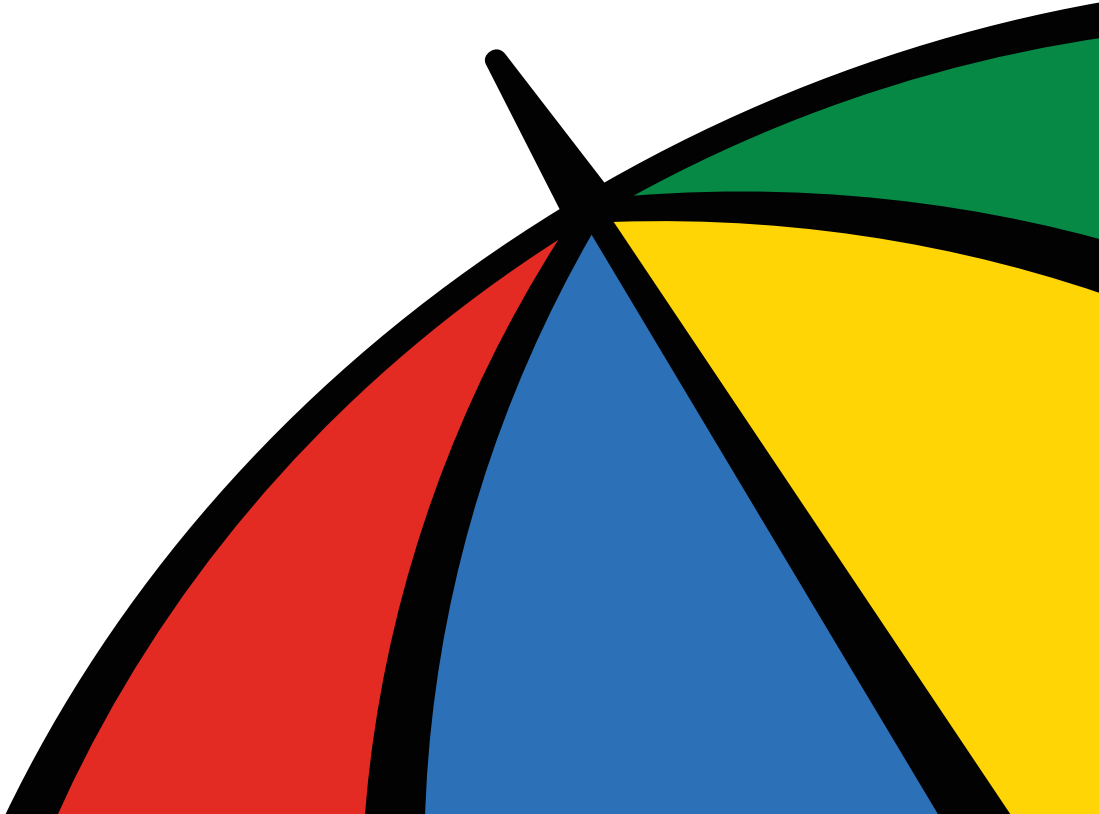




# LGIM Liquidity Funds Prospectus

The date of this prospectus is 18 December 2023



**If you are in any doubt about the contents of this Prospectus, the risks involved in investing in the Company or the suitability for you of investment in the Company, you should consult your stock broker, bank manager, solicitor, accountant or other independent financial adviser. Prices for shares in the Company may fall as well as rise.**

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

### **LGIM LIQUIDITY FUNDS PLC**

#### **An umbrella Fund with segregated liability between sub-funds**

(An open-ended umbrella investment company with variable capital and segregated liability between Funds incorporated with limited liability in Ireland under the Companies Act 2014 with registration number 448580 and established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011), as amended.)

### **PROSPECTUS**

#### **Investment Manager**

#### **Legal & General Investment Management Limited**

#### **Management Company**

#### **LGIM Managers (Europe) Limited**

The date of this Prospectus is 18 December 2023.

# Important Information

This Prospectus should be read in conjunction with the Section entitled “Definitions”.

## THE PROSPECTUS

This Prospectus describes LGIM Liquidity Funds plc (the “Company”), an open-ended investment company with variable capital incorporated in Ireland and authorised by the Central Bank of Ireland (the “Central Bank”) as a UCITS pursuant to the UCITS Regulations. The Company is structured as an umbrella fund and may comprise several portfolios of assets. The share capital of the Company (“Shares”) may be divided into different classes of shares (“Funds”) each representing a separate portfolio of assets and further sub-divided, to denote differing characteristics attributable to particular Shares, into “Classes”.

This Prospectus may only be issued with one or more Supplements, each containing information relating to a separate Fund. Details relating to Classes may be dealt with in the relevant Fund Supplement or in separate Supplements for each Class. Each Supplement shall form part of, and should be read in conjunction with, this Prospectus. To the extent that there is any inconsistency between this Prospectus and any Supplement, the relevant Supplement shall prevail.

The latest published annual and half yearly reports of the Company will be supplied to Shareholders free of charge on request and will be available to the public as further described in the section of the Prospectus headed “Reports and Accounts”.

## AUTHORISATION BY THE CENTRAL BANK

**The Company is both authorised and supervised by the Central Bank. Authorisation of the Company by the Central Bank shall not constitute a warranty as to the performance of the Company and the Central Bank shall not be liable for the performance or default of the Company. The authorisation of the Company is not an endorsement or guarantee of the Company by the Central Bank and the Central Bank is not responsible for the contents of this Prospectus.**

## FUND RATING

The Company may apply for a fund rating from a Rating Agency in respect of any Class or Fund. Where it is stated in the Supplement for a Fund that the Fund has or will seek to obtain a rating, the rating will be solicited and financed by the Company or the Investment Manager on behalf of the Fund.

## RESTRICTIONS ON DISTRIBUTION AND SALE OF SHARES

The distribution of this Prospectus and the offering of Shares may be restricted in certain jurisdictions. This Prospectus does not constitute an offer or solicitation in any jurisdiction in which such offer or solicitation is not authorised or the person receiving the offer or solicitation may not lawfully do so. It is the responsibility of any person in possession of this Prospectus and of any person wishing to apply for Shares to inform himself of and to observe all applicable laws and regulations of the countries of his nationality, residence, ordinary residence or domicile.

The Directors may restrict the ownership of Shares by any person, firm or corporation where such ownership would be

in breach of any regulatory or legal requirement or may affect the tax status of the Company. Any restrictions applicable to a particular Fund or Class shall be specified in the relevant Supplement for such Fund or Class. Any person who is holding Shares in contravention of the restrictions set out above or, by virtue of his holding, is in breach of the laws and regulations of any competent jurisdiction or whose holding could, in the opinion of the Directors or the Manager, cause the Company or any Shareholder or any Fund to incur any liability to taxation or to suffer any pecuniary disadvantage which any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors or the Manager believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Manager, the Distributor, the Investment Manager, the Depositary, the Administrator and Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company.

The Directors have the power under the Articles of Association to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of the restrictions imposed by them as described herein.

#### United Kingdom

The Company is a recognised scheme under section 264(1) of the Financial Services and Markets Act 2000 ("FSMA"). Shares in the Company may be promoted in the United Kingdom by persons authorised for the purposes of FSMA (as set out in section 31(1) of FSMA) ("authorised persons") and such authorised persons are not subject to restrictions contained in section 238 of FSMA. The Company will provide the facilities required under the Collective Investment Schemes Sourcebook published by the Financial Conduct Authority governing such schemes at the offices of the Distributor in the United Kingdom as specified in the 'Directory' section of this Prospectus. The Company does not have a permanent place of business in the United Kingdom.

The Company will provide facilities in the UK for the following purposes:

- i. obtaining and inspecting the Prospectus and Key Investor Information Document free of charge;

- ii. inspecting (free of charge) and obtaining the Memorandum & Articles of Association and the instrument amending the Memorandum & Articles of Association;
- iii. once published inspecting (free of charge) and obtaining the Company's latest annual and half-yearly accounts;
- iv. enabling Shareholders to obtain Net Asset Value per Share and redemption information; and
- v. enabling Shareholders to have complaints transmitted to the Company.

The address where such facilities are located will be the UK offices from time to time of the Distributor, shown in the 'Directory' section of the Prospectus.

As against the Company, and any overseas agent thereof who is not an authorised person in the United Kingdom, a United Kingdom investor will not benefit from most of the protections afforded by the United Kingdom regulatory system, and in particular will not benefit from rights under the Financial Services Compensation Scheme or access to the Financial Ombudsman Service.

#### United States of America

None of the Shares have been, or will be, registered under the United States Securities Act of 1933 and none of the shares may be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction or for the benefit of a US Person. Neither the Company nor any Fund will be registered under the United States Investment Company Act of 1940. None of the Shares may be held by, or for the benefit of, a US Person, including any person whose investment in Shares may be funded with funds obtained directly or indirectly from a US Person. For these purposes, "United States" and "U.S. Person" shall have the meanings set forth in Regulation S under the United States Securities Act of 1933, and the term "U.S. Person" shall include additionally any person that it not a "Non-United States Person" within the meaning of United States Commodity Futures Trading Commission Regulation 4.7.

All parties becoming Shareholders in the Company must warrant to the Company that

- a. they are not a U.S. Person;
- b. they will notify the Company immediately if at any time they become a US person or become prohibited from holding Shares in the Company under any applicable law or regulation;
- c. they will not offer to sell or transfer Shares in the Company to a U.S. Person or any person in violation of any applicable law or regulation; and
- d. they have not been formed, organised, reorganised, capitalised or recapitalised for the purpose of investing in the Company.

#### REDEMPTION FEE

**The Directors are empowered to levy a redemption fee not exceeding 2% of the Net Asset Value of Shares being redeemed. Details of any such charge with respect to one or more Funds will be set out in the relevant Supplement.**

**The difference at any one time between the sale price and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term.**

#### RELIANCE ON THIS PROSPECTUS

Statements made in this Prospectus and any Supplement are based on the law and practice in force in Ireland at the date of the Prospectus or Supplement as the case may be, which may be subject to change. Neither the delivery of this Prospectus nor the offer, issue or sale of Shares in the Company shall under any circumstances constitute a representation that the affairs of the Company have not changed since the date hereof. This Prospectus will be updated by the Company to take into account any material changes from time to time and any such amendments will be notified in advance to the Central Bank. Any information or representation not contained herein or given or made by any broker, salesperson or other person should be

regarded as unauthorised and should accordingly not be relied upon.

Investors should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or other matters. You should consult your stockbroker, accountant, solicitor, independent financial adviser or other professional adviser.

#### RISK FACTORS

Investors should read and consider the section entitled "Risk Factors" in this Prospectus and any Supplement before investing in the Company.

#### FINANCIAL DERIVATIVE INSTRUMENTS

The Company may engage in transactions in Financial Derivative Instruments ("FDI") on behalf of a Fund either for investment purposes or for the purposes of efficient portfolio management as more particularly disclosed in this Prospectus and the Supplement for the relevant Fund. The Manager will employ a risk management process which will enable it to accurately measure, monitor and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Company 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 and cleared by the Central Bank. The Manager will provide to Shareholders on request supplementary information relating to the risk management methods employed by the Company and the Manager including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments. The expected effect of transactions in FDI is noted in the Supplement for the relevant Fund.

#### TRANSLATIONS

This Prospectus and any Supplements 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 Supplements. To the extent that there is any inconsistency between the English language Prospectus/Supplements and the Prospectus/Supplements in another language, the

English language Prospectus/Supplements will prevail, except to the extent (but only to the extent) required by the law of any jurisdiction where the Shares are sold, that in an action based upon disclosure in a Prospectus in a language other than English, the language of the Prospectus/Supplement on which such action is based shall prevail.

# Directory

## **DIRECTORS**

Donard McClean  
Adel Malcolm  
Claire Aley  
Deirdre O'Reilly  
Eimear Cowhey

## **INVESTMENT MANAGER/ DISTRIBUTOR/PROMOTER**

Legal & General Investment Management Limited  
One Coleman Street  
London EC2R 5AA  
United Kingdom

## **ADMINISTRATOR**

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

## **IRISH LEGAL ADVISERS**

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

## **SPONSORING BROKERS**

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

## **REGISTERED OFFICE\***

70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

## **MANAGER**

LGIM Managers (Europe) Limited  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

## **DEPOSITARY**

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

## **AUDITORS**

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

## **SECRETARY**

Matsack Trust Limited  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

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\* All subscription and redemption applications should be sent to the address of the Administrator

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# Definitions

In this Prospectus the following words and phrases have the meanings set forth below. All references to a specific time of day are to Irish time.

**“ABCP”**

means asset-backed commercial paper.

**“Accounting Date”**

means 31 December in each year or such other date as the Directors may from time to time decide.

**“Accounting Period”**

means a period ending on the Accounting Date and commencing, in the case of the first such period on the date of incorporation of the Company and, in subsequent such periods, on the day following expiry of the last Accounting Period.

**“Act”**

means the Companies Act 2014 and every amendment or re-enactment of the same.

**“Accumulating Shares”**

means Shares of a Fund carrying no right to any distributions of income but the income and capital gains attributable to such Shares is retained within the Fund and reflected in the Net Asset Value of such Shares.

**“Administrator”**

means Northern Trust International Fund Administration Services (Ireland) Limited.

**“Administration Agreement”**

means the Administration Agreement made between the Company, the Manager, and the Administrator dated 25

May, 2018, as same may be amended and/or modified from time to time.

**“amortised cost method”**

means a valuation method which takes the acquisition cost of an asset and adjusts that value for amortisation of premiums or discounts until maturity.

**“Application Form”**

means the application form to be completed by subscribers for Shares as prescribed by the Manager or its delegate from time to time.

**“Articles of Association”**

means the Memorandum and Articles of Association of the Company.

**“Auditors”**

means KPMG, Ireland.

**“Base Currency”**

means the currency of account of a Fund as specified in the relevant Supplement relating to that Fund.

**“Business Day”**

means in relation to a Fund such day or days as shall be so specified in the relevant Supplement for that Fund.

**“Beneficial Ownership Regulations”**

means the European Union (Anti-Money Laundering Beneficial Ownership of Corporate Entities) Regulations 2019, as modified by the European Union (Modifications of Statutory Instrument No. 110 of 2019) (Registration of Beneficial Ownership of Certain Financial Vehicles) Regulations 2020, as may be amended, consolidated or substituted from time to time.

**“Central Bank”**

means the Central Bank of Ireland or any successor thereto.

**“Central Bank UCITS Regulations”**

means the Central Bank Supervision and Enforcement Act 2013 (S 48 (1)) (Undertaking for Collective Investment in Transferable Securities) Regulations 2019 as may be amended, consolidated or substituted from time to time as well as any related guidance issued by the Central Bank from time to time.

**“Class”**

means a particular division of Shares in a Fund.

**“Company”**

means LGIM Liquidity Funds plc.

**“Country Supplement”**

means a supplement to this Prospectus specifying certain information pertaining to the offer of Shares of the Company or a Fund or Class in a particular jurisdiction or jurisdictions.

**“Credit Quality Assessment Procedure”**

means the credit quality assessment procedure outlined in the section of the Prospectus entitled “MMF Credit Quality Assessment Procedure”.

**“Data Protection Legislation”**

means:

- i. the Data Protection Acts 1988 – 2018, as amended from time to time;
- ii. the GDPR;
- iii. the EU ePrivacy Directive 2002/58/EC (as amended);
- iv. any relevant transposition of, or successor or replacement to, those laws; and
- v. all other applicable law, regulations and codes of conduct in any relevant jurisdiction relating to the processing of Personal Data and privacy including the guidance and codes of practice issued by a relevant

data protection regulator, including the Data Protection Commission and the European Data Protection Board or the Article 29 Working Party.

**“Dealing Day”**

means in relation to a Fund such day or days being not less than two in each month as shall be specified in the relevant Supplement for that Fund.

**“Dealing Deadline”**

means in relation to a Fund, such time on any Dealing Day as shall be specified in the relevant Supplement for the Fund.

**“Depositary”**

means Northern Trust Fiduciary Services (Ireland) Limited.

**“Depositary Agreement”**

means the Amended and Restated Depositary Agreement made between the Company, the Manager and the Depositary dated 25 May, 2018, as same may be amended and/or modified from time to time.

**“Directors”**

means the directors of the Company or any duly authorised committee thereof.

**“Distributing Shares”**

means Shares in a Fund in respect of which the Directors expect to declare a dividend.

**“Distribution Agreement”**

means the Distribution Agreement made between the Manager and the Investment Manager dated 15 June 2022, as same may be amended and/or modified from time to time.

**“Distributor”**

means the Investment Manager.

**“EEA”**

means the countries for the time being comprising the European Economic Area (being at the date of this Prospectus, European Union Member States, Norway, Iceland, Liechtenstein).

**“eligible securitisations and ABCPs”**

means a securitisation or an ABCP that is sufficiently liquid, has received a favourable assessment pursuant to the Credit Quality Assessment Procedure and is any of the following:

- a. a securitisation referred to in Article 13 of Commission Delegated Regulation (EU) 2015/61, provided that in the case of a Short-Term MMF, that the legal maturity at issuance of the securitisations is 2 years or less and the time remaining until the next interest rate reset date is 397 days or less, or the securitisations are amortising instruments and have a WAL of 2 years or less;
- b. an ABCP issued by an ABCP programme which:
  - i. is fully supported by a regulated credit institution that covers all liquidity, credit and material dilution risks, as well as ongoing transaction costs and ongoing programme wide costs related to the ABCP, if necessary to guarantee the investor the full payment of any amount under the ABCP;
  - ii. is not a re-securitisation and the exposures underlying the securitisation at the level of each ABCP transaction do not include any securitisation position;
  - iii. does not include a synthetic securitisation as defined in point (11) of Article 242 of Regulation (EU) No 575/2013;  
  
provided that in the case of a Short-Term MMF that the legal maturity at issuance or residual maturity of the securitisations or ABCPs is 397 days or less;
- c. a simple, transparent and standardised (STS) securitisation or ABCP, provided that in the case of a Short-Term MMF, that the legal maturity at issuance or residual maturity of the securitisations or ABCPs is less than 397 days or less or the securitisations are amortising instruments and have a WAL of 2 years or less, as applicable.

**“EMIR”**

Regulation (EU) No 648/2012 on OTC derivatives, central counterparties and trade repositories.

**“euro” or “€”**

means the lawful currency of the participating member states of the European Union which have adopted the single currency in accordance with the EC Treaty of Rome dated 25th March 1957 (as amended by the Maastricht Treaty dated 7th February 1992).

**“Exempt Irish Investor”**

means “Exempt Irish Investor” as defined in the section entitled “Taxation”.

**“Financial Conduct Authority”**

means the United Kingdom’s regulator of financial services firms and or “FCA” any successor bodies.

**“Fitch”**

means Fitch, Inc. and Fitch Ratings Ltd and any subsidiary of either of them together with any successor.

**“FSMA”**

means the United Kingdom Financial Services and Markets Act 2000 and every amendment or re-enactment of same.

**“Fund”**

means a sub-fund of the Company representing the designation by the Directors of a particular class of Shares as a sub-fund the proceeds of issue of which are pooled separately and invested in accordance with the investment objective and policies applicable to such sub-fund and which is established by the Directors from time to time with the prior approval of the Central Bank.

**“GDPR”**

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

**“Initial Price”**

means the initial price payable for a Share as specified in the relevant Supplement for each Fund.

**“Intermediary”**

means “Intermediary” as defined in the section entitled “Taxation”.

**“Investment Manager”**

means Legal & General Investment Management Limited.

**“Investment Management Agreement”**

means the Investment Management Agreement made between the Manager and the Investment Manager dated 26 September, 2022, as same may be amended and/or modified from time to time.

**“Ireland”**

means the Republic of Ireland.

**“Irish Resident”**

means “Irish Resident” as defined in the section entitled “Taxation”.

**“LVNAV Money Market Fund” or “LVNAV MMF”**

means a low volatility net asset value money market fund as defined in the MMF Regulation and authorised under the MMF Regulation, namely the LGIM Sterling Liquidity Fund, the LGIM US Dollar Liquidity Fund and the LGIM Euro Liquidity Fund (collectively the “LVNAV MMFs”).

**“Manager”**

means LGIM Managers (Europe) Limited.

**“Management Agreement”**

means the Management Agreement made between the Company and the Manager dated 25 May, 2018, as same may be amended and/or modified from time to time.

**“mark-to-market”**

means the valuation of positions at readily available close out prices that are sourced independently, including exchange prices, screen prices, or quotes from several independent reputable brokers.

**“mark-to-model”**

means any valuation which is benchmarked, extrapolated or otherwise calculated from one or more market input.

**“MiFID II”**

means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or any statutory modification or re-enactment thereof and related legislation.

**“MiFID Regulations”**

means S.I. No 375 of 2017 European Union (Markets in Financial Instruments) Regulations 2017, as amended, supplemented, consolidated or otherwise modified from time to time and any regulations or conditions made thereunder by the Central Bank.

**“MiFIR Regulations”**

means Regulation (EU) No 600/2014 of the European Parliament and the Council of 15 May 2014 on markets in financial instruments or any statutory modification or re-enactment thereof and related legislation..

**“Member”**

means a Shareholder or a person who is registered as the holder of one or more non-participating shares in the Company.

**“Member State”**

means a member state of the European Union.

**“Minimum Holding”**

means the minimum number or value of Shares in a Fund or Class which must be held by Shareholders as may be specified in the relevant Supplement.

**“Minimum Subscription”**

means the minimum initial subscription for Shares in any Fund or Class as may be specified in the relevant Supplement.

**“MMF” or “Money Market Fund”**

means a money market fund authorised under the MMF Regulation, being each of the LVNAV Funds.

**“MMF Delegated Regulation”**

means the Commission Delegated Regulation amending and supplementing the MMF Regulation with regard to simple, transparent and standardised (STS) securitisations

and ABCPs, requirements for assets received as part of reverse repurchase agreements and credit quality assessment methodologies.

**“MMF Regulation”**

means Regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on money market funds as may be amended or supplemented from time to time.

**“Money Market Instruments”**

means instruments normally dealt in on a money market that are liquid and have a value which can be accurately determined at any time as construed in accordance with schedule 3 to the UCITS Regulations and to be eligible for investment by a LVNAV MMF, such instruments that meet the applicable criteria outlined in Article 10 of the MMF Regulation.

**“MTM Net Asset Value”**

means the Net Asset Value of a LVNAV MMF or attributable to a Class (as appropriate) calculated using the mark-to-market or mark-to-model method as outlined in the section entitled “Net Asset Value and Valuation of Assets” of this Prospectus and “MTM Net Asset Value per Share” shall be construed accordingly.

**“Net Asset Value”**

means the Net Asset Value of a Fund or attributable to a Class (as appropriate) calculated as referred to in the section entitled “Net Asset Value and Valuation of Assets” of this Prospectus which may in respect of a LVNAV MMF be calculated as the Stable Net Asset Value or the MTM Net Asset Value as outlined in that section.

**“Net Asset Value per Share”**

means the Net Asset Value of a Fund divided by the number of Shares in issue in that Fund or the Net Asset Value attributable to a Class divided by the number of Shares issued in that Class rounded to such number of decimal places as the Directors may determine in accordance with the section entitled “Net Asset Value and Valuation of Assets” of this Prospectus.

**“OECD”**

means the Organisation for Economic Co-Operation and Development.

**“OECD Governments”**

means governments of Australia, Austria, Belgium, Canada, Chile, Columbia, Costa Rica, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, South Korea, Latvia, Lithuania, Luxembourg, Mexico, the Netherlands, New Zealand, Norway, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, United Kingdom and the United States or such other members as may be admitted to the OECD from time to time.

**“Ordinarily Resident in Ireland”**

means “Ordinarily Resident in Ireland” as defined in the section entitled “Taxation”.

**“Paying Agent”**

means one or more paying agents/representatives/facilities agents appointed by the Company and/or the Manager in certain jurisdictions from time to time.

**“Prospectus”**

means the prospectus of the Company and any Supplements and addenda thereto issued in accordance with the requirements of the UCITS Regulations and the Central Bank UCITS Regulations.

**“Rating Agency”**

means any internationally recognised credit rating agency or agencies which may be used by the Company, including, but not limited to, Standard & Poor’s and/or Fitch.

**“Recognised Clearing System”**

means “Recognised Clearing System” as defined in the section entitled “Taxation”.

**“Recognised Exchange”**

means the stock exchanges or markets set out in Appendix III.

**“Relevant Declaration”**

means “Relevant Declaration” as defined in the section entitled “Taxation”.

**“Relevant Period”**

means “Relevant Period” as defined in the section entitled “Taxation”.

**“Share”**

means a participating share or, save as otherwise provided in this Prospectus, a fraction of a participating share in the capital of the Company.

**“Shareholder”**

means a person who is registered as the holder of Shares in the register of Shareholders for the time being kept by or on behalf of the Company.

**“Short-Term Money Market Fund” or “Short Term MMF”**

means the LVNAV MMFs, each of which is designated as a short-term money market fund in the LVNAV MMF’s Supplement and invests in eligible Money Market Instruments referred to in Article 10(1) of the MMF Regulation and is subject to the portfolio rules set out in Article 24 of the MMF Regulation.

**“Sponsoring Broker”**

means Dillon Eustace.

**“Stable Net Asset Value”**

means the Net Asset Value of a LVNAV MMF or attributable to a Class (as appropriate) calculated as outlined in the section entitled “Net Asset Value and Valuation of Assets” of this Prospectus and “Stable Net Asset Value per Share” shall be construed accordingly.

**“Standard & Poor’s” or “S&P”**

means Standard & Poor’s Rating Service, a division of the McGraw-Hills Companies.

**“Supplement”**

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

**“Sterling” or “£”**

means the lawful currency for the time being of the United Kingdom.

**“Taxes Act”**

means “Taxes Act” as defined in the section entitled “Taxation”.

**“Taxonomy Regulation”**

means Regulation EU 2020/852 on the establishment of a framework to facilitate sustainable investment and amending Regulation (EU) 2019/2088, as may be amended from time to time.

**“Transaction Form”**

means any transaction form to be completed by Shareholders for subscriptions, redemptions or exchanges as prescribed by the Company or its delegate from time to time.

**“UCITS”**

means an Undertaking for Collective Investment in Transferable Securities established pursuant to the UCITS Directive.

**“UCITS Directive”**

means EC Council Directive 2009/65/EC of 13 July 2009, as amended, consolidated or substituted from time to time.

**“UCITS Regulations”**

means the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (S.I. No. 352 of 2011) (as amended consolidated or substituted from time to time).

**“UK”**

means the United Kingdom of Great Britain and Northern Ireland.

**“Umbrella Cash Account”**

means (a) a cash account opened in the name of the Company on behalf of all Funds into which (i) subscription monies received from investors who have subscribed for Shares are deposited and held until Shares are issued as of the relevant Dealing Day; and (ii) redemption monies due to investors who have redeemed Shares are deposited and held until paid to the relevant investors; and (iii) dividend payments owing to Shareholders are deposited and held until paid to such Shareholders.

**“United States”**

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

**“US Dollar”, “USD” or “US\$”**

means United States Dollars, the lawful currency for the time being of the United States of America.

**“US Person”**

means any natural person resident in the United States; any corporation or partnership organised or incorporated under the laws of the United States; any estate of which any executor or administrator is a U.S. Person; any trust for which a trustee is a U.S. Person; any agency or branch of a foreign entity located in the United States; any non-discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary for the benefit or account of a U.S. Person; any discretionary account or similar account (other than an estate or trust) held by a dealer or other fiduciary organised incorporated, or (if an individual) resident in the United States; any partnership or corporation organised or incorporated under the laws of a foreign jurisdiction and formed by a U.S. Person principally for the purpose of investing in securities not registered under the Securities Act, unless it is organised or incorporated and owned by accredited investors (as defined in Rule 501(a) under the 1933 Act who are not natural persons, estates or trusts; any other person falling within the definition of the term “U.S. Person” under Rule 902 under the 1933 Act or any person falling within the definition of the term “U.S. Person” or the term “United States Person” under Rule 4.7 under the Commodity Exchange Act, as amended (“CEA”); and any person who falls to be classified as a US Person for the purposes of US Federal tax.

**“Valuation Point”**

means the time by reference to which the Net Asset Value shall be calculated on or with respect to each Dealing Day which shall be specified in the relevant Supplement for each Fund.

**“weighted average life” or “WAL”**

means the average length of time to legal maturity of all of the underlying assets in a LVNAV MMF reflecting the relative holdings in each asset.

**“weighted average maturity” or “WAM”**

means the average length of time to legal maturity or, if shorter, to the next interest rate reset to a money market rate, of all of the underlying assets in a LVNAV MMF reflecting the relative holding in each asset.



# 1. The Company

## GENERAL

The Company is an open-ended investment company with variable capital and with segregated liability between Funds, incorporated in Ireland on 6th November, 2007 under the Act with registration number 448580. The Company has been authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations.

The Company is structured as an umbrella fund consisting of different Funds established from time to time, each comprising one or more Classes. The Shares issued in each Fund will rank *pari passu* with each other in all respects provided that they may differ as to certain matters including currency of denomination, hedging strategies if any applied to the currency of a particular Class, dividend policy, the level of fees and expenses to be charged, subscription or redemption procedures or the Minimum Subscription and Minimum Holding applicable. The assets of each Fund will be invested separately on behalf of each Fund in accordance with the investment objective and policies of each Fund. A separate portfolio of assets is not maintained for each Class. The investment objective and policies and other details in relation to each Fund are set out in the relevant Supplement which forms part of and should be read in conjunction with this Prospectus.

The Base Currency of each Fund is specified in the relevant Supplement. Additional Funds and Classes in respect of which a Supplement or Supplements will be issued may be established by the Directors with the prior approval of the Central Bank.

The Company currently has the following Funds:

1. LGIM Sterling Liquidity Fund;
2. LGIM US Dollar Liquidity Fund;
3. LGIM Sterling Liquidity Plus Fund; and
4. LGIM Euro Liquidity Fund.

## INVESTMENT OBJECTIVE AND POLICIES

The specific investment objective and policies of each Fund will be set out in the relevant Supplement to this Prospectus and will be formulated by the Directors at the time of creation of the relevant Fund.

Pending investment of the proceeds of a placing or offer of Shares or where market or other factors so warrant, a Fund's assets may be invested in money market instruments, including but not limited to certificates of deposit, floating rate notes and fixed rate commercial paper listed or traded on Recognised Exchanges and in cash deposits.

The investment objective of a Fund may not be altered and material changes in the investment policy of a Fund may not be made without the prior written approval of all Shareholders or without the approval of Shareholders on the basis of a simple majority of votes cast at a meeting of the Shareholders of the particular Fund duly convened and held. In the event of a change of the investment objective and/or a material change to the investment policy of a Fund, Shareholders in the relevant Fund will be given

reasonable notice of such change to enable them redeem their Shares prior to implementation of such a change. In accordance with the requirements of the Central Bank, “material” shall be taken to mean, although not exclusively, changes which would significantly alter the asset type, credit quality, borrowing limits or risk profile of a Fund.

The list of Recognised Exchanges on which a Fund’s investments in securities and financial derivative instruments, other than permitted investments in unlisted securities and over the counter derivative instruments, will be listed or traded is set out in Appendix III.

### **Sustainability Policy**

The Manager has adopted a sustainability policy (“**Sustainability Policy**”) which is in line with the requirements set out in the EU Sustainable Finance Disclosure Regulation (“**SFDR**”) under Article 3 (Transparency of sustainability risk policies). Under SFDR, “sustainability risk” means an environmental, social or governance (“**ESG**”) event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment (“**Sustainability Risks**”). The Sustainability Policy therefore approaches Sustainability Risks from the perspective that ESG events might cause a material negative impact on the value of Funds’ investments.

The Manager and the Investment Manager believe that the consideration of Sustainability Risks reflects a core part of their fiduciary role to act in the best interest of Shareholders. This starts with identifying key macroeconomic Sustainability Risks that could result from inaction in response to the world’s environmental or societal challenges. They also believe that opportunities arise from long-term sustainability-related structural changes that can be value creating for investment portfolios. The Investment Manager combines an analysis of these macro drivers with sector-level and issuer-level analysis to determine whether and how companies and assets are positioned in respect of the Sustainability Risks that are most relevant to them.

The Investment Manager’s global stewardship themes are based on ESG issues that direct most of its sustainability-oriented research and engagement. These encompass climate change, low-carbon solutions, biodiversity, board accountability, tax, cyber security and privacy/ data security, health, transparency, income inequality, executive pay, and diversity. The Investment Manager’s internal processes for identifying and prioritising Sustainability Risks are supported by the Global Research and Engagement Groups (“**GREGs**”) which bring together representatives from the investment and investment stewardship teams across regions and asset classes. The GREGs enable the Investment Manager to connect top-down macro and thematic views with bottom-up analysis of corporate and sector fundamentals to understand the materiality of Sustainability Risks and prioritise them accordingly. Combining the capabilities of the investment and investment stewardship teams also enables the Investment Manager to scale and coordinate its engagement efforts with companies at board and executive management levels, across all asset classes and investment styles.

The Manager and Investment Manager believe Sustainability Risks can be financially material and that integrating ESG considerations is essential to mitigate Sustainability Risks and strengthen long-term returns. They manage Sustainability Risks through the variety of measures outlined below.

#### Active ownership and engagement

The Investment Manager seeks to use its scale and influence to tackle a wide variety of ESG issues that it believes could impact the value of the Funds’ investments. Through active ownership, it strives to effect positive change in the companies and assets in which it invests.

The Investment Manager’s investment stewardship focuses on client outcomes and broader societal and environmental impacts in its engagements with companies and policymakers. This spans consideration of systemic risks and macro developments through to company specific issues, implemented using the following three step approach:

I. Identify

- Through rigorous research, identify key ESG issues
- Integrate consideration of these into our investment processes, strategies and solutions

II. Engage

- Actively engage with investee companies on ESG issues
- Work with policymakers, regulators, industry peers and our stakeholders as we seek to raise overall market standards

III. Escalate

- When necessary and where possible, we will vote against and even divest from companies
- Where possible, withhold investment from companies that fail to meet our minimum standards

The goals for engagement within its global stewardship themes can range from increasing disclosure on key sustainability-related information, to setting universal requirements such as near-term net zero targets, to seeking specific outcomes such as reducing business activities in controversial weapons.

The Investment Manager's voting policies range from minimum expectations such as requiring financial expertise on the audit committee, to clarifications around variable pay performance targets, links to stakeholder experience and ESG measures, and voting to oppose combined chair/CEO roles and all-male boards.

Exclusions

Exclusions shall prohibit certain investments across a variety of issues. The Investment Manager employs

exclusions at different levels in accordance with the Funds' investment objective and policy:

- Certain Funds implement the Future World Protection List, a set of exclusions of those issuers that fail to meet certain minimum standards of globally accepted business practices. Further details on the Future World Protection List can be accessed here: [www.lgim.com/fwpl](http://www.lgim.com/fwpl)
- Certain Funds also implement investment exclusions that result from companies failing to meet the Investment Manager's minimum requirements on climate change following engagement under the Climate Impact Pledge. Further details on the Climate Impact Pledge and sanctioned companies can be accessed here: [Climate Impact Pledge overview](#)
- Other exclusions may be additionally applied to specific Funds consistent with their objectives and policies.

