusts.

A broad diversification between asset classes and individual equity securities is also intended to provide the Sub-fund with some measure of protection in poor equity markets. However, the Sub-Fund's bond and other fixed income exposure will typically be concentrated in bonds issued by a few governments of the Asian and Australasian regions, and in high quality corporate issuers.

The Sub-Fund may only invest in listed securities. A maximum of 10 per cent. of the Net Asset Value can be invested in non-investment grade bonds, and all other bonds invested in are rated (i.e. are of investment grade) by Fitch, Standard and Poor's or Moody's (typically rated not less than A for long term debt and A2 or P2 for short term debt).

The Sub-Fund will not, as a matter of policy;

- (a) invest directly in real property or physical commodities;
- (b) invest directly in unlisted securities;
- (c) take or seek to take legal or management control of an issuer or any of its underlying investments;
- (d) invest more than 7 per cent. of the latest available Net Asset Value in the equities of a single issuer, except for exchange traded funds in respect of which the limit is 10 per cent of the Net Asset Value per issuer;
- (e) invest more than 5 per cent. of the latest available Net Asset Value in the debt securities of a single corporate issuer;

The Sub-Fund may also hold or maintain ancillary liquid assets, including but not limited to, time deposits, master demand notes, equity linked notes, variable rate demand notes and short-term funding agreements.

### *Derivatives and Efficient Portfolio Management*

The Sub-Fund may use futures contracts traded on a recognized exchange only for hedging or as an alternative to buying or selling the equivalent securities, for example, as a way of rapidly increasing or decreasing net exposure to a given market or security or, more generally, to reflect asset allocation decisions and where for reasons relating to timing or costs, the Investment Adviser decides that investment by means of the futures market is more appropriate for the Sub-Fund than direct equity investments. However, the Sub-Fund will not take any short positions unless matched by an equivalent value of the corresponding securities in the same equity market. The Sub-Fund may also use currency forwards to hedge away any foreign exchange rate risk.

The Sub-Fund may also use *put* options (whether over the counter or exchange traded) for hedging purposes, but not for any other reason. The Sub-fund may also, from time to time, own call options

Details of the risks associated with derivative instruments are set out in the section entitled "Risk Factors" in the Prospectus, including the risk factors appearing under the heading "Financial Derivative Instruments Risk" sub-headings "General", "Liquidity of Financial Derivative Contracts" and "Over-the-Counter Markets Risk" and "Counterparty Risk".

Direct or indirect operational costs and/or fees (such as brokerage fees) may be borne by the Sub-Fund in respect of derivatives contracts. One of the considerations taken into account by the Investment Adviser when selecting brokers and counterparties to derivatives transactions on behalf of the Sub-Fund is that any such costs and/or fees which are deducted from the revenue delivered to the Sub-Fund shall be at normal commercial rates and shall not include any hidden revenue. Any direct or indirect costs and fees will be paid to the relevant broker or counterparty to the derivatives transaction. All revenues generated through the use of efficient portfolio management techniques, net of direct or indirect operational costs and/or fees, will be returned to the Sub-Fund. In respect of the counterparties to OTC derivatives, such counterparties shall be those which meet the requirements of the Central Bank and may in the case of currency forwards include the Depository or entities related to the Depository.

### *Risk Management Process*

The Manager is required under the UCITS Regulations to employ a risk management process which enables it to accurately measure, monitor and manage the various risks associated with financial derivative positions and details of this process have been provided to the Central Bank. The Manager will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been reviewed and cleared of comment by the Central Bank.

### *Global Exposure and Leverage*

Any additional exposure created by the use of financial derivative instruments will not exceed the Net Asset Value of the Sub-Fund. Global exposure and leverage, measured under the commitment approach, shall not exceed 100% of the Net Asset Value of the Sub-Fund on a permanent basis.

***An investment in this Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should pay particular attention to the section entitled “Risk Factors” in the Prospectus.***

#### *Shanghai-Hong Kong and Shenzhen-Hong Kong Stock Connect Schemes*

The Sub-Fund may invest in China A shares through the Shanghai-Hong Kong Stock Connect scheme and through the Shenzhen-Hong Kong Stock Connect scheme (together the “Connect Schemes”), or through and any other Hong Kong or Chinese stock connect scheme which may be established in the future in accordance with the requirements of the Central Bank. Shanghai-Hong Kong Connect Scheme is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited (“HKEX”), Shanghai Stock Exchange (“SSE”) and China Securities Depository and Clearing Corporation Limited (“ChinaClear”). Shenzhen-Hong Kong Stock Connect Scheme is a securities trading and clearing links program developed by HKEX, Shenzhen Stock Exchange (“SZSE”) and ChinaClear. The aim of the Connect Schemes is to achieve mutual stock market access between mainland China and Hong Kong.

Each of the Connect Schemes comprises two Northbound Trading Links, one between SSE and SEHK, and the other between SZSE and SEHK. The Connect Schemes will allow foreign investors to place orders to trade eligible China A-Shares listed on the SSE (“SSE Securities”) or on the SZSE (“SZSE Securities”) (collectively referred to as the “China Connect Securities”) through their Hong Kong based brokers.

#### *Eligible Securities*

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

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

The eligible securities may be changed subject to the review of and approval by the relevant PRC regulators from time to time.

The SZSE Securities include all the constituent stocks from time to time of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which has a market capitalization of at least RMB 6 billion, and all the SZSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except those SZSE-listed shares which:

- (a) are not quoted and traded in RMB,



- (b) are included in the “risk alert board”;
- (c) have been suspended from listing by the SZSE; and
- (d) are in the pre-delisting period.

The list of eligible securities may be changed subject to the review and approval by the relevant PRC regulators from time to time.

Further information about the Connect Schemes is available online at the website: [http://www.hkex.com.hk/eng/market/sec\\_tradinfra/chinaconnect/chinaconnect.htm](http://www.hkex.com.hk/eng/market/sec_tradinfra/chinaconnect/chinaconnect.htm)

#### *Trading Quota*

Trading under the Connect Schemes will be subject to a maximum daily quota (“Daily Quota”). Northbound trading will be subject to a separate set of Daily Quota.

The Daily Quota limits the maximum net buy value of cross-boundary trades under the Connect Schemes each day. The Northbound Daily Quota is set at RMB52 billion.

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

SEHK will monitor the quota and publish the remaining balance of the Northbound Daily Quota at scheduled times on the HKEX’s website.

#### *Settlement and Custody*

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

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

#### *Corporate Actions and Shareholders’ Meetings*

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

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

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

#### *Currency*

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

#### *Investor Compensation*

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

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

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

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

Further information about the Stock Connect is available online at the website:

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

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

In addition to those risk factors set out in relation to PRC investment a number of the key risks of investing in China Connect Securities via the Connect Schemes are set out in the Prospectus, and in particular in the Third Addendum dated on or about the date hereof, in the section entitled “Risk Factors”.

## China-Hong Kong Mutual Access Program

Shareholders should note that the Sub-Fund may also invest in Debt and Debt-Related Securities in the PRC traded in the CIBM via Bond Connect.

Bond Connect is the historic opening up of the CIBM to global investors through the China-Hong Kong mutual access program ("Bond Connect"). The Bond Connect initiative was launched in July 2017 to facilitate CIBM access between Hong Kong and mainland China. It was established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), China Central Depository & Clearing Co., Ltd ("CCDC"), Shanghai Clearing House ("SHCH"), HKEX and the Central Money Markets Unit ("CMU") of the Hong Kong Monetary Authority ("HKMA"). CMU is subject to the ongoing statutory oversight of the HKMA which is carried out by the Financial Market Infrastructure Oversight team at the HKMA.

The Bond Connect platform is designed to be efficient and more convenient for offshore investors at an operational level, by using familiar trading interfaces of established electronic platforms without requiring investors to register on the mainland PRC. Overseas investors invest through offshore electronic trading platforms where trade orders are executed on CFETS, CIBM's centralised electronic trading platform, between investors and more than 20 eligible onshore participating market makers who are part of CFETS.

### *Asset Segregation*

Under Bond Connect, assets are distinctly segregated into three levels across the onshore and offshore central depositories ("CSD"). It is mandatory for investors using Bond Connect to hold their bonds in a segregated account at the offshore depository in the name of the end investor.

Bond purchased through Bond Connect will be held onshore with the CCDC in the name of the HKMA. Investors will be the beneficial owners of the bonds via a segregated account structure in the CMU in Hong Kong.

### *Clearing and Settlement Risk*

CMU and CCDC have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, CCDC operates a comprehensive network of clearing, settlement and bond holding infrastructure. CCDC has established a risk management framework and measures that are approved and supervised by the People's Bank of China ("PBOC"). The chances of CCDC default are considered to be remote. In the remote event of a CCDC default, CMUs liabilities in Bond Connect bonds under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against CCDC. CMU

should in good faith, seek recovery of the outstanding bonds and monies from CCDC through available legal channels or through CCDC's liquidation. In that event, the Sub-Fund may suffer delay in the recovery process or may not fully recover its losses from CCDC.

#### *Trading Link*

Participants to Bond Connect register with trading platforms including Tradeweb and Bloomberg, the Bond Connect offshore electronic trading platforms which link directly into CFETS. These platforms will allow trading with designated onshore Bond Connect market makers using the Request for Quotation ("RFQ") protocol.

The designated bond connect market makers provide tradable prices through CFETS. The quote will include the full amount with the clean price, yield to maturity and effective period for the response. The market makers can decline to respond to the RFQ and can decline, amend or withdraw the quote as long as it hasn't been accepted by the potential buyer. Upon acceptance of the quote by the potential buyer, all other quotes automatically become invalid. CFETS will then generate a trade confirmation on which the market maker, buyers, CFETS and depository will use to process the settlement.

#### *Transaction Flow for Settlement Process and Link*

Settlement is effected via the settlement link between the CMU in Hong Kong and China Depositories (i.e. CCDC and SHCH) in the PRC.

For delivery versus payment transactions:

- Settlement instruction must be matched and affirmed in the CCDC or SHCH (depending on the bond settlement location) by 14:00 HKT via CMU. Securities are earmarked for the transaction and blocked by the CCDC or SHCH system.
- Mainland China trading counterparty (the buyer) pays the settlement cash proceeds to CMU on real-time basis.
- After 14:00 HKT upon confirmation from CMU that funds have been received, CCDC or SHCH will deliver the securities to the mainland China bond dealers and settle the money to cash account on real-time basis. CMU will sweep the outstanding cash balance to the sub-custodians for further credit to Global Custodian's account after 17:00 HKT.

#### *Regulatory Risk*

The Bond Connect is a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Bond Connect will not be abolished. New regulations may be issued from time to time by the regulators in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Bond Connect. The Sub-Fund may be adversely affected as a result of such changes.

Reforms or changes in macro-economic policies, such as the monetary and tax policies might affect interest rates. Consequently, the price and the yield of the bonds held in a portfolio would / could also be affected.

#### *Conversion Risk*

The Sub-Fund, whose base currency is not RMB, may also be exposed to currency risk due to the need for the conversion into RMB for investments in CIBM bonds via the Bond Connect. During any such conversion, the Sub-Fund may also incur currency conversion costs. The currency exchange rate may be subject to fluctuation and where RMB has depreciated, the Sub-Fund may incur a loss when it converts the sale proceeds of CIBM bonds into its base currency.

#### **Use of Index**

The Sub-Fund is actively managed and will measure its performance against the MSCI AC Asia Pacific Index (the "Index") (Bloomberg Code: NDUEACAP) solely for comparison purposes. The Investment Adviser has discretion over the composition of the portfolio of the Sub-Fund subject to the Investment Objectives and Investment Policies of the Sub-Fund. For the avoidance of doubt, the Investment Adviser may select securities included or not included in the Index, and may be wholly invested in securities which are not consistent with the Index.

The Investment Adviser may at any time change the reference Index for a Sub-Fund where, for reasons outside its control, the Index has been replaced, or another index may reasonably be considered by the Fund to have become the appropriate standard for the relevant exposure. In such circumstances, any change in index will be disclosed in the annual or half-yearly report of the Sub-Fund issued subsequent to such change.

Although the Sub-Fund will measure performance against the Index, which performance will be disclosed in the relevant KIID, there exists no index outperformance target for the Sub-Fund. Similarly, the Sub-Fund does not have any specified limits on index tracking errors or other constraints that may limit the performance of the Sub-Fund versus the Index. Whilst the Investment Adviser does not employ a defined strategy to align with the Index during periods of volatility, it will take account of market environment and perceived risks at any given time and will employ its investment discretion as described in the investment policies accordingly.

#### **Sustainability Risk impacting the Sub-Fund**

The Manager has determined that the sustainability risk (being the risk that the value of the Sub-Fund could be materially negatively impacted by an ESG Event) faced by the Sub-Fund is low.

#### **Integration of EU Criteria For Environmentally Sustainable Economic Activities**

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

## 2. Unit Classes

Units shall be issued to investors as Units of a Class in the Sub-Fund. The Manager may, whether on the establishment of a Sub-Fund or from time to time, create more than one Class of Units in a Sub-Fund, in accordance with the requirements of the Central Bank, to which different levels of subscription fees and expenses (including the management and, if applicable, performance fee), minimum subscription, minimum holding, designated currency, hedging strategy (if any) applied to the designated currency of the Class, distribution policy and such other features as the Manager may determine may be applicable.

## 3. Issue of Units

Units shall be issued at a price equal to the Net Asset Value per Unit on the relevant Dealing Day on which the Units are to be issued.

## 4. Dealing Day

Every Business Day and such other days as the Directors may decide and notify to Unitholders in advance, provided always that there shall be one Dealing Day in every fortnight. Any change in Dealing Day will be notified to Unitholders in advance.

## 5. Dealing Deadline

In the case of subscriptions, 5 p.m. (Irish time) on the day falling 2 Business Days prior to the relevant Valuation Day; in the case of redemptions, 5 p.m. (Irish time) on the day falling 2 Business Days prior to the relevant Valuation Day, provided in both cases that the Manager or Administrator may at its discretion accept applications received by them, up to 5 a.m. (Irish time) on the Valuation Day. For further information please see under "ADMINISTRATION OF THE FUND – Application for Units – Application Procedure", in respect of subscriptions and "ADMINISTRATION OF THE FUND – Redemption of Units", in the case of redemptions.

## 6. Minimum Subscription and Minimum Holding

	<b>Minimum Subscription</b>	<b>Minimum Holding</b>
<b>A Euro</b>	€250,000	€10,000
<b>A Dollar</b>	\$250,000	US Dollar Equivalent of €10,000
<b>A Sterling</b>	GB£200,000	GB Pound Equivalent of €10,000
<b>B Sterling</b>	GB£200,000	GB Pound Equivalent of €10,000
<b>C Sterling (Distributing)</b>	GB£10,000	GB Pound Equivalent of €10,000

<b>C Australian Dollar</b>	AUD\$10,000	AUD\$10,000
<b>C Euro</b>	€10,000	€10,000
<b>C Dollar</b>	\$10,000	US Dollar Equivalent of €10,000
<b>Select Euro</b>	€20,000,000	€5,000,000

The minimum subscription and Minimum Holding for each Class is set out above, or such lesser amount as permitted by the Directors in their absolute discretion from time to time.

#### **7. Valuation Day and Valuation Point**

The Valuation Day shall be the Business Day immediately preceding a Dealing Day and the last Business Day in each month. The Valuation Point shall be 10 p.m. (Irish time) on the Valuation Day.

#### **8. Base Currency**

Euro

#### **9. Distribution Policy**

Save in respect of the Class B Units and Class C Sterling (Distributing) Units, it is the present intention of the Directors of the Manager not to declare or pay dividends, and income earned by the Sub-Fund will be reinvested and reflected in the value of the Units.

It is intended that the Class B Units and Class C Sterling (Distributing) Units will be distributing Classes. The Directors of the Manager may determine in their sole discretion to declare dividends. Dividends, if declared will normally be declared and paid within 6 months of the Accounting Date.

Dividends for the Class B Units and Class C Sterling (Distributing) Units may be paid out of the net income of the Units. Otherwise all income and gains of the Class B Units and Class C Sterling (Distributing) Units will be accumulated within the Class B Units and Class C Sterling (Distributing) Units. Dividends which are not claimed or collected within six years of payment shall revert to and form part of the assets of the Sub-Fund. All Dividends paid will be automatically re-invested on behalf of Unitholders in the Class B Units and Class C Sterling (Distributing) Units on which Dividends are being paid, and additional Units in the class will be issued to Unitholders in respect of the Dividend payment.

#### **10. Fees**

##### *The Manager*

The fees and expenses of the Manager (including the Investment Adviser and Distributors) (the “**Management Fee**”), are payable out of the Classes as set out in the table in paragraph 11 below. The

Management Fee is subject to a minimum annual rate not to exceed €70,000, which fee shall be allocated pro-rata to all sub-funds of the Fund.

The Management Fee will be calculated and accrued daily and is payable monthly in arrears. The Management Fee may be waived or reduced by the Manager.

The Manager shall be entitled to be reimbursed by the Sub-Fund for reasonable out of pocket expenses incurred and any VAT on all fees and expenses payable to or by it.

Other Class specific costs such as the costs of Correspondent Banks/Paying Agents and certain Class specific fees and expenses, including the costs of financial instruments (if any) employed for currency hedging between the base currency of a Sub-Fund and the designated currency of a Class or the denominated currency of the assets of the Sub-Fund and the designated currency of a Class will also be set out in paragraph 11, where relevant. The general management and fund charges are set out in the Prospectus under the heading "Management and Fund Charges".

#### *The Administrator*

The Administrator shall be entitled to receive an annual fee as shown below as a proportion of the Net Asset Value of a Sub-Fund accrued at each Valuation Point and payable monthly in arrears at the rate (plus VAT, if any) of up to 0.055% of Net Asset Value. The Administrator's fee is subject to a total minimum monthly fee out of the assets of the Sub-Fund: €2,083.

A fee of €3,000 per Sub-Fund (plus VAT, if any) is charged for the preparation of each set of interim and year-end financial statements.

The Administrator shall also be entitled to receive a transfer agency fee (plus VAT, if any) as follows:

Base fee per Class per annum: €1,000.

The Administrator shall also be entitled to be repaid out of the assets of the relevant Sub-Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Sub-Fund which shall include but are not limited to legal fees, couriers' fees and telecommunication costs and expenses.

#### *The Depositary*

The Fund will pay out of the assets of the Sub-Fund, an annual Depositary fee as shown below as a proportion of the Net Asset Value of a Sub-Fund accrued at each Valuation Point and payable monthly in arrears at the rate (plus VAT, if any) of up to 0.013% of Net Asset Value. The Depositary's fee is subject to an annual minimum fee of €12,000 per Sub-Fund. Transaction fees will also be charged at normal commercial rates. The Sub-Fund shall discharge the Sub-Fund's sub-custodial fees which will be charged at normal commercial rates.



11. Further information on the Sub-Fund is set out below:-

<b>Class</b>	<b>Initial Issue Price/Period</b>	<b>Issue Price</b>	<b>Maximum Management Fee</b>
<b>A Euro</b>	<b>N/a</b>	NAV per Unit plus a discretionary subscription fee of up to 2% of the subscription amount	1.52% of Net Asset Value
<b>A Dollar</b>	<b>US\$100 per Unit</b> Initial Issue Period Closed.		
<b>A Sterling</b>	<b>£100 per Unit</b> Initial Issue Period Closed.		
<b>B Sterling</b>	<b>£100 per Unit</b> Initial Issue Period Closed.	NAV per Unit plus a discretionary subscription fee of up to 2% of the subscription amount	1.52% of Net Asset Value
<b>C Sterling (Distributing)</b>	<b>£100 per Unit</b> Initial Issue Period Closed.	NAV per Unit plus a discretionary subscription fee of up to 2% of the subscription amount	2.02% of Net Asset Value
<b>C Australian Dollar</b>	<b>AUD\$100 per Unit</b> Initial Issue Period Closed.	NAV per Unit plus a discretionary subscription fee of up to 2% of the subscription amount	0.02% of Net Asset Value
<b>C Euro</b>	<b>€100 per Unit</b> Initial Issue Period Closed.	NAV per Unit plus a discretionary subscription fee of up to 2% of the subscription amount	2.02% of Net Asset Value
<b>C Dollar</b>	<b>US\$100 per Unit</b> Initial Issue Period Closed.	NAV per Unit plus a discretionary subscription fee of up to 2% of the subscription amount	2.02% of Net Asset Value
<b>Class</b>	<b>Initial Issue Price/Period</b>	<b>Issue Price</b>	<b>Maximum Management Fee</b>
<b>Select Euro</b>	<b>100 per Unit</b>	NAV per Unit plus a discretionary subscription fee of up to 2% of the subscription amount	1.02% of Net Asset Value

	9am Dublin time on 22 July, 2013 to 5pm Dublin time on 26 July, 2013		
--	--	--	--

- 1 The procedures to be followed in applying for Units and details of applicable subscription fees (if any) are set out in the Prospectus under the heading "Administration of the Fund – Application for Units".
- 2 Applications by way of single subscription are subject to a minimum subscription requirement. The minimum subscription amounts and the minimum holding amounts are set out in "Minimum Subscription and Minimum Holding" above.
- 3 The annual management fee, accrued and payable monthly in arrears is calculated on that proportion of the Net Asset Value of the Sub-Fund attributable to the relevant Class. The Manager shall also be entitled to be repaid all of its Administration Expenses out of the assets of the Sub-Fund attributable to the Class. The fees of the Investment Adviser and Distributors are discharged out of the Management Fee. The expenses of the Investment Adviser and Distributors are payable out of the assets of the GaveKal Asian Opportunities UCITS Fund.
- 4 Each Class will bear its attributable portion of the fees and expenses to be borne by the Sub-Fund. Further details of fees applicable are set out in the table above.
- 5 Class B has been recognised as a reporting fund for United Kingdom tax purposes by HM Revenue and Customs ("HMRC"). Under the reporting funds regime, an offshore fund may apply to HMRC to be certified as a reporting fund where the Sub-Fund reports to UK investors their share of the income of the Sub-Fund in a period. UK resident investors will be subject to income tax (or corporation tax) on such income, irrespective of whether it is distributed. Once a Class has been granted "reporting fund" status, it will maintain that status for so long as it continues to satisfy the conditions to be a "reporting fund", without a requirement to apply for further certification by HMRC.

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

The Sub-Fund is intended for investors with a long-term investment horizon, whose investment objective is the achievement of growth in the value of their savings, and who are willing to accept an investment strategy involving a high level of volatility and risk in the management of their savings.

## **13. Risk Factors**

The attention of investors is drawn to the "Risk Factors" section in the Prospectus. In particular, investors should note the factors in the Prospectus which relate to investments in securities issued by companies and other bodies in PRC and to investment in Chinese securities made through the Connect Schemes.

Persons interested in purchasing Units in the Sub-Fund should also consider the following risks which are relevant.

### *Risks Associated with China Interbank Bond Market and Bond Connect*

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

To the extent that the Sub-Fund transacts in the CIBM, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

For investments via the Bond Connect, the relevant filings, registration with the PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Sub-Fund is subject to the risks of default or errors on the part of such third parties.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fails to function properly, trading through Bond Connect may be disrupted. The Sub-Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where the Sub-Fund invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

Investing in the CIBM is also subject to regulatory risks. The relevant rules and regulations on investment in the CIBM is subject to change which may have potential retrospective effect. In the event that the relevant mainland Chinese authorities suspend account opening or trading on the CIBM, the Sub-Fund's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the Sub-Fund may suffer substantial losses as a result. Reforms or changes in macro-economic policies, such as the monetary and tax policies might affect interest rates. Consequently, the price and the yield of the bonds held in a portfolio would/could also be affected.

### *Tax Risks Associated with CIBM and Bond Connect*

Any changes in tax law, future clarifications thereof, and/or subsequent retroactive enforcement by the tax authorities of income and other tax categories may increase tax liabilities on the Sub-Fund and result in a material loss to the Sub-Fund.

The Investment Adviser may, in its discretion from time to time make a provision for potential tax liabilities, if in their opinion such provision is warranted, or as further clarified by the mainland China tax authorities in notifications.

**SUB-FUND INFORMATION CARD**  
**GAVEKAL CHINA FIXED INCOME FUND**

**This Sub-Fund Information Card dated 13 December 2022, is a supplement to and forms part of and should be read in conjunction with the Prospectus dated 13 December 2022 for the Fund which accompanies this Sub-Fund Information Card and which is available from the Administrator at 3<sup>rd</sup> Floor, IFSC House, IFSC, Dublin 1, Ireland. All terms and conditions relating to the Company generally as set out in the Prospectus apply to the Fund, save as set out in this Supplement.**

This Sub-Fund Information Card contains specific information in relation to GaveKal China Fixed Income Fund, a sub-fund of GaveKal UCITS Fund (the "Fund") an open-ended umbrella unit trust established as a UCITS pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 with segregated liability between sub-funds.

There are currently two other sub-funds in the Fund, GaveKal Asian Opportunities UCITS Fund and GaveKal China Onshore RMB Bond Fund.

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

***An investment in this Sub-Fund should not constitute a substantial proportion of an investment portfolio and may not be appropriate for all investors. Investors should pay particular attention to the section entitled "Risk Factors" in the Prospectus.***

The Investment Adviser has appointed Gavekal Capital (Singapore) Pte Ltd (the "Sub-Investment Adviser") to act as sub-investment adviser with discretionary responsibility (subject to oversight by the Investment Adviser) for the investment of the securities and assets of the GaveKal China Fixed Income Fund and the Sub-Investment Adviser has agreed, at the request of the Investment Adviser, to provide the Investment Adviser with investment management and advisory services in connection with the securities and other assets of this sub-fund.

**1. Investment Objective and Policies**

The investment objective of GaveKal China Fixed Income Fund is to seek capital appreciation through the acquisition and sale of fixed income securities denominated in RMB, HKD, USD and SGD.

There can be no assurance that the Sub-Fund will achieve its investment objective.

In pursuit of its investment objective the Sub-Fund will mostly invest in fixed income instruments of both

sovereigns and corporations denominated in Chinese RMB (CNY), Chinese Offshore RMB (CNH), Hong Kong Dollars (HKD), CNY synthetic bonds (USD), and Singapore Dollar (SGD). Other investments of the Sub-Fund are set out below. A synthetic CNY bond is a combination of financial instruments designed to replicate the cash flow and performance of a bond denominated in CNY.

The fixed income securities invested in by the Sub-Fund may be fixed or floating. The securities will include government bonds issued by the governments of China, Hong-Kong or Macao and corporate securities issued by Asian and multi-national corporations in HKD, RMB, USD or SGD. Investments will be listed or traded in Asia and can be made in investment grade securities and non-investment grade securities with the following guidelines:

- Government bond holdings may be as high as 100% of fund NAV or as low as 0% of fund NAV.
- Exposure to any single individual investment grade corporate bond issuer will not surpass 10% of NAV.
- Exposure to any single individual non-investment grade or non-rated corporate bond issuer will not surpass 5% of NAV.
- Aggregate exposure to non-investment grade issuers will not surpass 30% of NAV.
- The Sub-Fund is not restricted as to the amount of cash or other ancillary liquid assets it may hold. The ancillary liquid assets that may be held or maintained by the Sub-Fund include but are not limited to, time deposits, master demand notes, variable rate demand notes and short-term funding agreements such as cash loans.

The Sub-Fund's individual security selection process combines both a detailed and thorough review of the macro-economic environment with individual security analysis aiming to unearth the most attractive security valuations relative to that security's market. The typical holding period for the securities is around nine months. It is not intended to focus on any particular industry in making investment in corporate bonds.

The Sub-Fund may also invest in fixed income securities as described above including securities of Asian entities that are domiciled in or whose principal operations are based in Asia-Pacific Region countries but which are listed or traded on an exchange or market outside Asia, using forms of indirect investment such as ADRs, GDRs, or participation notes (which will not be leveraged) on the underlying securities (as described above), where such investment represents a more practical, efficient or less costly way of gaining exposure to the relevant security or market. Such indirect investment will be classified as if it represented the actual underlying security for the purposes of applying any investment restrictions applicable to the Sub-Fund.

The Sub-Fund may also invest in Debt and Debt-Related Securities in the People's Republic of China ("PRC") traded in the China interbank bond market ("CIBM") via Bond Connect (as further described in the sub-section headed "China-Hong Kong Mutual Access Program" below.)

### *Derivatives and Efficient Portfolio Management*

The Sub-Fund may also use equity and index futures contracts for hedging or investment purposes. Equity and index futures will be used to gain exposure to positions in a more efficient manner. For example a single stock future could be used to provide the Sub-Fund with exposure to a single equity or fixed income security. Index futures will be used to manage risk. The use of index futures will allow the Sub-Investment Adviser to hedge the risk of a security or group of securities held within the underlying index or with a high correlation with the underlying index. Index futures can also be used as an effective tool to temporarily maintain market exposure prior to identifying the right stocks to purchase for the Sub-Fund's portfolio.

The Sub-Fund may also use currency forwards to hedge away any foreign exchange rate risk.

Details of the risks associated with derivative instruments are set out in the section entitled "Risk Factors" in the Prospectus under the heading "Financial Derivative Instruments Risk" (sub-headings "General", "Liquidity of Financial Derivative Contracts" and "Over-the-Counter Markets Risk" and "Counterparty Risk") and in Section 12 entitled "Additional Risk Factors" below.

Direct or indirect operational costs and/or fees (such as brokerage fees) may be borne by the Sub-Fund in respect of derivatives contracts. One of the considerations taken into account by the Investment Advisor when selecting brokers and counterparties to derivatives transactions on behalf of the Sub-Fund is that any such costs and/or fees which are deducted from the revenue delivered to the Sub-Fund shall be at normal commercial rates and shall not include any hidden revenue. Any direct or indirect costs and fees will be paid to the relevant broker or counterparty to the derivatives transaction. All revenues generated through the use of efficient portfolio management techniques, net of direct or indirect operational costs and/or fees, will be returned to the Sub-Fund. In respect of the counterparties to OTC derivatives, such counterparties shall be those which meet the requirements of the Central Bank and may in the case of currency forwards include the Depository or entities related to the Depository.

### *Risk Management Process*

The Manager is required under the UCITS Regulations to employ a risk management process which enables it to accurately measure, monitor and manage the various risks associated with financial derivative positions and details of this process have been provided to the Central Bank. The Manager will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been reviewed and cleared of comment by the Central Bank.