**Index strategies**

In respect of index-tracking Funds, whose investment policy is to track the relevant index, Sustainability Risks cannot influence a decision as to whether the Fund can invest in a particular security as this will ultimately be driven by the constituents of the relevant index. However, as set out above, the Investment Manager will engage with issuers on sustainable matters whose securities are components of the relevant indices.

**Active strategies**

The Investment Manager's approach to embedding sustainability considerations in respect of active strategies relies on proprietary capabilities to identify and analyse material ESG factors and make informed investment decisions to manage Sustainability Risks in an effort to avert Sustainability Risks.

The GREGs identify material ESG factors using both top-down and bottom-up approaches. ESG factors are

embedded into the issuer level research process evaluating the ESG credentials of companies alongside traditional financial metrics to identify Sustainability Risks. The Investment Manager reviews issuer-level research as part of its security selection and portfolio construction process.

To support this process, the Investment Manager has a proprietary research tool (“**Active ESG View**”) to inform its portfolio managers on issuer ESG information combining its proprietary GREGs analysis with multiple external research inputs. Active ESG View brings together granular quantitative and qualitative inputs such as the materiality of Sustainability Risks in sectors, company ESG data, engagement criteria and proprietary forward-looking company analysis. The ESG themes that are considered include (without limitation) climate change; water and waste management; labour management; health and safety; community practices; board robustness; and investor rights. This supports investment teams in deepening their understanding of how companies manage potential, sector- relevant Sustainability Risks to be considered alongside all other components of fundamental investment analysis. There are no licensing fees or any other additional costs applicable to the Funds.

The extent to which Sustainability Risks are considered within the investment process depends on the specific Funds’ objectives and policies. Where Funds have investment objectives or policies that include making sustainable investments or promoting environmental or social characteristics, the Investment Manager will implement the relevant ESG investment strategy to achieve the respective objectives or policies. However, where Funds do not have specific sustainability objectives or promote sustainable characteristics, the Investment Manager will take financially material ESG factors alongside financial factors into account in making its investment decisions.

The Sustainability Policy is available at the Investment Manager’s website and a paper copy will be made available free of charge upon request.

#### *Taxonomy Regulation Disclosure*

Unless otherwise specified in the relevant Supplement, the investments underlying a Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

#### **PROFILE OF A TYPICAL INVESTOR**

The profile of a typical investor for each Fund shall be set out in the Supplement for the relevant Fund.

#### **INVESTMENT RESTRICTIONS**

Investment of the assets of each Fund must comply with the UCITS Regulations and, in respect of a MMF, the MMF Regulation. The Directors may impose further restrictions in respect of any Fund, which will be disclosed in the relevant Fund Supplement. A Fund for which a credit rating has been obtained will also be subject to the requirements of the relevant rating agency in order to maintain such a rating. The investment and borrowing restrictions applying to the Company and each Fund which are imposed under the UCITS Regulations are set out in Appendix I and, in respect of a Fund that is a MMF, are set out in Appendix II. A Fund may also hold ancillary liquid assets provided in the case of a MMF that such investments comply with the requirements of the MMF Regulation.

#### **BORROWING POWERS**

The Company may only borrow on a temporary basis and the aggregate amount of such borrowings may not exceed 10% of the Net Asset Value of each Fund. Subject to this limit the Directors may exercise all borrowing powers on behalf of the Company. In accordance with the provisions of the UCITS Regulations and, subject to the provisions of the MMF Regulation in the case of a Fund that is a MMF, the Directors may instruct the Depositary to give a charge over its assets as security for such borrowings. 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 103(1) of the UCITS Regulations provided that at the date of entry the offsetting deposit equals or exceeds the value of the foreign currency loan outstanding. In circumstances where the offsetting deposit does not equal or exceed the foreign currency loan outstanding, then the amount by which the loan exceeds the back-to-back deposit will be treated as borrowing for the purposes of Regulation 103(1) of the UCITS Regulations.

## **ADHERENCE TO INVESTMENT AND BORROWING RESTRICTIONS**

The Company will, with respect to each Fund, adhere to any investment or borrowing restrictions herein and any criteria necessary to obtain and/or maintain any credit rating in respect of any Shares or Fund or Class in the Company, subject to the UCITS Regulations and in the case of a Fund that is a MMF, the MMF Regulation.

## **CHANGES TO INVESTMENT AND BORROWING RESTRICTIONS**

It is intended that the Company shall have the power (subject to the prior approval of the Central Bank) to avail itself of any change in the investment and borrowing restrictions specified in the UCITS Regulations or, for a MMF, the MMF Regulation, which would permit investment by the Company in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations or MMF Regulation, as applicable.

## **EFFICIENT PORTFOLIO MANAGEMENT**

Where specified in the relevant Supplement, the Investment Manager may, on behalf of a Fund, engage in techniques and instruments for the purposes of efficient portfolio management 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 Fund may be entered into by the Investment Manager with one or more of the following aims (a) a reduction of risk (including currency exposure risk); (b) a reduction of cost; and (c) the generation of additional capital or income for a Fund with an appropriate level of risk, taking into account the risk profile of the relevant Fund(s) and the risk diversification requirements in accordance with the requirements of the Central Bank set down in the Central Bank UCITS Regulations.

In relation to efficient portfolio management operations, the Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way.

The efficient portfolio management techniques and instruments which the Company may use on behalf of any

Fund include, but are not limited to, those described below and, if applicable to a particular Fund, the relevant Supplement. For the purpose of providing margin or collateral in respect of transactions in techniques and instruments, the Company may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund.

## **Repurchase/Reverse Repurchase and Stocklending Agreements**

Where specified in the relevant Supplement and subject to the conditions and limits set out in the UCITS Regulations, the Central Bank UCITS Regulations, and in the case of a MMF, the MMF Regulation, a Fund may use repurchase agreements, reverse repurchase agreements and/or a Fund other than a MMF may use stock lending agreements to generate additional income for the relevant Fund. A repurchase agreement is a transaction in which one party sells/transfers a security or securities or any rights related to the title to such security or securities to the other party, subject to a commitment to repurchase the security/securities or title related to such security/securities at a stipulated price on a future date specified or to be specified. A reverse repurchase agreement is a transaction in which a Fund purchases a security or securities or any rights related to the title or security/securities from a counterparty, subject to a commitment to resell the securities to the counterparty at a specified price on a future date specified or to be specified. A stocklending agreement is an agreement under which title to the "loaned" securities is transferred by a "lender" to a "borrower" with the borrower contracting to deliver "equivalent securities" to the lender at a later date.

The use of these techniques will be in line with the best interests of the Fund and will be disclosed in the relevant Fund Supplement.

All assets received by the Company in the context of efficient portfolio management techniques will be considered as collateral and will comply with the criteria set down in the section titled 'Collateral Management' below or in the case of a MMF as outlined in the section entitled

“MMF Repurchase/Reverse Repurchase Agreements” below.

Any counterparty to a repurchase/reverse repurchase contract or stock lending arrangement shall be subject to an appropriate internal credit assessment carried out by the Investment Manager and/or the Manager, which shall include amongst other considerations, external or implied credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, country of origin of the counterparty, legal status of the counterparty, industry sector risk and concentration risk. Where such counterparty (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Investment Manager and/or the Manager on behalf of the Company without delay.

The Manager will ensure that it is able at any time to recall any security that has been lent or terminate any securities lending arrangement into which it has entered on behalf of a Fund.

Where a reverse repurchase agreement is entered into on behalf of a Fund, the Company will ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement on either an accrued basis or a mark-to-market basis. When the cash is recallable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement will be used for the calculation of the Net Asset Value of the Fund.

Where a repurchase agreement is entered into on behalf of a Fund, the Company will ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

There is no global exposure generated by the Company on behalf of a Fund as a result of entering into reverse repurchase arrangements, nor do any such arrangements result in any incremental market risk.

Where cash collateral is received by a Fund other than a MMF under a stock-lending arrangement and is invested in risk free assets, no incremental market risk will be assumed by the Fund.

Any direct or indirect operational costs and/or fees which arise as a result of the use of such efficient portfolio management techniques shall, if applicable be deducted from the revenue delivered to a Fund. Such fees and costs shall be at normal commercial rates and shall not include any hidden revenue. All revenues generated through use of these efficient portfolio management techniques, net of direct and indirect operational costs and fees, will be returned to the relevant Fund. The counterparties to the relevant transaction may be related to the Manager, the Investment Manager or to the Depositary and under such circumstances will be effected on normal commercial terms and negotiated on an arm's length basis.

The identities of the entities to which such direct and indirect costs and fees are paid shall be disclosed in the annual financial statements of the Company.

## MMF Repurchase/Reverse Repurchase Agreements

### MMF Repurchase Agreements

1. A repurchase agreement shall be eligible to be entered into by a Fund that is a MMF provided that all of the following conditions are fulfilled:
  - a. it is used on a temporary basis, for no more than seven working days, only for liquidity management purposes and not for investment purposes other than as referred to in point (c);
  - b. the counterparty receiving assets transferred by the MMF as collateral under the repurchase agreement is prohibited from selling, investing, pledging or otherwise transferring those assets without the MMF's prior consent;
  - c. the cash received by the MMF as part of the repurchase agreement is able to be:
    - i. placed on deposits in accordance with Regulation 68(1)(f) of the UCITS Regulations; or



- ii. invested in assets referred to in paragraph 6 below, but shall not otherwise be invested in eligible assets as referred to in Article 9 of the MMF Regulation, transferred or otherwise reused;
- d. the cash received by the MMF as part of the repurchase agreement does not exceed 10% of its assets;
- e. the MMF has the right to terminate the agreement at any time upon giving prior notice of no more than two working days.

#### MMF Reverse Repurchase Agreements

1. A reverse repurchase agreement shall be eligible to be entered into by a Fund that is a MMF provided that all of the following conditions are fulfilled:
  - a. the MMF has the right to terminate the agreement at any time upon giving prior notice of no more than two working days;
  - b. the market value of the assets received as part of the reverse repurchase agreement is at all times at least equal to the value of the cash paid out.
2. The assets received by an MMF as part of a reverse repurchase agreement shall be Money Market Instruments that fulfil the requirements set out in Article 10 of the MMF Regulation. The assets received by an MMF as part of a reverse repurchase agreement must not be sold, reinvested, pledged or otherwise transferred.
3. Securitisations and ABCPs shall not be received by an MMF as part of a reverse repurchase agreement.
4. The assets received by a MMF as part of a reverse repurchase agreement must be sufficiently diversified with a maximum exposure to a given issuer of 15% of the MMF's NAV, except where those assets take the form of money market instruments that fulfil the requirements of Article 17(7) of the MMF Regulation. In addition, the assets received by a MMF as part of a

reverse repurchase agreement shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

5. A MMF that enters into a reverse repurchase agreement must ensure that it is able to recall the full amount of cash at any time on either an accrued basis or a mark-to-market basis. When the cash is callable at any time on a mark-to-market basis, the mark-to-market value of the reverse repurchase agreement shall be used for the calculation of the NAV of the MMF.
6. Notwithstanding paragraph 2 above, a MMF may receive as part of a reverse repurchase agreement liquid transferable securities or money market instruments other than those that fulfil the requirements set out in Article 10 of the MMF Regulation provided that those assets comply with one of the following conditions:
  - a. they are issued or guaranteed by the European Union, a central authority or central bank of a Member State, the UK, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European Financial Stability Facility provided that a favourable assessment has been received pursuant to the Credit Quality Assessment Procedure;
  - b. they are issued or guaranteed by a central authority or central bank of a third country, provided that a favourable assessment has been received pursuant to the Credit Quality Assessment Procedure.

The assets received as part of a reverse repurchase agreement in accordance with the first subparagraph of this paragraph are subject to the requirements of Articles 2 and 9 of the MMF Delegated Regulation.

### When Issued/Delayed Delivery Securities

Where specified in the relevant Supplement, a Fund may purchase or sell securities on a when-issued or delayed-delivery basis for the purposes of efficient portfolio management. In this instance payment for and 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 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 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 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.

### FINANCIAL DERIVATIVE INSTRUMENTS

Where specified in the relevant Supplement, the Company, on behalf of any of its Funds, may invest in financial derivative instruments for the purposes of efficient portfolio management and/or for investment purposes (as separately outlined in the relevant Supplement) in each case under and in accordance with conditions or requirements imposed by the Central Bank. The financial derivative instruments in which the Company, on behalf of any of its Funds, may invest and the expected effect of investment in such financial derivative instruments on the risk profile of a Fund are disclosed in the relevant Supplement. The purpose of any such investment will be disclosed in the Supplement for the relevant Fund.

A 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 Fund.

A Fund that is a MMF is only permitted to use financial derivative instruments where specified in the relevant Supplement and where the underlying of the derivative

instrument consists of interest rates, foreign exchange rates, currencies or indices representing one of those categories and the derivative instrument serves the purpose of hedging the interest or exchange rate risks inherent in other investments of the MMF.

The Fund's use of OTC derivative instruments is subject to the following provisions:

- i. the counterparty is a credit institution listed in Regulation 7 of the Central Bank UCITS Regulations or an investment firm, authorised in accordance with MiFID II in an EEA Member State, or is a group company of an entity issued with a bank holding company license from the Federal Reserve of the United States of America where that group company is subject to bank holding company consolidated supervision by that Federal Reserve, or such other counterparty as may be permitted by the UCITS Regulations, the Central Bank's UCITS Regulations and/or the Central Bank from time to time;
- ii. In the case of an OTC FDI counterparty which is not a credit institution listed in (i) above, the Manager shall carry out an appropriate credit assessment on the relevant counterparty, to include, amongst other considerations, external or implied credit ratings of the counterparty, regulatory supervision applied to the relevant counterparty, country of origin of the counterparty, legal status of the counterparty, industry sector risk and concentration risk. Where the counterparty was (a) subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Manager in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Manager, without delay;
- iii. in the case of the subsequent novation of the OTC FDI contract, the counterparty is one of: the entities set out in paragraph (i) or a central counterparty (CCP) authorised, or recognised by ESMA, under EMIR or, pending recognition by ESMA under Article 25 of EMIR,



an entity classified as a derivatives clearing organisation by the Commodity Futures Trading Commission or a clearing agency by the SEC (both CCP); and

- iv. risk exposure to the OTC FDI counterparty does not exceed the limits set out in the UCITS Regulations.

The Investment Manager on behalf of a Fund may net derivative positions with the same counterparty, provided that the Company is able to legally enforce netting arrangements with the counterparty. Risk exposure to an OTC FDI counterparty may be reduced where the counterparty will provide a Fund with collateral.

Collateral (if any) received by a Fund under the terms of a financial derivative instrument will at all times meet with the requirements relating to collateral set out below in the section titled 'Collateral Management'.

Under the UCITS Regulations, "uncovered" positions in derivatives are not permitted. Across the range of FDIs that the Company may use, its policy is to satisfy cover requirements by holding the underlying assets, holding sufficient liquid assets, or by ensuring that the FDIs are such that the exposure can be adequately covered without holding the underlying assets.

The financial derivative instruments which the Investment Manager may invest in on behalf of each Fund, and the expected effect of investment in such financial derivative instruments on the risk profile of a Fund are set out in the relevant Supplement. The extent to which a Fund may be leveraged through the use of financial derivative instruments will also be disclosed in the relevant Supplement.

The Central Bank requires that the Manager employs a risk management process which enables it to accurately measure, monitor and manage various risks associated with the use of financial derivative instruments. The risk management methodology chosen for a specific Fund is set out in the relevant Supplement. Details of this process have been provided to the Central Bank. The Manager will not utilise financial derivatives which have not been included in

the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The Manager will provide, upon request by Shareholders, supplementary information relating to the risk management methods employed by the Company including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

For the purpose of providing margin or collateral in respect of transactions in financial derivative instruments, the Company may transfer, mortgage, charge or encumber any assets or cash forming part of the relevant Fund in accordance with normal market practice.

### **COLLATERAL MANAGEMENT**

In accordance with the requirements of the Central Bank the Manager will employ a collateral management policy in respect of collateral received in respect of financial derivative transactions and repurchase/reverse repurchase and stocklending agreements (each of them, individually, a "Transaction" and all of them, together, "Transactions") whether used for investment or for efficient portfolio management purposes. MMFs are subject to specific requirements in relation to collateral with respect to repurchase or reverse repurchase agreements as outlined in the section entitled "MMF Repurchase/Reverse Repurchase Agreements" above and this collateral management policy is subject to those additional requirements in respect of a MMF. Any collateral received for and on behalf of a Fund on a title transfer basis shall be held by the Depositary.

The collateral management policy employed by the Manager provides that cash and highly liquid assets which meet with the regulatory criteria, as set out below will be permitted collateral for each proposed Transaction.

- i. Liquidity: Collateral received other than cash will be highly liquid and traded on a regulated market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received will also comply with the provisions of Regulation 74 of the UCITS Regulations;

- ii. Valuation: Collateral received will be valued on at least a daily basis at mark-to-market value and assets that exhibit high price volatility will not be accepted as collateral unless suitably conservative haircuts are in place. Where the value of collateral falls below coverage requirements, daily variation margin will be used;
- iii. Issuer credit quality: Collateral received will be of high quality. The Manager shall ensure that:
  - a. where the issuer was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and
  - b. where an issuer is downgraded below the two highest short-term credit ratings by the credit rating agency referred to in (i) this shall result in a new credit assessment being conducted of the issuer by the Manager without delay.
- iv. Correlation: Collateral received will be issued by an entity that is independent from the counterparty and is not expected to display a high correlation with the performance of the counterparty;
- v. Diversification (asset concentration): Collateral will be sufficiently diversified in terms of country, markets and issuers with a maximum exposure to a given issuer of 20% of a Fund's Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral will be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation from the above diversification requirement (subject to such derogation being permitted by the Central Bank and any additional requirements imposed by the Central Bank), a Fund may be fully collateralised in different transferable securities and money market instruments including but not limited to certificates of deposit, floating rate notes and fixed rate commercial paper listed or traded on Recognised Exchanges and in cash deposits and issued or guaranteed by a Member State, one or more of its local authorities, non-Member State, or public international body of which one or more Member States belong (and which issuers are set out in

Section 2.12 of the "Investment Restrictions" section in Appendix I of this Prospectus), provided the Fund will receive securities from at least six different issues with securities from any single issue not accounting for more than 30% of the Fund's Net Asset Value;

- vi. Immediately available: Collateral received will be capable of being fully enforced by the Company on behalf of a Sub-Fund at any time without reference to or approval from the counterparty.

The collateral policy operated by the Manager sets out appropriate levels of collateral required by the Investment Manager in respect of each Transaction type. The Manager employs a clear haircut policy i.e. a policy in which a pre-determined percentage is subtracted from the market value of an asset that is being used as collateral for the purposes of calculating any Transaction exposure, as determined by the relevant trading agreement) for each class of assets received as collateral taking account of the characteristics of the assets received as collateral such as the credit standing or the price volatility and the outcome of any liquidity stress testing policy.

Non-cash collateral cannot be sold, pledged or re-invested and any cash collateral received for and on behalf of any Fund may be invested only in any the following:

- i. deposits with credit institutions (as defined in the Regulation 7 of the Central Bank UCITS Regulations);
- ii. high quality government bonds;
- iii. reverse repurchase agreements provided that the transactions are with credit institutions referred to in Regulation 7 of the Central Bank UCITS Regulations and the Company is able to recall at any time the full amount of cash on an accrued basis;
- iv. short-term money market funds as defined in the MMF Regulation.

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

Investors should consult the “Risk Factors” section herein under the heading “Credit Risk” for information on the counterparty and credit risk in this regard.

A Fund receiving collateral for at least 30% of its assets will have an appropriate stress testing policy in place to ensure regular stress tests are carried out under normal and exceptional liquidity conditions to enable the Manager on behalf of a Fund to assess the liquidity risk attached to the collateral. The liquidity stress testing policy will at least prescribe the following:

- a. design of stress test scenario analysis including calibration, certification and sensitivity analysis;
- b. empirical approach to impact assessment, including back-testing of liquidity risk estimates;
- c. reporting frequency and limit/loss tolerance threshold/s; and
- d. mitigation actions to reduce loss including haircut policy and gap risk protection.

#### **MMF CREDIT QUALITY ASSESSMENT PROCEDURE**

A Credit Quality Assessment Procedure is applied for determining the credit quality of Money Market Instruments held by a Fund that is a MMF in accordance with the requirements of the MMF Regulation. This procedure is based on prudent, systematic and continuous assessment methodologies that include an analysis of factors that influence the creditworthiness of the issuers of those Money Market Instruments. These methodologies are reviewed at least annually.

#### **LIQUIDITY MANAGEMENT PROCEDURES FOR LVNAV MMFS**

The following requirements apply in respect of a Fund that is a LVNAV MMF:

At least 10% of a LVNAV MMF's assets must be comprised of daily maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of one working day, or cash which is able to be withdrawn by giving prior notice of one working day.

A LVNAV MMF may not acquire any asset other than a daily maturing asset when its acquisition would result in the LVNAV MMF investing less than 10% of its portfolio in daily maturing assets.

At least 30% of a LVNAV MMF's assets are to be comprised of weekly maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of five working days, or cash which is able to be withdrawn by giving prior notice of five working days.

A LVNAV MMF may not acquire any asset other than a weekly maturing asset when its acquisition would result in the LVNAV MMF investing less than 30% of its portfolio in weekly maturing assets.

Assets which are highly liquid and can be redeemed and settled within one working day and have a residual maturity of up to 190 days may also be included within the LVNAV MMF's weekly maturing assets up to a 17.5% limit.

The following describes the actions that may be taken when weekly maturing assets of a Fund that is a LVNAV MMF fall below weekly liquidity thresholds:

- i. where weekly maturing assets fall below 30% of the Net Asset Value of the LVNAV MMF and the net daily redemptions on a single Dealing Day exceed 10% of the Net Asset Value of the the LVNAV MMF, the Investment Manager will inform the Directors. The Directors will decide whether to apply one or more of the following measures:
  - a. apply liquidity fees on redemptions that adequately reflect the cost to the LVNAV MMF of achieving liquidity and ensure that Shareholders who remain in the Fund are not unfairly disadvantaged when other Shareholders redeem their Shares during the period;
  - b. apply redemption gates that limit the amount of Shares to be redeemed in the LVNAV MMF on any one Dealing Day to a maximum of 10% of the Shares in the LVNAV MMF for any period up to 15 Business Days;

- c. suspend redemptions for any period up to 15 Business Days; or
  - d. take no immediate action other than adopting as a priority objective the correction of that situation taking due account of the interests of the LVNAV MMF's Shareholders.
- ii. where weekly maturing assets fall below 10% of the Net Asset Value of the LVNAV MMF, the Investment Manager will inform the Directors and the Directors may apply one or more of the following measures:
- a. apply liquidity fees on redemptions that adequately reflect the cost to the LVNAV MMF of achieving liquidity and ensure that Shareholders who remain in the Fund are not unfairly disadvantaged when other investors redeem their Shares during the period; or
  - b. suspend redemptions for a period of up to 15 Business Days;

### HEDGED CLASSES

Where a Class is designated as a Hedged Class the Company will enter into certain currency related transactions in order to hedge the currency exposure of the assets of a Fund attributable to a particular Class into the currency of denomination of the relevant Class for the purposes of efficient portfolio management. Investors should be aware that this strategy may substantially limit Shareholders of the relevant Class from benefiting if the designated currency falls against the Base Currency and/or the currency/currencies in which the assets of the Fund are denominated. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of a Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Where a Class of Shares is to be hedged this will be disclosed in the Supplement for the Fund in which such Class is issued. Any currency exposure of a Class may not be combined with or offset against that of any other Class of a Fund.

Where there is more than one hedged Class in a Fund denominated in the same currency (which is a currency

other than the Base Currency of the relevant Fund) and it is intended to hedge the foreign currency exposure of such Classes into the Base Currency of the relevant Fund the Fund may aggregate the foreign exchange transactions entered into on behalf of such hedged Classes and apportion the gains/loss on and the costs of the relevant Financial Instruments pro rata to each such hedged Class in the relevant Fund.

The currency exposure of the assets attributable to a Class may not be allocated to other Classes. Where the Company seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Company. However over-hedged positions will not exceed 105% of the Net Asset Value 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 kept under review to ensure that positions in excess of 100% of Net Asset Value will not be carried forward from month to month. To the extent that hedging is successful for a particular Class the performance of the Class is likely to move in line with the performance of the underlying assets with the result that investors in that Class will not gain if the Class currency falls against the Base Currency and/or the currency in which the assets of the particular Fund are denominated.

### UNHEDGED CLASSES

In the case of an unhedged Class of Share, a currency conversion will take place on subscription, redemption, switching and distributions at prevailing exchange rates. The value of the Share expressed in the class currency will be subject to exchange rate risk to the Base Currency.

### INVESTMENT IN FINANCIAL INDICES

Where provided in the relevant Fund Supplement, a Fund may seek exposure to some or all of the assets referred to in the investment policy section of each Fund by obtaining exposure to financial indices, through financial derivative instruments such as futures or swaps on financial indices.

The Company shall only gain exposure to such a financial index which complies with the UCITS Regulations and the requirements of the Central Bank as set out in the Central

Bank UCITS Regulations and the following provisions will apply to any such financial index:-

- a. any such financial index will be rebalanced /adjusted on a periodic basis in accordance with the requirements of the Central Bank of Ireland e.g. on a weekly, monthly, quarterly, semi-annual or annual basis;
- b. the costs associated with gaining exposure to such a financial index will be impacted by the frequency with which the relevant financial index is rebalanced;
- c. a list of such financial indices to which a Fund is exposed will be included in the annual financial statements of the Company;
- d. details of any such financial index used by a Fund will be provided to Shareholders of that Fund by the Investment Manager or the Manager on request; realised and unrealised gains net of all realised and unrealised losses) subject to certain adjustments.
- e. where the weighting of a particular constituent in any such financial index exceeds the investment restrictions set down in the UCITS Regulations, the Investment Manager will as a priority objective look to remedy the situation taking into account the interests of the Shareholders of the relevant Fund.

Where a financial index comprised of Eligible Assets does not fulfil the criteria set out in Article 9(1) of the Commission Directive 2007/16/EC i.e. sufficiently diversified, representative of an adequate benchmark for the market to which it refers and published in an appropriate manner), investment via a financial derivative on such an index by the Company on behalf of a Fund is not considered a derivative on a financial index but is regarded as a derivative on the combination of assets comprised in the index. A Fund may only gain exposure using a financial derivative instrument to such a financial index where on a “look through” basis, the Fund is in a position to comply with the risk spreading rules set down in the UCITS Regulations taking into account both direct and indirect exposure of the Fund to the constituents of the relevant index.

Unless otherwise disclosed in the relevant Supplement, the indices or benchmarks utilised by the Funds are, as at the date of this Prospectus, provided by benchmark administrators who appear on the register of administrators and benchmarks maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011 (the “Benchmark Regulation”). Any indices or benchmarks utilised by the Funds which are provided by third country benchmark administrators are availing of the transitional or grandfathering arrangements afforded under the Benchmark Regulations. The Manager has adopted written contingency arrangements (“Contingency Arrangements”) setting out actions which it will take with respect to the Company in the event that the indices or benchmarks utilised by the Funds materially change or cease to be provided, as required by article 28(2) of the Benchmark Regulation. Shareholders may access the Contingency Arrangements, free of charge, upon request, from the Manager.

#### **CROSS INVESTMENT**

Where it is appropriate to its investment objective and policies a Fund may invest in other Funds of the Company. A Fund may only invest in another Fund if the Fund in which it is investing does not itself hold Shares in any other Fund of the Company. A Fund shall not invest in its own Shares. Where a Fund invests in the Shares of another Fund of the Company: (i) the Manager will waive the initial charge which it is entitled to charge for its own account; and (ii) the Manager will waive that portion of its annual Investment Management Fee in order to avoid a double charge.

#### **DIVIDEND POLICY**

The dividend policy and information on the declaration and payment of dividends for each Fund will be specified in the relevant Supplement. The Articles of Association of the Company empower the Directors to declare dividends in respect of any Shares in the Company or Fund out of the net income of the Fund being the income of the Fund from dividends, interest or otherwise and net realised and unrealised gains i.e. For further information on the distribution policy of the Company, please see the section of the Prospectus titled ‘4. The Shares – Dividends and Distributions’, below.



## PUBLICATION OF NET ASSET VALUE PER SHARE

The Net Asset Value per Share may be obtained from either the Investment Manager or the Administrator during normal business hours. For further details, please refer to the section of the Prospectus titled; “4. The Shares – Publication of Net Asset Value per Share”.

## RISK FACTORS

### General

**The risks described herein should not be considered to be an exhaustive list of the risks which potential investors should consider before investing in a Fund. Potential investors should be aware that an investment in a Fund may be exposed to other risks of an exceptional nature from time to time. Investment in the Company carries with it a degree of risk. Different risks may apply to different Funds and/or Classes. Details of specific risks attaching to a particular Fund or Class which are additional to those described in this section will be disclosed in the relevant Supplement. Prospective investors should review this Prospectus and the relevant Supplement carefully and in its entirety and consult with their professional and financial advisers before making an application for Shares. Prospective Investors are advised that the value of Shares and the income from them may go down as well as up and, accordingly, an investor may not get back the full amount invested and an investment should only be made by persons who can sustain a loss on their investment. Past performance of the Company or any Fund should not be relied upon as an indicator of future performance. The difference at any one time between the sale price and the redemption price of Shares (from which may be deducted a redemption fee) means an investment should be viewed as medium to long term. The attention of potential investors is drawn to the taxation risks associated with investing in the Company. Please refer to the Section of the Prospectus entitled “Taxation”. The securities and instruments in which the Company invests are subject to normal market fluctuations and other risks inherent in investing in such investments and there can be no assurance that any appreciation in value will occur.**

**There can be no guarantee that the investment objective of a Fund will actually be achieved.**

### Redemption Risk

Large redemptions of Shares in a Fund might result in a Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets.

### Credit Risk

There can be no assurance that issuers of the securities or other instruments in which a 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. Funds will 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.

### Currency Risk

Assets of a Fund may be denominated in a currency other than the Base Currency of the Fund and changes in the exchange rate between the Base Currency and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the Base Currency. It may not be possible or practical to hedge against such exchange rate risk. The Fund's Investment Manager may, but is not obliged to, mitigate this risk by using financial instruments.

Funds may from time to time enter into currency exchange transactions either on a spot basis or by buying currency exchange forward contracts. 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 Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. Performance of a Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by a Fund may not correspond with the securities positions held.

A Fund may enter into currency exchange transactions and/or use techniques and instruments to seek to protect against fluctuation in the relative value of its portfolio positions as a result of changes in currency exchange rates

or interest rates between the trade and settlement dates of specific securities transactions or anticipated securities transactions. Although these transactions are intended to minimise the risk of loss due to a decline in the value of hedged currency, they also limit any potential gain that might be realised should the value of the hedged currency increase. The precise matching of the relevant contract amounts and the value of the securities involved will not generally be possible because the future value of such securities will change as a consequence of market movements in the value of such securities between the date when the relevant contract is entered into and the date when it matures. The successful execution of a hedging strategy which matches exactly the profile of the investments of any Fund cannot be assured. It may not be possible to hedge against generally anticipated exchange or interest rate fluctuations at a price sufficient to protect the assets from the anticipated decline in value of the portfolio positions as a result of such fluctuations.

#### **Changes in Interest Rates**

The value of Shares and/or the yield per Share may be affected by adverse movements in interest rates.

In periods of declining short-term interest rates, the inflow of net new money to such Funds from the continuous issue of Shares will likely be invested in portfolio instruments producing lower yields than the balance of such Fund's portfolio, thereby reducing the current yield of the Fund. In periods of rising interest rates, the opposite can be true.

#### **Amortised Cost Method**

Some or all of the investments of certain Funds may be valued at amortised cost. Investors' attention is drawn to the Section of the Prospectus entitled "Calculation of Net Asset Value" for further information.

#### **Valuation Risk**

A Fund may invest some of its assets in illiquid and/or unquoted securities or instruments. Such investments or instruments will be valued by the Directors or their delegate in good faith in consultation with the Investment Manager as to their probable realisation value. Such investments are inherently difficult to value and are the subject of substantial uncertainty. There is no assurance that the estimates

resulting from the valuation process will reflect the actual sales or "close-out" prices of such securities.

#### **Investment Manager Valuation Risk**

The Administrator may consult the Investment Manager with respect to the valuation of certain investments. There is an inherent conflict of interest between the involvement of the Investment Manager in determining the valuation price of each Fund's investments and the Investment Manager's other duties and responsibilities in relation to the Funds.

#### **Market Risk**

Although it is intended that each Fund will be diversified, the investments of the Funds are subject to normal market fluctuations and to the risks inherent in investment in equities, fixed income securities, currency instruments, derivatives and other similar instruments.

#### **Exchange Control and Repatriation Risk**

It may not be possible for Funds to repatriate capital, dividends, interest and other income from certain countries, or it may require government consents to do so. Funds could be adversely affected by the introduction of, or delays in, or refusal to grant any such consent for the repatriation of funds or by any official intervention affecting the process of settlement of transactions. Economic or political conditions could lead to the revocation or variation of consent granted prior to investment being made in any particular country or to the imposition of new restrictions.

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

The Company has established a single umbrella cash account through which all subscriptions, redemptions or dividends payable to or from any Fund of the Company will be channelled and managed (the "Umbrella Cash Accounts").

Investors should note that in the event of the insolvency of another Fund of the Company, recovery of any amounts to which a relevant Fund is entitled, but which may have been transferred to such other insolvent Fund as a result of the operation of the Umbrella Cash Account will be subject to the principles of Irish trust law and the terms of the operational procedures of the Umbrella Cash Accounts.

There may be delays in effecting and/or disputes as to the recovery of such amounts, and the insolvent Fund may have insufficient funds to repay the amounts due to the relevant Fund.

In circumstances where subscription proceeds are received by a Fund in advance of the issue of Shares and are held in an Umbrella Cash Account, any such investor shall rank as a general creditor of the Fund until such time as Shares are issued. Therefore in the event that such monies are lost prior to the issue of Shares to the relevant investor, the Company on behalf of the Fund may be obliged to make good any losses which the 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 Fund and therefore will represent a diminution in the Net Asset Value per Share for existing Shareholders of the relevant Fund.

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

### **Cyber Security and Information Technology Risk**

The Company and its service providers are susceptible to operational and information security and related risks of cyber security incidents. In general, cyber incidents can result from deliberate attacks or unintentional events. Cyber security attacks include, but are not limited to, gaining unauthorized access to digital systems e.g.,

through “hacking” or malicious software coding) for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Cyber attacks also may be carried out in a manner that does not require gaining unauthorized access, such as causing denial-of-service attacks on websites i.e., efforts to make services unavailable to intended users).

Information technology incidents include, without limitation, exclusive website traffic causing delays or system malfunctions which impact a service provider’s ability to perform its duties and functions to the Company or its Funds. Cyber security and information technology incidents affecting the Company, the Manager the Investment Manager, the Sub-Investment Manager, the Administrator or Depositary or other service providers such as financial intermediaries have the ability to cause disruptions and impact business operations, potentially resulting in financial losses, including by interference with the Company’s ability to calculate its Net Asset Value impediments to trading for a Fund’s portfolio; the inability of Shareholders to transact business with a Fund; violations of applicable privacy, data security or other laws; regulatory fines and penalties; reputational damage; reimbursement or other compensation or remediation costs; legal fees; or additional compliance costs.