### *Global Exposure and Leverage*

Any additional exposure created by the use of financial derivative instruments will not exceed the Net Asset Value of the Sub-Fund. Global exposure and leverage, measured under the commitment approach, shall not exceed 100% of the Net Asset Value of the Fund on a permanent basis.

## China-Hong Kong Mutual Access Program

Shareholders should note that the Sub-Fund may also invest in Debt and Debt-Related Securities in the PRC traded in the CIBM via Bond Connect.

Bond Connect is the historic opening up of the CIBM to global investors through the China-Hong Kong mutual access program ("Bond Connect"). The Bond Connect initiative was launched in July 2017 to facilitate CIBM access between Hong Kong and mainland China. It was established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), China Central Depository & Clearing Co., Ltd ("CCDC"), Shanghai Clearing House ("SHCH"), and HKEX and the Central Moneymarkets Unit ("CMU") of the Hong Kong Monetary Authority ("HKMA"). CMU is subject to the ongoing statutory oversight of the HKMA which is carried out by the Financial Market Infrastructure Oversight team at the HKMA.

The Bond Connect platform is designed to be efficient and more convenient for offshore investors at an operational level, by using familiar trading interfaces of established electronic platforms without requiring investors to register on the mainland PRC. Overseas investors invest through offshore electronic trading platforms where trade orders are executed on CFETS, CIBM's centralised electronic trading platform, between investors and more than 20 eligible onshore participating market makers who are part of CFETS.

### *Asset Segregation*

Under Bond Connect, assets are distinctly segregated into three levels across the onshore and offshore central depositories ("CSD"). It is mandatory for investors using Bond Connect to hold their bonds in a segregated account at the offshore depository in the name of the end investor.

Bond purchased through Bond Connect will be held onshore with the CCDC in the name of the HKMA. Investors will be the beneficial owners of the bonds via a segregated account structure in the CMU in Hong Kong.

### *Clearing and Settlement Risk*

CMU and CCDC have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, CCDC operates a comprehensive network of clearing, settlement and bond holding infrastructure. CCDC has established a risk management framework and measures that are approved and supervised by the People's Bank of China ("PBOC"). The chances of CCDC default are considered to be remote. In the remote event of a CCDC default, CMUs liabilities in Bond Connect bonds under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against CCDC. CMU

should in good faith, seek recovery of the outstanding bonds and monies from CCDC through available legal channels or through CCDC's liquidation. In that event, the Sub-Fund may suffer delay in the recovery process or may not fully recover its losses from CCDC.

#### *Trading Link*

Participants to Bond Connect register with trading platforms including Tradeweb and Bloomberg, the Bond Connect offshore electronic trading platforms which link directly into CFETS. These platforms will allow trading with designated onshore Bond Connect market makers using the Request for Quotation ("RFQ") protocol.

The designated bond connect market makers provide tradable prices through CFETS. The quote will include the full amount with the clean price, yield to maturity and effective period for the response. The market makers can decline to respond to the RFQ and can decline, amend or withdraw the quote as long as it hasn't been accepted by the potential buyer. Upon acceptance of the quote by the potential buyer, all other quotes automatically become invalid. CFETS will then generate a trade confirmation on which the market maker, buyers, CFETS and depository will use to process the settlement.

#### *Transaction Flow for Settlement Process and Link*

Settlement is effected via the settlement link between the CMU in Hong Kong and China Depositories (i.e. CCDC and SHCH) in the PRC.

For delivery versus payment transactions:

- Settlement instruction must be matched and affirmed in the CCDC or SHCH (depending on the bond settlement location) by 14:00 HKT via CMU. Securities are earmarked for the transaction and blocked by the CCDC or SHCH system.
- Mainland China trading counterparty (the buyer) pays the settlement cash proceeds to CMU on real-time basis.
- After 14:00 HKT upon confirmation from CMU that funds have been received, CCDC or SHCH will deliver the securities to the mainland China bond dealers and settle the money to cash account on real-time basis. CMU will sweep the outstanding cash balance to the sub-custodians for further credit to Global Custodian's account after 17:00 HKT.

#### *Regulatory Risk*

The Bond Connect is a novel concept. The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Bond Connect will not be abolished. New regulations may be issued from time to time by the regulators in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Bond Connect. The Sub-Fund may be adversely affected as a result of such changes.



Reforms or changes in macro-economic policies, such as the monetary and tax policies might affect interest rates. Consequently, the price and the yield of the bonds held in a portfolio would / could also be affected.

#### *Conversion Risk*

The Sub-Fund, whose base currency is not RMB, may also be exposed to currency risk due to the need for the conversion into RMB for investments in CIBM bonds via the Bond Connect. During any such conversion, the Sub-Fund may also incur currency conversion costs. The currency exchange rate may be subject to fluctuation and where RMB has depreciated, the Sub-Fund may incur a loss when it converts the sale proceeds of CIBM bonds into its base currency.

#### **Use of Index**

The Sub-Fund is actively managed and will measure its performance against a composite benchmark made up of 65% of the performance of the Bloomberg Barclays China Onshore Treasury 1-10 yr (Bloomberg Code: I33620CN) and 35% of the performance of the Markit iBoxx ALBI China Offshore Non-Govt IG TRI (Bloomberg Code: IBXXCNNI) solely for comparison purposes. The Sub-Investment Adviser, with the supervision and instruction of the Investment Adviser, has discretion over the composition of the portfolio of the Sub-Fund, subject to the Investment Objectives and Investment Policies of the Sub-Fund. For the avoidance of doubt, the Sub-Investment Adviser is not required to select securities from these indices, to the extent that the Sub-Fund may be wholly invested in securities which are not constituents of either index.

The Sub-Investment Adviser, with the supervision and instruction of the Investment Adviser, may at any time change the reference Index for a Sub-Fund where, for reasons outside its control, the Index has been replaced, or another index may reasonably be considered by the Sub-Investment Adviser to have become the appropriate standard for the relevant exposure. In such circumstances, any change in index will be disclosed in the annual or half-yearly report of the Sub-Fund issued subsequent to such change.

Although the Sub-Fund will measure performance against the Index, which performance will be disclosed in the relevant KIID, there exists no index outperformance target for the Sub-Fund. Similarly, the Sub-Fund does not have any specified limits on index tracking errors or other constraints that may limit the performance of the Sub-Fund versus the Index. Whilst the Sub-Investment Adviser does not employ a defined strategy to align with the Index during periods of volatility, it will take account of market environment and perceived risks at any given time and will employ its investment discretion as described in the investment policies accordingly.

#### ***Integration of Sustainability Risk within the Investment Process***

This Sub-Fund has been classified pursuant to Article 8 of Regulation (EU) 2019/2088 of SFDR.

The Sub-Fund will promote environmental and/or social characteristics. Such characteristics are set out in the SFDR Pre-Contractual Document as appended to this Sub-Fund Information Card (the "SFDR Annex") which SFDR Annex will be updated from time to time.

The binding elements employed in the selection of investments in the promotion of environmental and/or social characteristics of the investment strategy of the Sub-Fund are set out in the SFDR Annex and include the application of good governance criteria, the implementation of the Investment Adviser's exclusion policy and minimum investment in bonds meeting green and social criteria as described in more detail in the SFDR Annex.

#### Sustainability Risk impacting the Sub-Fund

The management of Sustainability Risk forms part of the due diligence process implemented by the Investment Advisor for the Sub-Fund. The Manager has determined that the sustainability risk (being the risk that the value of the Sub-Fund could be materially negatively impacted by an ESG Event) faced by the Sub-Fund is moderate.

#### Principal Adverse Impact Reporting

As at the date of this Sub-Fund Information Card, the Manager considers principal adverse impacts of investment decisions on sustainability factors within the framework of the SFDR in respect of this Sub-Fund only to the extent as described in the SFDR Annex.

## **2. Unit Classes**

Units shall be issued to investors as Units of a Class in the relevant Sub-Fund. The Manager may, whether on the establishment of a Sub-Fund or from time to time, create more than one Class of Units in a Sub-Fund, in accordance with the requirements of the Central Bank, to which different levels of subscription fees and expenses (including the management fee), minimum subscription, minimum holding, designated currency, hedging strategy (if any) applied to the designated currency of the Class, distribution policy and such other features as the Manager may determine may be applicable.

There are currently nine Classes as follows:

<i>Name</i>	<i>Denomination</i>
Class A USD	USD
Class A Euro	Euro (unhedged)
Class A Euro hedged	Euro (hedged)
Class A Euro (Distributing)	Euro (unhedged)
Class B Euro	Euro (unhedged)
Class B GBP (Distributing)	GBP (unhedged)
Class C Euro	Euro (unhedged)
SEK Class	SEK (unhedged)
RMB(CNH) Class	CNH (unhedged)

The exposure of the Class A Euro, the Class A Euro (Distributing), the Class B Euro, the Class C Euro, the SEK Class, the GBP Class and the RMB (CNH) Class against the Base Currency (USD) will not be hedged. Hence, the value of the Class A Euro, the Class A Euro Distributing, the Class B Euro and the Class C Euro expressed in Euro, the SEK Class expressed in SEK, the GBP Class expressed in GBP

and the RMB (CNH) Class expressed in CNH will be subject to exchange rate risk in relation to the Base Currency of the Sub-Fund.

In relation to Class A Euro hedged, the currency exposure of Class A Euro will be hedged against USD (the Base Currency of the Sub-Fund). Over-hedged or under-hedged positions may arise due to factors outside of the control of the Sub-Fund. However, over-hedged positions will not exceed 105% of the Net Asset Value of the Class and under-hedged positions shall not fall short of 95% of the portion of the Net Asset Value of the Class which is to be hedged against currency risk. Hedged positions will be reviewed daily to ensure that over-hedged positions do not exceed 105% of the Net Asset Value of the relevant Hedged Share Class and that any position that is materially in excess of 100% will not be carried forward from month to month. Under-hedged positions shall also be kept under review to ensure that such positions are not carried forward from month to month. To the extent that hedging is successful for Class A Euro hedged the performance of the Class A Euro hedged is likely to move in line with the performance of the underlying assets with the result that investors in Class A Euro hedged may not gain if the Class A Euro hedged currency falls against the Base Currency and/or the currency in which the assets of the Sub-Fund are denominated.

### **3. Issue of Units**

The procedures to be followed in applying for Units and details of applicable subscription fees (if any) are set out in the Prospectus under the heading "ADMINISTRATION OF THE FUND - Application for Units". Subscription monies for the Units of the Sub-Fund should be remitted in the designated currency of the relevant Class, unless otherwise agreed with the Administrator.

#### *Initial Issue*

During the initial issue period of a Class, Units shall be offered to investors at an initial fixed issue price per Unit plus a discretionary subscription fee of up to 2% of the subscription amount as set out in Section 14 herein.

The initial issue period may be shortened or extended by the Manager with the consent of the Depository. The Central Bank shall be notified of any such shortening or extension.

#### *Subsequent Issues*

Units shall be issued at a price equal to the Net Asset Value per Unit on the relevant Dealing Day on which the Units are to be issued plus a discretionary subscription fee of up to 2% of the subscription amount.

### **4. Dealing Day**

Every Business Day shall be a Dealing Day together with such other day as the Directors may decide and notify to Unitholders in advance, provided always that there shall be one Dealing Day in every fortnight.

## 5. Dealing Deadline

In the case of subscriptions, 5 p.m. (Irish time) on the day falling 2 Business Days prior to the relevant Valuation Day; in the case of redemptions, 5 p.m. (Irish time) on the day falling 2 Business Days prior to the relevant Valuation Day, provided in both cases that the Manager may at its discretion, in exceptional circumstances, accept applications received by either of them, up to 5 a.m. (Irish time) on the Valuation Day provided always that no applications for subscriptions or redemptions may be accepted after the Valuation Point. For further information please see under “ADMINISTRATION OF THE FUND – Application for Units – Application Procedure”, in respect of subscriptions and “ADMINISTRATION OF THE FUND – Redemption of Units”, in the case of redemptions.

## 6. Minimum Subscription

*Class A USD, Class A Euro and Class A Euro (Distributing)*: The minimum initial subscription applicable is US\$50,000, or its Euro equivalent or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time. Subsequent subscriptions must be made in increments of at least US\$2,000, or its Euro equivalent or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time.

*Class A Euro hedged*: The minimum initial subscription applicable is US\$50,000, or its Euro equivalent or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time. Subsequent subscriptions must be made in increments of at least US\$1,000, or its Euro equivalent or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time.

*Class B GBP (Distributing)*: The minimum initial subscription applicable is US\$50,000 (or its GBP equivalent) or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time. Subsequent subscriptions must be made in increments of at least US\$2,000 (or its GBP equivalent) or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time.

*Class B Euro*: The minimum initial subscription applicable is €2,000 or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time. Subsequent subscriptions must be made in increments of at least €1,000 or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time.

*Class C Euro*: The minimum initial subscription applicable is US\$10,000, or its Euro equivalent or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time. Subsequent subscriptions must be made in increments of at least US\$1,000, or its Euro equivalent or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time.

*SEK Class*: The minimum initial subscription applicable is US\$50,000, or its SEK equivalent or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time. Subsequent subscriptions must be made in increments of at least US\$1,000, or its SEK

equivalent or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time.

*RMB(CNH) Class:* The minimum initial subscription applicable is CNH\$250,000 or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time. Subsequent subscriptions must be made in increments of at least US\$1,000, or its CNH equivalent or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time.

## **7. Minimum Holding**

*Class A USD, Class A Euro and Class A Euro (Distributing):* The Minimum Holding shall be US\$50,000 or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time.

*Class A Euro hedged:* Minimum Holding shall be US\$10,000 or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time.

*Class B Euro:* Minimum Holding shall be €2,000 or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time.

*Class B GBP (Distributing):* Minimum Holding shall US\$10,000 (or its GBP equivalent) or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time.

*Class C Euro:* Minimum Holding shall be US\$10,000 or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time.

*SEK Class:* Minimum Holding shall be US\$10,000 or its SEK equivalent such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time.

*RMB(CNH) Class:* Minimum Holding shall be US\$10,000 or its CNH equivalent or such lesser amount as prescribed by the Directors of the Manager, in their absolute discretion, from time to time.

## **8. Valuation Day and Valuation Point**

The Valuation Day shall be the Business Day immediately preceding a Dealing Day. The Valuation Point shall be 10 p.m. (Irish time) on the Valuation Day.

## **9. Base Currency**

U.S. Dollar.

## 10. Distribution Policy

It is the present intention of the Directors of the Manager not to declare or pay dividends on any of the Unit Classes save for Class A Euro (Distributing) Units and the Class B GBP (Distributing) Units (together the “Distributing Units”), and income earned by the Fund will be reinvested and reflected in the value of the Units, save in the case of Distributing Units.

It is intended that the Distributing Units will be distributing Classes of Units. The Directors of the Manager in consultation with Investment Adviser and the Sub-Investment Adviser may determine in their sole discretion to declare dividends in respect of the Distributing Units, and dividends, will be declared on one or more Distribution Dates in every Accounting Period and normally be paid within 6 months of the Accounting Date.

Distributing Units will pay out the total net income (being the total revenues of the Distributing Units net of remuneration, commissions and fees) of those Units. Dividends which are not claimed or collected within six years of payment shall revert to and form part of the assets of the Sub-Fund. Dividends will generally be paid to Unitholders in cash unless the Directors of the Manager resolve that dividends paid will be automatically re-invested on behalf of Unitholders in the Distributing Units on which dividends are being paid. In such case, Unitholders will be notified of this resolution and additional Units in the class will be issued to Unitholders in respect of the dividend payment. Details of all dividends paid will be included in the annual accounts of the Sub-Fund.

## 11. Fees

### *The Manager*

The fees and expenses of the Manager (including the Investment Adviser and Distributors) (the “**Management Fee**”) are payable out of the Classes as set out in the table in paragraph 14 below. The Management Fee is subject to a minimum annual rate not to exceed €70,000, which fee shall be allocated pro-rata to all sub-funds of the Fund.

Other Class specific costs such as the costs of Correspondent Banks/Paying Agents and certain Class specific fees and expenses, including the costs of financial instruments (if any) employed for currency hedging between the base currency of a Sub-Fund and the designated currency of a Class or the denominated currency of the assets of the Sub-Fund and the designated currency of a Class will also be set out in paragraph 14, where relevant. The general management and fund charges are set out in the Prospectus under the heading “Management and Fund Charges”. The Sub-Fund shall also bear (i) its proportion of the fees and expenses attributable to the establishment and organisation of the Fund as detailed in the Prospectus in the section entitled Management and Fund Charges for the remainder of the period over which such fees and expenses will continue to be amortised and (ii) the fees and expenses relating to the establishment of the Sub-Fund which are to be estimated to be €15,000 of and which may be amortised over 3 years.

### *The Sub-Investment Adviser*

The Investment Adviser shall arrange for the payment of the Sub-Investment Adviser, as compensation for its services under the Sub-Investment Advisory Agreement, a fee, out of the fee paid by the Manager to the Investment Adviser at such rate or rates as may be agreed in writing from time to time between the parties.

### *The Administrator*

The Administrator shall be entitled to receive an annual fee as shown below as a proportion of the Net Asset Value of a Sub-Fund accrued at each Valuation Point and payable monthly in arrears at the rate (plus VAT, if any) of up to 0.055% of Net Asset Value. The Administrator's fee is subject to a total minimum monthly fee out of the assets of the Sub-Fund: \$2,083.

A fee of €3,000 per Sub-Fund (plus VAT, if any) is charged for the preparation of each set of interim and year-end financial statements.

The Administrator shall also be entitled to receive a transfer agency fee (plus VAT, if any) as follows:

Base fee per Class per annum: \$1,000.

The Administrator shall also be entitled to be repaid out of the assets of the relevant Sub-Fund all of its reasonable out-of-pocket expenses incurred on behalf of the Sub-Fund which shall include but are not limited to legal fees, couriers' fees and telecommunication costs and expenses.

### *The Depositary*

The Company will pay out of the assets of the Sub-Fund, an annual Depositary fee as shown below as a proportion of the Net Asset Value of a Sub-Fund accrued at each Valuation Point and payable monthly in arrears at the rate (plus VAT, if any) of up to 0.013% of Net Asset Value. The Depositary's fee is subject to a minimum annual fee of \$12,000 per Sub-Fund. Transaction fees will also be charged at normal commercial rates. The Sub-Fund shall discharge the Sub-Fund's sub-custodial fees which will be charged at normal commercial rates.

## **12. Risk Factors**

**The risks associated with investment in this Sub-Fund are contained in the main body of the Prospectus. Investors' attention is drawn to the Section headed 'Risk Factors' in the main Prospectus. Additional risks associated with the Sub-Fund are set out below.**

### *Credit Risk*

There can be no assurance that the issuers of securities or other instruments in which the Sub-Fund may invest will not be subject to credit difficulties, leading to either the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in such securities or instruments or

payments due on such securities or instruments. The Sub-Fund may also be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default. When the Sub-Fund invests in a security or other instrument which is guaranteed by a bank or other type of financial institution there can be no assurance that such guarantor will not itself be subject to credit difficulties, which may lead to the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in such securities or instruments, or payments due on such securities or instruments.

Further, the recipient of assets delivered by the Depositary or any sub-custodian may fail to make payment for or return such property or hold such property or the proceeds of sale of such property in trust for the Depositary or the Sub-Fund.

#### *Interest Rate Risk*

The fixed income securities in which the Sub-Fund may invest are interest rate sensitive, which means that their value and, consequently, the Net Asset Value of the Sub-Fund will fluctuate as interest rates fluctuate. An increase in interest rates will generally reduce the value of the fixed income securities. The Sub-Fund's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates and to utilise appropriate strategies to maximise returns to the Sub-Fund while attempting to minimise the associated risks to its investment capital.

#### *Investing in Fixed Income Securities*

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

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

#### *Money Market Risk*

Money market type instruments are neither insured nor guaranteed by any government, government agencies or instrumentalities or any bank guarantee fund. Such instruments are not deposits or obligations of, or guaranteed or endorsed by, any bank. Where the Sub-Fund invests substantially in money market type instruments, the principal invested in the Sub-Fund is capable of fluctuation.



### *Chinese Government Currency Controls*

Investment in Yuan-denominated securities is subject to the strict currency controls imposed, and regular interventions, by the Chinese government.

As a result of such controls and interventions, the value of Yuan-denominated securities may change quickly, potentially impacting the availability, liquidity, and pricing of securities designed to provide offshore investors with exposure to Chinese markets.

### *China Investment Risk*

Investing in the securities markets in mainland China is subject to the risks of investing in emerging markets generally and the risks specific to the China market in particular.

Companies in mainland China are required to follow the Chinese accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared by accountants following the Chinese accounting standards and practice and those prepared in accordance with international accounting standards.

Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations.

Under the prevailing tax policy in mainland China, there are certain tax incentives available to foreign investment. There can be no assurance, however, that the aforesaid tax incentives will not be abolished in the future.

### *Risks Associated with China Interbank Bond Market and Bond Connect*

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

To the extent that the Sub-Fund transacts in the CIBM, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

For investments via the Bond Connect, the relevant filings, registration with the PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Sub-Fund is subject to the risks of default or errors on the part of such third parties.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fails to function properly, trading through Bond Connect may be disrupted. The Sub-Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where the Sub-Fund invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

Investing in the CIBM is also subject to regulatory risks. The relevant rules and regulations on investment in the CIBM is subject to change which may have potential retrospective effect. In the event that the relevant mainland Chinese authorities suspend account opening or trading on the CIBM, the Sub-Fund's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the Sub-Fund may suffer substantial losses as a result. Reforms or changes in macro-economic policies, such as the monetary and tax policies might affect interest rates. Consequently, the price and the yield of the bonds held in a portfolio would/could also be affected.

#### *Tax Risks Associated with CIBM and Bond Connect*

Any changes in tax law, future clarifications thereof, and/or subsequent retroactive enforcement by the tax authorities of income and other tax categories may increase tax liabilities on the Sub-Fund and result in a material loss to the Sub-Fund.

The Sub-Investment Adviser under supervision by the Investment Adviser may, in its discretion from time to time make a provision for potential tax liabilities, if in their opinion such provision is warranted, or as further clarified by the mainland China tax authorities in notifications.

#### *Emerging Market Risk*

It should be appreciated that, due to the emerging nature of the financial markets in certain of the countries in which the investments of the Sub-Fund are listed or traded, the equity and other investment trading markets are of a less developed nature than established markets in other geographical areas. This gives rise to various special risk factors.

Investors are advised that, compared with other more mature markets, liquidity in certain areas of emerging financial markets may be more limited. Accumulation and disposal of certain investments may, therefore, be difficult or not possible at the time when the Sub-Fund would wish to deal and may involve dealing at unfavorable prices. It should be appreciated that the political environment of certain emerging markets may vary significantly from more established economies. Accordingly, political risks may, from time to time, manifest themselves in a way which could seriously affect investment prices and hence the value of any investment in the Sub-Fund.

Clearing, settlement and share registration processes and procedures also vary widely from company to company and from market to market as the case may be and this may affect the Sub-Fund's valuation and the liquidity of the Sub-Fund. Inability to dispose of a security on a timely basis due to settlement problems could result in losses to the Sub-Fund. Moreover, counterparty risk is greater when

registration and settlement may be achieved by way of physical delivery of certificates and registration forms.

Disclosure and regulatory standards in emerging markets may be less stringent than those in other more established international markets, with a lower level of monitoring and regulation of the market and market participants, and limited and uneven enforcement of existing regulations. Consequently, the prices at which the Sub-Fund may acquire investments may be affected by other market participants' anticipation of the Sub-Fund's investing and by trading by persons with material non-public information. There may be less publicly available information about an issuer in an emerging market than would be available in more developed markets, and the issuer may not be subject to accounting, auditing and financial reporting standards comparable to those of companies in more developed markets.

The use of nominees in certain instances represents additional counterparty risk, although these rules may be mitigated by the application of additional operational procedures. In addition, there may be instances, where the purchase of investments through nominees or otherwise on behalf of the Sub-Fund may not be possible and this may restrict investment opportunities available to the Sub-Fund.

*Custody Risks*

As the Sub-Fund may invest in markets, as disclosed in the Prospectus, where custodial and/or settlement systems are not fully developed, the assets of the Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks in circumstances whereby the Depository will have no liability.

Such risks include (but are not limited to): (a) a non-true delivery versus payment settlement; (b) a physical market, and as a consequence the circulation of forged securities; (c) poor information in regards to corporate actions; (d) registration process that impacts the availability of the securities; (e) lack of appropriate legal/fiscal infrastructure devices; and (f) lack of compensation/risk fund with the central depository.

**13. Profile of a Typical Investor**

The Sub-Fund is intended for investors with a long-term investment horizon, whose investment objective is the achievement of growth in the value of their savings, and who are willing to accept an investment strategy involving exchange rate risk.

**14. Further information on the Sub-Fund is set out below:-**

<b>Class</b>	<b>Initial Issue Price</b>	<b>Initial Offer Period and Issue Price</b>	<b>Maximum Management Fee</b>
A USD	USD100 per Unit plus a discretionary subscription fee of up	The initial offer period for the Class	0.52 % of Net Asset Value

	to 2% of the subscription amount.	A USD has been closed.	
A Euro	EUR100 per Unit or its Euro equivalent plus a discretionary subscription fee of up to 2% of the subscription amount.	The initial offer period for the Class A Euro has been closed.	0.52 % of Net Asset Value
A Euro hedged	EUR100 per Unit or is Euro equivalent plus a discretionary subscription fee of up to 2% of the subscription amount.	The initial offer period for the Class A Euro hedged shall be from 9:00 a.m. (Irish time) on 10 September, 2015 to 5:00 p.m. (Irish time) 29 September, 2015 (the "Initial Offer Period").	0.52 % of Net Asset Value
A Euro (Distributing)	EUR100 per Unit or its Euro equivalent plus a discretionary subscription fee of up to 2% of the subscription amount.	The initial offer period for A Euro (Distributing) Class shall be from 9.00 a.m. (Irish time) on 15 December 2020 to 5.00 p.m. (Irish time) on 15 June 2021.	0.52% of Net Asset Value
B Euro	EUR100 per Unit plus a discretionary subscription fee of up to 2% of the subscription amount.	The initial offer period for B Euro Class shall be from 9.00 a.m. (Irish time) on 28 February, 2019 to 5.00 p.m. (Irish time) on 28 August, 2019.	1.22% of Net Asset Value
B GBP (Distributing)	GBP100 per Unit plus a discretionary subscription fee of up to 2% of the subscription amount.	The initial offer period for B GBP Class shall be from 9.00 a.m. (Irish time) on 24 May,	0.52% of Net Asset Value

		2019 to 5.00 p.m. (Irish time) on 28 August, 2019.	
C Euro	EUR100 per Unit or its Euro equivalent plus a discretionary subscription fee of up to 2% of the subscription amount.	The initial offer period for the Class C Euro has been closed.	1.02% of Net Asset Value
SEK Class	SEK100 per Unit or its SEK equivalent plus a discretionary subscription fee of up to 2% of the subscription amount.	The initial offer period for SEK Class shall be from 9.00 a.m. (Irish time) on 23 April, 2018 to 5.00 p.m. (Irish time) on 23 October, 2018.	0.52% of Net Asset Value
RMB(CNH) Class	CNH100 per Unit plus a discretionary subscription fee of up to 2% of the subscription amount.	The initial offer period for RMB(CNH) Class shall be from 9.00 a.m. (Irish time) on 04 February, 2019 to 5.00 p.m. (Irish time) on 04 August, 2019.	0.52% of Net Asset Value

- 1 The procedures to be followed in applying for Units and details of applicable subscription fees (if any) are set out in the Prospectus under the heading "Administration of the Fund – Application for Units".
- 2 The annual management fee, accrued and payable monthly in arrears is calculated on that proportion of the Net Asset Value of the Sub-Fund attributable to the relevant Class. The Manager shall also be entitled to be repaid all of its Administration Expenses out of the assets of the Sub-Fund attributable to the Class. The fees of the Sub-Investment Adviser and Distributors are discharged out of the Management Fee. The expenses of the Sub-Investment Adviser and Distributor are payable out of the assets of the GaveKal China Fixed Income Fund.
- 3 Each Class will bear its attributable portion of the fees and expenses to be borne by the Sub-Fund. Further details of fees applicable are set out in the table above.
- 4 The Class A USD, Class A Euro, Class A Euro Hedged and Class A Euro (Distributing), Class A RMB (CNH) and Class B GBP (Distributing) have been recognised as a reporting fund for United Kingdom tax purposes by HM Revenue and Customs ("HMRC"). Under the reporting funds regime, an offshore fund may apply to HMRC to be certified as a reporting fund where the fund reports to

UK investors their share of the income of the fund in a period. UK resident investors will be subject to income tax (or corporation tax) on such income, irrespective of whether it is distributed. Once a Class has been granted "reporting fund" status, it will maintain that status for so long as it continues to satisfy the conditions to be a "reporting fund", without a requirement to apply for further certification by HMRC.

- 5 For Class A Euro hedged, the Administrator shall be entitled to charge a fee of up to an amount not exceeding 0.08% of the NAV of the currency-hedged share class in respect of currency hedging.

Template pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:** Gavekal China Fixed Income Fund  
635400EYMPHMHPAWW820

**Legal entity identifier:**

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?** *[tick and fill in as relevant, the percentage figure represents the minimum commitment to sustainable investments]*

**Yes**         **No**

It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_%

- in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

It will make a minimum of **sustainable investments with a social objective:** \_\_\_%

It promotes **Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **\_10\_ %** of sustainable investments

- with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- with a social objective

It promotes E/S characteristics, but **will not make any sustainable investments**



**What environmental and/or social characteristics are promoted by this financial product?** *[indicate the environmental and/or social characteristics promoted by the financial product and whether a reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

In accordance with Article 8 of SFDR, GaveKal China Fixed Income Fund (the “Fund”) promotes good governance in corporate issuers and climate change mitigation.

A reference benchmark has not been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

More details can be obtained from Gavekal’s sustainability policy (the “**Sustainability Policy**”). Details on where to obtain a copy of the Sustainability Policy is set out below under the question “**Where can I find more product specific information online?**”.