Similar adverse consequences could result from cyber security incidents affecting issuers of securities in which a Fund invests, counterparties with which the Company engages in transactions, governmental and other regulatory authorities, exchange and other financial market operators, banks, brokers, dealers, insurance companies and other financial institutions and other parties. While information risk management systems and business continuity plans have been developed which are designed to reduce the risks associated with cyber security and information technology, there are inherent limitations in any cyber security and information technology risk management systems or business continuity plans, including the possibility that certain risks have not been identified.

**Political, Regulatory, Settlement and Sub-Custodial Risk**  
The value of a 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.

#### **Investment in Floating Rate Securities**

A Fund may invest in floating rate securities whose interest rates are not set but which fluctuate periodically. These securities reset their yield on a periodic basis (for example, daily, weekly or quarterly) and are closely correlated to changes in money market interest rates.

#### **Investment in Asset-Backed Securities and Mortgage-Backed Securities**

A Fund may invest in asset-backed securities and/or mortgage-backed securities. An asset-backed security is a security whose value and income payments are derived from and collateralised (or “backed”) by a specified pool of underlying assets. The pool of assets is typically a group of small and illiquid assets that are unable to be sold individually. Pooling the assets into financial instruments allows them to be sold to general investors and allows the risk of investing in the underlying assets to be diversified because each security will represent a fraction of the total value of the diverse pool of underlying assets. The pools of underlying assets can include payments from credit cards, auto loans and mortgage loans.

The value and the quality of such securities depends on the value and quality of the underlying assets against which such securities are backed.

Changes in interest rates may have a significant effect on investments in asset-backed securities and mortgage-backed securities. The return on, for example, holdings of mortgage-backed securities can reduce if the owners of the underlying mortgages repay their mortgages sooner than anticipated when interest rates go down. Investment in mortgage-backed securities may be subject to extension

risk and prepayment risk, which are both a type of interest rate risk. Like mortgage-backed securities, asset-backed securities generally decrease in value when interest rates increase.

#### **Cross-Liability for other Funds**

The Company is established as an umbrella fund with segregated liability between Funds. Under Irish law the assets of one Fund are not available to satisfy the liabilities of or attributable to another Fund. However the Company may operate or have assets in countries other than Ireland which may not recognise segregation between Funds and there is no guarantee that creditors of one Fund will not seek to enforce one Fund’s obligations against another Fund.

#### **Derivatives and Techniques and Instruments Risk**

Some of the instruments that a Fund may utilise may be referred to as “derivative instruments” because their value depends on (or “derives” from) the value of an underlying such as a security, index, interest rate, money market instrument or currency. These derivative instruments include options, futures, forwards, swaps and similar instruments that may be used in hedging strategies. The market value of derivative instruments sometimes is more volatile than that of other investments, and each type of derivative instrument may pose its own special risks. The Investment Manager takes these risks into account in its management of a Fund. The Investment Manager’s ability to use these instruments may be limited by market conditions, regulatory limits and tax considerations.

#### **Substantial Risks are Involved in Trading Financial Derivative Instruments.**

The prices of derivative instruments, including futures and options prices, may be highly volatile. Price movements of forward contracts, futures contracts and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, national and international political and economic events or changes in local laws and policies. In addition, governments from time to time intervene, directly and by regulation, in certain markets, e.g. markets

in currencies or interest rates. Such intervention often is intended directly to influence prices and may, together with other factors, cause markets to move rapidly in the same direction. The use of financial derivative instruments also involves certain special risks, including (1) dependence on the ability to predict movements in the prices of Financial Instruments being hedged, (2) imperfect correlation between the hedging instruments and the Financial Instruments 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 other investments, and (4) the possible absence of a liquid market for any particular instrument at any particular time.

**OTC Markets Risk and Derivatives Counterparty Risk**  
Where any Fund acquires Financial Instruments on OTC markets, there is no guarantee that the Fund will be able to realise the fair value of such Financial Instruments as they may have limited liquidity and high price volatility.

A Fund may have credit exposure to counterparties by virtue of positions in OTC derivative contracts. To the extent that a counterparty defaults on its obligation and the 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.

#### **Position Risk**

When a Fund purchases a security, the risk to the Fund is limited to the loss of its investment. In the case of a transaction involving FDI that Fund's liability may be potentially unlimited until the position is closed.

#### **OTC Trading**

OTC transactions are not traded on exchanges and are not standardised; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Such trading is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the underlyings and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Fund.

#### **Foreign Exchange Fluctuation**

Where a Fund utilises derivatives which alter the currency exposure characteristics of Financial Instruments held by the Fund the performance of the Fund may be strongly influenced by movements in foreign exchange rates because currency positions held by the Fund may not correspond with the Financial Instruments positions held. In addition, fluctuation in the exchange rate between the denomination currency of the underlying and the derivatives will affect the value and cash flows of the derivatives.

#### **Absence of Regulation; Counterparty Default**

In general, there is less government regulation and supervision of transactions in the OTC markets (in which e.g. currencies, forwards, certain options and swaps are generally traded) than of transactions entered into on Recognised Exchanges. In addition, many of the protections afforded to participants on some Recognised Exchanges, such as the performance guarantee of an exchange clearing house, might not be available in connection with OTC transactions. OTC contracts are not regulated and are specifically tailored to the needs of an individual investor. These contracts should enable the user to structure precisely the date, market level and amount of a given position. Currently, the counterparty for these agreements will be the specific firm involved in the transaction rather than a Recognised Exchange and accordingly, the bankruptcy or default of a counterparty with which the Fund trades OTC contracts could result in substantial losses to that Fund.

In addition, a counterparty may not settle a transaction in accordance with its terms and conditions, because the contract is not legally enforceable or because it does not accurately reflect the intention of the parties or because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing a Fund to suffer a loss. To the extent that a counterparty defaults on its obligation and a Fund is delayed or prevented from exercising its rights with respect to the investments in its portfolio, it may experience a decline in the value of its position, lose income and incur costs associated with asserting its rights. Counterparty exposure will be in accordance with the Fund's investment restrictions. Regardless of the measures a Fund may

implement to reduce counterparty credit risk, however, there can be no assurance that a counterparty will not default or that a Fund will not sustain losses on the transactions as a result.

### Forward Trading

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

### Liquidity of Futures Contracts

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

### Correlation Risk

The prices of financial derivative instruments may be imperfectly correlated to the prices of the underlying securities, for example, because of transaction costs and interest rate movements. The prices of exchange traded financial derivative instruments may also be subject to changes in price due to supply and demand factors.

### Legal Risk

The use of OTC derivatives, such as forward contracts and swap agreements, will expose the Funds to the risk that the

legal documentation of the contract may not accurately reflect the intention of the parties.

### Repurchase/Reverse Repurchase Agreements

The Company, on behalf of the relevant Fund, may enter into repurchase and reverse repurchase agreements subject to the conditions and limits set by the Central Bank. If a counterparty to a repurchase/reverse repurchase agreement should default, as a result of bankruptcy or otherwise, the Fund will seek to sell any securities which it holds as collateral, which could involve procedural costs or delays in addition to a loss on the securities if the value should fall below their repurchase price.

### GDPR

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

The implementation of GDPR may result in increased operational and compliance costs being borne directly or indirectly by the Company. Further, there is a risk that due to changes in interpretation or guidance which emerge with respect to the GDPR over time, the Company or its services providers will be required to implement measures in a different manner to how they are currently being implemented. If there are breaches of these measures by the Company or any of its service providers, the Company

or its service providers could face significant administrative fines and/or be required to compensate any data subject who has suffered material or non-material damage as a result as well as the Company suffering reputational damage which may have a material adverse effect on its operations and financial conditions.

### **Taxation Risk**

Any change in the taxation legislation in Ireland, or elsewhere, could affect (i) the Company or any Fund's ability to achieve its investment objective, (ii) the value of the Company or any Fund's investments or (iii) the ability to pay returns to Shareholders or alter such returns. Any such changes, which could also be retroactive, could have an effect on the validity of the information stated herein based on current tax law and practice. Prospective investors and Shareholders 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 Directors regarding the law and practice in force in the relevant jurisdiction as at the date of this Prospectus. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment is made in the Company will endure indefinitely.

If as a result of the status of a Shareholder, the Company or a Fund becomes liable to account for tax, in any jurisdiction, including any interest or penalties thereon, the Company or the Fund shall be entitled to deduct such amount from any payment(s) made to such Shareholder, and/or to compulsorily redeem or cancel such number of Shares held by the Shareholder or the beneficial owner of the Shares for the purpose of obtaining sufficient monies to discharge any such liability. The relevant Shareholder shall indemnify and keep the Company or the Fund indemnified against any loss arising to the Company or the Fund by reason of the Company or the 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.

Shareholders and prospective investors' attention is drawn to the taxation risks associated with investing in the Company. 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 certain 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" above 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 Company) should generally not be required to apply 30% withholding tax. To the extent the Company 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 Company may take any action in relation to a Shareholder's investment in the Company to redress such non-compliance and/or ensure that such withholding is economically borne by the relevant Shareholder 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 Shareholder's holding of shares in the Company.

Shareholders 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 Company.

### **Common Reporting Standard**

Drawing extensively on the intergovernmental approach to implementing FATCA, the OECD developed the Common Reporting Standard to address the issue of offshore tax

evasion on a global basis. 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”).

The Common Reporting Standard and DAC2 (collectively referred to herein as “CRS”) provide a common standard for due diligence, reporting and exchange of financial account information. Pursuant to CRS, 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 Company is required to comply with the CRS due diligence and reporting requirements, as adopted by Ireland. Shareholders may be required to provide additional information to the Company to enable the Company to satisfy its obligations under the CRS. Failure to provide requested information may subject an investor to liability for any resulting penalties or other charges and/or compulsory redemption of their Shares in the relevant Fund.

Shareholders and prospective investors should consult their own tax advisor with regard to their own certification requirements associated with an investment in the Company.

### EU Anti-Tax Avoidance Directives

As part of its anti-tax avoidance package, the EU Commission published a draft Anti-Tax Avoidance Directive on 28 January 2016, which was formally adopted by the EC Council on 12 July 2016 in Council Directive (EU) 2016/1164 (the “Anti-Tax Avoidance Directive” or “ATAD”). This was then subsequently amended by Council Directive (EU) 2017/952 (“ATAD 2”).

*Anti-Hybrid Rules* - As part of the implementation of ATAD and ATAD 2, anti-hybrid rules have been recently introduced into Irish tax legislation. Broadly speaking, these rules are intended to prevent arrangements that exploit differences in the tax treatment of a financial instrument or an entity under the tax laws of two or more jurisdictions to

generate a tax advantage. The new legislation is effective for relevant payments made or arising on or after 1 January 2020 (the provisions regarding reverse hybrid mismatches are effective from 1 January 2022).

It is important to note that these rules generally only apply to particular cross-border arrangements between associated enterprises and to certain “structured arrangements”. Given that the Company is not subject to any Irish taxes on their income or gains, it is not expected that the Irish anti-hybrid rules should impact the Company.

*Interest Limitation Rules* - Also as part of the requirements of ATAD, Ireland has introduced interest limitation rules. As required by ATAD, these rules are designed to limit the ability to deduct borrowing costs when calculating taxable profits. It operates by limiting the allowable tax deduction for ‘exceeding borrowing costs’ (in broad terms, net interest costs) in a tax period to 30% of Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA).

Similar to the case for the above anti-hybrid rules, given that the Company is not subject to any Irish taxes on their income or gains, it is not expected that the interest limitation rules should directly impact the Company.

### MiFID II Regulatory Risk

The MiFID Regulations, transposes into Irish law MiFID II. The MiFID Regulations and MiFID II took effect on 3 January 2018. MiFID II is a wide ranging piece of legislation that affects financial market structure, trading and clearing obligations, product governance and investor protections. While MiFIR and a majority of the so-called “Level 2” measures are directly applicable across the EU as EU regulations, MiFID II was required to be “transposed” into national law by Member States. During the transposition process individual Member States and their national competent authorities (“NCAs”) may have introduced requirements over and above those of the European text and applied MiFID II provisions to market participants that would not otherwise be caught by MiFID II. NCAs in certain jurisdictions may propose a number of regulatory measures and/or regulatory positions that may be unclear in scope and application (absent guidance from ESMA) resulting in confusion and uncertainty. It is difficult to predict how these



regulatory positions or additional governmental restrictions may be imposed on market participants. It is also difficult to predict the unintended consequences of MiFID II on the operation and performance of a Fund, which may be indirectly impacted by changes in market structure and/or regulatory interpretation. While the Investment Manager is not subject to MiFID II, it is subject to similar and/or equivalent MiFID II derived rules in the UK.

### **Brexit**

On 31 December, 2020, the UK withdrew as a member of the EU and a party to the Treaty on European Union and its successor treaties (“**Brexit**”). On December 24, 2020, the UK and the EU reached a Trade and Cooperation Agreement (together with relevant annexes and ancillary agreements, the “Agreement”) which took effect at 11:00 p.m. GMT on December 31, 2020. The Agreement is not exhaustive and, apart from some limited exceptions, does not include arrangements with respect to financial services. The UK and the EU have therefore agreed to continue additional negotiations with respect to financial services, but uncertainty remains regarding whether the UK and EU will conclude agreements establishing relevant legal bases for the cross-border provision of financial services, and/or whether legal “equivalence” decisions will be issued. The UK’s regulatory authority, the Financial Conduct Authority, published a number of onshoring instruments and related guidance that apply to the UK following Brexit directing that, from March 31, 2022, firms must comply in full with all onshored regulatory obligations.

The outcome of the referendum has caused significant uncertainty and may cause disruption, in particular, with regards to the functioning of European markets, including the ease, cost, ability and willingness of persons to trade and invest within Europe, the scope and functioning of European legal and regulatory frameworks (including with respect to the regulation of alternative investment fund managers and the distribution and marketing of alternative investment funds), the nature and scope of the regulation of the provision of financial services within, and to, persons in Europe and the nature and scope of industrial, trade, immigration and other governmental policy pursued within Europe. More specifically, the costs of trading may increase if there is less market functionality (including the potential

need for the Company to appoint additional counterparties). These effects may persist for some time.

Brexit may have other consequences, including a recession of the UK economy, down-grading of the UK’s credit rating, and an increased likelihood of pro-independence movements in Scotland and other parts of the UK taking steps to secede from the UK. The volatility and uncertainty caused by Brexit may adversely affect the value of the Company’s investments, the Net Asset Value of the Company and the liquidity and trading of the Company.

### **Dealing Delay Risk**

Investors are reminded that, as outlined in the section headed “Account Opening” below, in circumstances where an investor has not provided all relevant documentation to the Administrator in order to allow the investor’s account to be opened and the Administrator to provide the Account Confirmation (as defined in the section headed “Account Opening” below), the investor will not be able to subscribe for Shares in a Fund, and accordingly, may not be able to obtain market exposure to the relevant Fund at the desired time.

### **Pandemic**

A pandemic may result in sustained market volatility and a period of economic decline globally. A pandemic may also have a significant adverse impact on the value of a Fund’s investments and the ability of the Investment Manager to access markets or implement a Fund’s investment policy in the manner originally contemplated.

Government interventions or other limitations or bans introduced by regulatory authorities or exchanges and trading venues as temporary measures in light of significant market volatility may also negatively impact on the Investment Manager’s ability to implement a Fund’s investment policy. A Fund’s access to liquidity could also be impaired in circumstances where the need for liquidity to meet redemption requests may rise significantly. Services required for the operation of the Company such as the determination of the Net Asset Value of any Fund and the issue, conversion and redemption of Shares in any Fund, may in certain circumstances be impacted as a result of such pandemic. In March 2020, the World Health

Organisation declared COVID-19 a pandemic and the after-effect of this pandemic is not yet known.

### Sustainability Risks

The Manager and the Investment Manager have implemented the Sustainability Policy in respect of the integration of Sustainability Risks in its investment decision-making process.

The Manager and the Investment Manager consider that Sustainability Risks may be relevant to the returns of each Fund. SFDR defines Sustainability Risk as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment. Sustainability Risks can broadly be divided into three categories of environmental, social and governance risks and can include (without limitation) climate change, carbon emissions, harm to biodiversity, human rights violations, breaches of employee rights, lack of board diversity and bribery and corruption.

Sustainability Risks are relevant as both standalone risks as well as crosscutting risks, which manifest through many other risk types, which are relevant to the assets of the Funds. For example, the occurrence of a Sustainability Risk can give rise to financial and business risk in the case of a negative impact on the credit worthiness of other businesses. The increasing importance given to sustainability considerations by both businesses and consumers means that the occurrence of a Sustainability Risk may result in significant reputational damage to affected businesses. The occurrence of a Sustainability Risk may also give rise to enforcement risk by governments and regulators as well as litigation risk.

#### The potential impact of Sustainability Risks

The impacts following the occurrence of a Sustainability Risk may be numerous and vary depending on the specific risk and asset class. In general, where a Sustainability Risk occurs in respect of an asset, there could be a negative impact on its value and in certain scenarios may result in the entire loss of its value. For a company, this may be as a result of the reputational damage with a consequential fall

in demand for its products or services, loss of key personnel, exclusion from potential business opportunities, increased costs of doing business and/or increased cost of capital. A company may also suffer the impact of resulting fines and other regulatory sanctions. The necessary time and resources of the company's management team associated with managing the Sustainable Risk may be diverted from otherwise furthering its business and be absorbed seeking to deal with the Sustainability Risk and may include changing business practices and dealing with regulatory investigations and litigation. Sustainability Risks may also give rise to loss of assets and/or physical loss including damage to real estate and infrastructure. The utility and value of assets held by companies to which the Funds are exposed to may also be adversely impacted by a Sustainability Risk.

A Sustainability Risk may arise and impact a specific investment or may have a broader impact on an economic sector, geographical regions and/or jurisdictions and political regions. Many economic sectors, regions and/or jurisdictions, including those in which the Funds may invest, are currently and/or in the future may be, subject to a general transition to a greener, lower carbon and less polluting economic model. Drivers of this transition include governmental and/or regulatory intervention, evolving consumer preferences and/or the influence of non-governmental organisations and special interest groups.

Laws, regulations and industry practices play a significant role in controlling the impact on sustainability factors of many industries, particularly in respect of environmental and social factors. Any changes in such measures, such as increasingly stringent environmental or health and safety laws, can have a material impact on the operations, costs and profitability of companies. Further, companies which are in compliance with current measures may suffer claims, penalties and other liabilities in respect of alleged prior failings. Any of the foregoing may result in a material loss in value of an investment linked to such companies.

Further, certain industries face considerable scrutiny from regulatory authorities, non-governmental organisations and special interest groups in respect of their impact on

sustainability factors, such as compliance with minimum wage or living wage requirements and working conditions for personnel in the supply chain. The influence of such authorities, organisations and groups along with the public attention they may bring can cause affected industries to make material changes to their business practices, which can increase costs and result in a material negative impact on the profitability of businesses. Such external influence can also materially impact the consumer demand for a company's products and services, which may result in a material loss in value of an investment linked to such companies.

Sectors, regions, businesses and technologies which are carbon-intensive, higher polluting or otherwise cause a material adverse impact on sustainability factors may suffer from a significant fall in demand and/or obsolescence, resulting in stranded assets the value of which is significantly reduced or entirely lost ahead of their anticipated useful life. Attempts by sectors, regions, businesses and technologies to adapt in order to reduce their impact on sustainability factors may not be successful, may result in significant costs being incurred, and future on-going profitability may be materially reduced.

#### The assessment and mitigation of Sustainability Risks

To the extent that a sustainability event occurs, there may be a sudden, material negative impact on the value of an investment, and hence the Net Asset Value of the relevant Fund. Such negative impact may result in an entire loss of value of the relevant investment(s) and may have an equivalent negative impact on the Net Asset Value of the relevant Fund.

Therefore, the Manager and/or the Investment Manager endeavours to assess, on an on-going basis, the impact of Sustainability Risks on the performance of the Funds by bringing together both quantitative and qualitative assessments in order to monitor and mitigate a wide range of Sustainability Risks that might impact its Funds.

In order to assist it in managing these Sustainability Risks and seeking to mitigate the potential for material negative impacts on the Funds, the Manager and/or Investment Manager embeds Sustainability Risks in the investment

decision-making process across asset classes and investment teams, through an integrated ESG framework for responsible investing. For further information on how the Manager and the Investment Manager integrate Sustainability Risks in the investment decision-making process, please refer to the sub-section of the Prospectus titled 'Investment Objective and Policies – Sustainability Policy'.

Whilst the Investment Manager has adopted a fully integrated framework for responsible investing, with the aim of mitigating the impact of Sustainability Risks, there can be no assurance that all Sustainability Risks can be mitigated across the Funds.

#### **Risk Factors Not Exhaustive**

The investment risks set out in this Prospectus do not purport to be exhaustive and potential investors should be aware that an investment in the Company or any Fund may be exposed to risks of an exceptional nature from time to time.



# 2. Management and Administration

The Directors control the affairs of the Company and are responsible for the formulation of investment policy. The Directors have delegated the day to day management of the Company to the Manager.

## DIRECTORS

The Company shall be managed and its affairs supervised by the Directors of the Company whose details are set out below:-

**Donard McClean (Irish)** has worked in the Financial Services Industry since 1989 and is an Independent Director for Funds and Fund Management Companies. From 2006 to 2018 he was CEO and Ireland Location Head for MUFG Investor Services (formerly UBS). During this time, he organized and managed all aspects of the UBS and MUFG Funds business in Ireland and was a member of global Compliance, Operations and Client Services committees. He was a Board Director of Fund Services entities in Ireland (IIA and MiFID licensed), Isle of Man and Jersey. Donard is a non-executive Director on several UCITS and Non-UCITS Umbrella Funds as well as a Fund Management Company. He has expert knowledge of the Funds Industry in Ireland and internationally especially in relation to risk, compliance and governance across Fund Administration, Custody, Management Company, Asset Management and associated Banking Services. Prior to his role with UBS, Donard spent nine years with Fortis Prime Fund Solutions where he was Director of Operations with responsibility for Administration, Custody and back-office Banking operations. Prior to Fortis he started his career as

an auditor with Coopers and Lybrand Channel Islands. He is a Fellow of the Association of Chartered Certified Accountants, holds a BA in Economics and Politics from UCD as well as a Post Graduate Diploma in Business Studies from the Michael Smurfit School of Business UCD.

**Deirdre O'Reilly (Irish)** is an Independent Non-Executive Director with over 25 years' experience in financial services who currently acts as a Chairperson; an Audit Committee Chair and a member of Risk Committees for several entities in the financial services sector including investment funds, fund management companies and MIFID entities. Ms O'Reilly is also an Independent Director for Refinitiv Benchmark Services (UK) Ltd, a benchmark administrator of the London Stock Exchange Group which has transitioned through a \$27BN acquisition and integration of Refinitiv since 2021. Admitted as a Fellow of the Institute of Chartered Accountants in 1999, Ms O'Reilly has worked as an auditor in PwC; an advisor on transactions (flotations, mergers & acquisitions) and in various roles in the CBI including both policy and supervisory roles where she managed key projects including implementation of iterations of the Capital Requirements Regulations; Markets in Financial Instruments Directive (MIFID) and the Alternative Investment Fund Managers Directive (AIFMD). Ms O'Reilly is a Licentiate of the Compliance Officers in Ireland (LCOI) and a Certified Investment Fund Director (CIFD). She is also a steering committee member of 100WomeninFinance's Dublin Committee, a global organisation to support women in finance. In 2021 she was

appointed as a Director of the Irish Youth Foundation, an Irish charity which supports projects that help disadvantaged children.

**Eimear Cowhey (Irish)** has over 30 years' experience in the offshore funds industry and currently acts as a non-executive independent chairman, director and committee member of various investment fund and management boards in Dublin, Luxembourg and the U.K. From 1999 to 2006 she held various executive positions within Amundi Pioneer, including Head of Legal and Compliance and Head of International Product Development. From 1992 to 1999 she held various executive positions within Invesco Asset Management, including Managing Director, Global Fund Director and Head Legal Counsel. Eimear is a qualified Irish lawyer and a Chartered Director accredited by the IoD (London). Eimear was a member of the Committee on Collective Investment Governance (CCIG) which was established by the Central Bank of Ireland in December 2013 and which issued an expert report in July 2014 on recommendations for good governance practice for investment funds. She is a former Council member and past Chairman of Irish Funds and is a former member of the IFSC Funds Group a joint government/industry group to advise the government of investment fund related matters. She is a founder and director of basis.point which is the Irish investment fund industry charity focused on alleviating poverty through education, particularly among the youth of Ireland.

**Adel Malcolm (British / Hungarian)** is the Head of Data Solutions within the Chief Data Office of Legal & General Investment Management where she leads the engagements to provide data solution design, data methodology and architectural support to business functions and all change initiatives. In her previous role, Ms. Malcolm was responsible for Investment Analytics at Legal & General Investment Management, overseeing the production of portfolio and client risk analytics. Prior to that as Head of Investment Oversight at Legal & General Investment Management where she was responsible for Investment Risk, Performance Analytics and Guideline Monitoring activities. Ms. Malcolm joined Legal & General Investment Management's Risk team in 2010 as a Senior Risk Manager and has worked in a number of roles reporting into the Chief Risk Officer. Prior to joining Legal &

General Investment Management she worked on the sell-side in market risk and trading roles. Ms. Malcolm holds a Master's in Finance from Budapest Corvinus University (Hungary).

**Claire Aley (Australian)** joined Legal & General Investment Management in February 2019 as its Head of Product, responsible for overseeing Legal & General Investment Management's product strategy, development and ongoing lifecycle management. Ms. Aley joined from Federated Hermes Limited where she was an Executive Director and Head of Product Strategy & Development, with directorships on its Cayman fund range and Irish Super Management Company. Prior to this, Ms. Aley was a Partner and Head of Client Service at Highclere International Investors, having previously held senior roles in product development, client service and corporate business management at investment management companies in Australia before relocating to the UK. Ms. Aley holds a degree in Economics and Social Sciences from The University of Sydney.

The Directors have not had any unspent convictions in relation to indictable offences, ; or been a director of any company or partnership which, while he/she was a director with an executive function or partner at the time of or within the 12 months preceding such events, been declared bankrupt, went into receivership, liquidation, administration or voluntary arrangements; or been subject to any official public incrimination or sanctions by statutory or regulatory authorities (including designated professional bodies) ; or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of affairs of any company.

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

#### **THE PROMOTER**

The Promoter of the Company is the Legal & General Investment Management Limited. Legal & General Investment Management Limited also acts as investment manager for the Company. For details, please see the section headed "Investment Manager" below.

## THE MANAGER

LGIM Managers (Europe) Limited has been appointed by the Company to act as manager pursuant to the Management Agreement. Under the terms of the Management Agreement, the Manager has responsibility for the management and administration of the Company's affairs and distribution of the Shares, subject to the overall supervision and control of the Directors. Pursuant to the provisions of the Management Agreement the Manager may delegate one or more of its functions subject to the overall supervision and control of the Company.

The Manager is a private company limited by shares incorporated in Ireland on 14 August, 2017 whose ultimate holding company is Legal & General Investment Management (Holdings) Limited. The Manager is authorised and regulated by the Central Bank in Ireland.

The directors of the Manager and a summary of their details are set out below:

**Sarah Aitken** is an executive employee of the LGIM Group and is Head of Distribution for Legal & General Investment Management Limited, leading distribution in Europe, the Middle East and Asia. Sarah reports directly to the CEO. She joined the LGIM Group in 2014 from Insight Investment, where she held the title of Head of Distribution. Prior to that, she worked at Merrill Lynch Investment Managers and JP Morgan. Sarah started her career at Cazenove as a UK equity analyst. She graduated from Corpus Christi College, Cambridge University and has an MA in history.

**Lee Toms** is responsible for leading LGIM's Global Operations function, defining its strategic direction and overseeing the delivery of all operational support to the business. Having joined LGIM in 1993 as a financial controller in the Real Estate function, Lee switched to the Operations area in 1997, initially taking responsibility for Fund Accounting and later Performance Reporting and Data. After a spell at Barclays Global Investors, taking a significant role in outsourcing the fund accounting function and designing and implementing the internal operating model, Lee was asked to re-join LGIM in 2007 assuming leadership of the Investment Operations function. In

October 2018, Lee's role was expanded to include leadership of the data management office and vendor management. Lee has a wealth of experience in shaping, managing and delivering large scale, complex initiatives including redesigning operating model, creating and driving operational excellence, fund/product launches in new jurisdictions and strategic IT programmes. Lee is also a Fellow of the Association of Chartered Certified Accountants.

**Pauline Plunkett** (Irish) is the Chief Executive Officer of LGIM Managers (Europe) Limited, appointed in October 2023. Pauline is based in Dublin. Pauline previously held the role of Head of Insurance Clients in LGIM, having joined LGIM in March 2014. In this role she has had overall responsibility for LGIM's relationships and delivery to insurance clients. Pauline has also been a director of L&G Assurance (Pensions Management) Ltd and Trustee director, and chair of the investment and funding committee, of the L&G pension scheme. Prior to this, she was a senior investment consultant and co-lead of the Insurance Investment Advisory Group at Towers Watson where she advised clients on all aspect of governance, investment strategy and implementation. Pauline is a Fellow of the Institute and Faculty of Actuaries and graduated from the National University of Ireland with a first-class honours degree in financial maths and economics.

**David Fagan** is a Manager with the Davy Group, an Irish-based wealth management and stockbroking group. He has responsibility for service delivery and operational improvement within the investment platform business of Davy Group, Davy Select. He has spent over 30 years working in the life insurance, pension and investment industry. He spent the early part of his career working for Irish Life, Ireland's largest insurance company in a variety of accounting, financial management and marketing management roles in both Ireland and the UK. In 1998 he was appointed as Chief Executive of Irish Life International, a cross border life insurance and investment business within the Irish Life Group. In 2007 he joined Legal & General as Chief Executive of Legal & General International with a brief to establish and grow this business

on behalf of the Legal & General Group. During this time he also held responsibility for Suffolk Life, a self-invested pension business within the Group. In 2013 David was appointed as Managing Director – Retail Savings Distribution for the Legal & General Group. Within this role he was responsible for some of the largest independent and tied distribution relationships across the UK market and it also included board membership of Cofunds, the largest investment platform in the UK. He is a Fellow of the Chartered Association of Certified Accountants (FCCA) and has served on a number of prominent Industry and Government Advisory Groups over the years.

**Mark Jordy** is a non-executive director of Legal & General Investment Management (Holdings) Limited (appointed April 2019), where he serves as Chairman of the Risk Committee. He also serves as a non-executive director for a European private bank and alternatives investment manager, and a Swiss boutique financial advisory firm.

**Volker Kurr** was appointed as Head of Europe Institutional in September 2017 having joined LGIM in 2013 with the responsibility for Germany, Austria and Switzerland. Prior to joining LGIM, Volker was CEO of one of BNY Mellon's asset management companies and member of the Global Executive Committee Asset Management of BNY Mellon. Furthermore he was Head of Institutional & Wholesale / Products and member of the Executive Committee of UBS AG. Earlier he was a member of the board for Cominvest – the asset management subsidiary of Commerzbank. Volker was also CEO of SEB Invest, divisional member of the Executive Committee in Sweden and founding partner of MARS AM. During his many years in the investment industry, he also served on various supervisory and non-executive boards. Volker holds a diploma in Business Administration from Ludwig-Maximilians-University Munich (LMU) and an MBA from London Business School. He also joined programs from INSEAD, Wharton, Harvard, Northwestern University/Kellogg and is a Certified European Financial Analyst/CEFA and a Certified Performance Presentation Verifier.

**John Craven** is currently Financial Controller, LGIM. His function is responsible for maintaining and developing the financial control framework for the division and its corporate entities. His team is also responsible for all financial

reporting obligations for the division, including the preparation of statutory accounts and regular regulatory returns. John holds a number of directorships as part of this role. John has undertaken several Finance roles since joining the Legal & General Group in 2005, and also worked in the organisation's Group Internal Audit function immediately after joining the Legal & General Group between 2005 and 2007. After graduating from Birmingham University as a Bachelor of Music in 1999, John began his career in accountancy working in the Assurance and Advisory function at Deloitte. He also spent time working in internal audit at Lloyds Banking Group prior to joining the Legal & General Group. John is a Fellow of the Institute of Chartered Accountants in England and Wales.

**Eimear Cowhey** Please refer to Ms. Cowhey's biography above in the section titled "Directors".

**Patrizia Libotte** is the Head of Investments of LGIM Managers (Europe) Limited. Ms. Libotte joined LGIM in May 2019 from Aviva Ireland where she held the title of Director of Multi Asset Funds and was responsible for designing, implementing and managing the investment proposition for two ranges of target risk multi asset funds. Prior to this, Ms. Libotte was Head of Multi Asset and Global Strategy at Dublin based independent boutique asset manager Covestone Asset Management, leading investment decisions across a broad range of financial assets including equities, bonds, commodities and alternative assets. Ms. Libotte began her career at Pioneer Investment in Dublin where she managed segregated Fixed Income mandates for Institutional clients. Having worked in the investment management industry for over twenty years in different roles: as a fund manager, strategist, multi-asset allocator, fund of funds portfolio manager, Ms. Libotte offers first-hand knowledge and strong understanding of financial markets, different asset types and regulatory frameworks across Europe. Ms. Libotte has a Bachelor of Commerce International with German and holds two Masters in Business Studies: one in International Business and one in Quantitative Finance. Ms. Libotte is bilingual in Italian and English.

The Manager's company secretary is Matsack Trust Limited.

The Manager has delegated the investment management responsibilities to the Investment Manager and has appointed the Administrator to carry out certain administrative functions in respect of the Company. The Manager is responsible for the distribution of the Company's Shares (including within the EEA) in accordance with the terms of the Management Agreement. The Manager has appointed the Investment Manager as global distributor of the Company pursuant to the terms of the Investment Management & Distribution Agreement. The Manager has authority to delegate some or all of its duties as distributor to sub-distributors in accordance with the requirements of the Central Bank. The fees and expenses of any sub-distributor appointed by the Manager which are discharged out of the assets of the Company shall be at normal commercial rates.

#### **INVESTMENT MANAGER**

The Manager has appointed Legal & General Investment Management Limited, as investment manager with discretionary powers pursuant to the Investment Management Agreement. Under the terms of the Investment Management Agreement the Investment Manager is responsible, subject to the overall supervision and control of the Directors, for managing the assets and investments of the Company in accordance with the investment objective and policies of each Fund. Under the terms of the Investment Management Agreement, in the absence of negligence, fraud, bad faith or wilful default of the Investment Manager in the selection and appointment of delegates or breach by the Investment Manager of its obligations under the Investment Management and Distribution Agreement, the Investment Manager shall not be held liable for any actions, proceedings, claims, costs, demands, charges, losses, damages or expenses howsoever arising as a result of the acts or omissions of sub-investment managers appointed by it or for its own acts or omissions in bona fide following the advice or recommendations of the Investment Manager.

The Investment Manager is a limited liability company incorporated in England on the 21st of January, 1987 under registration number 2091894, whose ultimate holding company is Legal & General Group Plc. The Investment

Manager is authorised and regulated by the Financial Conduct Authority.

As at the 31 December, 2022 the Investment Manager had assets under management of £1,195,689,860,419.10.