● **What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?**

The sustainability indicators used to measure the good governance and climate change mitigation characteristics are as follows:

1. **Good Governance:** The percentage of corporate issuer holdings that are in compliance with United Nations Global Compact (UNGC) or OECD Guidelines for Multinational Enterprises. The Fund invests in companies that employ good governance practices, including, but not limited to, factors like fair shareholder rights, good audit and tax reporting and compliance, board oversight, fair and transparent compensation, etc.
2. **Implementation of Exclusion Policy:** The application of the exclusion policy of the Investment Advisor (the “**Exclusion Policy**”) to exclude certain holdings from the portfolio of the Fund in line with that policy. Details on where to obtain a copy of the Exclusion Policy is set out below under the question “**Where can I find more product specific information online?**”.
  - The Fund excludes companies which themselves, or through other entities, do not conduct business activities in accordance with the UNGC and the OECD Guidelines for Multinational Enterprises.
  - The Fund excludes companies which themselves or through other entities are involved in non-ethical or controversial activities – controversial weapons and tobacco (more than 0% of revenues).
  - The Fund excludes companies which themselves or through other entities derive more than 10% of their revenue from activities that have a significant negative climate impact using coal.
3. **Minimum Investment in Green and Social Bonds:** The percentage of the Fund invested in green, social and sustainable bonds that are classified as sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy.

● **What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?** *[include, for financial products that make sustainable investments, a description of the objectives and how the sustainable investments contribute to the sustainable investment objective. For the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852, list the environmental objectives set out in Article 9 of that Regulation to which the sustainable investment underlying the financial product contributes]*

The Investment Advisor defines good governance as companies that are in compliance with UNGC on OECD Guidelines for Multinational Enterprises. This includes factors like fair shareholder rights, good audit and tax reporting and compliance, board oversight, fair and transparent compensation etc.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



Regarding climate change mitigation, the Fund aims to promote activities including but not limited to, the reduction of GHG emissions, energy efficiency, renewable energy generation, and low carbon transport etc.

The Fund invests in green, social and sustainable bonds that are classified as sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy. These activities do not qualify as environmentally sustainable under the EU Taxonomy primarily due to the lack of data availability in Asia.

The objectives of these sustainable investments are to contribute to financing a combination of green, social and sustainable projects through use of proceeds from bond issuance.

The sustainable investments invested in by the Fund contribute to objectives like climate change adaptation, affordable basic infrastructure, food security, etc.

More details can be obtained from the Investment Advisor's sustainable bond framework (the "**Sustainable Bond Framework**"). Details on where to obtain a copy of the Sustainable Bond Framework is set out below under the question "**Where can I find more product specific information online?**".

***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?*** *[include a description for the financial product that partially intends to make sustainable investments]*

The Investment Advisor ensures that the sustainable investments contained in the portfolio of the Fund do no significant harm to any environmental or social investment objective. The Investment Advisor screens and monitors the Fund's investments based on principal adverse impacts (PAI) using the indicators described above with a combination of data from Sustainalytics and the Investment Advisor's internal research.

***How have the indicators for adverse impacts on sustainability factors been taken into account?*** *[include an explanation of how the indicators for adverse impacts in Table 1 of Annex 1 and any relevant indicators in Tables 2 and 3 of Annex 1, are taken into account]*

The Investment Advisor accounts for principal adverse impacts for the portion of the Fund that invests in sustainable investments during the pre-investment and post-investment processes. As mentioned above, the Investment Advisor screens and monitors the Fund's investments based on principal adverse impacts (PAI) using a combination of data from Sustainalytics and the Investment Advisor's internal research, through applying exclusions and using ESG integration. These include the following principal adverse impacts:

- Table 1 Number 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

- Table 1 Number 14 - Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)
- Table 1 Number 5 - Share of non-renewable energy consumption and production

— — — *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details: [include an explanation on the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights]*

The Investment Advisor will use third-party ESG controversy and global norms data and research as a starting point for assessing alignment of portfolio companies with these global norms, and where necessary, conduct further due diligence to determine compliance with these norms.

*[Include statement for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*



### Does this financial product consider principal adverse impacts on sustainability factors?

Yes, \_\_\_\_\_ *[if the financial product considers principal adverse impacts on sustainability factors, include a clear and reasoned explanation of how it considers principal adverse impacts on sustainability factors. Indicate where, in the information to be disclosed pursuant to Article 11(2) of Regulation (EU) 2019/2088, the information on principal adverse impacts on sustainability factors is available]*

No

This Fund does not consider principal adverse impacts on sustainability factors because the relevant data is not yet available on the market to a sufficient extent. The Fund manager is not required to consider principal adverse impacts because



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

it has fewer than 500 employees during the financial year. However, as mentioned above, the Investment Advisor ensures that the sustainable investments contained in the portfolio of the Fund do no significant harm to any environmental or social investment objective, by accounting for the following principal adverse impacts

- Table 1 Number 10 - Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises
- Table 1 Number 14 - Exposure to controversial weapons (antipersonnel mines, cluster munitions, chemical weapons and biological weapons)
- Table 1 Number 5 - Share of non-renewable energy consumption and production

**What investment strategy does this financial product follow?** *[provide a description of the investment strategy and indicate how the strategy is implemented in the investment process on a continuous basis]*

The investment strategy of the Fund is set out in detail in the Supplement to the Prospectus relating to the Fund.

In carrying out its investment strategy the Fund promotes certain environmental and social characteristics through environmental and social alignment. In managing the portfolio of the Fund, the Investment Advisor applies each of the processes described above, namely:

- (a) Good Governance;
- (b) Implementation of Exclusion Policy; and
- (c) Minimum Investment In Green and Social Bonds.

The environmental and social characteristics of the Fund's holdings are evaluated by the Investment Advisor on a continuous basis to ensure compliance with the processes set out in (a) to (c) above.

In order to implement the strategy on Minimum Investment in Green and Social Bonds, the Fund invests a minimum of 10% in green, social and sustainable bonds that are classified as sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy. These bonds are classified as such by third party review providers and evaluated for compliance by internal sources at the Investment Advisor. The proceeds of these bonds are used to finance or re-finance in part or in full new and / or existing environmentally-friendly projects.

Sustainable bond selection is based on external vendor data or the internally developed framework, details on where to obtain more information on sustainable bond selection is set out below under the question **“Where can I find more product specific information online?”**.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by the Fund are described in detail above and are:

- (a) Good Governance; The Fund screens and rejects investments in companies that are in breach of UNGC or OECD Guidelines for Multinational Enterprises.
- (b) Implementation of Exclusion Policy; The Fund's portfolio complies with Gavekal's Exclusion Policy that is based on exclusion criteria that the Investment Advisor believes are detrimental to society and incompatible with sustainable investment strategies. This means that the Fund has 0% exposure to excluded securities, taking into account a grace period.
- (c) Minimum Investment In Green and Social Bonds; The Fund allocates a minimum of 10% of NAV to be invested to green, social and sustainable bonds that are classified as sustainable investments with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy? [include an indication of the rate, where there is a commitment to reduce the scope of investments by a minimum rate]***

There is no committed minimum rate to reduce the scope of investments.

- ***What is the policy to assess good governance practices of the investee companies? [include a short description of the policy to assess good governance practices of the investee companies]***

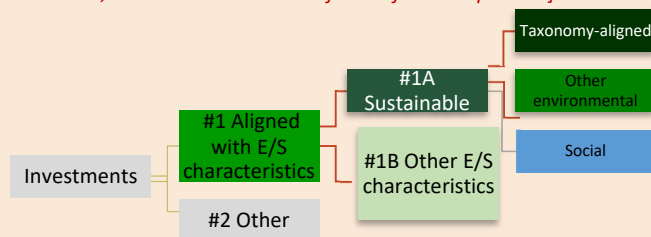
The Investment Advisor applies its Good Governance policy in selecting the portfolio of the Fund.

Gavekal has a good Governance policy to assess governance practices of investment companies. This assessment is carried out before acquiring an asset and also on a periodic basis during the holding of that asset. For investee companies, this policy incorporates requirements amongst others regarding sound management structures, employee relations, remuneration of staff and tax compliance. More details can be obtained from the Investment Advisor's Good Governance policy (the "**Good Governance Policy**"). Details on where to obtain a copy of the Good Governance Policy is set out below under the question "**Where can I find more product specific information online?**".



**What is the asset allocation planned for this financial product?** *[include a narrative explanation of the investments of the financial product, including the minimum proportion of the investments of the financial product used to meet the environmental or social characteristics promoted by the financial*

*[Include only relevant boxes, remove irrelevant ones for the financial product]*



**#1 Aligned with E/S characteristics** includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

A minimum of 80%

**#2 Other** includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

Up to 20%

*[include the note below where the financial product commits to making sustainable investments]*

The category **#1 Aligned with E/S characteristics** covers:

- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

A minimum of 10%

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

Up to 90%

*product in accordance with the binding elements of the investment strategy, including the minimum proportion of sustainable investments of the financial product where that financial products commits to making sustainable investments, and the purpose of the remaining proportion of the investments, including a description of any minimum environmental or social safeguards]*

**Asset allocation**

describes the share of investments in specific assets.

*[include note only for financial products referred to in Article 6 of Regulation (EU) 2020/852*

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

As the Exclusion Policy applies to the Fund as a whole, save for any derivatives that might be entered into in respect of the Fund from time to time, 80% of the investments of the Fund are used to meet the environmental and/or social characteristics of the Fund.

Securities within the #2 Other category include cash, any derivatives that might be entered into in respect of the Fund from time to time because those derivatives are not screened pursuant to the Investment Adviser’s Exclusion Policy and securities that lack ESG data.

The Fund allocates a minimum of 10% of NAV to be invested in green, social or sustainable bonds that have been deemed by Gavekal to be sustainable investments under the sub-category #1A Sustainable (Other environmental).

The remainder of the Fund’s assets will be invested in non-Sustainable assets which meet the requirements of the Investment Advisor’s Exclusion Policy.

- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?** *[for financial products that use derivatives as defined in Article 2(1), point (29), of Regulation (EU) No 600/2014 to attain the environmental or social characteristics they promote, describe how the use of those derivatives meets those characteristics]*

*[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852*

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

*[include note for financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]*



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



The use of derivatives is not intended to promote an environmental or social characteristic. Rather, derivatives are typically used to hedge positions from time to time. Derivatives are not screened pursuant to the Investment Adviser’s exclusion policy and as such, derivatives are not included in the portfolio market value calculation of securities aligned with environmental or social objectives.

**To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?**

*[include a section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 and include the graphical representation referred to in Article 15(1), point (a), of this Regulation, the description referred to in Article 15(1), point (b), of this Regulation, a clear explanation as referred to in Article 15(1), point (c), of this Regulation, a narrative explanation as referred to in Article 15(1), point (d), of this Regulation and the information referred to in Article 15(3) of this Regulation and the information referred to in Article 15(2) and (3) of this Regulation]*

0%

● **Does the financial product invest in fossil gas and / or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**



**Yes:** *[specify below and details in the graphs of the box]*



In fossil gas



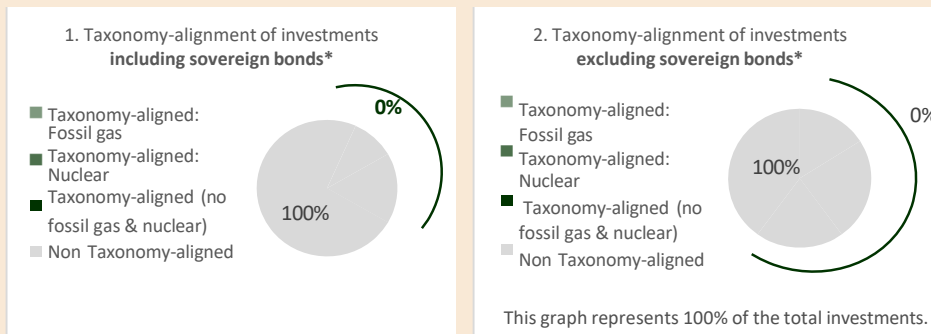
In nuclear energy



**No**

*The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*

*[only include in the graphs the figures for Taxonomy aligned fossil gas and/or nuclear energy as well as the corresponding legend and the explanatory text in the left hand margin if the financial product makes investments in fossil gas and/or nuclear energy]*



\* For the purpose of these graphs, ‘sovereign bonds’ consist of all sovereign exposures.

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change (“climate change mitigation”) and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

- **What is the minimum share of investments in transitional and enabling activities?** *[include section for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]*

0%

*[include note for financial products where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product]*

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



**What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?** *[include section only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 where the financial product invests in economic activities that are not environmentally sustainable economic activities and explain why the financial product invests in sustainable investments with an environmental objective in economic activities that are not Taxonomy-aligned]*

10%



**What is the minimum share of socially sustainable investments?** *[include section only where the financial product includes sustainable investments with a social objective]*

0%



**What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

Securities within the #2 Other category include cash, any derivatives that might be entered into in respect of the Fund from time to time because those derivatives are not screened pursuant to the Investment Adviser’s Exclusion Policy , and securities that lack ESG data.



**Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?** *[include section where an index has been designated as a reference benchmark for the purpose of attaining the environmental or social characteristics promoted by the financial product and indicate where the methodology used for the calculation of the designated index can be found]*

No

- **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

NA

- **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

NA

- **How does the designated index differ from a relevant broad market index?**

NA

- **Where can the methodology used for the calculation of the designated index be found?**

NA



### **Where can I find more product specific information online?**

**More product-specific information can be found on the website:** *[include a hyperlink to the website referred to in Article 23 of this Regulation]*

Details of the following policies as referred to in this document can be found at the following website <https://web.gavekal-capital.com/sustainability-policy>:

1. Exclusion Policy
2. Sustainability Policy
3. Good Governance Policy
4. Sustainable Bond Framework



**SUB-FUND INFORMATION CARD**  
**GAVEKAL CHINA ONSHORE RMB BOND FUND**

**This Sub-Fund Information Card dated 13 December 2022 is a supplement to, forms part of, and should be read in conjunction with the Prospectus dated 13 December 2022 which is available from the Administrator at 3<sup>rd</sup> Floor, IFSC House, IFSC, Dublin 1, Ireland.**

This Sub-Fund Information Card contains specific information in relation to GaveKal China Onshore RMB Bond Fund, a sub-fund of GaveKal UCITS Fund (the "Fund"), an open-ended umbrella unit trust with segregated liability between Sub-Funds. The Fund is established as a UCITS pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended).

There are currently two other sub-funds in the Fund, namely GaveKal China Fixed Income Fund and GaveKal Asian Opportunities UCITS Fund.

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

**AN INVESTMENT IN THE SUB-FUND SHOULD NOT CONSTITUTE A SUBSTANTIAL PROPORTION OF AN INVESTMENT PORTFOLIO AND MAY NOT BE APPROPRIATE FOR ALL INVESTORS. INVESTORS SHOULD PAY PARTICULAR ATTENTION TO THE SECTION ENTITLED "RISK FACTORS" IN THE PROSPECTUS.**

The Investment Adviser has appointed Gavekal Capital (Singapore) Pte Ltd (the "Sub-Investment Adviser") to act as sub-investment adviser with discretionary responsibility (subject to oversight by the Investment Adviser) for the investment of the securities and assets of the GaveKal China Onshore RMB Bond Fund and the Sub-Investment Adviser has agreed, at the request of the Investment Adviser, to provide the Investment Adviser with investment management and advisory services in connection with the securities and other assets of this sub-fund.

**1. Investment Objective and Policies**

The Sub-Fund's investment objective (the "**Investment Objective**") is to maximise total return through the acquisition and sale of Chinese onshore renminbi-denominated ("**RMB**") bonds.

There can be no assurance that the Sub-Fund will achieve its investment objective.

In pursuit of its investment objective the Sub-Fund will mostly invest in investment grade and renminbi-denominated fixed income securities including Chinese Government Bonds ("**CGBs**"), being bonds

issued by the Central Government of China, Policy Financial Bonds (“**PFBs**”) (described below) and certain Panda Bonds (described below). Other investments of the Sub-Fund are set out below.

PFBs, also known as policy bank bonds, are issued by policy lenders (as described below) or institutional banks set up by State Council of China; including China Development Bank (“**CDB**”), Agriculture Development Bank (“**ADBC**”) and Export-Import Bank (“**EXIM Bank**”). CDB is the largest issuer, accounting for 50% of outstanding PFBs. Policy lenders are development financial institutions being wholly owned by the government of the People’s Republic of China (the “**PRC**”), and which report directly to the state council of the PRC (the “State Council”) and whose lending policies are based on direction from State Council. The State Council directs such policy lenders to provide financing in accordance with national government strategies, with no profit maximisation targets. PFBs are entitled to explicit funding support through the People’s Bank of China’s (“**PBOC**”) relending scheme, giving them the same credit quality as CGBs for global investors.

Panda Bonds are onshore RMB-denominated bonds issued by non-Chinese issuers in the Chinese onshore RMB bond market. Foreign central banks, financial organisations and sovereign wealth funds can issue Panda Bonds in the China interbank bond market (“**CIBM**”). The Sub-Fund will only invest in fixed income securities, including Panda Bonds, listed in the CIBM and whose issuers have investment-grade ratings from recognised credit rating agencies such as Standard & Poors, Moody’s or Fitch Group. Current issuers of Panda Bonds include, the Province of British Columbia, Republic of Philippines, Republic of Portugal, and Hungary, and this list of issuers is expected to increase as the market for Panda Bonds develops.

The fixed income securities invested in by the Sub-Fund may be fixed or floating. The fixed income securities will be rated investment grade by Standard & Poors, Moody’s, or Fitch Group. Investments will be listed or traded on the China Interbank Bond Market and will be made in investment grade securities with the following guidelines:

- Government bond holdings may be as high as 100% of fund NAV or as low as 0% of fund NAV.
- Exposure to any single individual investment grade corporate bond issuer will not surpass 10% of NAV.
- The Sub-Fund is not restricted as to the amount of cash or other ancillary liquid assets it may hold and may hold up to 100% of the Sub-Fund on a temporary basis in cash or other ancillary liquid assets at the discretion of the Sub-Investment Adviser under the supervision and instruction of the Investment Adviser, should extreme market conditions require. The ancillary liquid assets that may be held or maintained by the Sub-Fund include, but are not limited to, time deposits, money market instruments and fixed and/or floating rate short-term government/supranational bonds with a minimum credit rating of single A as rated by an internationally recognised credit rating agency and issued or backed by one or more EU Member States, the United States or other institutions permitted in Appendix II to the Prospectus.

The Sub-Fund’s individual security selection process combines both a detailed and thorough review of the macro-economic environment with individual security analysis aiming to unearth the most attractive security valuations relative to that security’s market. The typical holding period for the securities is

around nine months. It is not intended to focus on any particular industry in making investment in corporate bonds

In performing individual security selection, the Sub-Investment Adviser under the supervision of the Investment Adviser conducts a macro analysis of the Chinese economy considering the dynamics in consumption, investment, government spending and net export as well as inflation outlook, while also taking the global economic environment into account. These fundamental factors are then combined with financial market conditions, which are derived from the global currency, equity, fixed income and commodity markets, in order to seek to anticipate the monetary policy stance from the PBOC. After forming a view on the monetary policies anticipated by the Sub-Investment Adviser to be implemented by the PBOC, the Sub-Investment Adviser under the supervision of the Investment Adviser decides on making investments based on whether an interest rate steepening or flattening strategy will be implemented by the PBOC.

A yield curve is a line used in graphs modelling bond performance that plots yields (interest rates) of bonds having equal credit quality but differing maturity dates. The slope of the yield curve provides an indication of future interest rate changes and economic activity. A steepening interest rate yield curve typically indicates stronger economic activity and rising inflation expectations. Since a steepening interest rate yield curve indicates that interest rates for longer duration bonds are increasing more than those for shorter duration bonds. A flattening yield curve is opposite in that it indicates that interest rates for longer duration bonds are reducing relative to interest rates for shorter term bonds, suggesting that expectations are for a reduction in inflation and a slowing in economic activity.

The Sub-Investment Adviser under the supervision of the Investment Adviser performs yield curve and relative value analysis on potential securities for purchase in the Sub-Fund's portfolio, taking the existing holdings into account. Yield curve analysis involves the assessment of differences in interest rates between bonds that have a different term to maturity from the same issuer. Relative value analysis involves comparing the yields of specific bonds and determining whether the bond is over or undervalued compared to each other. Before acquiring any potential investment, the Sub-Investment Adviser analyses the market technical of the available securities, such as potential demand and supply structure, as well as market positioning, in order to select individual securities for investment by the Sub-Fund which are anticipated by the Sub-Investment Adviser to maximize the expected return for the Sub-Fund.

The Sub-Fund will invest in fixed income securities in the PRC traded in the CIBM directly (as described below) or via Bond Connect (as further described in the sub-section headed "China-Hong Kong Mutual Access Program" below.) All securities traded via Bond Connect are listed or traded in the CIBM.

Foreign investors can get access to the onshore RMB bond market through the following schemes: the CIBM Direct scheme and Bond Connect. Each scheme has its own rules, but the Sub-Investment Adviser has experienced increasing, and anticipates further, synchronization of these rules in order to simplify the investment process to attract foreign capital inflows.

The CIBM Direct scheme was launched in 2010 and creates a route for international investors such as the Sub-Fund to access Chinese onshore bonds. Under the CIBM Direct scheme, registered foreign

investment vehicles such as the Sub-Fund are able to participate directly in the CIBM scheme without requiring a quota. Under the CIBM scheme, foreign institutions can trade bonds directly through foreign investment banks holding a Type A licence.

The CIBM Direct scheme significantly facilitates access to the Chinese fixed income market for foreign institutional investors as there are no investment quotas under the scheme and the process for trading is easier, requiring only a straightforward registration with PBOC before trading. The CIBM Direct Scheme defines three categories of investors, including Type A investors who can trade, settle and provide custody for interbank bond market instruments both for themselves and on behalf of Type C investors. The Sub-Fund will be a Type C investor and the Sub-Investment Adviser, acting for the account of the Sub-Fund, will therefore be required to appoint a Type A investor for settlement to carry out bond trading on its behalf.

A diverse range of investors are eligible to apply for CIBM Direct access, including investment funds, commercial banks, asset managers, insurers, securities houses, pension funds, charitable funds and other long-term investors approved by the PBOC. Investors need to submit a planned investment amount and investment horizon upon registration. The account opening is with onshore domestic custodians instead of offshore custodians. The investment scope is for bonds listed/traded on CIBM only and foreign exchange hedging is allowed.

#### China-Hong Kong Mutual Access Program

Bond Connect is the historic opening up of the CIBM to global investors through the China-Hong Kong mutual access program ("**Bond Connect**"). The Bond Connect initiative was launched in July 2017 to facilitate CIBM access between Hong Kong and mainland China. It was established by China Foreign Exchange Trade System & National Interbank Funding Centre ("**CFETS**"), China Central Depository & Clearing Co., Ltd ("**CCDC**"), Shanghai Clearing House ("**SHCH**"), and HKEX and the Central Moneymarkets Unit ("**CMU**") of the Hong Kong Monetary Authority ("**HKMA**"). CMU is subject to the ongoing statutory oversight of the HKMA which is carried out by the Financial Market Infrastructure Oversight team at the HKMA.

The Bond Connect platform is designed to be efficient and more convenient for offshore investors at an operational level, by using familiar trading interfaces of established electronic platforms without requiring investors to register on the mainland PRC. Overseas investors invest through offshore electronic trading platforms where trade orders are executed on CFETS, CIBM's centralised electronic trading platform, between investors and more than 20 eligible onshore participating market makers who are part of CFETS.

#### *Asset Segregation*

Under Bond Connect, assets are distinctly segregated into three levels across the onshore and offshore central depositories ("**CSD**"). It is mandatory for investors using Bond Connect to hold their bonds in a segregated account at the offshore depository in the name of the end investor.

Bond purchased through Bond Connect will be held onshore with the CCDC in the name of the HKMA. Investors will be the beneficial owners of the bonds via a segregated account structure in the CMU in Hong Kong.

#### *Clearing and Settlement Risk*

CMU and CCDC have established the clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

As the national central counterparty of the PRC's securities market, CCDC operates a comprehensive network of clearing, settlement and bond holding infrastructure. CCDC has established a risk management framework and measures that are approved and supervised by the PBOC. The chances of CCDC default are considered to be remote. In the remote event of a CCDC default, the liability of the CMU in relation to Bond Connect bonds under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against CCDC, although it is expected that the CMU would seek in good faith to recover the outstanding bonds and monies from CCDC through available legal channels or through CCDC's liquidation. The Sub-Fund may nevertheless suffer delay in the recovery process or may not fully recover its losses from CCDC.

#### *Trading Link*

Participants to Bond Connect register with trading platforms including Tradeweb and Bloomberg, the Bond Connect offshore electronic trading platforms which link directly into CFETS. These platforms will allow trading with designated onshore Bond Connect market makers using the Request for Quotation ("RFQ") protocol.

The designated bond connect market makers provide tradable prices through CFETS. The quote will include the full amount with the clean price, yield to maturity and effective period for the response. The market makers can decline to respond to the RFQ and can decline, amend or withdraw the quote as long as it hasn't been accepted by the potential buyer. Upon acceptance of the quote by the potential buyer, all other quotes automatically become invalid. CFETS will then generate a trade confirmation on which the market maker, buyers, CFETS and depository will use to process the settlement.

#### *Transaction Flow for Settlement Process and Link*

Settlement is effected via the settlement link between the CMU in Hong Kong and China Depositories (i.e. CCDC and SHCH) in the PRC.

For delivery versus payment transactions:

- Settlement instruction must be matched and affirmed in the CCDC or SHCH (depending on the bond settlement location) by 14:00 HKT via CMU. Securities are earmarked for the transaction and blocked by the CCDC or SHCH system.
- Mainland China trading counterparty (the buyer) pays the settlement cash proceeds to CMU on real-time basis.
- After 14:00 HKT upon confirmation from CMU that funds have been received, CCDC or SHCH will deliver the securities to the mainland China bond dealers and settle the money to cash account on real-time basis. CMU will sweep the outstanding cash balance to the sub-custodians for further credit to Global Custodian's account after 17:00 HKT.

#### *Regulatory Risk*

The current regulations are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Bond Connect will not be abolished. New regulations may be issued from time to time by the regulators in the PRC and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Bond Connect. The Sub-Fund may be adversely affected as a result of such changes.

Reforms or changes in macro-economic policies, such as the monetary and tax policies might affect interest rates. Consequently, the price and the yield of the bonds held in a portfolio would / could also be affected.

#### *Conversion Risk*

The Sub-Fund, whose base currency is not RMB, will also be exposed to currency risk due to the need for the conversion into RMB for investments in CIBM bonds via the Bond Connect. During any such conversion, the Sub-Fund may also incur currency conversion costs. The currency exchange rate may be subject to fluctuation and where RMB has depreciated, the Sub-Fund may incur a loss when it converts the sale proceeds of CIBM bonds into its base currency.

#### *Other Assets*

The Sub-Fund may also hold assets such as ancillary liquid assets, including but not limited to, time deposits in times of high volatility, or expected high volatility.

The Sub-Fund will not;

- (a) invest directly or indirectly in real property or physical commodities;
- (b) invest directly or indirectly in unlisted securities;
- (c) take or seek to take legal or management control of an issuer or any of its underlying investments.

### *Global Exposure and Leverage*

Any additional exposure created by the use of financial derivative instruments will not exceed the Net Asset Value of the Sub-Fund. Global exposure and leverage, measured under the commitment approach, shall not exceed 100% of the Net Asset Value of the Fund on a permanent basis.

### *Financial Derivative Instruments / Hedging/Efficient Portfolio Management*

Currency futures, which may be listed on any of the exchanges listed in Appendix II of the Prospectus, and forwards may be used to hedge against currency movements to which the Sub-Fund may be exposed. In addition, in the event of the establishment of an additional Share Class denominated in a currency other than a Base Currency, forward foreign exchange contracts may be used more specifically to hedge the value of that Class in the Sub-Fund against changes in the exchange rate between the currency of denomination of the Class and the base currency of the Sub-Fund.

Details of the risks associated with derivative instruments are set out in the section entitled "Risk Factors" in the Prospectus under the heading "Financial Derivative Instruments Risk" (sub-headings "General", "Liquidity of Financial Derivative Contracts" and "Over-the-Counter Markets Risk" and "Counterparty Risk") and in Section 14 of the Supplement entitled "Additional Risk Factors" below.

Direct or indirect operational costs and fees (such as brokerage fees) may be borne by the Sub-Fund in respect of derivatives contracts. One of the considerations taken into account by the Sub-Investment Adviser when selecting brokers and counterparties to derivatives transactions on behalf of the Sub-Fund is that any such costs and fees which are deducted from the revenue delivered to the Sub-Fund shall be at normal commercial rates and will be fully disclosed by the Sub-Fund in the annual reports. Any direct or indirect costs and fees will be paid to the relevant broker, counterparty, exchange or clearing house (as the case may be) in respect of the derivatives transaction. All revenues generated through the use of derivatives, net of direct or indirect operational costs and fees, will be returned to the Sub-Fund. In respect of the counterparties to currency forwards such counterparties shall be those which meet the requirements of the Central Bank and may include the Depository or entities related to the Depository.

### *Risk Management Process*

The Manager is required under the UCITS Regulations to employ a risk management process which enables it to accurately measure, monitor and manage the various risks associated with financial derivative positions. The commitment method used by the Manager is one of the two methods explicitly permitted under the UCITS Regulations for this purpose, and details of this process have been provided to the Central Bank. The Sub-Investment Adviser will not utilise financial derivatives which have not been included in the risk management process until such time as a revised risk management process has been submitted to the Central Bank.

### *Borrowings*

The Sub-Fund has the ability to borrow an amount of up to 10% of the NAV on a temporary basis to deal with short-term liquidity issues, such as mismatches between settlement of investment transactions and subscriptions and redemptions.

### **Sustainability Risk impacting the Sub-Fund**

The Manager has determined that the sustainability risk (being the risk that the value of the Sub-Fund could be materially negatively impacted by an ESG Event) faced by the Sub-Fund is moderate.