The Investment Manager may delegate some or all of the investment management functions to one or more sub-investment managers in accordance with the requirements of the Central Bank. Details of any appointment will be provided to Shareholders on request and shall be disclosed in each annual and semi-annual report of the Company. If a sub-investment manager's fee is payable out of the assets of a Fund, then details of such sub-investment manager shall be disclosed in the relevant Supplement. In the absence of negligence, fraud, bad faith or wilful default of the Investment Manager in the selection and appointment of delegates or breach by the Investment Manager of its obligations under the Investment Management and Distribution Agreement, the Investment Manager shall not be held liable for any actions, proceedings, claims, costs, demands, charges, losses, damages or expenses howsoever arising as a result of the acts or omissions of sub-investment managers appointed by it or for its own acts or omissions in bona fide following the advice or recommendations of sub-investment managers.

#### **ADMINISTRATOR**

The Manager has appointed Northern Trust International Fund Administration Services (Ireland) Limited as administrator and registrar of the Company pursuant to the Administration Agreement with responsibility for the day to day administration of the Company's affairs. The responsibilities of the Administrator include share registration and transfer agency services, valuation of the Company's assets and calculation of the Net Asset Value per Share and the preparation of the Company's semi-annual and annual reports.

Northern Trust International Fund Administration Services (Ireland) Limited is a private limited liability company incorporated in Ireland on June 15, 1990 and is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading



providers of global custody and administration services to institutional and personal investors. As at 30 June 2022, the Northern Trust Group's assets under custody and administration totalled in excess of USD \$11.5 trillion. The principal business activity of Northern Trust International Fund Administration Services (Ireland) Limited is the administration of collective investment schemes.

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

In calculating the Net Asset Value and Net Asset Value per Share, the Administrator shall not be liable for any loss suffered by the Company by reason of any error resulting from any inaccuracy in the information provided by any pricing service, provided the Administrator acts in good faith and exercises due care and diligence in satisfying itself as to the ability and competence of the external pricing service. Where practicable, the Administrator shall use reasonable endeavours to confirm with third parties pricing information supplied by the Manager or its delegates or any connected person thereof (including a connected person which is a broker, market maker or other intermediary) or its delegates. However, in certain circumstances the Administrator shall not be deemed negligent, fraudulent or in wilful default of its obligations under the Administration Agreement and shall not be liable for any loss suffered by the Company or any Shareholder by reason of any error in the calculation of the Net Asset Value resulting from any inaccuracy in the information provided by the Manager or its delegates.

In circumstances where the Administrator is directed by the Manager to use particular pricing services, brokers, market makers or other intermediaries, the Administrator shall not be liable for any loss suffered by the Company or any Shareholder by reason of error in the calculation of Net

Asset Value resulting from any inaccuracy in the information provided by such pricing services, brokers, market makers or other intermediaries.

The Administrator has not been retained by the Manager to act as an independent valuation agent.

The Administrator is not involved directly or indirectly with the business affairs, organisation, sponsorship or management of the Company and is not responsible for the preparation of this document other than the preparation of the above description and accepts no responsibility or liability for any information contained in this document except disclosures relating to it. The Administrator is not responsible for the monitoring of the compliance of the Company's or any Sub-Fund's investments with any investment rules and restrictions contained in any agreement and/or this Prospectus and/or in any other service agreement(s) concluded between the Company and its service providers unless otherwise stated.

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

## DEPOSITARY

The Company has appointed Northern Trust Fiduciary Services (Ireland) Limited to act as the depositary to the Company.

The Depositary is a private limited liability company incorporated in Ireland on 5 July 1990. Its main activity is the provision of custodial services to collective investment schemes. The Depositary is an indirect wholly-owned subsidiary of Northern Trust Corporation. Northern Trust Corporation and its subsidiaries comprise the Northern Trust Group, one of the world's leading providers of global custody and administration services to institutional and personal investors. As at 30 June 2022, the Northern Trust Group's assets under custody totalled in excess of US\$11.3 trillion.

## Duties

The duty of the Depositary is to provide safekeeping, oversight and asset verification services in respect of the assets of the Company and the Funds in accordance with the provisions of the UCITS Regulations. The Depositary will also provide cash monitoring services in respect of the Company's cash flows and subscriptions.

The Depositary will be obliged, inter alia, to ensure that the sale, issue, repurchase and cancellation of Shares in the Company is carried out in accordance with the UCITS Regulations and the Articles. The Depositary will carry out the instructions of the Directors unless they conflict with the Act or Articles of the Company. The Depositary is also obliged to enquire into the conduct of the Company in each financial year and report thereon to the Shareholders.

## Depositary Liability

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

## Delegation

The Depositary has power to delegate the whole or any part of its safekeeping obligations, however, its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping.

Under the terms of the Depositary Agreement, 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, (ii) the Depositary can demonstrate that there is an objective reason for the delegation and (iii) The Depositary has exercised all due, skill, care and diligence in the selection and appointment of any third party to whom it wants to delegate parts of the Services, and keeps exercising all due skill, care and diligence in the periodic

review and ongoing monitoring of any third party to whom it has delegated parts of its safekeeping services and of the arrangements of the third party in respect of the matters delegated to it.

The Depositary has delegated to its global sub-custodian, The Northern Trust Company, London branch, responsibility for the safekeeping of the Company's financial instruments and cash. The global sub-custodian proposes to further delegate these responsibilities to sub-delegates, the identities of which are set forth in Appendix IV hereto.

This list may be updated from time to time and is available upon request in writing from the Administrator or Depositary.

## Conflicts

While the Depositary does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to The Northern Trust Company or any of the sub-delegates listed in Appendix IV, the Depositary may act as the depositary of other open-ended investment companies and as trustee or custodian of other collective investment schemes. It is therefore possible that the Depositary and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Company or a particular Fund and/or other funds managed by the Manager or Investment Manager or other funds for which the Depositary acts as the depositary, trustee or custodian. The Depositary will, however, have regard in such event to its obligations under the Depositary Agreement and the UCITS Regulations and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Shareholders collectively so far as practicable, having regard to its obligations to other clients.

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



## DISTRIBUTOR

The Manager is responsible for the distribution of the Company's shares (including within the EEA) in accordance with the terms of the Management Agreement. The Manager has appointed the Distributor as global distributor of Shares in the Company pursuant to the Distribution Agreement. The Distributor has authority to delegate some or all of its duties as distributor to sub-distributors in accordance with the requirements of the Central Bank. The Distributor is regulated by the Financial Conduct Authority in the UK.

## PAYING AGENTS/REPRESENTATIVES/SUB-DISTRIBUTORS/FACILITIES AGENTS

Local laws/regulations in EEA Member States may require the appointment of paying agents/representatives/distributors/correspondent banks ("**Paying Agents**") and maintenance of accounts by such Agents through which subscription and redemption monies or dividends may be paid. Shareholders 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 or from the Depositary (via the Company's Umbrella Cash Account) 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 (via the Umbrella Cash Account) (b) redemption monies payable by such intermediate entity to the relevant Shareholder. Fees and expenses of Paying Agents appointed by the Company and/or the Manager which will be at normal commercial rates will be borne by the Manager, the Company or the Fund in respect of which a Paying Agent has been appointed unless otherwise stated.

Country Supplements dealing with matters such as those set out above, pertaining to Shareholders in jurisdictions in which Paying Agents are appointed may be prepared for circulation to such Shareholders and, if so, where required, a summary of the material provisions of the agreements appointing the Paying Agents will be included in the relevant Country Supplements.

All Shareholders of the Company or the Fund on whose behalf a Paying Agent is appointed may avail of the

services provided by Paying Agents appointed by or on behalf of the Company.

Details of the paying agents appointed will be set out in the relevant Country Supplement and will be updated upon the appointment or termination of appointment of paying agents.

## CONFLICTS OF INTEREST

The Directors, the Manager, the Investment Manager, the Distributor, the Administrator and the Depositary and their respective affiliates, officers, directors and shareholders, employees and agents (collectively the "Parties") are or may be involved in other financial, investment and professional activities which may on occasion cause a conflict of interest with the management of the Company and/ or their respective roles with respect to the Company. These activities may include managing or advising other funds, purchases and sales of securities, banking and investment management services, brokerage services, valuation of unlisted securities (in circumstances in which fees payable to the entity valuing such securities may increase as the value of assets increases) and serving as directors, officers, advisers or agents of other funds or companies, including funds or companies in which the Company may invest. In particular, the Manager and/or the Investment Manager may advise or manage other Funds and other collective investment schemes in which a Fund may invest or which have similar or overlapping investment objectives to or with the Company or its Funds. In addition, counterparties to certain OTC FDI, repurchase/ reverse repurchase agreements and/or stocklending agreements may be related to the Manager, the Investment Manager or to the Depositary. Under such circumstances, transactions with the relevant counterparty will be effected on normal commercial terms and negotiated on an arm's length basis.

Neither the Manager, the Investment Manager nor any of their affiliates are under any obligation to offer investment opportunities of which any of them becomes aware to the Company or to account to the Company in respect of (or share with the Company or inform the Company of) any such transaction or any benefit received by any of them from any such transaction, but will allocate such opportunities in its absolute discretion between the Company and other clients.

The Manager, the Investment Manager and their officers, partners and employees will devote as much of their time to the activities of the Company as they deem necessary and appropriate. The Manager, the Investment Manager and their delegates and affiliates are not restricted from forming additional investment funds, from entering into other investment advisory relationships or from engaging in other business activities, even though such activities may be in competition with the Company and/or may involve substantial time and resources. These activities could be viewed as creating a conflict of interest in that the time and effort of the Manager, the Investment Manager, their delegates and their officers and employees will not be devoted exclusively to the business of the Company but will be allocated between the business of the Company and such other activities. Future activities by the Manager, the Investment Manager and their delegates and affiliates, including the establishment of other investment funds, may give rise to additional conflicts of interest.

The Investment Manager may be consulted by the Administrator in relation to the valuation of investments. There is a conflict of interest between any involvement of the Investment Manager in this valuation process and with the Investment Manager's entitlement to any proportion of a Management Fee which is calculated on the basis of the Net Asset Value.

Details of any potential conflicts of interest with respect to the Depositary are set out above under the heading 'Depositary – Conflicts'.

Each of the Parties will use its reasonable endeavours to ensure that the performance of their respective duties will not be impaired by any such involvement they may have and that any conflicts which may arise will be managed in accordance with the Company's and the Manager's conflicts of interest policy.

Details of interests of the Directors are set out in the Section of the Prospectus entitled "Statutory and General Information".

Conflicts of interest are kept under review and are reviewed annually by the Directors.

## DEALINGS WITH CONNECTED PARTIES

There is no prohibition on transactions with the Company, the Manager and the Depositary or any delegate of the Company or the Manager such as the Investment Manager, the Administrator, the Distributor or any delegate or sub-delegate of such entities (excluding any non-group sub-delegates appointed by the Depositary) or any associated or group company of the Depositary or delegate of the Company or the Manager or any delegate or sub-delegate of such entities ("Connected Parties") including, without limitation, holding, disposing or otherwise dealing with property of the Company or, acting as a counterparty in transactions with the Company and none of them shall have any obligation to account to the Company for any profits or benefits made by or derived from or in connection with any such transaction provided that such transactions are consistent with the best interests of Shareholders and dealings are conducted at arm's length.

Transactions are permitted subject to

- i. the value of the transaction is certified by a person approved by the Depositary (or, in the case of a transaction entered into by the Depositary, the Manager) as independent and competent; or
- ii. execution on best terms on organised investment exchanges under the rules of the relevant exchange; or
- iii. execution is on terms which the Depositary is (or, in the case of a transaction entered into by the Depositary, the Directors are) satisfied is conducted at arm's length and in the best interests of Shareholders.

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

The periodic reports of the Company will confirm (i) whether the Directors are satisfied that there are arrangements

(evidenced by written procedures) in place to ensure that the obligations set out above are applied to all transactions with connected parties and (ii) whether the Directors are satisfied that the transactions with connected parties entered into during the period complied with the obligations outlined above.

The Investment Manager or an associated company of the Investment Manager may invest in Shares either so that a Fund or Class may have a viable minimum size or is able to operate more efficiently or otherwise. In such cases, the Investment Manager or its associated company may hold a high proportion of the Shares of a Fund or Class in issue.

## INDUCEMENTS AND SOFT COMMISSIONS

### Inducements

The Manager is subject to inducement rules set out in the UCITS Regulations pursuant to which it will not be regarded as acting honestly, fairly and in accordance with the best interests of the Company or its Shareholders if, in relation to the activities performed when carrying out its functions it pays or is paid any fee or commission, or provides or is provided with any non-monetary benefit, other than those permitted in the UCITS Regulations e.g. a fee, commission or non-monetary benefit paid by or on behalf of a third party where the Manager can demonstrate (i) the existence, nature and amount of the fee, commission or benefit and (ii) the payment of the fee or commission, or the provision of the non-monetary benefit are designed to enhance the quality of the relevant service and not impair compliance with the Manager's duty to act in the best interests of the Company or its Shareholders.

### Soft Commissions

#### *MiFID II Authorised Investment Managers*

In accordance with its obligations under MiFID II or equivalent legislation, the Investment Manager shall return to the relevant Fund any fees, commissions or other monetary benefits paid or provided by a third party in relation to the investment management services provided by the Investment Manager to the Fund as soon as reasonably possible after receipt.

In particular, where the Investment Manager 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, permitted derivative instruments or techniques and instruments for the Company or a Fund, the rebated commission shall be paid to the Company or the relevant Fund as the case may be.

The Investment Manager shall however be permitted to retain minor non-monetary benefits received from third parties where the benefits are such that they could not impair the Investment Manager from complying with its obligation to act in the best interests of the Fund, provided they are disclosed to the Company prior to the provisions of investment management services by that entity.

The Investment Manager may only receive third-party investment research, provided it is received on such basis that it does not contravene MiFID II or equivalent legislation or the rules of the FCA.

Investment research will not constitute an inducement under MiFID II or equivalent legislation where it is paid for by the Investment Manager itself out of its own resources or out of a research payment account funded by a specific research charge to the applicable Fund. In this regard, the Investment Manager will discharge the charges relating to investment research which is or may be used by the Investment Manager in managing the assets of the Company out of its own resources.

# 3. Fees and Expenses

## ESTABLISHMENT EXPENSES

Unless otherwise agreed with the Manager and set out in the relevant Supplement, all fees and expenses relating to the establishment and organisation of the Company and the Funds (including the fees of the Company's professional advisers, consultancy fees in relation to the structure of the Company, and the fees and expenses incurred registering the Shares for sale in various markets) will be borne by the Company on an amortised basis over the first five Accounting Periods of the Company (the "**Amortised Period**").

Unless the relevant Supplement provides that the Manager shall bear such fees and expenses, any new Fund established from time to time, shall bear (i) the fees and expenses relating to its establishment (including the fees of the Company's professional advisers and the fees and expenses incurred registering the Shares for sale in various markets) on an amortised basis over the first five Accounting Periods of the relevant Fund or such other period as the Directors may determine and in such manner as the Directors in their absolute discretion deem fair.

## OPERATING EXPENSES AND FEES

Unless otherwise agreed with the Manager and set out in the relevant Supplement, the Company will pay all its operating expenses and fees. Expenses that may be payable by the Company throughout the duration of the Company include the fees and expenses payable to any Paying Agent appointed by or on behalf of the Company together with the fees and out-of-pocket expenses of the Manager, the Administrator, the Depositary, the Investment Manager and the Distributor (unless otherwise stated in the relevant Supplement).

The Company will also pay brokerage and banking commissions and charges, legal and other professional advisory fees, company secretarial fees, Companies Registration Office filings and statutory fees, regulatory fees, auditing fees, translation and accounting expenses, interest on borrowings, taxes and governmental expenses applicable to the Company costs of preparation, translation, printing and distribution of reports and notices, all marketing material and advertisements and periodic update of the Prospectus, stock exchange listing fees (if applicable), all expenses in connection with registration, listing and distribution of the Company and Shares issued or to be issued, all expenses in connection with obtaining and maintaining a credit rating for any Funds or Classes or Shares, expenses of Shareholders' meetings, Directors' insurance premia, expenses of the publication and distribution of the Net Asset Value, clerical costs of issue or redemption of Shares, postage, telephone, facsimile and telex expenses and any other expenses in each case together with any applicable value added tax all of which may be indirectly paid by the Company as vouched expenses. Any such expenses may be deferred and amortised by the Company, in accordance with standard accounting practice, at the discretion of the Directors.

An estimated accrual for operating expenses of the Company will be provided for in the calculation of the Net Asset Value of each Fund. Operating expenses and the fees and expenses of service providers which are payable by the Company shall be borne by all Funds in proportion to the Net Asset Value of the relevant Fund or attributable to the relevant Class provided that fees and expenses

directly or indirectly attributable to a particular Fund or Class shall be borne solely by the relevant Fund or Class.

New rules under the settlement discipline regime introduced under Regulation (EU) No 909/2014 (“**CSDR**”) which are intended to reduce the number of settlement fails within EU central securities depositories (such as Euroclear and Clearstream) entered into force on 1 February, 2022. These measures include the introduction of a new cash penalties regime under which the participant within the relevant central securities depository (“**CSD**”) responsible for a settlement fail will be required to pay a cash penalty which is in turn distributed to the other participant. This is intended to serve as an effective deterrent for participants that cause settlement fails. In certain circumstances, such penalties and related expenses may be borne (either directly or indirectly) out of the assets of the Fund on whose behalf the in-scope transaction was entered into, thus resulting in increased operational and compliance costs being borne by the relevant Fund.

#### **MANAGER'S FEES**

The Manager will receive, for the provision of its services, a fee, equal to a percentage of the Net Asset Value of the Shares of the relevant Class, the details of which are set out in the relevant Supplement for each Fund.

The Manager may from time to time, and at its sole discretion, decide to rebate all or a portion of the fees paid to it by the Company with respect to any Shareholder.

The Manager shall also be entitled to be repaid all of its out-of-pocket expenses out of the assets of the relevant Fund, which shall include legal fees, courier's fees and telecommunication costs and expenses.

The Manager shall pay the Investment Manager out of its own fee as detailed above, an annual fee as a percentage of the Net Asset Value of the assets attributable to each Fund. The Investment Manager shall also be entitled to be repaid all of its out-of-pocket expenses out of the assets of the relevant Fund.

The Manager also shall pay out of its own fee, its own expenses and the fees, charges and expenses payable to the Depositary, any sub-custodian (which shall be at normal commercial rates together with value added tax, if

any, thereon), the Administrator and the Distributor provided that the Manager shall be entitled to reimbursement by the Company of all reasonable out-of-pocket charges and expenses incurred by it and each service provider mentioned above in the performance of their respective obligations (unless otherwise stated in the Supplement). Alternatively, in respect of the reasonable-out-of-pocket charges and expenses, the Company may directly reimburse the service providers mentioned above and the Manager rather than reimbursement through the Manager. Each Fund will bear its proportion of the fees and expenses of the Manager. The Company shall bear the cost of any value added tax applicable to any fees or other amounts payable to or by the Manager in the performance of its duties.

#### **MANAGER'S REMUNERATION POLICY**

The Manager has designed and implements a remuneration policy which is consistent with and promotes sound and effective risk management by having a business model which by its nature does not promote excessive risk taking that is inconsistent with the risk profile of the Company or the Articles of Association and which does not impair the Manager's duty to act in the best interests of the Company. The Manager's remuneration policy is consistent with the business strategy, objectives, values and interests of the Manager, the Company and the Shareholders and includes measures to avoid conflicts of interest.

The Manager's remuneration policy applies to those categories of staff, including senior management, risk takers, control functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or the Company.

In line with the provisions of the UCITS Regulations and ESMA Guidelines on Sound Remuneration Policies under the UCITS Regulations and AIFMD (ESMA/2016/411) (the “ESMA Remuneration Guidelines”), 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.



Where the Manager delegates certain portfolio management and risk management functions in respect of the Funds, which it does to the Investment Manager, it will in accordance with the requirements of the ESMA Remuneration Guidelines ensure that;

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

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

### **PAYING AGENTS FEES**

Reasonable fees and expenses of any Paying Agent appointed by the Company which will be at normal commercial rates together with VAT, if any, thereon will be borne by the Company or the relevant Fund in respect of which a Paying Agent has been appointed unless otherwise stated.

### **REDEMPTION FEE**

The Directors of the Company reserve the right to impose on Shareholders a redemption fee calculated as a percentage of the Net Asset Value of Shares being redeemed, as specified in the relevant Supplement.

### **CONVERSION FEE**

The Articles of Association authorise the Directors to charge a fee on the conversion of Shares in any Fund to Shares in another Fund up to a maximum of 2% of Net

Asset Value of Shares to be issued in the Fund into which conversion has been requested.

### **ANTI-DILUTION LEVY/DUTIES AND CHARGES**

The Company and the Manager reserve the right to impose an “anti-dilution levy” representing a provision for market spreads (the difference between the prices at which assets are valued and/or bought or sold), duties and charges and other dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of a Fund, in the event of receipt for processing of net subscription or redemption requests exceeding a threshold of 1% of the Net Asset Value of a Fund including subscriptions and/or redemptions which would be effected as a result of requests for conversion from one Fund into another Fund.

Any such provision will be added to the price at which Shares will be issued in the case of net subscription requests exceeding 1% of the Net Asset Value of the Fund and deducted from the price at which Shares will be redeemed in the case of net redemption requests exceeding 1% of the Net Asset Value of the Fund including the price of Shares issued or redeemed as a result of requests for conversion.

As set out in the section headed “Liquidity Management Procedures for LVNAV MMFs” above, the Directors may apply liquidity fees to redemptions in circumstances where the weekly maturing assets of a Fund that is a LVNAV MMF fall below certain liquidity thresholds to ensure that the remaining Shareholders in the Fund are not unfairly disadvantaged by the redemptions.

### **DIRECTORS’ FEES**

The Articles of Association authorise the Directors to charge a fee for their services at a rate determined by the Directors. Each Director shall receive a fee for their services up to a maximum of €50,000 per director per annum. Any increase above the maximum permitted fee will be notified in advance to Shareholders. The Directors may elect to waive their entitlement to receive a fee. Ms. Malcolm, and Ms. Aley will receive a nil fee from the Company in connection with their directorships. Each Director may be entitled to additional remuneration if called



upon to perform any special or extra services to the Company, details of which will be set out in the financial statements of the Company.

All Directors will be entitled to reimbursement by the Company of expenses properly incurred in connection with the business of the Company or the discharge of their duties.

### **ALLOCATION OF FEES AND EXPENSES**

All fees, expenses, duties and charges will be charged to the relevant Fund and within such Fund to the Classes in respect of which they were incurred. Where an expense is not considered by the Directors or the Manager to be attributable to any one Fund, the expense will normally be allocated to all Funds in proportion to the Net Asset Value of the Funds or otherwise on such basis as the Directors deem fair and equitable. In the case of any fees or expenses of a regular or recurring nature, such as audit fees, the Directors may calculate such fees or expenses on an estimated figure for yearly or other periods in advance and accrue them in equal proportions over any period.

# 4. The Shares

## GENERAL

Shares may be issued on any Dealing Day. Shares issued in a Fund or Class will be in registered form and denominated in the Base Currency specified in the relevant Supplement for the relevant Fund or a currency attributable to the particular Class. Shares shall be issued at the Net Asset Value per Share. For a Fund that is a LVNAV MMF as outlined in the Supplement for that Fund, Shares will be issued and redeemed at the Stable Net Asset Value per Share with the addition or deduction of any applicable duties and charges (if any) outlined in the Fund's Supplement. If the stable Net Asset Value per Share deviates from the MTM Net Asset Value per Share by more than 0.2%, subscriptions and redemptions for that Fund will be undertaken at a price that is equal to the MTM Net Asset Value per Share.

Title to Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued. Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions or electronic instructions from the relevant Shareholder.

The Directors may decline to accept any application for Shares without giving any reason and may restrict the ownership of Shares by any person, firm or corporation in certain circumstances including where such ownership would be in breach of any regulatory or legal requirement or might affect the tax status of the Company or might result in the Company suffering certain disadvantages which it might not otherwise suffer. Any restrictions applicable to a particular Fund or Class shall be specified in the relevant

Supplement for such Fund or Class. Any person who holds Shares in contravention of restrictions imposed by the Directors or, by virtue of his holding, is in breach of the laws and regulations of any applicable jurisdiction or whose holding could, in the opinion of the Directors, cause the Company to incur any liability to taxation or to suffer any pecuniary disadvantage which it or the Shareholders or any or all of them might not otherwise have incurred or sustained or otherwise in circumstances which the Directors believe might be prejudicial to the interests of the Shareholders, shall indemnify the Company, the Manager, the Investment Manager, the Distributor, the Depositary, the Administrator and the Shareholders for any loss suffered by it or them as a result of such person or persons acquiring or holding Shares in the Company.

The Directors have power under the Articles of Association to compulsorily redeem and/or cancel any Shares held or beneficially owned in contravention of any restrictions imposed by them or in breach of any law or regulation.

None of the Company, the Manager, the Investment Manager, the Distributor, the Administrator or the Depositary or any of their respective directors, officers, employees or agents will be responsible or liable for the authenticity of instructions from Shareholders reasonably believed to be genuine and shall not be liable for any losses, costs or expenses arising out of or in conjunction with any unauthorised or fraudulent instructions. The Distributor and the Administrator shall, however, employ reasonable procedures to confirm that instructions are genuine.

### ABUSIVE TRADING PRACTICES/MARKET TIMING

The Directors aim to discourage abusive trading practices. Such activities, sometimes referred to as “market timing”, may have a detrimental effect on the Funds and the Shareholders. For example, depending upon various factors such as the size of the Fund and the amount of its assets maintained in cash, short-term or excessive trading by Shareholders may interfere with the efficient management of the Fund’s portfolio, increased transaction costs and taxes and may harm the performance of the Fund.

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

- i. to the extent that there is a delay between a change in the value of a Fund’s portfolio holdings and the time when that change is reflected in the Net Asset Value per Share, a Fund is exposed to the risk that investors may seek to exploit this delay by purchasing or redeeming Shares at a Net Asset Value which does not reflect appropriate fair value prices. The Manager seeks to deter and prevent this activity, sometimes referred to as “stale price arbitrage”, by the appropriate use of its power to adjust the value of any investment having regard to relevant considerations in order to reflect the fair value of such investment.
- ii. the Manager may monitor Shareholder account activities in order to detect and prevent excessive and disruptive trading practices and reserves the right to exercise its discretion to reject any subscription or conversion transaction without assigning any reason therefore and without payment of compensation if, in its judgement, the transaction may adversely affect the interest of a Fund or its Shareholders. The Manager may also monitor Shareholder account activities for any patterns of frequent purchases and sales that appear to be made in response to short-term fluctuations in the Net Asset Value per Share and may take such action as it deems appropriate to restrict such activities including, if it so determines, levying a redemption fee of up to 2.0% per cent of the Net Asset Value of Shares the subject of a redemption request.

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

### OPERATION OF CASH ACCOUNTS IN THE NAME OF THE COMPANY

The Company has established an Umbrella Cash Account through which subscription monies, redemption monies and dividend payments with respect to all Funds shall be lodged. All subscriptions, redemptions or dividends payable to or from the relevant Fund will be channelled and managed through such umbrella cash account and no such accounts shall be operated at Fund level. However, the Company will ensure that the amounts within an Umbrella Cash Account whether positive or negative can be attributed to the relevant Fund in order to comply with the requirements, as set out in the Articles, that the assets and liabilities of each Fund are kept separate from all other Funds and that separate books and records are maintained for each Fund in which all transactions relevant to a Fund are recorded.

Further information relating to the operation of the Umbrella Cash Account is set out in the Supplement for the relevant Fund. In addition, your attention is drawn to the section of the Prospectus entitled “Risk Factors” –“Operation of Umbrella Cash Accounts” above.

### ACCOUNT OPENING

Prior to an initial application for Shares being made, an account must be opened with the Administrator. In order to open an account, an Application Form, which may be obtained from the Administrator, together with all required supporting documentation (including, but not limited to, all relevant anti-money laundering documentation) must be submitted to be reviewed and accepted by the Administrator. For information on the relevant anti-money laundering documentation that will be required, please see the sub-section headed “**Anti-Money Laundering and Countering Terrorist Financing Measures**” below. An original, signed Application Form together with all required

supporting documentation must be returned by post, fax, or other electronic means (with the original to follow by post) to the Administrator's address. In the event of delay or failure by the applicant to produce any information required for verification purposes, the relevant account will not be opened. Once received, duly assessed and processed by the Administrator, the Administrator will provide confirmation of the account number to the authorised contact(s) (the "**Account Confirmation**"), following which dealing instructions may be placed. Details of the account number will be contained in all contract notes issued by the Administrator after a dealing instruction has been processed. Subscription instructions and proceeds must not be forwarded until the Account Confirmation is provided by the Administrator (which may take up to five (5) Business Days). Any subscription instruction received as part of the initial Application Form will be rejected. Incomplete Application Forms (including where compulsory information and/or anti-money laundering verification documents have not been provided in advance) will be rejected and any subscription monies will be returned.

Shareholders who have subscribed into a Fund prior to the account opening procedure outlined above being applicable (i.e. prior to 4 August 2022) should note that no redemption proceeds will be paid to a Shareholder in respect of a redemption request prior to the receipt of the original Application Form and supporting documentation by the Administrator and completion by the Administrator of all anti-money laundering procedures.

### **APPLICATION FOR SHARES**

Once an investor has received the Account Confirmation from the Administrator, an investor may submit a Transaction Form for Shares in a Fund, through the Administrator (on behalf of the Manager and the Company) by post, facsimile, telephone, any other approved electronic means or such other means as may be permitted by the Directors and agreed with the Administrator in accordance with the requirements of the Central Bank. Applications by facsimile will be treated as definite orders and no application will be capable of withdrawal after acceptance by the Administrator (save in the event of suspension of calculation of the Net Asset Value of the

Fund). Applications accepted by the Administrator on behalf of the Manager and the Company prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any applications received after the Dealing Deadline for a particular Dealing Day will be processed on the following Dealing Day unless the Directors in their absolute discretion and in exceptional circumstances only otherwise determine to accept one or more applications received after the Dealing Deadline for processing on that Dealing Day provided that such application(s) have been received prior to the Valuation Point for the particular Dealing Day.

Amendments to a Shareholder's registration details and payment instructions will only be made following receipt of original written instructions or electronic instructions from the relevant Shareholder.

### **Fractions**

Subscription monies representing less than the subscription price for a Share will not be returned to the investor. Fractions of Shares will be issued where any part of the subscription monies for Shares represents less than the subscription price for one Share, provided however, that fractions shall not be less than 0.01 of a Share.

Subscription monies, representing less than 0.01 of a Share will not be returned to the investor but will be retained by the Company in order to defray administration costs.

### **Method of Payment**

Subscription payments net of all bank charges should be paid by CHAPS, SWIFT or telegraphic or electronic transfer to the bank account specified in the Application Form. Other methods of payment are subject to the prior approval of the Manager (in consultation with the Administrator). No interest will be paid in respect of payments received in circumstances where the application is held over until a subsequent Dealing Day.

### **Currency of Payment**

Information with respect to the currency of payment of subscription monies will be specified in the relevant Supplement.

### Timing of Payment

Information on the timing of payment in respect of subscriptions will be specified in the relevant Supplement.

### Operation of Umbrella Cash Accounts in the name of the Company

Subscription monies received from an investor in advance of a Dealing Day in respect of which an application for Shares has been, or is expected to be, received will be held in a cash account in the name of the Company and will be treated as an asset of the 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 Fund with respect to the amount subscribed and held by the Company until such Shares are issued as of the relevant Dealing Day.

In the event of an insolvency of the relevant Fund or the Company, there is no guarantee that the relevant Fund or the Company will have sufficient funds to pay unsecured creditors in full. Investors who have forwarded subscription monies in advance of a Dealing Day as detailed above and which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor may not recover all monies originally paid into an Umbrella Cash Account in relation to the application for Shares.

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

### Confirmation of Ownership

Confirmation of each purchase of Shares will be sent to Shareholders within 48 hours of the purchase being made. Title of Shares will be evidenced by the entering of the investor's name on the Company's register of Shareholders and no certificates will be issued.

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

Measures aimed at the prevention of money laundering and terrorist financing may require a detailed verification of the investor's identity and where applicable the beneficial owner on a risk sensitive basis and the ongoing monitoring of the business relationship. Politically exposed persons ("PEPs"), an individual who is or has been entrusted with prominent public functions, and immediate family members thereof, or persons known to be close associates of such persons, must also be identified. By way of example of documents that may be requested for the purposes of verifying the identity of the applicant, an individual investor may be required to produce, among others, a copy of a passport or identification card together with evidence of his/her address such as two utility bills or bank statements, date of birth and tax residence. In the case of corporate investors, such measures may require production of, among others, a certified copy of the certificate of incorporation (and any change of name), memorandum and articles of association (or equivalent), a list of all directors' names, residential and business addresses and dates of birth, and a list of names, addresses and individual identification documents for all beneficial owners. Depending on the circumstances of each application, a detailed verification might not be required where, for example, the application is made through a recognised intermediary. This exception will only apply if the intermediary referred to above is supervised for compliance with equivalent anti-money laundering and counter terrorist financing regulations and where there is a written arrangement in place under which the intermediary accepts being relied upon and agrees to forward upon request any customer due diligence documents requested.

**The details given are by way of example only and the Manager, the Administrator, the Distributor and the Company each reserves the right to request such information as is necessary to verify the identity of an investor and, in certain circumstances, the identify of the beneficial owner of the investor and the source of wealth. Applicants should contact the Administrator for a more detailed list of requirements for anti-money laundering purposes. Verification of the investor's identity is required to take place before the establishment of the business relationship. In the**

**event of delay or failure by an investor or applicant to produce any information required for verification purposes, the Administrator will not forward the Account Confirmation to the investor and accordingly, the investor will not be able to subscribe for Shares in a Fund. Shareholders who have subscribed into a Fund prior to the account opening procedure outlined in the section headed “Account Opening” above being applicable (i.e. prior to the 4 August 2022) should note that no redemption proceeds will be paid to a Shareholder in respect of a redemption request prior to the receipt of the original Application Form and supporting documentation by the Administrator and completion by the Administrator of all anti-money laundering procedures.**

Any failure to supply the Company and/or the Manager with any documentation requested by it for anti-money laundering and terrorist financing procedures may result in a delay in the settlement of redemption proceeds or the payment of dividends. In such circumstances, the Company and/or the Manager will process any dividend payment or redemption request received by a Shareholder, however the proceeds of that redemption shall remain an asset of the Fund. The redeeming Shareholder will rank as a general creditor of the relevant Fund until such time as the Company and/or the Manager is satisfied that its anti-money laundering and terrorist financing procedures have been fully complied with, following which redemption proceeds will be released. In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Redeeming investors will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor may not recover all monies originally paid into the Umbrella Cash Account for onward transmission to that investor.

It should also be noted that in the unlikely event that there is insufficient monies attributable to another Fund (“Fund B”) held in the relevant Umbrella Cash Account to permit

Fund B to settle transactions to its redeeming investors, the monies which are held in the Umbrella Cash Account pending receipt of relevant outstanding anti-money laundering and terrorist financing documentation may be used to settle transactions to Fund B’s redeeming investors. In the event of the insolvency of Fund B, the redeeming investor may not recover all monies originally paid into the Umbrella Cash Account for onward transmission to that investor.