### **Integration of EU Criteria For Environmentally Sustainable Economic Activities**

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

## **2. Use of Index**

The Sub-Fund is actively managed and will measure its performance against the Bloomberg Barclays China Treasury Total Return Index CNY (the “Index”) solely for comparison purposes. The Sub-Investment Adviser has discretion over the composition of the portfolio of the Sub-Fund subject to the Investment Objectives and Investment Policies of the Sub-Fund. For the avoidance of doubt, the Sub-Investment Adviser may select securities not included in the Index, and may be wholly invested in securities which are not consistent with the Index.

The Fund may at any time change the reference index for a Sub-Fund where, for reasons outside its control, the Index has been replaced, or another index may reasonably be considered by the Fund to have become the appropriate standard for the relevant exposure. In such circumstances, any change in index will be disclosed in the annual or half-yearly report of the Sub-Fund issued subsequent to such change.

Although the Sub-Fund will measure performance against the Index, which performance will be disclosed in the relevant KIID, there exists no index outperformance target for the Sub-Fund. Similarly, the Sub-Fund does not have any specified limits on index tracking errors or other constraints that may limit the performance of the Sub-Fund versus the Index. Whilst the Sub-Investment Adviser does not employ a defined strategy to align with the Index during periods of volatility, it will take account of market environment and perceived risks at any given time and will employ its investment discretion as described in the investment policies accordingly.

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

The Sub-Fund is ideally suited to investors with a long-term investment horizon, whose investment objective is the achievement of growth in the value of their savings, and/or to diversify their investment universe to include RMB assets, and who are willing to accept an investment strategy involving a high level of volatility and a significant degree of risk in the management of their savings. Investors in the Sub-Fund must be capable of to bear any losses which may result from such an investment.



#### **4. Unit Classes**

Units shall be issued to investors as Units of a Class in the relevant Sub-Fund. The Manager may, whether on the establishment of a Sub-Fund or from time to time, create more than one Class of Units in a Sub-Fund, in accordance with the requirements of the Central Bank, to which different levels of subscription fees and expenses (including the management and, if applicable, performance fee), minimum subscription, minimum holding, designated currency, hedging strategy (if any) applied to the designated currency of the Class, distribution policy and such other features as the Manager may determine may be applicable.

#### **5. Issue of Units**

The procedures to be followed in applying for Units and details of applicable subscription fees (if any) are set out in the Prospectus under the heading "Administration of the Fund – Application for Units".

##### *Initial Issue – EUR A Class*

During the initial offer period being from 9.00a.m. (Irish time) 16 April 2020 to 5.00p.m. (Irish time) 16 October 2020 (the "Initial Offer Period"), EUR A Class Units shall be issued at an initial issue price of EUR 100 per Unit. Following the Initial Offer Period, Units in the EUR A Class will be offered at Net Asset Value. The Initial Offer Period may be shortened or extended by the Manager. The Central Bank shall be notified of any such shortening or extension.

##### *Initial Issue – USD A Class*

During the initial offer period being from 9.00a.m. (Irish time) on 05 June 2020 to 5.00p.m. (Irish time) on 07 December 2020 (the "Initial Offer Period"), USD A Class Units shall be issued at an initial issue price of USD 100 per Unit. Following the Initial Offer Period, Units in the USD A Class will be offered at Net Asset Value. The Initial Offer Period may be shortened or extended by the Manager. The Central Bank shall be notified of any such shortening or extension.

##### *Initial Issue – SEK A Class*

During the initial offer period being from 9.00a.m. (Irish time) on 05 June 2020 to 5.00p.m. (Irish time) on 07 December 2020 (the "Initial Offer Period"), SEK A Class Units shall be issued at an initial issue price of SEK 100 per Unit. Following the Initial Offer Period, Units in the SEK A Class will be offered at Net Asset Value. The Initial Offer Period may be shortened or extended by the Manager. The Central Bank shall be notified of any such shortening or extension.

##### *Initial Issue – GBP A Class*

During the initial offer period being from 9.00a.m. (Irish time) on 05 June 2020 to 5.00p.m. (Irish time) on 07 December 2020 (the “Initial Offer Period”), GPB A Class Units shall be issued at an initial issue price of GBP 100 per Unit. Following the Initial Offer Period, Units in the GBP A Class will be offered at Net Asset Value. The Initial Offer Period may be shortened or extended by the Manager. The Central Bank shall be notified of any such shortening or extension.

#### *Initial Issue – EUR B (Founder) Share Class*

During the Initial Offer Period, EUR B (Founder) Class Units shall be issued at an initial issue price of EUR 100 per Unit. Following the Initial Offer Period, Units in the EUR B (Founder) Share Class will be offered at Net Asset Value of the EUR B (Founder) Class Units. The Initial Offer Period may be shortened or extended by the Manager. The Central Bank shall be notified of any such shortening or extension.

EUR B (Founder) Share Class will be closed to further subscriptions when the NAV of the class reaches US\$50,000,000 or its currency equivalent. This is subject to the ability of existing Unitholders, holding US\$5,000,000 or its currency equivalent in the class, to further increase their holding in the class and subject to the Manager’s absolute discretion to accept further subscriptions in the class.

#### *Initial Issue – USD B Class (Distributing)*

During the initial offer period being from 9.00 a.m. (Irish time) on 21 January 2021 to 5.00 p.m. (Irish time) on 21 July 2021 (the “Initial Offer Period”), USD B Class (Distributing) Units shall be issued at an initial issue price of USD 100 per Unit. Following the Initial Offer Period, Units in the USD B Class (Distributing) will be offered at Net Asset Value. The Initial Offer Period may be shortened or extended by the Manager. The Central Bank shall be notified of any such shortening or extension.

#### *Subsequent Issues*

Thereafter, Shares shall be issued at a price equal to the Net Asset Value per Unit on the relevant Dealing Day on which the Units are to be issued.

### **6. Business Day**

A “Business Day” shall mean every day which is a bank business day in Dublin and Hong Kong or such other day or days as the Manager may determine from time to time.

### **7. Dealing Day**

The Dealing Day shall be each Business Day, and such other days as the Directors may decide and notify to Unitholders in advance, provided always that there shall be one Dealing Day in every fortnight. Any change in Dealing Day will be notified to Unitholders in advance.

### **8. Base Currency**

The Base Currency is EUR.

#### 9. Dealing Deadline

In the case of subscriptions, 5 p.m. (Irish time) on the day falling 2 Business Days prior to the relevant Valuation Day; in the case of redemptions, 5 p.m. (Irish time) on the day falling 2 Business Days prior to the relevant Valuation Day, provided in both cases that the Manager or Administrator may, in exceptional circumstances, accept applications received by them, up to 5 a.m. (Irish time) on the Valuation Day. For further information please see under “Administration of the Fund – Application for Units – Application Procedure”, in respect of subscriptions and “Administration of the Fund – Redemption of Units”, in the case of redemptions.

#### 10. Minimum Subscription and Minimum Holding

	<b>Minimum Subscription</b>	<b>Minimum Additional Subscription</b>	<b>Minimum Holding</b>
<b>EUR A Class</b>	USD 10,000 (or its currency equivalent)	USD 2,000 (or its currency equivalent)	USD 10,000 (or its currency equivalent)
<b>USD A Class</b>	USD 10,000 (or its currency equivalent)	USD 2,000 (or its currency equivalent)	USD 10,000 (or its currency equivalent)
<b>SEK A Class</b>	USD 10,000 (or its currency equivalent)	USD 2,000 (or its currency equivalent)	USD 10,000 (or its currency equivalent)
<b>GBP A Class</b>	USD 10,000 (or its currency equivalent)	USD 2,000 (or its currency equivalent)	USD 10,000 (or its currency equivalent)
<b>EUR B (Founder) Class</b>	USD 5,000,000 (or its currency equivalent)	USD 50,000 (or its currency equivalent)	USD 500,000 (or its currency equivalent)
<b>USD B Class (Distributing)</b>	USD 1,000,000 (or its currency equivalent)	USD 10,000 (or its currency equivalent)	USD 100,000 (or its currency equivalent)

The minimum subscription, minimum additional subscription and minimum holding for each Class is set out above, or such lesser amount as permitted by the Directors in their absolute discretion from time to time.

#### 11. Valuation Day and Valuation Point

The Valuation Day shall be the Business Day immediately preceding a Dealing Day. The Valuation Point shall be 10 p.m. (Irish time) on the Valuation Day.

#### 12. Distribution Policy

It is the present intention of the Directors of the Manager not to declare or pay dividends on any of the Unit Classes save for USD B Class (Distributing) (the “Distributing Units”), and income earned by the Fund will be reinvested and reflected in the value of the Units, save in the case of Distributing Units.

It is intended that the Distributing Units will be a distributing Class of Units. The Directors of the Manager in consultation with the Sub-Investment Adviser may determine in their sole discretion to declare dividends in respect of the Distributing Units, and dividends, will be declared on one or more Distribution Dates in every Accounting Period and normally be paid within 6 months of the Accounting Date. It is expected that the Distribution Date for the Distributing Units will be the final Business Day in each calendar year and any other dates as selected by the Directors from time to time.

Distributing Units will pay out the total net income (being the total revenues of the Distributing Units net of remuneration, commissions and fees) of those Units. Dividends which are not claimed or collected within six years of payment shall revert to and form part of the assets of the Sub-Fund. Dividends will generally be paid to Unitholders in cash unless the Directors of the Manager resolve that dividends paid will be automatically re-invested on behalf of Unitholders in the Distributing Units on which dividends are being paid. In such case, Unitholders will be notified of this resolution and additional Units in the class will be issued to Unitholders in respect of the dividend payment. Details of all dividends paid will be included in the annual accounts of the Sub-Fund.

### 13. Fees and Expenses

#### *The Manager*

The fees and expenses of the Manager (including the Investment Adviser and Distributors whose fees will be discharged out of the Management Fee) (the “**Management Fee**”), are payable out of the Classes as set out in the table below. The Management Fee is subject to a minimum annual rate not to exceed €70,000, which fee shall be allocated pro-rata across all of the sub-funds of the Fund.

The Management Fee will be calculated and accrued daily and is payable monthly in arrears. The Management Fee may be waived or reduced by the Manager.

The Manager shall be entitled to be reimbursed by the Sub-Fund for reasonable out of pocket expenses incurred and any VAT on all fees and expenses payable to or by it.

Other Class specific costs such as the costs of Correspondent Banks/Paying Agents and certain Class specific fees and expenses, including the costs of financial instruments (if any) employed for currency hedging between the base currency of a Sub-Fund and the designated currency of a Class or the denominated currency of the assets of the Sub-Fund and the designated currency of a Class will also be set out in paragraph 11, where relevant. The general management and fund charges are set out in the Prospectus under the heading “Management and Fund Charges”.

<b>Class</b>	<b>Maximum Management Fee Applicable</b>
<b>Euro A</b>	0.67% of Net Asset Value of the Sub-Fund attributable to the Class
<b>USD A</b>	0.67% of Net Asset Value of the Sub-Fund attributable to the Class

<b>SEK A</b>	0.67% of Net Asset Value of the Sub-Fund attributable to the Class
<b>GBP A</b>	0.67% of Net Asset Value of the Sub-Fund attributable to the Class
<b>Euro B (Founder)</b>	0.47% of Net Asset Value of the Sub-Fund attributable to the Class
<b>USD B Class (Distributing)</b>	0.57% of Net Asset Value of the Sub-Fund attributable to the Class

#### *Sub-Investment Adviser*

The Investment Adviser shall arrange for the payment of the Sub-Investment Adviser, as compensation for its services under the Sub-Investment Advisory Agreement, a fee, out of the fee paid by the Manager to the Investment Adviser at such rate or rates as may be agreed in writing from time to time between the parties.

#### *The Administrator*

The Administrator shall be entitled to receive an annual fee for its administration services provided under the Administration Agreement as shown below as a proportion of the Net Asset Value of a Sub-Fund accrued at each Valuation Point and payable monthly in arrears at the rate (plus VAT, if any) of up to 0.055% of Net Asset Value per annum. The Administrator's fee is subject to a total minimum monthly fee out of the assets of the Sub-Fund of €2,083.

A fee of €3,000 per Sub-Fund (plus VAT, if any) is charged for the preparation of each set of interim and year-end financial statements.

The Administrator shall also be entitled to receive an annual transfer agency fee (plus VAT, if any) which is accrued monthly and payable monthly in arrears as follows:

Base fee per Class per annum: €1,000.

The Administrator shall also be entitled to be repaid out of the assets of the relevant Sub-Fund all of its reasonable out-of-pocket expenses charged at normal commercial rates incurred on behalf of the Sub-Fund, which shall include, but are not limited to, legal fees, couriers' fees and telecommunication costs and expenses.

#### *The Depositary*

The Depositary will receive out of the assets of the Sub-Fund, an annual Depositary fee as shown below as a proportion of the Net Asset Value of a Sub-Fund accrued at each Valuation Point and payable monthly in arrears at the rate (plus VAT, if any) of up to 0.013% of Net Asset Value. The Depositary's fee is subject to an annual minimum fee of €12,000 per Sub-Fund which will be waived for the first three months following the launch of the Sub-Fund. Transaction fees will also be charged at normal

commercial rates. The Sub-Fund shall discharge the Depository's sub-custodial fees which will be charged at normal commercial rates.

#### *Other*

The Sub-Fund shall bear the fees and expenses relating to the establishment of the Sub-Fund, which are not anticipated to exceed €20,000 plus VAT which may be amortised over the first five Accounting Periods of the Sub-Fund or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair.

The Sub-Fund shall also bear its attributable portion of the fees and operating expenses of the Fund as detailed in the Prospectus. In this regard, please see the section of the Prospectus under the heading "Management and Fund Charges".

#### **14. Additional Risk Factors**

The attention of investors is drawn to the "Risk Factors" section in the Prospectus and in addition, the attention of investors is drawn to the following additional risk factors.

##### *Futures Risk*

Futures positions may be illiquid because certain exchanges limit fluctuations in certain futures contract prices during a single day by regulations referred to as "daily price fluctuation limits" or "daily limits". Under such daily limits, during a single trading day no trades may be executed at prices beyond the daily limits. Once the price of a particular futures contract has increased or decreased by an amount equal to the daily limit, positions in that contract can neither be taken nor liquidated unless traders are willing to effect trades at or within the limit. This could prevent the Sub-Fund from promptly liquidating unfavourable positions and subject the Sub-Fund to substantial losses or prevent it from entering into desired trades. Also, low margin or premiums normally required in such trading may provide a large amount of leverage, and a relatively small change in the price of a security or contract can produce a disproportionately larger profit or loss. In extraordinary circumstances, a futures exchange or the CFTC could suspend trading in a particular futures contract, or order liquidation or settlement of all open positions in such contracts.

##### *Legal Risk*

The Sub-Fund may be subject to a number of risks, including inadequate investor protection, contradictory legislation, incomplete, unclear and changing laws, ignorance or breaches of regulations on the part of other market participants, lack of established or effective avenues for legal redress, lack of standard practices and confidentiality customs characteristic of developed markets and lack of enforcement of existing regulations. Furthermore, it may be difficult to obtain and enforce a judgement in certain of the markets in which assets of the Sub-Fund may be invested. Standardised documentation may not exist for all types of transactions in which the Sub-Fund may invest.