Therefore a Shareholder is advised to ensure that all relevant documentation requested by the Company and/or the Manager in order to comply with anti-money laundering and terrorist financing procedures is submitted to the Company and/or the Manager promptly on subscribing for Shares in the Company.

Your attention is drawn to the section of the Prospectus entitled “Operation of the Umbrella Cash Account” above.

Each applicant for Shares acknowledges that the Company, the Manager and their delegates shall be held harmless against any loss arising as a result of a failure to process or a delay in processing its application for Shares, the payment of dividends or a redemption request if such information and documentation as has been requested by the Company, the Manager or their delegates has not been provided by the applicant. Furthermore, the Company and the Manager or the Administrator also reserve the right to refuse to make any payment or distribution to a Shareholder where it is considered necessary or appropriate to ensure the compliance by the Company, its Directors, the Manager or the Administrator with any such laws or regulations in any relevant jurisdiction.

#### **Data Protection**

Prospective investors should note that by completing the Application Form and the Transaction Form they are providing information to the Company which may constitute personal data within the meaning of the GDPR and the Data Protection Legislation. The Company’s privacy policy sets out, amongst other things, the purposes for processing personal data and the legal basis for such processing as well as any other information that may be required to be provided under GDPR. Such personal data may be



disclosed and/or transferred to third parties including, but not limited to, regulatory bodies, tax authorities, delegates, advisers and service providers of the Company and their or the Company's duly authorised agents and any of their respective related, associated or affiliated companies wherever located (including to countries outside the EEA which may not have the same data protection laws as in Ireland) for the purposes specified in the Company's privacy policy.

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

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

A copy of the privacy policy of the Company is available from [www.lgim.com/LiquidityFundsprivacy](http://www.lgim.com/LiquidityFundsprivacy) and/or upon request from the Company.

### **BENEFICIAL OWNERSHIP REGULATIONS**

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

Applicants should note that it is an offence under the Beneficial Ownership Regulations for a Beneficial Owner to (i) fail to comply with the terms of a beneficial ownership notice received from or on behalf of the Company or (ii) provide materially false information in response to such a

notice or (iii) fail to comply with his/her obligations to provide relevant information to the Company as to his/her status as a Beneficial Owner or changes thereto in certain circumstances or in purporting to comply, provide materially false information.

### **REDEMPTION OF SHARES**

Shareholders may redeem their Shares on and with effect from any Dealing Day at the Net Asset Value per Share calculated on or with respect to the relevant Dealing Day in accordance with the procedures specified in the relevant Supplement (save during any period when the calculation of Net Asset Value is suspended).

Shares will not receive or be credited with any dividend declared on or after the Dealing Day on which they were redeemed.

If the number of Shares to be redeemed on any Dealing Day equals one tenth or more of the total number of Shares of a Fund in issue or exceeds one tenth of the Net Asset Value of that Fund on that day, the Directors or their delegate may at their discretion refuse to redeem any Shares in excess of one tenth of the total number of Shares in issue or in excess of one tenth of the Net Asset Value as aforesaid and, if they so refuse, the requests for redemption on such Dealing Day shall be reduced pro rata and Shares 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 Shares to which the original request related have been redeemed.

A determination to provide redemption in specie may be solely at the discretion of the Directors where the redeeming Shareholder requests redemption of a number of Shares that represent 5% or more of the Net Asset Value of the Company. In this event the Directors will, if requested, sell the assets on behalf of the Shareholder. The cost of such sale shall be borne by the relevant Shareholder.

### **Compulsory Redemption of Shares/Deduction of Tax**

Shareholders are required to notify the Administrator immediately if they become US Persons or persons who are otherwise subject to restrictions on ownership as set out herein and such Shareholders may be required to

redeem or transfer their Shares. The Company may redeem any Shares which are or become owned, directly or indirectly, by or for the benefit of any person in breach of any restrictions on ownership from time to time as set out herein or if the holding of Shares by any person is unlawful or is likely to result or results in any tax, fiscal, legal, regulatory, pecuniary liability or material administrative disadvantage to the Company, the Shareholders as a whole or any Fund. The Company may also redeem any Shares held by any person who holds less than the Minimum Holding (if applicable) or does not, within seven days of a request by or on behalf of the Company, supply any information or declaration required under the terms hereof to be furnished. Any such redemption will be effected on a Dealing Day at the Net Asset Value per Share calculated on or with respect to the relevant Dealing Day on which the Shares are to be redeemed. The Company may apply the proceeds of such compulsory redemption in the discharge of any taxation or withholding tax arising as a result of the holding or beneficial ownership of Shares by a Shareholder including any interest or penalties payable thereon.

The attention of investors in relation to the section of the prospectus entitled "Taxation" and in particular the section therein headed "Irish Taxation" which details circumstances in which the Company shall be entitled to deduct from payments to Shareholders who are Irish Resident or Ordinarily Resident in Ireland amounts in respect of liability to Irish taxation including any penalties and interest thereon and/or compulsorily redeem Shares to discharge such liability. Relevant Shareholders will indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of an event giving rise to a charge to taxation.

#### Total Redemption of Shares

All of the Shares of any Class or any Fund may be redeemed:

- a. on the giving by the Company of not less than four nor more than twelve weeks' notice expiring on a Dealing

Day to Shareholders of its intention to redeem such Shares; or

- b. if the holders of 75% in value of the relevant Class or Fund resolve at a meeting of the Shareholders duly convened and held that such Shares should be redeemed.

The Directors may resolve in their absolute discretion to retain sufficient monies prior to effecting a total redemption of shares to cover the costs associated with the subsequent termination of a Fund or the liquidation of the Company.

#### CONVERSION OF SHARES

Subject to the Minimum Subscription requirements of the relevant Fund or Classes and any Minimum Holding and minimum transaction requirement specified in the relevant Supplement, Shareholders may request conversion of some or all of their Shares in one Fund or Class ("the Original Fund") to Shares in another Fund or Class or another Class in the same Fund ("the New Fund") in accordance with the formula and procedures specified below. Requests for conversion of Shares should be made to the Administrator by facsimile, telephone, written communication, any other approved electronic means, or such other means as may be permitted by the Directors (in consultation with the Administrator) and should include such information as may be specified from time to time by the Directors or their delegate. Requests for conversion should be received prior to the earlier of the Dealing Deadline for redemptions in the Original Fund and the Dealing Deadline for subscriptions in the New Fund. Any applications received after such time will be dealt with on the next Dealing Day which is a dealing day for the relevant Funds, unless the Company in its absolute discretion otherwise determines. Conversion requests will only be accepted where cleared funds and completed documents are in place from original subscriptions.

Where a conversion request would result in a Shareholder holding a number of Shares in either the Original Fund or the New Fund which would be less than any Minimum Holding specified in the relevant Fund Supplement, the Company or its delegate may, if it thinks fit, convert the whole of the holding in the Original Fund to Shares in the

New Fund or refuse to effect any conversion from the Original Fund.

Fractions of Shares which shall not be less than 0.01 of a Share may be issued by the Company on conversion where the value of Shares converted from the Original Fund are not sufficient to purchase an integral number of Shares in the New Fund and any balance representing less than 0.01 of a Share will be retained by the Company in order to defray administration costs.

The number of Shares of the New Fund to be issued will be calculated in accordance with the following formula:-

$$S = \frac{(R \times NAV \times ER) - F}{SP}$$

Where;

S is the number of Shares of the New Fund to be allotted.

R is the number of Shares in the Original Fund to be redeemed.

NAV is the Net Asset Value per Share of the Original Fund at the Valuation Point on the relevant Dealing Day.

ER is the currency conversion factor (if any) as determined by the Administrator.

F is the conversion charge (if any) of up to 2% of the Net Asset Value of the Shares to be issued in the New Fund.

SP is the Net Asset Value per Share of the New Fund at the Valuation Point on the relevant Dealing Day.

### Conversion Fee

It is not the current intention of the Directors to charge a conversion fee. However, the Directors are empowered to charge a conversion fee of up to 2% of the Net Asset Value per Share to be issued in the Fund into which conversion has been requested and may exercise their discretion in this respect on the giving of one month's notice to Shareholders.

### Withdrawal of Conversion Requests

Conversion requests may not be withdrawn save with the written consent of the Company or its authorised agent or

in the event of a suspension of calculation of the Net Asset Value of the Funds in respect of which the conversion request was made.

### NET ASSET VALUE AND VALUATION OF ASSETS

The Net Asset Value of each Fund or, if there are different Classes within a Fund, each Class will be calculated by the Administrator as at the Valuation Point on or with respect to each Dealing Day in accordance with the Articles of Association. The Net Asset Value of a Fund shall be determined as at the Valuation Point for the relevant Dealing Day by valuing the assets of the relevant Fund (including income accrued but not collected) and deducting the liabilities of the relevant Fund (including a provision for duties and charges, accrued expenses and fees and other liabilities). The Net Asset Value attributable to a Class shall be determined as at the Valuation Point for the relevant Dealing Day by calculating that portion of the Net Asset Value of the relevant Fund attributable to the relevant Class by reference to the number of Shares in issue or deemed to be in issue in each Class on the relevant Dealing Day subject to adjustment to take account of assets and/or liabilities attributable to the Class. The Net Asset Value of a Fund will be expressed in the Base Currency of the Fund, or in such other currency as the Directors may determine either generally or in relation to a particular Class or in a specific case. The Net Asset Value of a Fund that is a LVNAV MMF will be determined as outlined in the sub-section entitled "Valuation of LVNAV MMFs" below.

The Net Asset Value per Share shall be calculated as at the Valuation Point on or with respect to each Dealing Day by dividing the Net Asset Value of the relevant Fund or attributable to a Class by the total number of Shares in issue or deemed to be in issue in the Fund or Class at the relevant Valuation Point and, subject to the provisions below in the sub-section entitled "Valuation of LVNAV MMFs", rounding the resulting total to 2 decimal places.

Subject to the provisions below in the sub-section entitled "Valuation of LVNAV MMFs", in determining the Net Asset Value of the Company and each Fund:-

- a. Securities which are quoted, listed or traded on a Recognised Exchange save as hereinafter provided at (b), (d), (e), (f), (g) and (h) will be valued at the closing

mid-market price. Where a security is listed or dealt in on more than one Recognised Exchange the relevant exchange or market shall be the principal stock exchange or market on which the security is listed or dealt on or the exchange or market which the Directors determine provides the fairest criteria in determining a value for the relevant security. Securities listed or traded on a Recognised Exchange, but acquired or traded at a premium or at a discount outside or off the relevant exchange or market may be valued taking into account the level of premium or discount at the Valuation Point provided that the Depositary shall be satisfied that the adoption of such a procedure is justifiable in the context of establishing the probable realisation value of the security.

- b. The value of any security which is not quoted, listed or dealt in on a Recognised Exchange or which is so quoted, listed or dealt but for which no such quotation or value is available or the available quotation or value is not representative of the fair market value shall be the probable realisation value as estimated with care and good faith by (i) the Manager or (ii) a competent person, firm or corporation (including the Investment Manager) selected by the Manager and approved for the purpose by the Depositary or (iii) any other means provided that the value is approved by the Depositary. Where reliable market quotations are not available for fixed income securities the value of such securities may be determined using matrix methodology compiled by the Manager or a competent person appointed by the Manager and approved by the Depositary, whereby such securities are valued by reference to the valuation of other securities which are comparable in rating, yield, due date and other characteristics.
- c. Cash on hand or on deposit will be valued at its nominal value plus accrued interest, where applicable, to the end of the relevant day on which the Valuation Point occurs.
- d. Derivative contracts traded on a regulated market shall be valued at the settlement price as determined by the market where the derivative contract is traded. If the

settlement price is not available, the derivative contract may be valued in accordance with paragraph (b) above.

- e. Subject to Article 11 of EMIR and the related Commission Delegated Regulation No 149/2013, derivative contracts which are not traded on a regulated market including without limitation swap contracts may be valued on a daily basis using either a valuation provided by the relevant counterparty or an alternative valuation such as a valuation calculated by the Manager or its delegate or by an independent pricing agent. Where the Manager does use a valuation other than one provided by the relevant counterparty for derivative contracts which are not traded on a regulated market;
- it shall follow international best practice and adhere to the principles on valuation of over-the-counter instruments established by bodies such as the International Organisation of Securities Commissions or the Alternative Investment Management Association; the valuation shall be provided by a competent person appointed by the Manager and approved for the purpose by the Depositary; and
  - the valuation must be reconciled to a valuation provided by the counterparty on a monthly basis and if significant differences arise the Company shall arrange for these to be reviewed and seek explanations from the relevant parties;
  - Where the Manager uses a valuation provided by the relevant counterparty for derivative contracts which are not traded on a regulated market;
  - 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.
- f. 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.

- g. Notwithstanding paragraph (a) above units in collective investment schemes shall be valued at the latest available net asset value per unit or bid price as published by the relevant collective investment scheme or, if listed or traded on a Recognised Exchange, in accordance with (a) above.
- h. 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.
- i. Any value expressed otherwise than in the Base Currency of the relevant Fund shall be converted into the Base Currency of the relevant Fund at the exchange rate (whether official or otherwise) which the Manager shall determine to be appropriate.
- j. Where the value of any investment is not ascertainable as described above, the value shall be the probable realisation value estimated by the Manager with care and in good faith or by a competent person approved for the purpose by the Depositary.
- k. If the Manager deems it necessary a specific Investment may be valued under an alternative method of valuation approved by the Depositary.

#### Valuation of LVNAV MMFs

The Net Asset Value of a Fund that is a LVNAV MMF is calculated as follows:

The assets of a LVNAV MMF having a residual maturity of up to 75 days will be valued using the amortised cost method. Any other assets of the LVNAV MMF will be valued using the mark-to-market method where possible or, if not, the mark-to-model method. Furthermore, if the valuation of an asset of a LVNAV MMF with the amortised cost method deviates by more than 0.10% from its valuation using the mark-to-market method or mark-to-model method, the price of that asset will be valued using mark-to market

method where possible or, if not, the mark-to-model method. The Net Asset Value of a LVNAV MMF calculated in this manner shall be referred to as the "Stable Net Asset Value" and the Net Asset Value per Share shall be referred to as the "Stable Net Asset Value per Share". The Stable Net Asset Value per Share will be calculated to the nearest two decimal places for distributing Share Classes and will be calculated to the nearest six decimal places for accumulating Share Classes or such other number of decimal places as the Directors may determine.

In addition, a LVNAV MMF shall calculate a Net Asset Value per Share where all of the assets of the LVNAV are valued using the mark-to-market method where possible or, if not, the mark-to-model method. The Net Asset Value of a LVNAV MMF calculated using the mark-to-market method or mark-to-model method shall be referred to as the "MTM Net Asset Value" and the Net Asset Value per Share shall be referred to as the "MTM Net Asset Value per Share". The MTM Net Asset Value per Share will be calculated to the nearest four decimal places for distributing Share Classes and will be calculated to the nearest six decimal places for accumulating Share Classes or such other number of decimal places as the Directors may determine.

The Manager shall monitor the use of the amortised cost method of valuation to ensure that this method continues to be in the best interests of the Shareholders of the relevant Fund and provides a fair valuation of a Fund's assets. There may be periods during which the value of an asset determined using the amortised cost method is higher or lower than the price which the relevant Fund would receive if the asset were sold, and the accuracy of the amortised cost method of valuation can be affected by changes in interest rates and the credit standing of issuers of the Fund's investments.

In calculating the value of assets of the Company and each Fund the following principles will apply:

- a. in determining the value of Investments of a Fund (a) the Manager may value the Investments of a Fund (i) at lowest market dealing bid prices where on any Dealing Day the value of all redemption requests received exceeds the value of all applications for Shares received for that Dealing Day or at highest market



- dealing offer prices where on any Dealing Day the value of all applications for Shares received for that Dealing Day exceeds the value of all redemption requests received for that Dealing Day, in each case in order to preserve the value of the Shares held by existing Shareholders; (ii) at bid and offer prices where a bid and offer value is used to determine the price at which shares are issued and redeemed; or (iii) at mid prices; provided in each case that the valuation policy selected by the Manager shall be applied consistently with respect to the Company and, as appropriate, individual Funds for so long as the Company or Funds, as the case may be, are operated on a going concern basis. Every Share agreed to be issued by the Directors with respect to each Dealing Day shall be deemed to be in issue at the Valuation Point for the relevant Dealing Day and the assets of the relevant Fund shall be deemed to include not only cash and property in the hands of the Depositary but also the amount of any cash or other property to be received in respect of Shares agreed to be issued after deducting therefrom (in the case of Shares agreed to be issued for cash) or providing for preliminary charges;
- b. where investments have been agreed to be purchased or sold but such purchase or sale has not been completed, such investments shall be included or excluded and the gross purchase or net sale consideration excluded or included as the case may require as if such purchase or sale had been duly completed;
  - c. there shall be added to the assets of the relevant Fund any actual or estimated amount of any taxation of a capital nature which may be recoverable by the Company which is attributable to that Fund;
  - d. there shall be added to the assets of each relevant Fund a sum representing any interest, dividends or other income accrued but not received and a sum representing unamortised expenses;
  - e. there shall be added to the assets of each relevant Fund the total amount (whether actual or estimated by the Manager or its delegate) of any claims for repayment of any taxation levied on income or capital gains including claims in respect of double taxation relief; and
  - f. where notice of the redemption of Shares has been received by the Company with respect to a Dealing Day and the cancellation of such Shares has not been completed, the Shares to be redeemed shall be deemed not to be in issue at the Valuation Point and the value of the assets of the relevant Fund shall be deemed to be reduced by the amount payable upon such redemption;
  - g. there shall be deducted from the assets of the relevant Fund:
    - i. the total amount of any actual or estimated liabilities properly payable out of the assets of the relevant Fund including any and all outstanding borrowings of the Company in respect of the relevant Fund, interest, fees and expenses payable on such borrowings and any estimated liability for tax and such amount in respect of contingent or projected expenses as the Manager considers fair and reasonable as of the relevant Valuation Point;
    - ii. such sum in respect of tax (if any) on income or capital gains realised on the investments of the relevant Fund as in the estimate of the Manager will become payable;
    - iii. the amount (if any) of any distribution declared but not distributed in respect thereof;
    - iv. the remuneration of the Administrator, the Manager, the Depositary, the Investment Manager, the Distributor and any other providers of services to the Company payable by the Company and accrued but remaining unpaid together with a sum equal to the value added tax chargeable thereon (if any);
    - v. the total amount (whether actual or estimated by the Manager) of any other liabilities properly payable out of the assets of the relevant Fund (including all establishment, operational



and ongoing administrative fees, costs and expenses) as of the relevant Valuation Point;

- vi. an amount as of the relevant Valuation Point representing the projected liability of the relevant Fund in respect of costs and expenses to be incurred by the relevant Fund in the event of a subsequent liquidation;
- vii. an amount as of the relevant Valuation Point representing the projected liability of the relevant calls on Shares in respect of any warrants issued and/or options written by the relevant Fund or Class of Shares; and
- viii. any other liability which may properly be deducted.

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

#### **Umbrella Cash Account; Fund Asset Classification**

Notwithstanding that subscription monies, redemption monies and dividend amounts will be held in an Umbrella Cash Account and treated as assets of and attributable to a Fund:

- a. any subscription monies received from an investor prior to the Dealing Day of a Fund in respect of which an application for Shares has been, or is expected to be, received will not be taken into account as an asset of the Fund for the purpose of determining the Net Asset Value of that Fund until subsequent to the Valuation Point in respect of the Dealing Day as of which Shares of the Fund are agreed to be issued to that investor;
- b. any redemption monies payable to an investor subsequent to the Dealing Day of a Fund as of which Shares of that investor were redeemed will not be taken into account as an asset of the Fund for the purpose of determining the Net Asset Value of that Fund; and
- c. any dividend amount payable to a Shareholder will not be taken into account as an asset of the Fund for the

purpose of determining the Net Asset Value of that Fund.

#### **PUBLICATION OF NET ASSET VALUE PER SHARE**

Except where the determination of the Net Asset Value of a Fund, the Net Asset Value per Share and/or the issue and repurchase prices have been temporarily suspended in the circumstances described below in the section headed "Suspension of Valuation of Assets", the Net Asset Value per Share of each Class of a Fund and the issue and repurchase prices of the Shares on each Dealing Day will be available from either the office of the Investment Manager or the Administrator during normal business hours and is published on [www.lgim.com](http://www.lgim.com) and/or such other publication as the Directors may decide, circulating in the jurisdictions in which Shares are marketed and which are notified to Shareholders. For a Fund that is a LVNAV MMF, the Stable Net Asset Value per Share and any difference between it and the MTM Net Asset Value per Share will be published daily on [www.lgim.com](http://www.lgim.com). The Net Asset Value per Share published on [www.lgim.com](http://www.lgim.com) will be up to date.

#### **SUSPENSION OF VALUATION OF ASSETS**

The Directors may at any time and from time to time temporarily suspend the determination of the Net Asset Value of any Fund or attributable to a Class and the issue, conversion and redemption of Shares in any Fund or Class:

- a. during the whole or part of any period (other than for ordinary holidays or customary weekends) when any of the Recognised Exchanges on which the relevant Fund's investments are quoted, listed, traded or dealt are closed and which is in the main market or Recognised Exchange for a significant part of investments of the relevant Fund or during which dealings therein are restricted or suspended or trading is suspended or restricted; or
- b. during the whole or part of any period when circumstances outside the control of the Directors exist as a result of which any disposal or valuation of investments of the Fund is not reasonably practicable or would be detrimental to the interests of Shareholders or it is not possible to transfer monies involved in the acquisition or disposition of investments to or from the relevant account of the Company; or

- c. during the whole or any part of any period when any breakdown occurs in the means of communication normally employed in determining the value of any of the relevant Funds' investments; or
- d. during the whole or any part of any period when for any reason the value of any of the Fund's investments cannot be reasonably, promptly or accurately ascertained;
- e. during the whole or any part of any period when subscription proceeds cannot be transmitted to or from the account of any Fund or the Company is unable to repatriate funds required for making redemption payments or when such payments cannot, in the opinion of the Directors, be carried out at normal rates of exchange;
- f. upon mutual agreement between the Company and the Depositary for the purpose of winding up the Company or terminating any Fund or Class; or
- g. in the circumstances outlined in the section of the Prospectus headed "Liquidity Management Procedures for LVNAV MMFs"; or
- h. if any other reason makes it impossible or impracticable to determine the value of a substantial portion of the Investments or the Company or any Fund.

Any suspension of valuation shall be notified to the Central Bank and the Depositary without delay and, in any event, within the same Business Day and shall be published in the Financial Times. Where possible, all reasonable steps will be taken to bring any period of suspension to an end as soon as possible.

The Central Bank may also require that the Company temporarily suspends the determination of the Net Asset Value and the issue and redemption of Shares in a Fund if it decides that it is in the best interests of the general public and the Shareholders to do so.

## **DIVIDENDS AND DISTRIBUTIONS**

The Directors are empowered to declare and pay dividends on Shares issued in any Class or Fund in the Company. The dividend policy for each Fund or Class will be set out in the relevant Supplement.

Dividends declared shall not be paid to Shareholders until the Application Form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) have been received from the relevant Shareholder(s), unless otherwise determined by the Directors. Until the relevant anti-money laundering procedures have been completed and the Administrator has verified the Shareholder's identity to its satisfaction, dividends payable to Shareholders shall remain an asset of the Fund and will not benefit from the application of any investor money protection rules i.e. the distribution monies in such circumstance will not be held on trust for the relevant Shareholder. In such circumstance, the Shareholder will be an unsecured creditor of the relevant Fund with respect to the distribution amount held by the Company until paid to the Shareholder and the Shareholder entitled to such distribution amount will be an unsecured creditor of the Fund.

In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Shareholders due dividend monies which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the relevant Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the Shareholder may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that Shareholder.

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

### **Unclaimed Dividends**

Any dividend unclaimed after 6 years from the date it first becomes payable shall be forfeited automatically and will

revert to the Fund without the necessity for any declaration or other action by the Directors, the Manager, the Fund, or the Investment Manager.

### **PORTFOLIO HOLDINGS DISCLOSURE**

Save as otherwise provided for in any relevant Fund Supplement, an unaudited portfolio holdings list for each Fund may be made available from time to time on <https://fundcentres.lgim.com/ie/en/fund-centre/>. Portfolio holdings will be shown as of the date indicated on the list and will not represent the portfolio holdings on the date of publication.

The portfolio holdings list is provided for information purposes only and should in no circumstances be taken as advice or a recommendation to buy or sell Shares. None of the Manager, the Investment Manager or the Company give any undertaking or make any representation or warranty, express or implied, that the material contained in the unaudited portfolio holdings list is complete, accurate or error free and the material must not be relied upon as such.

# 5. Taxation<sup>1</sup>

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

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

Dividends, interest and capital gains (if any) which the Company 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 Company may not be able to benefit from reduced rates of withholding tax in double taxation agreements between Ireland and such countries. If this position changes in the future and the application of a lower rate results in a repayment to the Company the Net Asset Value will not be restated and the benefit will be allocated to the existing Shareholders rateably at the time of repayment.

## IRISH TAXATION

The Directors have been advised that on the basis that the Company is resident in Ireland for taxation purposes the

taxation position of the Company and the Shareholders is as set out below.

### Definitions

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

#### “Irish Resident”

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

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

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

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<sup>1</sup> Updated by DE Tax.

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.

#### **“Ordinarily Resident in Ireland”**

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

An individual will be regarded as ordinarily resident for a particular tax year if he/she has been Irish Resident for the three previous consecutive tax years (i.e. he/ she becomes ordinarily resident with effect from the commencement of the fourth tax year). An individual will remain ordinarily resident in Ireland until he/she has been non-Irish Resident for three consecutive tax years. Thus, an individual who is resident and ordinarily resident in Ireland in the tax year 1 January 2024 to 31 December 2024 and departs from Ireland in that tax year will remain ordinarily resident up to the end of the tax year 1 January 2027 to 31 December 2027.

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

#### **“Exempt Irish Investor” means**

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

- a special investment scheme within the meaning of Section 737 of the Taxes Act;
- a charity being a person referred to in Section 739D(6)(f)(i) of the Taxes Act;
- a unit trust to which Section 731(5)(a) of the Taxes Act applies;
- a qualifying fund manager within the meaning of Section 784A(1)(a) of the Taxes Act where the Shares 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 Shares 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 Company;

- 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 Company;
- a company that is within the charge to corporation tax in accordance with Section 739G(2) of the Taxes Act in respect of payments made to it by the Company, that has made a declaration to that effect and that has provided the Company with its tax reference number but only to the extent that the relevant Fund is a Money Market Fund;
- a PEPP provider (within the meaning of Chapter 2D of Part 30 of the Taxes Act) acting on behalf of a person who is entitled to an exemption from income tax and capital gains tax by virtue of Section 787AC of the Taxes Act and the Shares held are assets of a PEPP (within the meaning of Chapter 2D of Part 30 of the Taxes Act); or
- any other Irish Resident or persons who are Ordinarily Resident in Ireland who may be permitted to own Shares under taxation legislation or by written practice or concession of the Irish Revenue Commissioners without giving rise to a charge to tax in the Company or jeopardising tax exemptions associated with the Company giving rise to a charge to tax in the Company;

provided that they have correctly completed the Relevant Declaration.

#### **“Intermediary”**

means a person who:-

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

#### **“Money Market Fund”**

means for Irish tax purposes a Money Market Fund as defined in Section 739B, of the Taxes Act and has the same

meaning as it has in Regulation (EC) No 2423/2001 of the European Central Bank of 22 November 2001.

#### **“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.

#### **“Relevant Declaration”**

means the declaration relevant to the Shareholder as set out in Schedule 2B of the Taxes Act.

#### **“Relevant Period”**

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

#### **“Taxes Act”,**

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

#### **Taxation of the Company**

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

However, tax can arise on the happening of a “chargeable event” in the Company. A chargeable event includes any distribution payments to Shareholders or any encashment, redemption, cancellation, transfer or deemed disposal (a deemed disposal will occur at the expiration of a Relevant Period) of Shares or the appropriation or cancellation of Shares of a Shareholder by the Company for the purposes of meeting the amount of tax payable on a gain arising on a transfer. No tax will arise on the Company in respect of chargeable events in respect of a Shareholder 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 Company 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 Company 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 Shareholder, effected by way of an arms-length bargain where no payment is made to the Shareholder, of Shares in the Company for other Shares in the Company;
- Any transactions (which might otherwise be a chargeable event) in relation to Shares held in a Recognised Clearing System as designated by order of the Irish Revenue Commissioners;
- A transfer by a Shareholder of the entitlement to Shares where the transfer is between spouses and former spouses, subject to certain conditions; or
- An exchange of Shares arising on a qualifying amalgamation or reconstruction (within the meaning of Section 739H of the Taxes Act) of the Company with another investment undertaking.

If the Company becomes liable to account for tax if a chargeable event occurs, the Company 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 Shares held by the Shareholder or the beneficial owner of the Shares as are required to meet the amount of tax. The relevant Shareholder shall indemnify and keep the Company indemnified against loss arising to the Company by reason of the Company becoming liable to account for tax on the happening of a chargeable event if no such deduction, appropriation or cancellation has been made.

Dividends received by the Company 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 Company can make a declaration to the

payer that it is a collective investment undertaking beneficially entitled to the dividends which will entitle the Company to receive such dividends without deduction of Irish dividend withholding tax.

### Stamp Duty

No stamp duty is payable in Ireland on the issue, transfer, repurchase or redemption of Shares in the Company. Where any subscription for or redemption of Shares is satisfied by the in specie transfer of 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 Company on the conveyance or transfer of stock or marketable securities provided that the stock or marketable securities in question have not been issued by a company registered in Ireland and provided that the conveyance or transfer does not relate to any immovable property situated in Ireland or any right over or interest in such property or to any stocks or marketable securities of a company (other than a company which is an investment undertaking within the meaning of Section 739B (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.

### Shareholders Tax

#### Shares which are held in a Recognised Clearing System

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

Irish Resident or Ordinarily Resident in Ireland but whose Shares 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 Shares.

To the extent any Shares 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.

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

The Company will not have to deduct tax on the occasion of a chargeable event in respect of a Shareholder if (a) the Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland, (b) the Shareholder has made a Relevant Declaration on or about the time when the Shares are applied for or acquired by the Shareholder and (c) the Company 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 Company satisfying and availing of equivalent measures (see paragraph headed “Equivalent

Measures” below) tax will arise on the happening of a chargeable event in the Company regardless of the fact that a Shareholder is neither Irish Resident nor Ordinarily Resident in Ireland. The appropriate tax that will be deducted is as described below.

To the extent that a Shareholder 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 Company on the occasion of a chargeable event provided that either (i) the Company 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 Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct.

Shareholders who are neither Irish Residents nor Ordinarily Resident in Ireland and either (i) the Company has satisfied and availed of the equivalent measures or (ii) such Shareholders have made Relevant Declarations in respect of which the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct, will not be liable to Irish tax in respect of income from their Shares and gains made on the disposal of their Shares. However, any corporate Shareholder which is not Irish Resident and which holds Shares directly or indirectly by or for a trading branch or agency in Ireland will be liable to Irish tax on income from their Shares or gains made on disposals of the Shares.

Where tax is withheld by the Company on the basis that no Relevant Declaration has been filed with the Company by the Shareholder, 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.

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

Unless a Shareholder is an Exempt Irish Investor and makes a Relevant Declaration to that effect and the Company is not in possession of any information which would reasonably suggest that the information contained therein is no longer materially correct (or unless the Shares are purchased by the Courts Service), tax at the rate of 41% (25% where the Shareholder is a company and an appropriate declaration is in place) will be required to be deducted by the Company from any distribution to the Shareholder or on any gain arising to the Shareholder on an encashment, redemption, cancellation, transfer or deemed disposal (see below) of Shares.

An automatic exit tax applies for Shareholders who are Irish Resident or Ordinarily Resident in Ireland (and that are not Exempt Irish Investors) in respect of Shares held by them in the Company at the ending of a Relevant Period. Such Shareholders (both companies and individuals) will be deemed to have disposed of their Shares (“deemed

disposal”) at the expiration of that Relevant Period and will be charged to tax at the rate of 41% (25% where the Shareholder 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 Shares 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, credit is given 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 Company 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 Company will refund the Shareholder for the excess (subject to the paragraph headed “15% threshold” below).

#### **10% Threshold**

The Company will not have to deduct tax (“exit tax”) in respect of this deemed disposal where the value of the chargeable Shares (i.e. those Shares held by Shareholders to whom the declaration procedures do not apply) in the Company (or Fund being an umbrella scheme) is less than 10% of the value of the total Shares in the Company (or the Fund) and the Company has made an election to report certain details in respect of each affected Shareholder to the Irish Revenue Commissioners (the “Affected Shareholder”) 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 Shareholder on a self-assessment basis (“self-assessors”) as opposed to the Company or Fund (or their service providers). The Company is deemed to have made the election to report once it has advised the Affected Shareholders 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 Company will refund the Shareholder the excess. Where however

immediately before the subsequent chargeable event, the value of chargeable Shares in the Company (or Fund being an umbrella scheme) does not exceed 15% of the value of the total Shares, the Company may elect to have any excess tax arising repaid directly by the Irish Revenue Commissioners to the Shareholder. The Company is deemed to have made this election once it notifies the Shareholder in writing that any repayment due will be made directly by the Irish Revenue Commissioners on receipt of a claim by the Shareholder.

#### **Other**

To avoid multiple deemed disposal events for multiple Shares an irrevocable election under Section 739D(5B) can be made by the Company to value the Shares held at the 30th June or 31st 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 shares 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. Shareholders (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 Shares. Alternatively they may be entitled to a refund of all or part of any tax deducted by the Company on a chargeable event.

#### **Equivalent Measures**

As detailed in prior paragraphs, no Irish tax should arise on an investment undertaking with regard to chargeable events in respect of a Shareholder 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 such a Relevant

Declaration, there is a presumption that the Shareholder is Irish Resident or Ordinarily Resident in Ireland.

As an alternative to the above requirement to obtain Relevant Declarations from Shareholders, Irish tax legislation also include provision for “equivalent measures”. In brief, these provisions provide that where the investment undertaking is not actively marketed to Shareholders that are Irish Resident or Ordinarily Resident in Ireland, appropriate equivalent measures are put in place by the investment undertaking to ensure that such Shareholders are not Irish Resident nor Ordinarily Resident in Ireland and the investment undertaking has received approval from the Irish Revenue Commissioners in this regard; then, there should be no requirement for the investment undertaking to obtain Relevant Declarations from Shareholders.

#### **Personal Portfolio Investment Undertaking**

Special rules apply to the taxation of Irish Resident individuals or Ordinarily Resident in Ireland individuals who hold Shares in an investment undertaking, where it is considered a personal portfolio investment undertaking (“PPIU”) in respect of the particular investor. 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, 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 shares deriving their value from land.

#### **Reporting**

Pursuant to Section 891C of the Taxes Act and the Return of Values (Investment Undertakings) Regulations 2013, the Company is obliged to report certain details in relation to Shares 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 Shares held by, a Shareholder. In respect of Shares acquired on or after 1 January 2014, the details to be reported also include the tax reference number of the Shareholder (being an Irish tax reference number or VAT registration number, or in the case of an individual, the individual’s PPS number) or, in the absence of a tax reference number, a marker indicating that this was not provided. No details are to be reported in respect of Shareholders who are;

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

#### **Capital Acquisitions Tax**

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

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.