### *Credit Risk*

There can be no assurance that the issuers of securities or other instruments in which the Sub-Fund may invest will not be subject to credit difficulties, leading to either the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in such securities or instruments or payments due on such securities or instruments. The Sub-Fund may also be exposed to a credit risk in relation to the counterparties with whom they transact or place margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default. When the Sub-Fund invests in a security or other instrument which is guaranteed by a bank or other type of financial institution there can be no assurance that such guarantor will not itself be subject to credit difficulties, which may lead to the downgrading of such securities or instruments, or to the loss of some or all of the sums invested in such securities or instruments, or payments due on such securities or instruments.

Further, the recipient of assets delivered by the Depositary or any sub-custodian may fail to make payment for or return such property or hold such property or the proceeds of sale of such property in trust for the Depositary or the Sub-Fund.

### *Interest Rate Risk*

The fixed income securities in which the Sub-Fund may invest are interest rate sensitive, which means that their value and, consequently, the Net Asset Value of the Sub-Fund will fluctuate as interest rates fluctuate. An increase in interest rates will generally reduce the value of the fixed income securities. The Sub-Fund's performance, therefore, will depend in part on its ability to anticipate and respond to such fluctuations in market interest rates and to utilise appropriate strategies to maximise returns to the Sub-Fund while attempting to minimise the associated risks to its investment capital.

### *Investing in Fixed Income Securities*

Investment in fixed income securities is subject to interest rate, sector, security and credit risks.

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

### *Money Market Risk*

**Money market type instruments are neither insured nor guaranteed by any government, government agencies or instrumentalities or any bank guarantee fund. Such instruments are not deposits or obligations of, or guaranteed or endorsed by, any bank. Where the Sub-Fund invests substantially in money market type instruments, the principal invested in the Sub-Fund is capable of fluctuation.**

### *Chinese Government Currency Controls*

Investment in Yuan-denominated securities is subject to the strict currency controls imposed, and regular interventions, by the Chinese government.

As a result of such controls and interventions, the value of Yuan-denominated securities may change quickly, potentially impacting the availability, liquidity, and pricing of securities designed to provide offshore investors with exposure to Chinese markets.

### *China Investment Risk*

Investing in the securities markets in mainland China is subject to the risks of investing in emerging markets generally and the risks specific to the China market in particular.

Companies in mainland China are required to follow the Chinese accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be significant differences between financial statements prepared by accountants following the Chinese accounting standards and practice and those prepared in accordance with international accounting standards.

Both the Shanghai and Shenzhen securities markets are in the process of development and change. This may lead to trading volatility, difficulty in the settlement and recording of transactions and difficulty in interpreting and applying the relevant regulations.

Under the prevailing tax policy in mainland China, there are certain tax incentives available to foreign investment. There can be no assurance, however, that the aforesaid tax incentives will not be abolished in the future.

### *Risks Associated with China Interbank Bond Market and Bond Connect*

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

To the extent that the Sub-Fund transacts through the CIBM scheme, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

For investments via the Bond Connect, the relevant filings, registration with the PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Sub-Fund is subject to the risks of default or errors on the part of such third parties.



Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fails to function properly, trading through Bond Connect may be disrupted. The Sub-Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where the Sub-Fund invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

Investing in the CIBM is also subject to regulatory risks. The relevant rules and regulations on investment in the CIBM is subject to change which may have potential retrospective effect. In the event that the relevant mainland Chinese authorities suspend account opening or trading on the CIBM, the Sub-Fund's ability to invest in the CIBM will be limited and, after exhausting other trading alternatives, the Sub-Fund may suffer substantial losses as a result. Reforms or changes in macro-economic policies, such as the monetary and tax policies might affect interest rates. Consequently, the price and the yield of the bonds held in a portfolio would/could also be affected.

#### *Tax Risks Associated with CIBM and Bond Connect*

Any changes in tax law, future clarifications thereof, and/or subsequent retroactive enforcement by the tax authorities of income and other tax categories may increase tax liabilities on the Sub-Fund and result in a material loss to the Sub-Fund.

The Sub-Investment Adviser may, in its discretion from time to time make a provision for potential tax liabilities, if in their opinion such provision is warranted, or as further clarified by the mainland China tax authorities in notifications.

#### *Emerging Market Risk*

It should be appreciated that, due to the emerging nature of the financial markets in China, the equity and other investment trading markets are of a less developed nature than established markets in other geographical areas. This gives rise to various special risk factors.

Investors are advised that, compared with other more mature markets, liquidity in certain areas of emerging financial markets may be more limited. Accumulation and disposal of certain investments may, therefore, be difficult or not possible at the time when the Sub-Fund would wish to deal and may involve dealing at unfavorable prices. It should be appreciated that the political environment of certain emerging markets may vary significantly from more established economies. Accordingly, political risks may, from time to time, manifest themselves in a way which could seriously affect investment prices and hence the value of any investment in the Sub-Fund.

Clearing, settlement and share registration processes and procedures also vary widely from company to company and from market to market as the case may be and this may affect the Sub-Fund's valuation and the liquidity of the Sub-Fund. Inability to dispose of a security on a timely basis due to settlement problems could result in losses to the Sub-Fund. Moreover, counterparty risk is greater when

registration and settlement may be achieved by way of physical delivery of certificates and registration forms.

Disclosure and regulatory standards in emerging markets may be less stringent than those in other more established international markets, with a lower level of monitoring and regulation of the market and market participants, and limited and uneven enforcement of existing regulations. Consequently, the prices at which the Sub-Fund may acquire investments may be affected by other market participants' anticipation of the Sub-Fund's investing and by trading by persons with material non-public information. There may be less publicly available information about an issuer in an emerging market than would be available in more developed markets, and the issuer may not be subject to accounting, auditing and financial reporting standards comparable to those of companies in more developed markets.

The use of nominees in certain instances represents additional counterparty risk, although these rules may be mitigated by the application of additional operational procedures. In addition, there may be instances, where the purchase of investments through nominees or otherwise on behalf of the Sub-Fund may not be possible and this may restrict investment opportunities available to the Sub-Fund.

#### *Custody Risks*

As the Sub-Fund may invest in markets, as disclosed in the Prospectus, where custodial and/or settlement systems are not fully developed, the assets of the Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risks not pertaining to the performance of the Depository's obligations under the Depository Agreement and the UCITS Regulations.

Such risks include (but are not limited to): (a) a non-true delivery versus payment settlement; (b) a physical market, and as a consequence the circulation of forged securities; (c) poor information in regards to corporate actions; (d) registration process that impacts the availability of the securities; (e) lack of appropriate legal/fiscal infrastructure devices; and (f) lack of compensation/risk fund with the central depository.

## **FIRST ADDENDUM TO THE PROSPECTUS**

### **GAVEKAL UCITS FUND (THE “FUND”)**

**This First Addendum dated 21 March 2023 should be read in conjunction with, and forms part of, the prospectus for the Fund dated 13 December 2022 (the “Prospectus”). The Fund is an open-ended umbrella unit trust authorised in Ireland as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019, as amended.**

The Directors of Bridge Fund Management Limited (the “**Manager**”), whose profiles appear in the Prospectus, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors of the Manager (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors of the Manager accept responsibility accordingly.

**This Addendum sets out details of amendments to the Prospectus. This document forms part of and should be read in conjunction with the Prospectus. Distribution of this Addendum is not authorised unless accompanied by a copy of the Prospectus.**

Words and expressions defined in the Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Addendum.

A. **Amendment to the Supplement to the Prospectus relating to GaveKal Asian Opportunities UCITS Fund (the “Sub-Fund”) (the “Supplement”)**

1. **Additional unit class for the Sub-Fund**

A new Unit Class is to be launched in the Sub-Fund, namely the Class M USD.

The following changes are to be made to the Supplement to reflect this:

- (a) Section 6 of the Supplement entitled “Minimum Subscription and Minimum Holding” will be amended by adding the following row as an additional row to the table in that section:

	<b>Minimum Subscription</b>	<b>Minimum Holding</b>
Class M USD	N/A	N/A

- (b) Section 11 of the Supplement entitled “Further information on the Sub-Fund is set out below:-” will be amended by adding the following row as an additional row to the table in that section:

Class	Initial Issue Price/Period	Issue Price	Maximum Management Fee
Class M USD	<b>USD100 per Unit</b>  9am Dublin time on 22 March, 2023 to 5pm Dublin time on 22 September, 2023	Following the initial offer period, NAV per Unit. No subscription fee applicable.	0%

- (c) Section 11 of the Supplement entitled "Further information on the Sub-Fund is set out below:-" will be amended by adding the following as a new sentence number 6:

Class M USD are only available for subscription and continued holding by the employees and partners of the Investment Adviser and its affiliates and to persons connected with such employees and partners.

**B. Amendment to the Supplement to the Prospectus relating to GaveKal China Fixed Income Fund (the "Sub-Fund") (the "Supplement")**

**1. Additional unit class for the Sub-Fund**

A new Unit Class is to be launched in the Sub-Fund, namely the Class M Euro.

The following changes are to be made to the Supplement to reflect this:

- (a) The second and third paragraphs of Section 2 of the Supplement entitled - "Unit Classes" will be deleted and replaced and a new paragraph will be added as the final paragraph of Section 2 as follows:

There are currently ten Classes as follows:

<i>Name</i>	<i>Denomination</i>
Class A USD	USD
Class A Euro	Euro (unhedged)
Class A Euro hedged	Euro (hedged)
Class A Euro (Distributing)	Euro (unhedged)
Class B Euro	Euro (unhedged)
Class B GBP (Distributing)	GBP (unhedged)
Class C Euro	Euro (unhedged)
SEK Class	SEK (unhedged)
RMB(CNH) Class	CNH (unhedged)
Class M Euro	Euro (unhedged)

The exposure of the Class A Euro, the Class A Euro (Distributing), the Class B Euro, the Class C Euro, the SEK Class, the GBP (Distributing) Class, the RMB (CNH) Class and the Class M Euro against the Base Currency (USD) will not be hedged. Hence, the value of the Class A Euro, the Class A Euro (Distributing), the Class B Euro, the Class C Euro and the Class M Euro expressed in Euro, the SEK Class expressed in SEK, the GBP (Distributing) Class expressed in GBP and the RMB (CNH) Class expressed in CNH will be subject to exchange rate risk in relation to the Base Currency of the Sub-Fund.

(b) Section 6 of the Supplement entitled “Minimum Subscription” will be amended adding the following paragraph as the final paragraph:

“*Class M Euro*: There is no minimum initial subscription nor subsequent subscription applicable to Class M Euro.”

(c) Section 7 of the Supplement entitled “Minimum Holding” will be amended adding the following paragraph as the final paragraph:

“*Class M Euro*: There is no Minimum Holding applicable to Class M Euro.”

(d) Section 14 of the Supplement entitled “Further information on the Sub-Fund is set out below:-” will be amended by adding the following row as an additional row to the table in that section:

Class	Initial Issue Price	Initial Offer Period and Issue Price	Maximum Management Fee
Class M Euro	Euro100 per Unit. No subscription fee applicable.	The initial offer period for Class M Euro shall be from 9.00 a.m. (Irish time) on 22 March, 2023 to 5.00 p.m. (Irish time) on 22 September, 2023.	N/A

(e) Section 14 of the Supplement entitled “Further information on the Sub-Fund is set out below:-” will be amended by adding the following as a new sentence number 6:

Class M Euro are only available for subscription and continued holding by the employees and partners of the Investment Adviser and its affiliates and to persons connected with such employees and partners.

**Dated 21 March 2023**

**COUNTRY SUPPLEMENT**  
**GaveKal UCITS Fund (THE "FUND")**

**ADDITIONAL INFORMATION FOR INVESTORS IN GERMANY**

**This Country Supplement forms part of and should be read in conjunction with the Prospectus (as may be amended or supplemented from time to time) dated 23 July, 2019 of GaveKal UCITS Fund (the "Fund"). This Country Supplement will be appended to the Prospectus which is designated for the distribution in Germany. All capitalised terms contained herein shall have the same meaning in this Country Supplement as in the Prospectus unless otherwise indicated.**

The Directors of the Manager accept responsibility for the information contained in this Country Supplement and in the Prospectus. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

The Bundesanstalt für Finanzdienstleistungsaufsicht (Federal Financial Supervisory Authority) has been notified pursuant to § 310 Investment Code (Kapitalanlagegesetzbuch) of the intention to distribute Units of GaveKal China Fixed Income Fund, GaveKal Asian Opportunities UCITS Fund, of Gavekal China Onshore RMB Bond Fund and GaveKal Global Asset Allocation UCITS Fund (the "Sub-Funds") in the Federal Republic of Germany.

With respect to the units which are authorised for distribution the Manager of the Fund ensures that it is able to remit payments to investors in Germany and redeem the units in the Federal Republic of Germany. Investors in Germany will submit requests for subscription, redemption and conversion directly to the Fund through the Administrator. Remittance of the proceeds of redemption or distribution will be made via correspondence banks by the Manager of the Fund to the bank account detailed on the application form submitted by an investor in Germany.

The Information Agent in Germany is  
Fiducia Capital GmbH  
Kirchplatz 1  
82049 Pullach  
Germany

German Shareholders may inspect or obtain in paper form the Prospectus dated 23 July 2019, the Sub-Fund Information Card of Gavekal China Onshore RMB Bond Fund dated 15 April 2020 with the Sub-Fund Information Card for GaveKal Asian Opportunities UCITS Fund dated 23 July 2019, , the Sub-Fund Information Card for GaveKal China Fixed Income Fund dated 23 July 2019, the Sub-Fund Information Card for GaveKal Asian Value Fund dated 23 July 2019 and the Sub-Fund Information Card for GaveKal Global Asset Allocation UCITS Fund dated 23 July 2019, the relevant Key Investor Information Documents, the Trust Deed dated 22 December 2005 with the First Supplemental Trust Deed dated 21 September 2007, the Second Supplemental Trust Deed dated 1 October 2012 and 11138685v13

the Third Supplemental Trust Deed dated 5 June 2014 and the Fourth Supplemental Trust Deed dated 27 September 2016, the latest available annual and semi-annual reports, the issue and redemption prices, any notices to Shareholders and the following documents free of charge at or from the Information Agent in Germany:

- the Administration Agreement
- the Investment Advisory Agreement
- the GCML Distribution Agreement
- the GaveKal Distribution Agreement

Any other documents and information in respect of the Fund and/or the Sub-Funds which must be published under Irish law will be published in Germany on the website [web.gavekal-capital.com](http://web.gavekal-capital.com). In accordance with § 298 (2) Investment Code investors in Germany shall be informed by way of shareholder letter (i.e. a durable medium) and a publication on the website [web.gavekal-capital.com](http://web.gavekal-capital.com) under the following circumstances:

- suspension of the redemption of a Sub-Fund's Units
- termination of the management or winding-up of a Sub-Fund,
- amendments of the Trust Deed which are inconsistent with the previous investment principles, which affect material investor rights or which relate to remuneration and reimbursements of expenses that may be paid out of a Sub-Fund,
- merger of Sub-Funds,
- conversion of a Sub-Fund to a feeder fund or the changes to a master fund.

Issue and Redemption Prices will be published on the website [web.gavekal-capital.com](http://web.gavekal-capital.com).

**Note: It should be noted that for the further sub-fund GaveKal GEM Fund no notification has been filed according to § 310 Investment Code (Kapitalanlagegesetzbuch) and that the Unites of this sub-fund may not be distributed to investors within the scope of applicability of the Investment Code.**

**DATED: 16 April 2020**