### 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 certain 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 US 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 Company 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 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 21st 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 July 2014. Supporting Guidance Notes have been issued by the Irish Revenue Commissioners and are updated on 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 30th 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 Company does suffer US withholding tax on its investments as a result of FATCA, the Directors may take any action in relation to an investor’s investment in the Company 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 Standard

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



taxation (“DAC2”) which, in turn, has been applied in Ireland by means of the relevant Irish tax legislation.

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

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

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

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

#### **CRS Data Protection Information Notice**

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

In this regard, the Company 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 Shareholder’s tax arrangements (and also collect information in relation to relevant Controlling Persons of specific Shareholders).

In certain circumstances, the Company may be legally obliged to share this information and other financial information with respect to a Shareholder’s interests in the Company with the Irish Revenue Commissioners (and, in particular situations, also share information in relation to relevant Controlling Persons of specific Shareholders). 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 Shareholder (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).

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

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

#### **Mandatory Disclosure Rules**



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 Advisers of the Company, the tax advisers of the Company, the Investment Manager, the Manager, the Distributor, the Promoter etc.) or, in certain circumstances, the relevant taxpayer of a reportable cross-border arrangement (this could include Shareholder(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 Shareholder information to the relevant tax authorities.

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

## UNITED KINGDOM TAXATION

### Taxation of the Company in the UK

#### General

The statements on taxation below are intended to be a general summary of certain UK tax consequences that may arise on the Company and its Shareholders. This is not a comprehensive summary of all applicable tax aspects of the structure and is not intended to constitute legal or tax advice to investors. Prospective Shareholders should familiarise themselves with and, where appropriate, should

consult their own professional advisers on the overall tax consequences of investing in the Company or any Fund.

The statements relate to Shareholders entering into the Company for investment purposes. It does not deal with the position of certain classes of Shareholders, such as dealers in securities and insurance companies, trusts and persons who have acquired their Shares by reason of their or another’s employment. As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Company is made will endure indefinitely. The tax consequences for each Shareholder of investing in the Company may depend upon the Shareholder’s own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject. The statements below relate to the UK tax implications of a UK resident and domiciled individual, or UK resident company, investing in the Company. The tax consequences may differ for Shareholders who are not resident in the UK or are not domiciled in the UK for tax purposes. Shareholders and prospective Shareholders should seek their own professional tax advice.

The statements are based on current tax legislation and HM Revenue and Customs (“HMRC”) practice, both of which are subject to change at any time, possibly with retrospective effect.

#### The Company

The Directors of the Company intend to conduct the affairs of the Company so that the central management and control of the Company is not exercised in the UK. In these circumstances, and provided that the Company is not trading in the UK through a fixed place of business or agent situated therein that constitutes a “permanent establishment” for United Kingdom taxation purposes, the Company will not be subject to United Kingdom corporation tax or income tax on its profits. The Directors and the Investment Manager do not consider that the Company is trading through a permanent establishment in the UK and therefore the Company should not be liable to UK taxation on its income and gains, other than certain income deriving from a UK source. However, it cannot be guaranteed that the necessary conditions for these requirements to be met will at all times be satisfied.

## Shareholders

Subject to their personal circumstances, Shareholders resident in the UK for taxation purposes may be liable to UK income tax or corporation tax on dividends paid or other distributions of income made by the Company whether or not such distributions are reinvested in the Company.

Distributions paid to Shareholders resident in the UK for taxation purposes by the Funds are deemed for UK income tax purposes to be dividends, except where over 60% of a Fund's investments are invested at any time in a distribution period in interest-paying and related investments. In this case the distributions from that Fund will be deemed for UK income tax purposes to be interest when received by UK individual taxpayers.

While UK corporate Shareholders are generally not subject to corporation tax on dividends from non-UK companies, such Shareholders should note the circumstances above in which distributions will not be treated as dividends and will be taxable within the loan relationships regime as described below.

Each share class of each sub-fund will constitute an "offshore fund" for the purposes of the offshore funds legislation contained in Part 8 of the Taxation (International and Other Provisions) Act 2010 ("TIOPA 2010"). Under the Offshore Funds (Tax) Regulations 2009, any gain arising on the sale, disposal or redemption of the Shares by Shareholders who are resident in the UK will be taxed as income and not as a capital gain. This does not apply, however, where a fund is certified by the HM Revenue and Customs as a "reporting fund" throughout the period during which the Shareholder held the relevant Shares.

The Directors may consider applying to the UK HMRC in respect of some or all Classes of Shares in certain Funds for recognition as a reporting fund. The Shares of each Fund which has reporting status shall be widely available. The Directors confirm that their intended categories of investors are not "restricted" for the purposes of the United Kingdom Offshore Fund (Tax) Regulations 2009 and the United Kingdom Offshore Funds (Tax) (Amendment) Regulations 2011 (the "Offshore Funds Regulations"). These Shares shall be marketed and made available

sufficiently widely to reach the intended categories of investors, and in a manner appropriate to attract those categories of investors.

The effect of obtaining and maintaining such status for a particular Class of Shares throughout a Shareholder's relevant period of ownership would be that any gains on disposal of such Shares would be taxed as capital gains. Where a Class of Shares does not have reporting fund status, however, any gains arising to Shareholders resident in the UK on a sale, redemption or other disposal of their Shares (including a deemed disposal on death) would be taxed as offshore income gains rather than capital gains. These are taxable at the investor's marginal, i.e. highest, income tax rate (but if a loss should arise, this would constitute an allowable loss for capital gains tax purposes).

Where "reporting fund" status is obtained for a class of Shares, as noted above, any gains arising to Shareholders resident in the UK (other than persons who are dealing in the Shares who are subject to different rules) on the sale, disposals or redemptions of those Shares should be liable to capital gains tax (or corporation tax on chargeable gains) and not to tax as income. Shareholders in such a Class of Shares will be liable to income tax on their share of income arising to the Fund whether or not that income is distributed. Information about any undistributed income will be made available to Shareholders in a class of Share which is a reporting fund for UK tax purposes. Where any final gain on disposal includes taxed but undistributed amounts these may be deducted in computing any capital gain on disposal.

Persons within the charge to United Kingdom corporation tax should note that the regime for the taxation of corporate debt contained in Part 6 of the United Kingdom Corporation Tax Act 2009 ("CTA 2009") (the "loan relationships regime") which provides that, if at any time in an accounting period such a person holds an interest in an offshore fund, as defined in Part 8 of TIOPA 2010, and there is a time in that period when that fund fails to satisfy the "qualifying investments test" (as defined in section 493 of CTA 2009), the 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 “qualifying investments” test at any time where more than 60 per cent of its assets by market value comprise government and corporate debt securities, 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 “qualifying investments test”. The consequences of falling within the loan relationships regime is that all returns on the Shares 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 “mark to market” basis. Accordingly, such a person who acquires Shares in the Fund may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Shares (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Shares).

The attention of corporate Shareholders is drawn to the provisions contained in Part 9A of TIOPA 2010 which subjects certain UK resident companies to corporation tax on profits of companies not so resident in which they have an interest. The provisions (subject to certain de minimis provisions and exemptions) affect UK resident companies which are deemed (together with connected parties) to have an interest of at least 25 per cent in the profits of a company which, broadly, is resident in a low tax jurisdiction, but which is controlled by residents of the UK.

The attention of Shareholders resident in the UK for taxation purposes (and who, if individuals, are also domiciled in the UK for those purposes) is drawn to the provisions of section 13 of the Taxation of Chargeable Gains Act 1992 (“Section 13”). Section 13 applies to any “participator” in the Company for UK taxation purposes (which term includes a Shareholder) if at any time when a gain accrues to the Company, it is itself controlled by a sufficiently small number of persons (five or fewer) so as to render the Company, were it to have been resident in the UK for taxation purposes, a “close” company for those purposes.

The provisions of Section 13 could, if applied, result in such a Shareholder being treated for the purposes of UK taxation

of chargeable gains as if a part of any chargeable gain accruing to the Company had accrued to that Shareholder directly, that part being equal to the proportion of the gain that corresponds to that Shareholder’s proportionate interest in the Company as a “participator”. A Shareholder could therefore incur a liability to tax even if the gain accruing to the Company had not been distributed by the Company. No liability under Section 13 will be incurred by such a Shareholder where the proportionate interest of the Shareholder together with associates does not exceed 25% of the chargeable gain. Furthermore, this rule should only apply where either the holding or disposal of the asset by the Company formed part of a scheme or arrangements of which one of the main purposes was the avoidance of capital gains tax or corporation tax.

The attention of a UK Shareholder who is an individual is drawn to the provisions contained in Chapter 2 of Part 13 of the Income Tax Act 2007 (“ITA 2007”) which counter the avoidance of income tax by means of the transfer of assets or income to persons who are resident or domiciled outside of the UK. The application of this legislation may render such individuals liable to tax on the undistributed income of the Company in certain circumstances. There are potential exemptions available where the transactions are genuine commercial transactions and avoidance of tax was not one of the purposes of the transactions, or where the transaction is a “genuine transaction” and the individual’s liability to tax would contravene EU treaty freedoms.

The attention of UK Shareholders is drawn to Part 15 of the Corporation Tax Act 2010 and to Part 13 of ITA 2007 through which HMRC may seek to apply to cancel tax advantages from certain transactions in securities.

Stamp Duty Reserve Tax should not apply to agreements to transfer the Shares in the Company so long as the Company is not incorporated in the UK, the Shares will not be registered on any register kept in the UK and they will not be paired with Shares issued by a body corporate incorporated in the UK. Legal instruments transferring Shares in the Company should not be within the scope of UK Stamp Duty provided that such instruments are executed outside the UK.

# 6. General Information

## INCORPORATION, REGISTERED OFFICE AND SHARE CAPITAL

- a. The Company was incorporated in Ireland on 6th November, 2007 as an investment company with variable capital and segregated liability between Funds with limited liability under registration number 448580. The Company has no subsidiaries.
- b. The registered office of the Company is as stated in the Directory at the front of the Prospectus.
- c. Clause 3 of the Memorandum of Association of the Company provides that the Company's sole object is the collective investment in either or both transferable securities and other liquid financial assets referred to in Regulation 68 of the UCITS Regulations of capital raised from the public and the Company operates on the principle of risk spreading.
- d. The authorised share capital of the Company is 500,000,000,000 Shares of no par value and 2 Euro divided into 2 redeemable non-participating shares of 1 Euro each. Non-participating Shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the Company. The Directors have the power to allot shares in the capital of the Company on such terms and in such manner as they may think fit. There are two non-participating shares currently in issue which were taken by the subscribers to the Company and are currently held by LGIM Corporate Director Limited and the Investment Manager.

- e. No share capital of the Company has been put under option nor has any share capital been agreed (conditionally or unconditionally) to be put under option.

## VARIATION OF SHARE RIGHTS AND PRE-EMPTION RIGHTS

- a. The rights attaching to the Shares issued in any Class or Fund may, whether or not the Company is being wound up, be varied or abrogated with the consent in writing of the Shareholders of three-quarters of the issued Shares of that Class or Fund, or with the sanction of an ordinary resolution passed at a general meeting of the Shareholders of that Class or Fund.
- b. A resolution in writing signed by all the Shareholders and holders of non-participating shares for the time being entitled to attend and vote on such resolution at a general meeting of the Company shall be as valid and effective for all purposes as if the resolution had been passed at a general meeting of the Company duly convened and held and if described as a special resolution shall be deemed to be a special resolution.
- c. The rights attaching to the Shares shall not be deemed to be varied by the creation, allotment or issue of any further Shares ranking *pari passu* with Shares already in issue.
- d. There are no rights of pre-emption upon the issue of Shares in the Company.

## VOTING RIGHTS

The following rules relating to voting rights apply:-

- a. Fractions of Shares do not carry voting rights.
- b. Every Shareholder or holder of non-participating shares present in person or by proxy who votes on a show of hands shall be entitled to one vote.
- c. The chairman of a general meeting of the Company or at least two non-participating Shareholders present in person or by proxy or any Shareholder or Shareholders present in person or by proxy representing at least one tenth of the Shares in issue having the right to vote at such meeting may demand a poll.
- d. On a poll every Shareholder present in person or by proxy shall be entitled to one vote in respect of each Share held by him and every holder of non-participating shares shall be entitled to one vote in respect of all non-participating shares held by him. A Shareholder entitled to more than one vote need not cast all his votes or cast all the votes he uses in the same way.
- e. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote.
- f. Any person (whether a Shareholder or not) may be appointed to act as a proxy; a Shareholder may appoint more than one proxy to attend on the same occasion.
- g. Any instrument appointing a proxy must be deposited at the registered office, not less than 48 hours before the meeting or at such other place or by such other means and by such time as is specified in the notice convening the meeting. The Directors may at the expense of the Company send by post or otherwise to the Shareholders instruments of proxy (with or without prepaid postage for their return) and may either leave blank the appointment of the proxy or nominate one or more of the Directors or any other person to act as proxy.
- h. To be passed, ordinary resolutions of the Company or of the Shareholders of a particular Fund or Class will require a simple majority of the votes cast by the Shareholders voting in person or by proxy at the

meeting at which the resolution is proposed. Special resolutions of the Company or of the Shareholders of a particular Fund or Class will require a majority of not less than 75% of the Shareholders present in person or by proxy and voting in general meeting in order to pass a special resolution including a resolution to amend the Articles of Association.

## MEETINGS

- a. The Directors may convene extraordinary general meetings of the Company at any time. Not more than fifteen months shall elapse between the date of one annual general meeting of the Company and that of the next PROVIDED THAT so long as the Company holds its first annual general meeting within eighteen months of its incorporation it need not hold it in the year of its incorporation or in the following year.
- b. Not less than twenty one days' notice of every annual general meeting and any meeting convened for the passing of a special resolution must be given to Shareholders and fourteen days' notice must be given in the case of any other general meeting.
- c. Two Members present either in person or by proxy shall be a quorum for a general meeting provided that the quorum for a general meeting convened to consider any alteration to the Class rights of Shares shall be two Shareholders holding or representing by proxy at least one third of the issued Shares of the relevant Fund or Class. If within half an hour after the time appointed for a meeting a quorum is not present the meeting, if convened on the requisition of or by Shareholders, shall be dissolved. In any other case it shall stand adjourned to the same time, day and place in the next week or to such other day and at such other time and place as the Directors may determine and if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the Members present shall be a quorum and in the case of a meeting of a Fund or Class convened to consider the variation of rights of Shareholders in such Fund or Class the quorum shall be one Shareholder holding Shares of the Fund or Class in question or his proxy. All general meetings will be held in Ireland.



- d. The foregoing provisions with respect to the convening and conduct of meetings shall save as otherwise specified with respect to meetings of Funds or Classes and, subject to the Act, have effect with respect to separate meetings of each Fund or Class at which a resolution varying the rights of Shareholders in such Fund or Class is tabled.

## REPORTS AND ACCOUNTS

The Company will prepare an annual report and audited accounts as of 31 December in each year and a half-yearly report and unaudited accounts as of 30 June in each year. The audited annual report and accounts will be published within four months of the Company's financial year end and its semi-annual report will be published within 2 months of the end of the half year period and in each case will be offered to subscribers before conclusion of a contract and supplied to Shareholders free of charge on request and will be available to the public at the offices of the Administrator. If a Fund or Class is listed, the annual report and half-yearly report will be circulated to Euronext Dublin within 6 months of the end of the relevant financial period.

## COMMUNICATIONS AND NOTICES TO SHAREHOLDERS

Communications and Notices to Shareholders or the first named of joint Shareholders shall be deemed to have been duly given as follows:

Means of Dispatch	Deemed Received
Delivery by Hand	The day of delivery or next following working day if delivered outside usual business hours.
Post	48 hours after posting.
Fax	The day on which a positive transmission receipt is received
Electronically	The day on which the electronic transmission has been sent to the electronic information system designated by a Shareholder.

Means of Dispatch	Deemed Received
Publication of Notice or Advertisement of Notice	The day of publication (a) in a daily newspaper circulating in the country or countries where shares are marketed.

## TRANSFER OF SHARES

- a. Transfers of Shares may be effected in writing in any usual or common form, in electronic form, or such other form as determined by the Directors, signed by or on behalf of the transferor and every transfer shall state the full name and address of the transferor and transferee.
- b. The Directors may from time to time specify a fee for the registration of instruments of transfer provided that the maximum fee may not exceed 2% of the Net Asset Value of the Shares which are the subject matter of the transfer on the Dealing Day immediately preceding the date of the transfer.

The Directors may decline to register any transfer of Shares if:-

- i. in consequence of such transfer the transferor or the transferee would hold a number of Shares less than the Minimum Holding or the transferee would hold less than the Minimum Subscription;
- ii. all applicable taxes and/or stamp duties have not been paid in respect of the instrument of transfer;
- iii. the instrument of transfer is not deposited at the registered office of the Company or such other place as the Directors may reasonably require, such evidence as the Directors may reasonably require to show the right of the transferor to make the transfer, such relevant information and declarations as the Directors may reasonably require from the transferee including, without limitation, information and declarations of the type which may be requested from an applicant for Shares in the Company and such fee as may from time to time be specified by



the Directors for the registration of any instrument of transfer; or

- iv. they are aware or reasonably believe the transfer would result in the beneficial ownership of such Shares by a person in contravention of any restrictions on ownership as set out herein or might result in legal, regulatory, pecuniary, taxation or material administrative disadvantage to the Company or the relevant Fund or Shareholders as a whole.
- c. The registration of transfers may be suspended for such periods as the Directors may determine provided always that each registration may not be suspended for more than 30 days. Shareholders wishing to transfer shares should contact the Administrator for further details.

## DIRECTORS

The following is a summary of the principal provisions in the Articles of Association relating to the Directors:

- a. Unless otherwise determined by an ordinary resolution of the Company in general meeting, the number of Directors shall not be less than two nor more than nine.
- b. A Director need not be a Shareholder.
- c. The Articles of Association contain no provisions requiring Directors to retire on attaining a particular age or to retire on rotation.

A Director may vote and be counted in the quorum at a meeting to consider the appointment or the fixing or variation of the terms of appointment of any Director to any office or employment with the Company or any company in which the Company is interested, but a Director may not vote or be counted in the quorum on a resolution concerning his own appointment.

- d. The Directors of the Company for the time being are entitled to such remuneration as may be determined by the Directors and disclosed in the Prospectus and may be reimbursed all reasonable travel, hotel and other expenses incurred in connection with the business of the Company or the discharge of their duties and may

be entitled to additional remuneration if called upon to perform any special or extra services to or at the request of the Company.

- e. A Director may hold any other office or place of profit under the Company, other than the office of Auditor, in conjunction with his office of Director on such terms as to tenure of office or otherwise as the Directors may determine.
- f. No Director shall be disqualified by his office from contracting with the Company as vendor, purchaser or otherwise, nor shall any contract or arrangement entered into by or on behalf of the Company in which any Director is in any way interested be liable to be avoided, nor shall any Director who is so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason of such Director holding that office or of the fiduciary relationship thereby established, but the nature of his interest must be declared by him at the meeting of the Directors at which the proposal to enter into the contract or agreement is first considered or, if the Director in question was not at the date of that meeting interested in the proposed contract or arrangement, at the next Directors' meeting held after he becomes so interested. A general notice in writing given to the Directors by any Director to the effect that he is a member of any specified company or firm and is to be regarded as interested in any contract or arrangement which may thereafter be made with that company or firm is deemed to be a sufficient declaration of interest in relation to any contract or arrangement so made.
- g. A Director may not vote in respect of any contract or arrangement or any proposal whatsoever in which he has any material interest or a duty which conflicts with the interests of the Company and shall not be counted in the quorum at a meeting in relation to any resolution upon which he is debarred from voting unless the Directors resolve otherwise.

However, a Director may vote and be counted in quorum in respect of any proposal concerning any other company in which he is interested directly or indirectly, whether as an officer or shareholder or otherwise,

provided that he is not the holder of 5 per cent or more of the issued shares of any class of such company or of the voting rights available to members of such company. A Director may also vote and be counted in the quorum in respect of any proposal concerning an offer of Shares in which he is interested as a participant in an underwriting or sub-underwriting arrangement and may also vote in respect of the giving of any security, guarantee or indemnity in respect of money lent by the Director to the Company or in respect of the giving of any security, guarantee or indemnity to a third party in respect of a debt obligation of the Company for which the Director has assumed responsibility in whole or in respect of the purchase of directors' and officers' liability insurance.

- h. The office of a Director shall be vacated in any of the following events namely:-
- i. if he resigns his office by notice in writing signed by him and left at the registered office of the Company;
  - ii. if he becomes bankrupt or makes any arrangement or composition with his creditors generally;
  - iii. if he becomes of unsound mind;
  - iv. if he is absent from meetings of the Directors for six successive months without leave expressed by a resolution of the Directors and the Directors resolve that his office be vacated;
  - v. if he ceases to be a Director by virtue of, or becomes prohibited or restricted from being a Director by reason of, an order made under the provisions of any law or enactment;
  - vi. if he is requested by a majority of the other Directors (not being less than two in number) to vacate office; or
  - vii. if he is removed from office by ordinary resolution of the Company.

## DIRECTORS' INTERESTS

- a. None of the Directors has or has had any direct interest in the promotion of the Company or in any transaction effected by the Company which is unusual in its nature or conditions or is significant to the business of the Company up to the date of this Prospectus or in any contracts or arrangements of the Company subsisting at the date hereof.
- b. No present Director or any connected person has any interests beneficial or non-beneficial in the share capital of the Company.

## WINDING UP

- a. The Company may be wound up if:
  - i. at any time after the first anniversary of the incorporation of the Company, the Net Asset Value of the Company falls below €150,000,000 million on each Dealing Day for a period of six consecutive weeks and the Shareholders resolve by ordinary resolution to wind up the Company;
  - ii. within a period of three months from the date on which (a) the Depositary notifies the Company of its desire to retire in accordance with the terms of the Depositary Agreement and has not withdrawn notice of its intention to so retire, (b) the appointment of the Depositary is terminated by the Company in accordance with the terms of the Depositary Agreement, or (c) the Depositary ceases to be approved by the Central Bank to act as a depositary; no new Depositary has been appointed, the Directors shall instruct the Secretary to forthwith convene an extraordinary general meeting of the Company at which there shall be proposed an Ordinary Resolution to wind up the Company. Notwithstanding anything set out above, where the winding up of the Company has been proposed, the Depositary's appointment shall only terminate on revocation of the Company's authorisation by the Central Bank;
  - iii. the Depositary has notified the Company of its desire to retire or ceases to be qualified to act as

- depository or its appointment has been terminated and no new Depository has been appointed and the Shareholders resolve by ordinary resolution to wind up the Company;
- iv. the Shareholders resolve by ordinary resolution that the Company by reason of its liabilities cannot continue its business and that it be wound up;
- v. the Shareholders resolve by special resolution to wind up the Company.
- b. In the event of a winding up, the liquidator shall apply the assets of each Fund in such manner and order as he thinks fit in satisfaction of creditors' claims.
- c. The liquidator shall in relation to the assets available for distribution among Shareholders make such transfers thereof to and from the Funds and/ or Classes as may be necessary in order that the effective burden of creditors' claims may be shared between the Shareholders of different Funds and/or Classes in such proportions as the liquidator in his discretion deems equitable.
- d. The assets available for distribution among the Shareholders shall be applied in the following priority:-
- i. firstly, in the payment to the Shareholders of each Class or Fund of a sum in the Base Currency (or in any other currency selected and at such rate of exchange as determined by the liquidator) as nearly as possible equal to the Net Asset Value of the Shares of the relevant Class or Fund held by such Shareholders respectively as at the date of commencement of winding up;
- ii. secondly, in the payment to the holders of non-participating pre-empted share capital shares of One Euro each per share out of the assets of the Company not comprised within any Fund provided that if there are insufficient assets to enable such payment in full to be made, no recourse shall be had to the assets comprised within any of the Funds;
- iii. thirdly, in the payment to the Shareholders of each Class or Fund of any balance then remaining in the relevant Fund, in proportion to the number of Shares held in the relevant Class or Fund; and
- iv. fourthly, any balance then remaining and not attributable to any Fund or Class shall be apportioned between the Funds and Classes pro-rata to the Net Asset Value of each Fund or attributable to each Class immediately prior to any distribution to Shareholders and the amounts so apportioned shall be paid to Shareholders pro-rata to the number of Shares in that Fund or Class held by them.
- e. The liquidator may, with the authority of a special resolution of the Company, divide among the Shareholders (pro rata to the value of their respective shareholdings in the Company) in specie the whole or any part of the assets of the Company and whether or not the assets shall consist of property of a single kind provided that any Shareholder shall be entitled to request the sale of any asset or assets proposed to be so distributed and the distribution to such Shareholder of the cash proceeds of such sale. The costs of any such sale shall be borne by the relevant Shareholder. The liquidator may, with like authority, vest any part of the assets in trustees upon such trusts for the benefit of Shareholders as the liquidator shall think fit and the liquidation of the Company may be closed and the Company dissolved, provided that no Shareholder shall be compelled to accept any asset in respect of which there is any liability. Further the liquidator may with like authority transfer the whole or part of the assets of the Company to a company or collective investment scheme (the "Transferee Company") on terms that Shareholders in the Company shall receive from the Transferee Company shares or units in the Transferee Company of equivalent value to their shareholdings in the Company.
- f. Notwithstanding any other provision contained in the Memorandum and Articles of Association of the Company, should the Directors at any time and in their absolute discretion resolve that it would be in the best interests of the Shareholders to wind up the Company, the Secretary shall forthwith at the Directors' request convene an extraordinary general meeting of the

Company at which there shall be presented a proposal to appoint a liquidator to wind up the Company and if so appointed, the liquidator shall distribute the assets of the Company in accordance with the Memorandum and Articles of Association of the Company.

### INDEMNITIES AND INSURANCE

Subject to the Act, the Directors (including alternates), Secretary and other officers of the Company and its former directors and officers shall be indemnified by the Company against losses and expenses to which any such person may become liable by reason of any contract entered into or any act or thing done by him as such officer in the discharge of his duties (other than in the case of fraud, negligence or wilful default). The Company acting through the Directors is empowered under the Articles of Association to purchase and maintain for the benefit of persons who are or were at any time Directors or officers of the Company insurance against any liability incurred by such persons in respect of any act or omission in the execution of their duties or exercise of their powers.

### GENERAL

- a. As at the date of this Prospectus, the Company has no loan capital (including term loans) outstanding or created but unissued nor any mortgages, charges, debentures or other borrowings or indebtedness in the nature of borrowings, including bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, finance leases, hire purchase commitments, guarantees, other commitments or contingent liabilities.
- b. No share or loan capital of the Company is subject to an option or is agreed, conditionally or unconditionally, to be made the subject of an option.
- c. The Company does not have, nor has it had since incorporation, any employees.
- d. The Company does not intend to purchase or acquire nor agree to purchase or acquire any property.
- e. The rights conferred on Shareholders by virtue of their shareholdings are governed by the Articles of Association, the general law of Ireland and the Act.
- f. The Company is not engaged in any litigation or arbitration and no litigation or claim is known by the Directors to be pending or threatened against the Company.
- g. The Company has no subsidiaries.
- h. Dividends which remain unclaimed for six years from the date on which they become payable will be forfeited. On forfeiture such dividends will become part of the assets of the Fund to which they relate. No dividend or other amount payable to any Shareholder shall bear interest against the Company.
- i. No person has any preferential right to subscribe for any authorised but unissued capital of the Company.

### MATERIAL CONTRACTS

The following contracts which are or may be material have been entered into otherwise than in the ordinary course of business:-

- a. Management Agreement; between the Company and the Manager dated 25 May, 2018 as may be same amended and/or modified from time to time under which the Manager was appointed as Manager of the Company. The Management Agreement may be terminated by either party on 90 days written notice or forthwith by notice in writing in certain circumstances such as the insolvency of either party or unremedied breach after notice. Subject to compliance with the Central Bank requirements, the Manager has the power to delegate its duties. The Management Agreement provides that the Company shall indemnify out of the assets of the relevant Fund the Manager, its employees and agents from and against all actions, proceedings, claims, damages, costs, demands and expenses including, without limitation, legal and professional expenses on a full indemnity basis (other than those resulting from the negligence, wilful default, fraud or failure to comply with its obligations on the part of the

- Manager) which may be brought against, suffered or incurred by the Manager, its employees or agents in the performance of its obligations under the Management Agreement.
- b. Investment Management Agreement between the Manager and the Investment Manager under which the Investment Manager was appointed as investment manager of the Company's assets subject to the overall supervision of the Company. The Investment Management Agreement may be terminated by either party on 90 days' written notice or forthwith in certain circumstances such as unremedied breach after notice. The Investment Manager has the power to delegate its duties in accordance with the Central Bank's requirements. The Investment Management Agreement provides that the Manager shall out of the assets of the relevant Fund, indemnify the Investment Manager and its employees and agents from and against all actions, proceedings, damages, claims, costs, demands and expenses including, without limitation, legal and professional expenses on a full indemnity basis brought against or suffered or incurred by the Investment Manager, its employees or agents in the performance of its duties other than due to the negligence, fraud or wilful default of the Investment Manager, its employees or agents in the performance of its obligations.
- c. Administration Agreement between the Company, the Manager and the Administrator dated 25 May, 2018, as amended from time to time, under which the latter was appointed as Administrator to administer the affairs of the Company, subject to the terms and conditions of the Administration Agreement and subject to the overall supervision of the Directors of the Company. The Administration Agreement may be terminated by any party on 6 months' written notice or forthwith by notice in writing in certain circumstances such as the insolvency of any party or unremedied breach after notice. The Administrator has the power to delegate its duties to another member of the Northern Trust group. The Administration Agreement provides that except to the extent that such costs, expenses, losses and liabilities result directly from the material breach, fraud, wilful default or negligence of the Administrator or any of its directors, officers, employees, agents or subcontractors, the Manager will indemnify, out of the assets of the relevant Fund, the Administrator its directors, officers and employees for direct costs, expenses, losses and liabilities suffered by the Administrator, its directors, officers and employees.
- d. Depositary Agreement between the Company, the Manager, and the Depositary dated 25 May, 2018, as same may be amended from time to time, under which the Depositary was appointed as depositary of the Company's assets. The Depositary Agreement may be terminated by any party on 90 days' written notice or forthwith by notice in writing in certain circumstances such as the insolvency of any party or unremedied material breach after notice provided that the Depositary shall continue to act as Depositary until a successor Depositary approved by the Central Bank is appointed by the Company or the Company's authorisation by the Central Bank is revoked. The Depositary has the power to delegate certain of its duties but its liability will not be affected by the fact that it has entrusted to a third party some or all of the assets in its safekeeping. The Depositary Agreement provides that the Depositary shall be liable to the Company and the Shareholders for the loss of financial instruments held by the Depositary or a third party to whom custody of financial instruments has been delegated. The Depositary Agreement also provides that the Manager shall indemnify and keep indemnified and hold harmless the Depositary (and each of its directors, officers and employees) out of the assets of the relevant Fund from and against any and all third party actions, proceedings, claims, costs, demands and expenses which may be brought against suffered or incurred by the Depositary other than in circumstances where the Depositary is liable for a loss of financial instruments held in custody (see above) or due to the negligent or intentional failure of the Depositary to perform its obligations pursuant to the UCITS Regulations.
- e. Distribution Agreement under which the Manager has appointed the Distributor as a global distributor of the Company pursuant to the terms of the Distribution Agreement. The Distributor will be entitled to receive distribution fees as agreed between the Manager and the Distributor. The Distributor has authority to delegate

some or all of its duties as distributor to sub-distributors, provided it has obtained the prior written consent of the Manager and that such sub-distributor has any necessary regulatory permissions to distribute the Shares, in accordance with the requirements of the Central Bank.

The Distribution Agreement may be terminated by either party on giving not less than 3 months prior written notice to the other party. The Distribution Agreement may also be terminated forthwith by either party giving notice in writing to the other party upon certain breaches as outlined in the Distribution Agreement or upon the insolvency of a party (or upon the happening of a like event). The Distribution Agreement provides that the Distributor accepts responsibility for loss suffered by the Manager to the extent that such loss is due to the negligence, wilful default or fraud of the Distributor.

#### **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents, which are available for information only and do not form part of this document, may be inspected at the registered office of the Company in Ireland during normal business hours on any Business Day:-

- a. The Memorandum and Articles of Association of the Company (copies may be obtained free of charge from the Administrator).
- b. The Act and the UCITS Regulations.
- c. The latest annual and half yearly reports of the Company (copies of which may be obtained from the Administrator free of charge).

Copies of the Prospectus may also be obtained by Shareholders from the Administrator, the Manager or the Investment Manager.



# Appendix I – Investment Restrictions

## 1. PERMITTED INVESTMENTS

Investments of a 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

## 2. INVESTMENT RESTRICTIONS

- 2.1 A 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 Recently Issued Transferable Securities
  1. Subject to paragraph (2) a responsible person shall not invest any more than 10% of assets of a UCITS in securities of the type to which

Regulation 68(1)(d) of the UCITS Regulations apply.

2. Paragraph (1) does not apply to an investment by a responsible person in US Securities known as “Rule 144 A securities” provided that;
  - the relevant securities have been issued with an undertaking to register the securities with the SEC within 1 year of issue; and
  - the securities are not illiquid securities i.e. they may be realised by the UCITS within 7 days at the price, or approximately at the price, which they are valued by the UCITS.
- 2.3 A 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 Fund invests more than 5% of its net assets in these bonds issued by one issuer, the total value of these investments may not exceed 80% of the net asset value of the Fund.
- 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 booked in accounts and held as ancillary liquidity shall not exceed:

- a. 10% of the net assets of the Fund; or.
- b. where the cash is booked in an account with the Depository, 20% of net assets of the Fund.

2.8 The risk exposure of a Fund to a counterparty to an OTC derivative may not exceed 5% of net assets.

This limit is raised to 10% in the case of a credit institution authorised in the EEA; a credit institution authorised within a signatory state (other than an EEA Member State) to the Basle Capital Convergence Agreement of July 1988; or a credit institution authorised in Jersey, Guernsey, the Isle of Man, Australia or New Zealand 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
- counterparty risk exposures arising from OTC derivatives transactions.

2.10 The limits referred to in 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9 above may not be combined, so that exposure to a single body shall not exceed 35% of net assets.

2.11 Group companies are regarded as a single issuer for the purposes of 2.3, 2.4, 2.5, 2.7, 2.8 and 2.9. However, a limit of 20% of net assets may be applied to investment in transferable securities and Money Market Instruments within the same group.

2.12 A Fund may invest up to 100% of net assets in different transferable securities and Money Market Instruments issued or guaranteed by any Member State, its local authorities, non-Member States or public international body of which one or more Member States are members.

The individual issuers must be listed in the prospectus and may be drawn from the following list: OECD Governments (provided the relevant issues are investment grade), Government of the People's Republic of China, Government of Brazil (provided the issues are of investment grade), Government of India (provided the issues are of investment grade), Government of Singapore, European Investment Bank, European Bank for Reconstruction and Development, International Finance Corporation, International Monetary Fund, Euratom, The Asian Development Bank, European Central Bank, Council of Europe, Eurofima, African Development Bank, International Bank for Reconstruction and Development (The World Bank), The Inter American Development Bank, European Union, Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), Student Loan Marketing Association (Sallie Mae), Federal Home Loan Bank, Federal Farm Credit Bank, Tennessee Valley Authority, Straight-A Funding LLC, Export-Import Bank.

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

### 3. INVESTMENT IN COLLECTIVE INVESTMENT SCHEMES (“CIS”)

- 3.1 A Fund may not invest more than 20% of net assets in any one CIS.
- 3.2 Investment in AIFs may not, in aggregate, exceed 30% of net assets.
- 3.3 The collective investment schemes in which the Fund may invest are prohibited from investing more than 10% of net assets in other open-ended collective investment schemes.
- 3.4 When a Fund invests in the units of other collective investment schemes that are managed, directly or by delegation, by the UCITS management company or by any other company with which the UCITS management company is linked by common management or control, or by a substantial direct or indirect holding, that management company or other company may not charge subscription, conversion or redemption fees on account of the Fund's investment in the units of such other collective investment schemes.
- 3.5 Where by virtue of investment in the units of another investment fund, a responsible person, an investment manager or an investment advisor receives a commission on behalf of the Fund (including a rebated commission), the responsible person shall ensure that the relevant commission is paid into the property of the relevant Fund.

### 4. INDEX TRACKING UCITS

- 4.1 A 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 UCITS is to replicate an index which satisfies the criteria set out in the Central Bank UCITS Regulations and is recognised by the Central Bank.
- 4.2 The limit in 4.1 may be raised to 35%, and applied to a single issuer, where this is justified by exceptional market conditions.

### 5. GENERAL PROVISIONS

- 5.1 An investment company or management company acting in connection with all of the collective investment schemes it manages, may not acquire any shares carrying voting rights which would enable it to exercise significant influence over the management of an issuing body.
- 5.2 A Fund may acquire no more than:
- i. 10% of the non-voting shares of any single issuing body;
  - ii. 10% of the debt securities of any single issuing body;
  - iii. 25% of the units of any single collective investment scheme;
  - iv. 10% of the Money Market Instruments of any single issuing body.

NOTE: The limits laid down in (ii), (iii) and (iv) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Instruments, or the net amount of the securities in issue cannot be calculated.

- 5.3 5.1 and 5.2 shall not be applicable to:
- i. transferable securities and Money Market Instruments issued or guaranteed by a Member State or its local authorities;
  - ii. transferable securities and Money Market Instruments issued or guaranteed by a non-Member State;
  - iii. transferable securities and Money Market Instruments issued by public international bodies of which one or more Member States are members;
  - iv. shares held by a 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 a Fund can invest in the securities of issuing bodies of that State. This waiver is applicable only if in its investment policies the company from the non-Member State complies with the limits laid down in 2.3 to 2.11, 3.1, 3.2, 5.1, 5.2, 5.4, 5.5 and 5.6, and provided that where these limits are exceeded, paragraphs 5.5 and 5.6 below are observed.

- v. Shares held by an investment company or investment companies in the capital of subsidiary companies carrying on only the business of management, advice or marketing in the country where the subsidiary is located, in regard to the repurchase of units at unit- holders' request exclusively on their behalf.
- 5.4 A Fund need not comply with the investment restrictions herein when exercising subscription rights attaching to transferable securities or Money Market Instruments which form part of their assets.
- 5.5 The Central Bank may allow recently authorised Funds 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 Fund, or as a result of the exercise of subscription rights, the Fund must adopt as a priority objective for its sales transactions the remedying of that situation, taking due account of the interests of its shareholders.
- 5.7 Neither an investment company nor a management company or a trustee acting on behalf of a unit trust or a management company of a common contractual fund, may carry out uncovered sales of:
- transferable securities;
  - Money Market Instruments;

- units of investment funds; or
- financial derivative instruments.

5.8 A Fund may hold ancillary liquid assets.

## 6. FINANCIAL DERIVATIVE INSTRUMENTS ('FDIS')

- 6.1 A 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 Central Bank UCITS Regulations/Guidance. (This provision does not apply in the case of index based FDI provided the underlying index is one which meets with the criteria set out in the Central Bank UCITS Regulations.)
- 6.3 UCITS 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

The Company will, with respect to each Fund, adhere to any investment or borrowing restrictions imposed and any criteria necessary to obtain and/or maintain any credit rating in respect of any Shares or Class in the Company, subject to the UCITS Regulations.

It is intended that the Company shall have the power (subject to the prior approval of the Central Bank) to avail itself of any change in the investment and borrowing restrictions laid down in the UCITS Regulations which would permit investment by the Company in securities, derivative instruments or in any other forms of investment in which investment is at the date of this Prospectus restricted or prohibited under the UCITS Regulations.

# Appendix II – MMF investment restrictions

## 1. ELIGIBLE ASSETS

A MMF shall invest only in one or more of the following categories of financial assets and only under the conditions specified in the MMF Regulation:

- 1.1 Money market instruments.
- 1.2 Eligible securitisations and asset-backed commercial paper (“ABCPs”).
- 1.3 Deposits with credit institutions.
- 1.4 Financial derivative instruments.
- 1.5 Repurchase agreements that fulfil the conditions set out in Article 14.
- 1.6 Reverse repurchase agreements that fulfil the conditions set out in Article 15.
- 1.7 Units or shares of other MMFs.

## 2. INVESTMENT RESTRICTIONS

- 2.1 A MMF shall invest no more than:
  - a. 5% of its assets in money market instruments, securitisations and ABCPs issued by the same body;
  - b. 10% of its assets in deposits made with the same credit institution, unless the structure of the banking sector in the Member State in which the MMF is domiciled is such that there are insufficient viable credit institutions to meet that diversification requirement and it is not economically feasible for the MMF to make deposits in another Member State, in which

case up to 15% of its assets may be deposited with the same credit institution.

- 2.2 By way of derogation from point (a) of paragraph 2.1 above, a VNAV MMF may invest up to 10% of its assets in money market instruments, securitisations and ABCPs issued by the same body provided that the total value of such money market instruments, securitisations and ABCPs held by the VNAV MMF in each issuing body in which it invests more than 5% of its assets does not exceed 40% of the value of its assets.
- 2.3 The aggregate of all of a MMF's exposures to securitisations and ABCPs shall not exceed 15% of the assets of the MMF.

As from the date of application of the delegated act referred to in Article 11(4) of the MMF Regulation, the aggregate of all of an MMF's exposures to securitisations and ABCPs shall not exceed 20% of the assets of the MMF, whereby up to 15% of the assets of the MMF may be invested in securitisations and ABCPs that do not comply with the criteria for the identification of STS securitisations and ABCPs.

- 2.4 The aggregate risk exposure of a MMF to the same counterparty to OTC derivative transactions which fulfil the conditions set out in Article 13 of the MMF Regulation shall not exceed 5% of the assets of the MMF.
- 2.5 The cash received by the MMF as part of the repurchase agreement does not exceed 10% of its assets.

- 2.6 The aggregate amount of cash provided to the same counterparty of an MMF in reverse repurchase agreements shall not exceed 15% of the assets of the MMF.
- 2.7 Notwithstanding paragraphs 2.1 and 2.4 above, a MMF shall not combine, where to do so would result in an investment of more than 15% of its assets in a single body, any of the following:
- a. investments in money market instruments, securitisations and ABCPs issued by that body;
  - b. deposits made with that body;
  - c. OTC financial derivative instruments giving counterparty risk exposure to that body.
- 2.8 By way of derogation from the diversification requirement provided for in paragraph 2.7 above, where the structure of the financial market in the Member State in which the MMF is domiciled is such that there are insufficient viable financial institutions to meet that diversification requirement and it is not economically feasible for the MMF to use financial institutions in another Member State, the MMF may combine the types of investments referred to in points (a) to (c) up to a maximum investment of 20% of its assets in a single body.
- 2.9 Provided the Manager has sought authorisation from the Central Bank under Article 17(7) of the MMF Regulation, a MMF may invest up to 100% of its assets in different money market instruments issued or guaranteed separately or jointly by the European Union, the national, regional and local administrations of the Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a third country, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which one or more Member States belong.
- 2.10 Paragraph 2.9 above shall only apply where all of the following requirements are met:
- a. the MMF holds money market instruments from at least six different issues by the issuer;
  - b. the MMF limits the investment in money market instruments from the same issue to a maximum of 30% of its assets;
  - c. the MMF makes express reference, in its fund rules or instruments of incorporation, to all administrations, institutions or organisations referred to in the first subparagraph that issue or guarantee separately or jointly money market instruments in which it intends to invest more than 5% of its assets;
  - d. the MMF includes a prominent statement in its prospectus and marketing communications drawing attention to the use of the derogation and indicating all administrations, institutions or organisations referred to in the first subparagraph that issue or guarantee separately or jointly money market instruments in which it intends to invest more than 5% of its assets.
- 2.11 Notwithstanding the individual limits laid down in paragraph 2.1 above, a MMF may invest no more than 10% of its assets in bonds issued by a single credit institution that has its registered office in a Member State and is subject by law to special public supervision designed to protect bond-holders. In particular, sums deriving from the issue of those bonds shall be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority



- basis for the reimbursement of the principal and payment of the accrued interest.
- 2.12 Where a MMF invests more than 5% of its assets in the bonds referred to in paragraph 2.11 issued by a single issuer, the total value of those investments shall not exceed 40% of the value of the assets of the MMF.
- 2.13 Notwithstanding the individual limits laid down in paragraph 2.1, a MMF may invest no more than 20% of its assets in bonds issued by a single credit institution where the requirements set out in point (f) of Article 10(1) or point (c) of Article 11(1) of Delegated Regulation (EU) 2015/61 are met, including any possible investment in assets referred to in paragraph 2.11.
- 2.14 Where a MMF invests more than 5% of its assets in the bonds referred to in paragraph 2.13 issued by a single issuer, the total value of those investments shall not exceed 60% of the value of the assets of the MMF, including any possible investment in assets referred to in paragraph 2.11, respecting the limits set out therein.
- 2.15 Companies which are included in the same group for the purposes of consolidated accounts under Directive 2013/34/EU of the European Parliament and of the Council or in accordance with recognised international accounting rules, shall be regarded as a single body for the purpose of calculating the limits referred to in paragraphs 2.1 to 2.8.
- 3 Eligible Units or Shares of MMFS**
- 3.1 A MMF may acquire the units or shares of any other MMF ('targeted MMF') provided that all of the following conditions are fulfilled:
- a. no more than 10% of the assets of the targeted MMF are able, according to its fund rules or instruments of incorporation, to be invested in aggregate in units or shares of other MMFs;
  - b. the targeted MMF does not hold units or shares in the acquiring MMF.
- 3.2 A MMF whose units or shares have been acquired shall not invest in the acquiring MMF during the period in which the acquiring MMF holds units or shares in it.
- 3.3 A MMF may acquire the units or shares of other MMFs, provided that no more than 5% of its assets are invested in units or shares of a single MMF.
- 3.4 A MMF may, in aggregate, invest no more than 17.5% of its assets in units or shares of other MMFs.
- 3.5 Units or shares of other MMFs shall be eligible for investment by an MMF provided that all of the following conditions are fulfilled:
- a. the targeted MMF is authorised under the MMFR;
  - b. where the targeted MMF is managed, whether directly or under a delegation, by the same manager as that of the acquiring MMF or by any other company to which the manager of the acquiring MMF is linked by common management or control, or by a substantial direct or indirect holding, the manager of the targeted MMF, or that other company, is prohibited from charging subscription or redemption fees on account of the investment by the acquiring MMF in the units or shares of the targeted MMF;
- 3.6 Short-term MMFs may only invest in units or shares of other short-term MMFs.
- 3.7 MMFs that are not Short Term MMFs may invest in units or shares of short-term MMFs and standard MMFs.

# Appendix III – Recognised Exchanges

The following is a list of regulated stock exchanges and markets on which a Fund's investments in securities and financial derivative instruments other than permitted investment in unlisted securities and over the counter derivative instruments, will be listed or traded and is set out in accordance with the Central Bank's requirements. With the exception of permitted investments in unlisted securities and over the counter derivative instruments, investment in securities and derivative instruments will be restricted to the stock exchanges and markets listed below. The Central Bank does not issue a list of approved stock exchanges or markets.

i. any stock exchange which is:-

- located in any Member State of the European Economic Area (European Union, Norway, Iceland and Liechtenstein) and the UK (in the event that the UK is no longer a member state of the European Economic Area); or

ii. any of the following markets: 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 bond market in the United States of America NYSE Euronext.

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

- in a Member State in the European Economic Area (European Union Norway, Iceland and Liechtenstein) and the UK (in the event that the UK is no longer a member state of the European Economic Area);
- in the United States of America, on the Chicago Board of Trade Chicago Mercantile Exchange.

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

# Appendix IV – List of Sub-Custodial Agents Appointed by the Northern Trust Company

The Depository's global sub-custodian, the Northern Trust Company has appointed the following entities as sub-delegates in each of the markets set forth below. This list may be updated from time to time and is available upon request in writing from the Administrator or the Depository. The Depository does not anticipate that there would be any specific conflicts of interest arising as a result of any delegation to The Northern Trust Company or any of the sub-delegates listed below. The Depository will notify the board of the Company of any such conflict should it so arise.

Jurisdiction	Sub-custodian	Sub-custodian delegate
Argentina	Citibank, N.A., Buenos Aires Branch	
Australia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Australia Limited
Austria	UniCredit Bank Austria AG	
Bahrain	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Bangladesh	Standard Chartered Bank	
Belgium	The Northern Trust Company	
Bosnia and Herzegovina (Federation of Bosnia-Herzegovina)	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Bosnia and Herzegovina (Republic of Srpska)	Raiffeisen Bank International AG	Raiffeisen Bank Bosnia DD BiH
Botswana	Standard Chartered Bank Botswana Limited	
Brazil	Citibank N.A., Brazilian Branch	Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM")
Bulgaria	Citibank Europe plc, Bulgaria Branch	
CD's - USD	Deutsche Bank AG, London Branch*	
CD's – USD	The Northern Trust Company, Canada	

Jurisdiction	Sub-custodian	Sub-custodian delegate
Canada	Royal Bank of Canada	
Chile	Citibank N.A.	Banco de Chile
China A Share	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
China B Share	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (China) Company Limited
Clearstream	Clearstream Banking S.A.,	
Colombia	Cititrust Colombia S.A. Sociedad Fiduciaria	
Costa Rica	Banco Nacional de Costa Rica	
Croatia	UniCredit Bank Austria AG	Zagrebacka Banka d.d.
Cyprus	Citibank Europe plc	
Czech Republic	UniCredit Bank Czech Republic and Slovakia, a.s.	
Denmark	Skandinaviska Enskilda Banken AB (publ)	
Egypt	Citibank, N.A., Cairo Branch	
Estonia	Swedbank AS	

Jurisdiction	Sub-custodian	Sub-custodian delegate
Finland	Skandinaviska Enskilda Banken AB (publ)	
France	The Northern Trust Company	
Germany	The Northern Trust Company	
Ghana	Standard Chartered Bank Ghana Limited	
Greece	Citibank Europe PLC	
Hong Kong	The Hongkong and Shanghai Banking Corporation Limited	
Hong Kong (Stock and Bond Connect)	The Hongkong and Shanghai Banking Corporation Limited	
Hungary	Citibank Europe plc	
Iceland	Landsbankinn hf.	
India	Citibank, N.A.	
India	CitiBank N.A.	
Indonesia	Standard Chartered Bank	
Ireland	The Northern Trust Company, London	
Israel	Citibank, N.A., Israel Branch .	
Italy	Citibank Europe plc	
Japan	The Hongkong and Shanghai Banking Corporation Limited	
Jordan	Bank of Jordan Plc	

Jurisdiction	Sub-custodian	Sub-custodian delegate
Kazakhstan	Citibank Kazakhstan JSC	
Kenya	Standard Chartered Bank Kenya Limited	
Kuwait	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Latvia	Swedbank AS	
Lithuania	AB SEB Bankas	
Luxembourg	Euroclear Bank S.A./N.V.	
Malaysia	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Malaysia Berhad
Mauritius	The Hongkong and Shanghai Banking Corporation Limited	
Mexico	Banco Nacional de Mexico S.A. integrante del Grupo Financiero Banamex	
Morocco	Société Générale Marocaine de Banques	
Namibia	Standard Bank Namibia Ltd	
Netherlands	The Northern Trust Company	
New Zealand	The Hongkong and Shanghai Banking Corporation Limited	
Nigeria	Stanbic IBTC Bank Plc	
Norway	Skandinaviska Enskilda Banken AB (publ)	

Jurisdiction	Sub-custodian	Sub-custodian delegate
Oman	First Abu Dhabi PJSC, Oman Branch	
Pakistan	Citibank N.A., Karachi Branch	
Panama	Citibank, N.A., Panama Branch	
Peru	Citibank del Peru S.A.	
Philippines	The Hongkong and Shanghai Banking Corporation Limited	
Poland	Bank Handlowy w Warszawie S.A	
Portugal	BNP Paribas SA	
Qatar	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited
Romania	Citibank Europe PLC	
Russia	AO Citibank	
Saudi Arabia	The Northern Trust Company of Saudi Arabia	
Serbia	UniCredit Bank Austria A.G.	UniCredit Bank Serbia JSC
Singapore	The Hongkong and Shanghai Banking Corporation Limited	
Slovakia	Citibank Europe PLC	
Slovenia	UniCredit Banka Slovenija d.d.	
South Africa	The Standard Bank of South Africa Limited	

Jurisdiction	Sub-custodian	Sub-custodian delegate
South Korea	The Hongkong and Shanghai Banking Corporation Limited	
Spain	Citibank Europe plc	
Sri Lanka	Standard Chartered Bank	
Sweden	Skandinaviska Enskilda Banken AB (publ)	
Switzerland	Credit Suisse (Switzerland) Ltd	
Taiwan	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Taiwan) Limited
Tanzania	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Tanzania Limited
Thailand	Citibank N.A., Bangkok Branch	
Tunisia	Union Internationale De Banques	
Turkey	Citibank A.S.	
United Arab Emirates (ADX)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates (DFM)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch
United Arab Emirates (NASDAQ)	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank Middle East Limited (DIFC) Branch



Jurisdiction	Sub-custodian	Sub-custodian delegate
United Arab Emirates	First Abu Dhabi Bank PJSC	
Uganda	Standard Chartered Bank Uganda Limited	
Ukraine (Market suspended)	JSC "Citibank"	
United Kingdom	Euroclear UK & International Limited (Northern Trust self-custody)	
United States	The Northern Trust Company	
Uruguay	Banco Itau Uruguay S.A.	
Vietnam	The Hongkong and Shanghai Banking Corporation Limited	HSBC Bank (Vietnam) Ltd
West Africa (UEMOA)	Standard Chartered Bank (Mauritius) Limited	Standard Chartered Bank Cote d'Ivoire SA
Zambia	Standard Chartered Bank Zambia PLC	
Zimbabwe	Standard bank of South Africa Limited	Standard Chartered Bank Zimbabwe Limited

# Supplement 1

**Supplement 1 dated 18 December 2023 to the Prospectus issued for**

**LGIM Liquidity Funds plc**

**LGIM Sterling Liquidity Fund**

This Supplement contains information relating specifically to the LGIM Sterling Liquidity Fund (the “Sterling Liquidity Fund”), a sub-fund of LGIM Liquidity Funds plc (the “Company”), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank on 18th December, 2007 as a UCITS pursuant to the UCITS Regulations. The Sterling Liquidity Fund is a Short-Term Money Market Fund and an LVNAV Money Market Fund. The Company currently has the following other sub-funds; LGIM US Dollar Liquidity Fund, LGIM Sterling Liquidity Plus Fund and LGIM Euro Liquidity Fund.

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 18 December 2023 (the “Prospectus”).

The Directors of the Company whose names appear in the Prospectus under the heading “Management and Administration” accept responsibility for the information contained in this Supplement and 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 Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should read and consider the section of the Prospectus entitled “Risk Factors” before investing in the Sterling Liquidity Fund.

The Sterling Liquidity Fund may invest in Money Market Instruments, deposits with credit institutions, eligible securitisations and ABCPs and other eligible assets permitted under the MMF Regulation. Investors’ attention is drawn to the fact that Shares in the Sterling Liquidity Fund are not the same as deposits or obligations which are guaranteed or endorsed by any bank and accordingly, the amount invested in the Sterling Liquidity Fund may fluctuate up or down with the risk of any loss of investment to be borne by the Shareholder. Investment in the Sterling Liquidity Fund is not a guaranteed investment. The Sterling Liquidity Fund may not rely on external support for guaranteeing its liquidity or stabilising the Net Asset Value per Share.

## 1. INTERPRETATION

The expressions below shall have the following meanings:

“Business Day” means any day (except Saturday or Sunday) on which banks in London are generally open for business or such other day or days as may be determined by the Directors and notified to Shareholders.

“Dealing Day” means each Business Day or such other day or days as may be determined by the Directors and notified to Shareholders in advance provided that there shall be at least one Dealing Day per fortnight.

“Dealing Deadline” means 1.00p.m. Irish time on any Dealing Day or such other time as the Directors may

determine and notify to Shareholders, provided always that the Dealing Deadline is no later than the Valuation Point. The Dealing Deadline may change if, prior to the Dealing Deadline on a Dealing Day, the Company determines that there has been a Valuation Deviation. In such circumstances, the Dealing Deadline will change to 12.30p.m. Irish time.

“Net Negative Yield” means the yield net of all costs and expenses attributable to a Class of the Sterling Liquidity Fund is negative.

“Stable Net Asset Value” means the Net Asset Value of the Sterling Liquidity Fund calculated using the amortised cost method.

“Stable Net Asset Value per Share” means the Net Asset Value per Share of £1.00, as adjusted in the event of a Net Negative Yield, of the Sterling Liquidity Fund calculated using the amortised cost method.

“Valuation Deviation” means either (i) a deviation of more than 0.20%, or other such lower number if the deviation is deemed by the Company to be material, in the Stable Net Asset Value per Share and the MTM Net Asset Value per Share, or (ii) the Company, upon notification from the Investment Manager, believes that there has been a material movement in market prices which may lead to a deviation of more than 0.20%, or other such lower number if the deviation is deemed by the Company to be material, in the Stable Net Asset Value per Share and the MTM Net Asset Value per Share.

“Valuation Point” means 2.00p.m. Irish time on the Dealing Day unless otherwise described in this Supplement or such other time as the Directors may determine and notify to Shareholders. The Valuation Point may change if, prior to the Dealing Deadline on a Dealing Day, the Company determines that there has been a Valuation Deviation. In such circumstances, the Valuation Point will change to 1.00p.m. Irish time.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## 2. BASE CURRENCY

The Base Currency shall be Sterling. The Net Asset Value per Share will be published and settlement and dealing will be effected in Sterling.

## 3. INVESTMENT OBJECTIVE

The principal investment objective of the Sterling Liquidity Fund is to provide capital stability, liquidity and income through investment in a diversified portfolio of high credit quality short term fixed income and variable rate securities including but not limited to certificates of deposit, fixed and floating rate notes, fixed rate commercial paper and bonds listed or traded on one or more Recognised Exchanges. In addition, the Sterling Liquidity Fund will seek to obtain and maintain a triple-A rating from at least one internationally recognised rating agency (for example, AAAm by Standard & Poor's).

## 4. INVESTMENT POLICY/EFFICIENT PORTFOLIO MANAGEMENT

### Investment Policy

The Sterling Liquidity Fund will invest in Money Market Instruments which include short-term debt securities and notes (including for example, certificates of deposit, commercial paper, treasury bills, floating and variable rate notes, eurobonds, government bonds, supranational bonds etc.) issued or guaranteed by banks or other corporations or OECD Governments or their agencies or associated entities, or debt securities which have been established by or sponsored by such governments, agencies or entities and eligible securitisations and ABCPs. Any investment by the Sterling Liquidity Fund in listed or traded investments shall be restricted to those investments listed or traded on the exchanges and markets detailed in the Prospectus in the section entitled “Recognised Exchanges”. The Sterling Liquidity Fund may invest substantially in deposits with eligible credit institutions.

The Sterling Liquidity Fund may, in aggregate, invest up to 10% of its net assets in units or shares of other MMFs.

### Investment Process

The Sterling Liquidity Fund will invest in Money Market Instruments which have a residual maturity (the length of time remaining until the legal maturity of a security) until the

legal redemption date of not more than 397 days. The Sterling Liquidity Fund may only invest in Sterling-denominated instruments that mature in 397 days or fewer from the date of purchase. The WAM of the Sterling Liquidity Fund may not exceed 60 days. In addition, the WAL of the Sterling Liquidity Fund must not exceed 120 days.

When calculating the WAL, the Sterling Liquidity Fund is required to base the maturity calculation on the residual maturity until the legal redemption of the instruments.

The Sterling Liquidity Fund will invest only in high-quality eligible investments listed or traded on Recognised Exchanges that the Investment Manager believes present minimal credit risk. The Credit Quality Assessment Procedure outlined in the Prospectus is used for determining the credit quality of the Money Market Instruments in which Sterling Liquidity Fund invests, taking into account the issuer of the instrument and the characteristics of the instrument itself. The Sterling Liquidity Fund may invest in variable or floating rate Money Market Instruments which bear interest at rates subject to periodic adjustment or provide for periodic recovery of principal on demand. Under certain conditions, these Money Market Instruments may be deemed to have remaining maturities equal to the time remaining until the next interest adjustment date or the date on which principal may be recovered on demand, while at all times ensuring that the maturity limits set out above are complied with. The Sterling Liquidity Fund attempts to maintain a stable Net Asset Value of £1.00 per share, although there is no assurance that it will be successful in doing so. The Sterling Liquidity Fund shall not invest in below investment grade securities.

The Fund uses the Sterling Overnight Index Average (SONIA) (the "Comparator Benchmark") for performance comparison purposes only and the Fund is actively managed.

The Fund will also follow the ESG investment strategies below:

- Excludes investments in issuers in the Future World Protection List and in accordance with the Investment Manager's Climate Impact Pledge.
- Systematically applies ESG factor evaluation as part of the investment decision-making process.

This Fund promotes environmental and social characteristics and therefore it is a financial product referred to in Article 8 of the SFDR. Further information on the environmental and social characteristics of the Fund can be found in the Sustainability Disclosure Annex of this Prospectus.

### Repurchase and Reverse Repurchase Agreements

Subject to and in accordance with the conditions and limits set out in the section of the Prospectus entitled "MMF Repurchase/Reverse Repurchase Agreements", the Sterling Liquidity Fund may enter into repurchase and reverse repurchase agreements for efficient portfolio management purposes.

The assets underlying any repurchase/reverse repurchase agreement will be in accordance with the requirements of the MMF Regulation and shall not result in a change to the Investment Objective outlined herein.

Up to 100% of the Sterling Liquidity Fund's net assets may be utilised for repurchase/reverse repurchase agreements, however, the Investment Manager does not expect that the Sterling Liquidity Fund's exposure to such instruments will exceed 20% of the Sterling Liquidity Fund's Net Asset Value and investment in repurchase agreements will be limited to 10% of the Net Asset Value.

The collateral supporting reverse repurchase agreements will be valued daily at mark-to-market prices to monitor that the market value of the assets is equal to the value of the cash paid out. Any assets received as such collateral by the Sterling Liquidity Fund shall comply with the conditions for such assets set out in the section of the Prospectus entitled "MMF Repurchase/Reverse Repurchase Agreements".

## Financial Derivative Instruments

The Sterling Liquidity Fund does not currently use financial derivative instruments.

## Counterparty Selection Process

The counterparty to any repurchase/reverse repurchase agreement or OTC Derivative entered into by the Sterling Liquidity Fund shall be an entity which is subject to an appropriate internal credit assessment carried out by the Investment Manager, which shall include amongst other considerations, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, country of origin of the counterparty, legal status of the counterparty, industry sector risk and concentration risk ("Internal Credit Assessment"). Any such counterparty to any repurchase/reverse repurchase agreement entered into by the Sterling Liquidity Fund must be a credit institution, corporate entity or pension fund based in the OECD. Where such counterparty (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Investment Manager on behalf of the Company without delay.

Further information relating to the risks associated with investment in repurchase/reverse repurchase agreements is disclosed in the Risk Factors section of the Prospectus.

## Liquidity Management

At least 10% of the Sterling Liquidity Fund's assets must be comprised of daily maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of one Business Day or cash which is able to be withdrawn by giving prior notice of one Business Day.

The Sterling Liquidity Fund may not acquire any asset other than a daily maturing asset when its acquisition would result in the Sterling Liquidity Fund investing less than 10% of its portfolio in daily maturing assets.

At least 30% of the Sterling Liquidity Fund's assets are to be comprised of weekly maturing assets, reverse

repurchase agreements which are able to be terminated by giving prior notice of five Business Days or cash which is able to be withdrawn by giving prior notice of five Business Days.

The Sterling Liquidity Fund may not acquire any asset other than a weekly maturing asset when its acquisition would result in the Sterling Liquidity Fund investing less than 30% of its portfolio in weekly maturing assets.

Assets which are highly liquid and can be redeemed and settled within one working day and have a residual maturity of up to 190 days may also be included within the Sterling Liquidity Fund's weekly maturing assets up to a 17.5% limit.

If the maximum WAM or maximum WAL outlined in the Investment Process above or the minimum daily maturing assets and minimum weekly maturing assets limits are exceeded for reasons beyond the Investment Manager's control or as a result of the exercise of subscription or redemption rights, the Company and the Investment Manager shall adopt as a priority objective the correction of that situation, taking due account of the interests of the Shareholders.

Liquidity management procedures are applied in managing the Sterling Liquidity Fund, as described in further detail in the section of the Prospectus headed "Liquidity Management Procedures for LVNAV MMFs".

## Investment Restrictions

The general investment restrictions that apply to the Sterling Liquidity Fund are set out in Section 1 and Appendix II of the Prospectus.

By way of derogation, the Central Bank has authorised the Sterling Liquidity Fund to invest, in accordance with the principle of risk-spreading, up to 100% of its net assets in different Money Market Instruments issued or guaranteed separately or jointly by the Bank of England or central authorities in the UK, European Union, the national, regional and local administrations of the EU Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a third country, the International Monetary Fund,

the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which one or more Member States belong. It is expected that the Fund will have limited exposure to such securities and instruments, except for certain limited circumstances where increased exposure is necessary to help meet the Fund's investment objective.

### Asset Valuation and Share Price

Investors' attention is drawn to the section of the Prospectus headed "Net Asset Value and Valuation of Assets". The Directors have resolved to operate a policy of smoothing in relation to the Sterling Liquidity Fund and as such any cumulative net realised capital gains or losses arising within the Sterling Liquidity Fund may be spread across the daily yield calculations within such value and time limits as agreed between the Directors and the Investment Manager where this is considered to be in the best interests of Shareholders.

The assets of the Sterling Liquidity Fund having a residual maturity of up to 75 days may be valued using the amortised cost method. If the valuation of an asset of the Sterling Liquidity Fund using the amortised cost method deviates by more than 0.10% from its valuation using the mark-to-market method or mark-to-model method, the price of that asset will be valued using the mark-to market method, or the mark-to-model method if it is not possible to use the mark-to-market method or if the market is not regarded as being of sufficient quality.

The Stable Net Asset Value per Share for the distributing Share Classes will be rounded to the nearest two decimal places or such other number of decimal places as the Directors may determine provided that in the event it is not possible to maintain a Stable Net Asset Value per Share due to a Net Negative Yield, the adjusted Stable Net Asset Value per Share for the accumulating Share Classes will be rounded to the nearest six decimal places or such other number of decimal places as the Directors may determine. The Net Asset Value of the Sterling Liquidity Fund calculated using the mark-to-market method or mark-to-

model method shall be referred to as the "MTM Net Asset Value" and the Net Asset Value per Share shall be referred to as the "MTM Net Asset Value per Share". The MTM Net Asset Value per Share will be rounded to the nearest four decimal places for the distributing Share Classes and will be rounded to the nearest six decimal places for the accumulating Share Classes or such other number of decimal places as the Directors may determine.

The Stable Net Asset Value per Share and any difference between it and the MTM Net Asset Value per Share will be published daily on [www.lgim.com](http://www.lgim.com).

Shares will be issued and redeemed at the Stable Net Asset Value per Share, as adjusted in the event of a Net Negative Yield, with the addition or deduction of any applicable duties and charges outlined below. If the Stable Net Asset Value per Share of £1.00, as adjusted in the event of a Net Negative Yield, deviates from the MTM Net Asset Value per Share by more than 0.2%, subscriptions and redemptions will be undertaken at a price that is equal to the MTM Net Asset Value per Share.

## 5. PROFILE OF A TYPICAL INVESTOR

The Sterling Liquidity Fund may be suitable for investors seeking a lower than average risk with returns slightly higher than cash. This investment is more suitable for medium to long-term investors.

## 6. OFFER

Shares shall be issued to investors as Shares of a Class in this Fund. The Directors may from time to time create more than one Class of Shares in this Fund in accordance with the requirements of the Central Bank. The Directors may in their absolute discretion differentiate between Classes of Shares as to currency of denomination of a particular Class, dividend policy, hedging strategies if any applied to the designated currency of a particular Class, fees and expenses or the Minimum Subscription applicable.

Class 1 shares will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or other appropriate agreement with the Investment Manager or any associate of the Investment Manager.



## 7. MINIMUM SUBSCRIPTION

The Minimum Subscription in respect of each share class shall be as set out below (or such lower amount as the Directors may from time to time determine):

Class of Shares	Minimum Subscription
Class 1*	£0
Class 2	£1,000,000
Class 3	£10,000,000
Class 4	£20,000,000

\* Class 1 Shares are only available to investors who are in compliance with the requirements relating to Class 1 Shares as set out in the 'Offer' section above.

The Directors reserve the right to differentiate between Shareholders as to and waive or reduce the Minimum Subscription for certain investors, provided that Shareholders in the same position in the same Class shall be treated equally and fairly.

## 8. APPLICATION FOR SHARES

Please refer to the sub-sections entitled "ACCOUNT OPENING" and "APPLICATION FOR SHARES" within the section entitled "The Shares" in the Prospectus for additional information on the process to apply for Shares.

### *Currency of Payment*

Subscription monies are payable in Sterling.

### *Timing of Payment*

Payment in respect of subscriptions should be received no later than close of business on the relevant Dealing Day and the Manager reserves the right to defer the issue of Shares until receipt of cleared subscription monies by the Company. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Manager or its delegate may (and in the event of non-clearance of funds, shall) cancel the allotment and/or charge the investor interest at a reasonable rate. The Company may waive either of such charges in whole or in part, provided that Shareholders in the same position in the same Class shall be treated equally and fairly. In addition, the Company has the right to sell all or part of the investor's holding of Shares in the Sterling Liquidity Fund or any other Fund of the Company in order to meet such charges. This

is in addition to the Company's and the Manager's rights under the heading "Application for Shares" in the Prospectus.

## 9. REDEMPTION OF SHARES

Requests for the redemption of Shares should be made to the Company care of the Administrator whose details are set out in the Application Form, in writing, by facsimile, telephone, electronically or such other means in accordance with the requirements of the Central Bank and as may be permitted by the Directors (in consultation with the Administrator) and should include such information as may be specified from time to time by the Directors or their delegate. Redemption orders will be paid to the account of record. Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless the Company in its absolute discretion and in exceptional circumstances determines otherwise and provided that such request has been received prior to the Valuation Point for the particular Dealing Day. Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. As mentioned above in the section entitled "Account Opening", no redemption payment will be made from an investor holding until the original Application Form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) have been received from the investor (unless otherwise determined by the Directors) and the anti-money laundering procedures have been completed. In such circumstances, the Administrator will process any redemption request received by a Shareholder, however the proceeds of that redemption shall remain an asset of the Sterling Liquidity Fund and the Shareholder will rank as a general creditor of the Company 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.

The redemption price per Share shall be the Stable Net Asset Value per Share, as adjusted in the event of a Net Negative Yield, less any applicable duties or charges and

any redemption fee. If the Stable Net Asset Value per Share of £1.00, as adjusted in the event of a Net Negative Yield, deviates from the MTM Net Asset Value per Share by more than 0.2%, subscriptions and redemptions will be undertaken at a price that is equal to the MTM Net Asset Value per Share. Please see the section below entitled “Fees and Expenses; Redemption Fee” for further information in this regard.

#### Method of Payment

Redemption payments will be made to the bank account detailed on the Application Form or as subsequently notified to the Administrator (in original form or electronic form as determined by the Directors). Redemption payments will only be made to the account of record of a Shareholder and not to third party accounts.

#### Currency of Payment

Shareholders will be repaid in Sterling. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

#### Timing of Payment

Redemption proceeds in respect of Shares will usually be paid by the same Dealing Day (and in any event within 10 business days of the relevant Dealing Day) after receipt by the Administrator of all of the required documentation, provided that such documentation is received by the Administrator prior to the Dealing Deadline on that Dealing Day.

Any failure to supply the Manager or the Administrator with any documentation requested by them for anti-money laundering or anti-fraud purposes may result in a delay in the settlement of redemption proceeds. In such circumstances, the Administrator will process any redemption request received by a Shareholder however, the proceeds of that redemption shall remain an asset of the LGIM Sterling Liquidity Fund and the Shareholder will rank as a general creditor of the Company 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.

#### Operation of Umbrella Cash Accounts in the name of the Company

Redemption monies payable to an investor subsequent to a Dealing Day of the Sterling Liquidity Fund as of which Shares of that investor were redeemed (and consequently the investor is no longer a Shareholder of the Sterling Liquidity Fund as of the relevant Dealing Day) will be held in a cash account in the name of the Company (herein defined as an Umbrella Cash Account) and will be treated as an asset of the Sterling Liquidity 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 Sterling Liquidity Fund with respect to the redemption amount held by the Company until paid to the investor. In the event of an insolvency of the Sterling Liquidity Fund or the Company, there is no guarantee that the Sterling Liquidity Fund or the Company will have sufficient funds to pay unsecured creditors in full. Investors due redemption monies which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the Sterling Liquidity Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that investor.

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

#### Withdrawal of Redemption Requests

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Sterling Liquidity Fund.

## Compulsory/Total Redemption

Shares of the Sterling Liquidity Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings “Compulsory Redemption of Shares” and “Total Redemption of Shares”.

## 10. CONVERSION OF SHARES

Subject to the Minimum Subscription requirements of the relevant Fund or Classes, Shareholders may request conversion of some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading “Conversion of Shares”.

## 11. SUSPENSION OF DEALING

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the Sterling Liquidity Fund is suspended in the manner described in the Prospectus under the heading “Suspension of Valuation of Assets”. Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

## 12. FEES AND EXPENSES

Subject to the paragraphs (i) and (ii) below, the Sterling Liquidity Fund shall bear its attributable portion of the fees and operating expenses of the Company. The fees and operating expenses of the Company are set out in detail under the heading “Fees and Expenses” in the Prospectus.

The fees and operating expenses referred to above will be borne by the Sterling Liquidity Fund unless:

- i. the Investment Manager and the Directors agree the Investment Manager will discharge such fees and expenses (excluding any taxes); or
- ii. the net assets value of the Sterling Liquidity Fund is below STG1,000,000,000 in which case the Investment Manager will bear such fees and expenses (excluding

any taxes) until such time as the net asset value is equal to or exceed STG1,000,000,000.

## Manager’s Fee

The Manager is entitled to charge a percentage fee per annum of the Net Asset Value of the Sterling Liquidity Fund (before deduction of fees, expenses, borrowings and interest) in respect of each of the share classes as set out below:

Class of Shares	Annual Charge*
Class 1	Up to 0.10%
Class 2	0.20%
Class 3	0.15%
Class 4	0.10%

\*The above chart outlines the current Annual Charge for each Class. The Manager is entitled to increase the Annual Charge up to a maximum of 1 per cent per annum of the Net Asset Value of the Sterling Liquidity Fund in respect of each Class. Shareholders in the relevant Class will be notified in writing in advance of any proposed increase of such fees up to such maximum. Shareholders in the relevant Class will be given one month’s notice to redeem their shares prior to the implementation of an increased fee.

The Manager shall pay the Investment Manager out of its own fee as detailed above, an annual fee as a percentage of the Net Asset Value of the assets attributable to the Sterling Liquidity Fund. The Investment Manager shall also be entitled to be repaid all of its out-of-pocket expenses out of the assets of the Sterling Liquidity Fund at normal commercial rates.

The Manager shall also be responsible for discharging from its fee the fees payable to the Depositary, any sub-custodian (which shall be at normal commercial rates together with value added tax, if any, thereon), the Administrator and the Distributor. The Manager’s fee shall accrue daily and be paid in arrears at such intervals as agreed between the Manager and the Company.

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

The Manager may differentiate between the Shareholders of the Sterling Liquidity Fund by waiving or reducing the annual management fees charged to certain Shareholders.

Any such waiver shall be effected by way of a rebate to the relevant Shareholder's account.

#### Redemption Fee

It is not the current intention of the Directors to charge a redemption fee. However, the Directors are empowered to charge a redemption fee of up to 2% of the Net Asset Value per Share and may exercise their discretion in this respect if they have reason to believe that any Shareholder requesting redemption is attempting any form of arbitrage on the yield of Shares in the Sterling Liquidity Fund. The Directors will give not less than one month's notice to Shareholders of their intention to introduce a redemption fee generally. The Directors may differentiate between Shareholders of the Sterling Liquidity Fund by waiving or reducing the redemption fee chargeable to certain Shareholders.

#### Conversion Fee

It is not the current intention of the Directors to charge a conversion fee. However, the Directors are empowered to charge a conversion fee of up to 2% of the Net Asset Value per Share to be issued in the LGIM Sterling Liquidity Fund into which conversion has been requested and may exercise their discretion in this respect on the giving of one month's notice to Shareholders.

#### Other Fees

As set out in the section headed "Liquidity Management Procedures for LVNAV MMFs", the Directors may apply liquidity fees to redemptions in circumstances where the weekly maturing assets of a Fund that is a LVNAV MMF falls below certain liquidity thresholds to ensure that the remaining Shareholders in the Fund are not unfairly disadvantaged by the redemption.

### 13. DIVIDENDS AND DISTRIBUTIONS

#### Fund with Stable Value and Daily Distributions

In order to stabilise the Net Asset Value per Share of £1.00, dividends will be declared out of the net income of the Sterling Liquidity Fund on each Dealing Day in proportion

to the number of Shares held by Shareholders in the Sterling Liquidity Fund. However, there is no guarantee that the Company will achieve stabilisation of the Net Asset Value. Income for dividend purposes will normally consist of all of the Sterling Liquidity Fund's net investment income and net realised and unrealised gains (i.e. realised and unrealised gains net of all realised and unrealised losses) subject to certain adjustments. Net income earned on days which are not Business Days will be declared as dividends on the immediately preceding Business Day. No interest will be paid on accrued but unpaid dividends.

Shares begin to accrue dividends on the Dealing Day on which they are purchased and continue to accrue dividends until the Dealing Day immediately preceding the Dealing Day on which the relevant Shares are redeemed. Investors whose subscription monies are not received in cleared funds on the relevant Dealing Day by the Administrator by the time specified in the Application Form may, at the Directors' or their delegates' discretion, not be entitled to receive or accrue dividends for that Dealing Day and dividends may accrue from the next Dealing Day.

Dividends will be declared daily and payable monthly in the form of additional Shares or, at the option of Shareholders at the time of application for/acquisition of Shares, in cash on the first Business Day of each calendar month in respect of dividends accrued in the immediately preceding calendar month. Shareholders who choose to have their dividends paid in cash must do so in respect of the entire shareholding and must notify the Company at the time of the original subscription. A Shareholder who elects to receive dividends in cash will be deemed to have made a similar election in respect of any further Shares acquired by the Shareholder in the Company until the Shareholder formally revokes the election by notice in writing to the Administrator, which notice must be received 10 Business Days before the applicable dividend payment date. Dividends will be declared to 10 decimal places.

If a Shareholder redeems all of his Shares in the Sterling Liquidity Fund at any time during a calendar month, all dividends declared up to but not including the Dealing Day on which redemption is effected will be paid to the Shareholder in cash with the redemption proceeds.

Dividends which are not claimed or collected within six years of payment shall revert to and form part of the assets of the Sterling Liquidity Fund.

The Directors may at any time determine to change the policy of the Sterling Liquidity Fund with respect to distribution. If the Directors so determine full details of any such change will be disclosed in an updated prospectus or supplement and all shareholders will be notified in advance of such change becoming effective. In particular, in the event the Directors determine in their sole discretion that any Class within the Sterling Liquidity Fund may not be able to maintain a Stable Net Asset Value per Share due to a Net Negative Yield, the Directors may accrue for that Net Negative Yield in the Net Asset Value per Share of the applicable Class and change the distribution policy of that Class so that, as noted above, dividends will not accrue and any net investment income and net realised and unrealised capital gains, subject to certain adjustments, will be retained and reflected in the Net Asset Value per Share of that Class. In such a scenario, the issue and redemption price of the Shares of the relevant Class shall be the Net Asset Value per Share as determined at the Valuation Point on the preceding Dealing Day. Notice will be provided to the Shareholders of the relevant Class of any such change. The Directors intend that such notice will be provided in advance, allowing the Shareholders in the relevant Class to redeem prior to the change if they wish; however, in the event that a Net Negative Yield begins abruptly, this may not be possible. For the avoidance of doubt, in the event that the Directors determine that, due to a Net Negative Yield, the distribution policy of a distributing Class move to accumulating, this change shall apply to all of the distributing Classes of the Sterling Liquidity Fund. For more information please refer to the section "Use of Historic Pricing" under "Section 14- Risk Factors".

No dividends will be declared in the case of accumulating Share Classes and accordingly the value of these Share Classes will rise and fall as income and capital gains or losses accrue to accumulating Share Classes.

The Directors may, upon notice to Shareholders of the relevant Class, reverse this change to the distribution policy of that Class such that dividends will be applied as normal where the yield environment so permits. As noted above and for the avoidance of doubt, any such reversal shall

apply to all of the accumulating Classes of the Sterling Liquidity Fund.

#### **14. RISK FACTORS**

The attention of investors is drawn to the "Risk Factors" section of the Prospectus. In addition to the risks outlined in the Prospectus, investors should bear in mind the following additional risk factors applicable to the Sterling Liquidity Fund;

##### **Money market type fund risk**

An investment in the Sterling Liquidity Fund is neither insured nor guaranteed by the any government, government agencies or instrumentalities or any bank guarantee fund. Although the Company seeks to maintain a Net Asset Value per Share of £1.00 in the Sterling Liquidity Fund, maintenance of a stable Net Asset Value is not guaranteed. An investment in the Sterling Liquidity Fund involves certain investment risks, including the possible loss of principal.

##### **Changes to Net Asset Value**

The price of Shares as well as the income may go down as well as up to reflect changes in the Net Asset Value in the event that (i) the Net Asset Value is calculated using MTM Net Asset Value Per Share; or (ii) a Net Negative Yield results in the distribution policy of any distributing Class in the Sterling Liquidity Fund changing to accumulating as detailed below.

In circumstances where there is Net Negative Yield attributable to any distributing Class within the Sterling Liquidity Fund and the distribution policy of that Class is changed to accumulating as described above under "Section 13- Dividends and Distributions", the Net Negative Yield will be accrued and reflected in the Net Asset Value per Share of the applicable Class. In such circumstances, the Net Asset Value per Share of the Class will decline to reflect the proportionate amount of the Net Negative Yield attributable to the Shares of that Class.

##### **Use of Historic Pricing**

In the event that it may not be possible to maintain a Stable Net Asset Value per Share of £1.00 due to a Net Negative Yield and the distribution policy of a distributing Class of the Sterling Liquidity Fund moves to accumulating, the issue and redemption price of Shares of that Class will be the Net



Asset Value per Share determined at the Valuation Point on the immediately preceding Dealing Day (“Historic Pricing”).

- v. the total value of the assets; and
- vi. the net yield.

Historic Pricing is used only in these specific circumstances and where Historic Pricing is used it is intended to monitor any movements in the value of each portfolio security since the Valuation Point, but there is a risk that Shares could be purchased or redeemed at a price that is lower or higher than it would have been if calculated on the Dealing Day. In order to mitigate this risk, the Company and its delegates will employ oversight and monitoring to assess if there has been a material deviation from the Net Asset Value per Share as determined for the previous Dealing Day compared to the Net Asset Value per Share as determined for the Dealing Day. In the event there is a material deviation between these prices, the Company will not employ Historic Pricing. As a result, even in a Net Negative Yield scenario where the distribution policy of the distributing Class changes to accumulating, the Company reserves the right not to use Historic Pricing to determine the issue and redemption price of Shares if the Company in its absolute discretion determines that it is necessary to ensure the fair treatment of Shareholders. This may result in more Shares being redeemed or less redemption proceeds being paid than would have been the case had the redemption been effected using the Historic Price. It may also result in a delay in the settlement of redemption proceeds.

## 15. TRANSPARENCY

The Company, or the Investment Manager on its behalf, will make available the following information in respect of the Sterling Liquidity Fund to its Shareholders on a weekly basis:

- i. the maturity breakdown of the portfolio;
- ii. the credit profile;
- iii. the WAM and WAL;
- iv. details of the 10 largest holdings, including the name, country, maturity and asset type, and the counterparty in the case of repurchase and reverse repurchase agreements;



# Supplement 2

Supplement 2 dated 18 December 2023 to the Prospectus issued for

LGIM Liquidity Funds plc

LGIM US Dollar Liquidity Fund

This Supplement contains information relating specifically to the LGIM US Dollar Liquidity Fund (the “US Dollar Liquidity Fund”), a sub-fund of LGIM Liquidity Funds plc (the “Company”), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank on 18th December, 2007 as a UCITS pursuant to the UCITS Regulations. The US Dollar Liquidity Fund is a Short-Term Money Market Fund and an LVNAV Money Market Fund. The Company currently has the following other sub-funds; LGIM Sterling Liquidity Fund, LGIM Sterling Liquidity Plus Fund and LGIM Euro Liquidity Fund.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 18 December 2023 (the “Prospectus”).**

The Directors of the Company whose names appear in the Prospectus under the heading “Management and Administration” accept responsibility for the information contained in this Supplement and 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 Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should read and consider the section of the Prospectus entitled “Risk Factors” before investing in the US Dollar Liquidity Fund.

The US Dollar Liquidity Fund may invest in Money Market Instruments, deposits with credit institutions, eligible securitisations and ABCPs and other eligible assets permitted under the MMF Regulation. Investors’ attention is drawn to the fact that Shares in the US Dollar Liquidity Fund are not the same as deposits or obligations which are guaranteed or endorsed by any bank and accordingly, the amount invested in the US Dollar Liquidity Fund may fluctuate up or down with the risk of any loss of investment to be borne by the Shareholder. Investment in the US Dollar Liquidity Fund is not a guaranteed investment. The US Dollar Liquidity Fund may not rely on external support for guaranteeing its liquidity or stabilising the Net Asset Value per Share.

## 1. INTERPRETATION

The expressions below shall have the following meanings:

“**Business Day**” means any day (except Saturday or Sunday) on which banks in London and the United States are generally open for business or such other day or days as may be determined by the Directors and notified to Shareholders.

“**Dealing Day**” means each Business Day or such other day or days as may be determined by the Directors and notified to Shareholders in advance provided that there shall be at least one Dealing Day per fortnight.

“**Dealing Deadline**” means 4.00p.m. Irish time on any Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is no later than the Valuation Point.

“**Net Negative Yield**” means the yield net of all costs and expenses attributable to a Class of the US Dollar Liquidity Fund is negative.

“Stable Net Asset Value” means the Net Asset Value of the US Dollar Liquidity Fund calculated using the amortised cost method.

“Stable Net Asset Value per Share” means the Net Asset Value per Share of \$1.00, as adjusted in the event of a Net Negative Yield, of the US Dollar Liquidity Fund calculated using the amortised cost method.

“Valuation Point” means 5.00p.m. Irish time on the Dealing Day unless otherwise described in this Supplement.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## **2. BASE CURRENCY**

The Base Currency shall be US Dollars. The Net Asset Value per Share will be published and settlement and dealing will be effected in US Dollars.

## **3. INVESTMENT OBJECTIVE**

The principal investment objective of the US Dollar Liquidity Fund is to provide capital stability, liquidity and income through investment in a diversified portfolio of high credit quality short term fixed income and variable rate securities including but not limited to certificates of deposit, fixed and floating rate notes, fixed rate commercial paper and bonds listed or traded on one or more Recognised Exchanges. In addition, the US Dollar Liquidity Fund will seek to obtain and maintain a triple-A rating from at least one internationally recognised rating agency (for example, AAAm by Standard & Poor’s).

## **4. INVESTMENT POLICY/EFFICIENT PORTFOLIO MANAGEMENT**

### **Investment Policy**

The US Dollar Liquidity Fund will invest in Money Market Instruments which include short term debt securities and notes (including for example, certificates of deposit, commercial paper, treasury bills, floating and variable rate notes, eurobonds, government bonds, supranational bonds etc.) issued or guaranteed by banks or other corporations or OECD Governments or their agencies or associated

entities, or debt securities which have been established by or sponsored by such governments, agencies or entities and eligible securitisations and ABCPs. Any investment by the US Dollar Liquidity Fund in listed or traded investments shall be restricted to those investments listed or traded on the exchanges and markets detailed in the Prospectus in the section entitled “Recognised Exchanges”. The US Dollar Liquidity Fund may invest substantially in deposits with eligible credit institutions.

The US Dollar Liquidity Fund may, in aggregate, invest up to 10% of its net assets in units or shares of other MMFs.

### **Investment Process**

The US Dollar Liquidity Fund will invest in Money Market Instruments which have a residual maturity (the length of time remaining until the legal maturity of a security) until the legal redemption date of not more than 397 days and have been awarded one of the two highest available short-term credit ratings by each recognised credit rating agency that has rated the security or instrument. The US Dollar Liquidity Fund may only invest in US Dollar denominated instruments that mature in 397 days or fewer from the date of purchase. The WAM of the US Dollar Liquidity Fund may not exceed 60 days. In addition, the WAL of the US Dollar Liquidity Fund must not exceed 120 days.

When calculating the WAL, the US Dollar Liquidity Fund is required to base the maturity calculation on the residual maturity until the legal redemption of the instruments.

The US Dollar Liquidity Fund will invest only in high-quality eligible investments listed or traded on Recognised Exchanges that the Investment Manager believes present minimal credit risk. The Credit Quality Assessment Procedure outlined in the Prospectus is used for determining the credit quality of the Money Market Instruments in which US Dollar Liquidity Fund invests, taking into account the issuer of the instrument and the characteristics of the instrument itself. The US Dollar Liquidity Fund may invest in variable or floating rate Money Market Instruments which bear interest at rates subject to periodic adjustment or provide for periodic recovery of principal on demand. Under certain conditions, these Money Market Instruments may be deemed to have remaining maturities equal to the time remaining until the

next interest adjustment date or the date on which principal may be recovered on demand, while at all times ensuring that the maturity limits set out above are complied with. The US Dollar Liquidity Fund attempts to maintain a stable Net Asset Value of US\$1.00 per share, although there is no assurance that it will be successful in doing so. The US Dollar Liquidity Fund shall not invest in below investment grade securities.

The Fund uses the Secured Overnight Financing Rate (SOFR) (the “Comparator Benchmark”) for performance comparison purposes only and the Fund is actively managed.

The Fund will also follow the ESG investment strategies below:

- Excludes investments in issuers in the Future World Protection List and in accordance with the Investment Manager’s Climate Impact Pledge.
- Systematically applies ESG factor evaluation as part of the investment decision-making process.

This Fund promotes environmental and social characteristics and therefore it is a financial product referred to in Article 8 of the SFDR. Further information on the environmental and social characteristics of the Fund can be found in the Sustainability Disclosure Annex of this Prospectus.

### **Repurchase and Reverse Repurchase Agreements**

Subject to and in accordance with the conditions and limits set out in the section of the Prospectus entitled “MMF Repurchase/Reverse Repurchase Agreements”, the US Dollar Liquidity Fund may enter into repurchase and reverse repurchase agreements for efficient portfolio management purposes.

The assets underlying any repurchase/reverse repurchase agreement will be in accordance with the requirements of the MMF Regulation and shall not result in a change to the Investment Objective outlined herein.

Up to 100% of the US Dollar Liquidity Fund’s net assets may be utilised for repurchase/reverse repurchase agreements, however, the Investment Manager does not expect that the US Dollar Liquidity Fund’s exposure to such instruments will exceed 20% of the US Dollar Liquidity Fund’s net asset value and investment in repurchase agreements will be limited to 10% of the net asset value.

The collateral supporting reverse repurchase agreements will be valued daily at mark-to-market prices to monitor that the market value of the assets is equal to the value of the cash paid out. Any assets received as such collateral by the US Dollar Liquidity Fund shall comply with the conditions for such assets set out in the section of the Prospectus entitled “MMF Repurchase/Reverse Repurchase Agreements”.

### **Financial Derivative Instruments**

The US Dollar Liquidity Fund does not currently use financial derivative instruments.

### **Counterparty Selection Process**

The counterparty to any repurchase/reverse repurchase agreement or OTC Derivative entered into by the US Dollar Liquidity Fund shall be an entity which is subject to an appropriate internal credit assessment carried out by the Investment Manager, which shall include amongst other considerations, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, country of origin of the counterparty, legal status of the counterparty, industry sector risk and concentration risk (“Internal Credit Assessment”). Any such counterparty to any repurchase/reverse repurchase agreement entered into by the US Dollar Liquidity Fund must be a credit institution, corporate entity or pension fund based in the OECD . Where such counterparty (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Investment Manager on behalf of the Company without delay.

Further information relating to the risks associated with investment in repurchase/reverse repurchase agreements is disclosed in the Risk Factors section of the Prospectus.

### **Liquidity Management**

At least 10% of the US Dollar Liquidity Fund's assets must be comprised of daily maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of one Business Day or cash which is able to be withdrawn by giving prior notice of one Business Day.

The US Dollar Liquidity Fund may not acquire any asset other than a daily maturing asset when its acquisition would result in the US Dollar Liquidity Fund investing less than 10% of its portfolio in daily maturing assets.

At least 30% of the US Dollar Liquidity Fund's assets are to be comprised of weekly maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of five Business Days or cash which is able to be withdrawn by giving prior notice of five Business Days.

The US Dollar Liquidity Fund may not acquire any asset other than a weekly maturing asset when its acquisition would result in the US Dollar Liquidity Fund investing less than 30% of its portfolio in weekly maturing assets.

Assets which are highly liquid and can be redeemed and settled within one working day and have a residual maturity of up to 190 days may also be included within the US Dollar Liquidity Fund's weekly maturing assets up to a 17.5% limit.

If the maximum WAM or maximum WAL outlined in the Investment Process above or the minimum daily maturing assets and minimum weekly maturing assets limits are exceeded for reasons beyond the Investment Manager's control or as a result of the exercise of subscription or redemption rights, the Company and the Investment Manager shall adopt as a priority objective the correction of that situation, taking due account of the interests of the Shareholders.

Liquidity management procedures are applied in managing the US Dollar Liquidity Fund, as described in further detail

in the section of the Prospectus headed "Liquidity Management Procedures for LVNAV MMFs".

### **Investment Restrictions**

The general investment restrictions that apply to the US Dollar Liquidity Fund are set out in Section 1 and Appendix II of the Prospectus.

By way of derogation, the Central Bank has authorised the US Dollar Liquidity Fund to invest, in accordance with the principle of risk-spreading, up to 100% of its net assets in different Money Market Instruments issued or guaranteed separately or jointly by the European Union, the national, regional and local administrations of the EU Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a third country, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which one or more Member States belong, including the Federal National Mortgage Association (Fannie Mae), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae) and the Student Loan Marketing Association (Sallie Mae). It is expected that the Fund will have limited exposure to such securities and instruments, except for certain limited circumstances where increased exposure is necessary to help meet the Fund's investment objective.

### **Asset Valuation and Share Price**

Investor's attention is drawn to the section of the Prospectus headed "Net Asset Value and Valuation of Assets". The Directors have resolved to operate a policy of smoothing in relation to the US Dollar Liquidity Fund and as such any cumulative net realised capital gains or losses arising within the US Dollar Liquidity Fund may be spread across the daily yield calculations within such value and time limits as agreed between the Directors and the Investment Manager where this is considered to be in the best interests of Shareholders.

The assets of the US Dollar Liquidity Fund having a residual maturity of up to 75 days may be valued using the amortised cost method. If the valuation of an asset of the US Dollar Liquidity Fund using the amortised cost method deviates by more than 0.10% from its valuation using the mark-to-market method or mark-to-model method, the price of that asset will be valued using the mark-to market method, or the mark-to-model method if it is not possible to use the mark-to-market method or if the market is not regarded as being of sufficient quality.

The Stable Net Asset Value per Share for the distributing Share Classes will be rounded to the nearest two decimal places or such other number of decimal places as the Directors may determine provided that in the event it is not possible to maintain a Stable Net Asset Value per Share due to a Net Negative Yield, the adjusted Stable Net Asset Value per Share for the accumulating Share Classes will be rounded to the nearest six decimal places or such other number of decimal places as the Directors may determine. The Net Asset Value of the US Dollar Liquidity Fund calculated using the mark-to-market method or mark-to-model method shall be referred to as the “MTM Net Asset Value” and the Net Asset Value per Share shall be referred to as the “MTM Net Asset Value per Share”. The MTM Net Asset Value per Share will be rounded to the nearest four decimal places for the distributing Share Classes and will be rounded to the nearest six decimal places for the accumulating Share Classes or such other number of decimal places as the Directors may determine.

The Stable Net Asset Value per Share and any difference between it and the MTM Net Asset Value per Share will be published daily on [www.lgim.com](http://www.lgim.com).

Shares will be issued and redeemed at the Stable Net Asset Value per Share, as adjusted in the event of a Net Negative Yield, with the addition or deduction of any applicable duties and charges outlined below. If the Stable Net Asset Value per Share of US\$1.00, as adjusted in the event of a Net Negative Yield, deviates from the MTM Net Asset Value per Share by more than 0.2%, subscriptions and redemptions will be undertaken at a price that is equal to the MTM Net Asset Value per Share.

## 5. PROFILE OF A TYPICAL INVESTOR

The US Dollar Liquidity Fund may be suitable for investors seeking a lower than average risk with returns slightly higher than cash. This investment is more suitable for medium to long-term investors.

## 6. OFFER

Shares shall be issued to investors as Shares of a Class in this Fund. The Directors may from time to time create more than one Class of Shares in this Fund in accordance with the requirements of the Central Bank. The Directors may in their absolute discretion differentiate between Classes of Shares as to currency of denomination of a particular Class, dividend policy, hedging strategies if any applied to the designated currency of a particular Class, fees and expenses or the Minimum Subscription applicable.

Class 1 shares are limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or other appropriate agreement with the Investment Manager or any associate of the Investment Manager.

## 7. MINIMUM SUBSCRIPTION

The Minimum Subscription in respect of each share class shall be as set out below (or such lower amount as the Directors may from time to time determine):

Class of Shares	Minimum Subscription
Class 1*	US\$0
Class 3	US\$15,000,000
Class 4	US\$30,000,000

\* Class 1 Shares are only available to investors who are in compliance with the requirements relating to Class 1 Shares as set out in the ‘Offer’ section above

The Directors reserve the right to differentiate between Shareholders as to and waive or reduce the Minimum Subscription for certain investors, provided that Shareholders in the same position in the same Class shall be treated equally and fairly.



## 8. APPLICATION FOR SHARES

Please refer to the sub-sections entitled “ACCOUNT OPENING” and “APPLICATION FOR SHARES” within the section entitled “The Shares” in the Prospectus for additional information on the process to apply for Shares.

### Currency of Payment

Subscription monies are payable in US Dollars.

### Timing of Payment

Payment in respect of subscriptions should be received no later than 9.00p.m. Irish time on the relevant Dealing Day and the Manager reserves the right to defer the issue of Shares until receipt of cleared subscription monies by the Company. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Manager or its delegate may (and in the event of non-clearance of funds, shall) cancel the allotment and/or charge the investor interest at a reasonable rate. The Company may waive either of such charges in whole or in part, provided that Shareholders in the same position in the same Class shall be treated equally and fairly. In addition, the Company has the right to sell all or part of the investor's holding of Shares in the US Dollar Liquidity Fund or any other Fund of the Company in order to meet such charges. This is in addition to the Company's and the Manager's rights under the heading “Application for Shares” in the Prospectus.

## 9. REDEMPTION OF SHARES

Requests for the redemption of Shares should be made to the Company, care of the Administrator whose details are set out in the Application Form, in writing, by facsimile, telephone, electronically or such other means in accordance with the requirements of the Central Bank and as may be permitted by the Directors (in consultation with the Administrator) and should include such information as may be specified from time to time by the Directors or their delegate. Redemption orders will only be paid to the account of record. Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any requests for

redemption received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless the Company in its absolute discretion and in exceptional circumstances determines otherwise and provided that such request has been received prior to the Valuation Point for the particular Dealing Day. Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. As mentioned above in the section entitled “Account Opening”, no redemption payment will be made from an investor holding until the original Application Form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) have been received from the investor (unless otherwise determined by the Directors) and the anti-money laundering procedures have been completed. In such circumstances, the Administrator will process any redemption request received by a Shareholder, however the proceeds of that redemption shall remain an asset of the US Dollar Liquidity Fund and the Shareholder will rank as a general creditor of the Company 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.

The redemption price per Share shall be the Stable Net Asset Value per Share, as adjusted in the event of a Net Negative Yield, less any applicable duties or charges and any redemption fee. If the Stable Net Asset Value per Share of \$1.00, as adjusted in the event of a Net Negative Yield, deviates from the MTM Net Asset Value per Share by more than 0.2%, subscriptions and redemptions will be undertaken at a price that is equal to the MTM Net Asset Value per Share. Please see the section below entitled “Fees and Expenses; Redemption Fee” for further information in this regard.

### Method of Payment

Redemption payments will be made to the bank account detailed on the Application Form or as subsequently notified to the Administrator (in original form or electronic form as determined by the Directors). Redemption



payments will only be made to the account of record of a Shareholder and not to third party accounts.

#### **Currency of Payment**

Shareholders will be repaid in US Dollars. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

#### **Timing of Payment**

Redemption proceeds in respect of Shares will usually be paid by the same Dealing Day (and in any event within 10 business days of the relevant Dealing Day) subject to receipt by the Administrator of all of the required documentation, provided that such documentation is received by the Administrator prior to the Dealing Deadline on that Dealing Day.

Any failure to supply the Manager or the Administrator with any documentation requested by them for anti-money laundering or anti-fraud purposes may result in a delay in the settlement of redemption proceeds. In such circumstances, the Administrator will process any redemption request received by a Shareholder, however the proceeds of that redemption shall remain an asset of the US Dollar Liquidity Fund and the Shareholder will rank as a general creditor of the Company 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.

#### **Operation of Umbrella Cash Accounts in the name of the Company**

Redemption monies payable to an investor subsequent to a Dealing Day of the US Dollar Liquidity Fund as of which Shares of that investor were redeemed (and consequently the investor is no longer a Shareholder of the US Dollar Liquidity Fund as of the relevant Dealing Day) will be held in a cash account in the name of the Company (herein defined as an Umbrella Cash Account) and will be treated as an asset of the US Dollar Liquidity 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 US Dollar Liquidity Fund with respect to the redemption amount held by the Company until paid to the investor. In the event of an insolvency of the US Dollar Liquidity Fund or the Company, there is no guarantee that the US Dollar Liquidity Fund or the Company will have sufficient funds to pay unsecured creditors in full. Investors due redemption monies which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the US Dollar Liquidity Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that investor.

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

#### **Withdrawal of Redemption Requests**

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the US Dollar Liquidity Fund.

#### **Compulsory/Total Redemption**

Shares of the US Dollar Liquidity Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings “Compulsory Redemption of Shares” and “Total Redemption of Shares”.

### **10. CONVERSION OF SHARES**

Subject to the Minimum Subscription requirements of the relevant Fund or Classes, Shareholders may request conversion of some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading “Conversion of Shares”.

## 11. SUSPENSION OF DEALING

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the US Dollar Liquidity Fund is suspended in the manner described in the Prospectus under the heading "Suspension of Valuation of Assets". Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

## 12. FEES AND EXPENSES

Subject to the paragraph below, the US Dollar Liquidity Fund shall bear its attributable portion of the fees and operating expenses of the Company. The fees and operating expenses of the Company are set out in detail under the heading "Fees and Expenses" in the Prospectus.

The fees and operating expenses referred to above will typically be borne by the Company. However, the Investment Manager may agree to discharge such fees and expenses (excluding any taxes) from time to time.

### Manager's Fee

The Manager is entitled to charge a percentage fee per annum of the Net Asset Value of the US Dollar Liquidity Fund (before deduction of fees, expenses, borrowings and interest) in respect of each of the share classes as set out below:

Class of Shares	Annual Charge*
Class 1	Up to 0.10%
Class 3	0.15%
Class 4	0.10%

\*The above chart outlines the current Annual Charge for each Class. The Manager is entitled to increase the Annual Charge up to a maximum of 1 per cent per annum of the Net Asset Value of the US Dollar Liquidity Fund in respect of each Class. Shareholders in the relevant Class will be notified in writing in advance of any proposed increase of such fees up to such maximum. Shareholders in the relevant Class will be given one month's notice to redeem their shares prior to the implementation of an increased fee.

The Manager shall pay the Investment Manager out of its own fee as detailed above, an annual fee as a percentage of the Net Asset Value of the assets attributable to the US Dollar Liquidity Fund. The Investment Manager shall also be entitled to be repaid all of its out-of-pocket expenses out of the assets of the US Dollar Liquidity Fund at normal commercial rates.

The Manager shall also be responsible for discharging from its fee the fees payable to the Depositary, any sub-custodian (which shall be at normal commercial rates together with value added tax, if any, thereon), the Administrator and the Distributor. The Manager's fee shall accrue daily and be paid in arrears at such intervals as agreed between the Manager and the Company.

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

The Manager may differentiate between the Shareholders of the US Dollar Liquidity Fund by waiving or reducing the annual management fees charged to certain Shareholders.

Any such waiver shall be effected by way of a rebate to the relevant Shareholder's account.

### Redemption Fee

It is not the current intention of the Directors to charge a redemption fee. However, the Directors are empowered to charge a redemption fee of up to 2% of the Net Asset Value per Share and may exercise their discretion in this respect if they have reason to believe that any Shareholder requesting redemption is attempting any form of arbitrage on the yield of Shares in the US Dollar Liquidity Fund. The Directors will give not less than one month's notice to Shareholders of their intention to introduce a redemption fee generally. The Directors may differentiate between Shareholders of the US Dollar Liquidity Fund by waiving or reducing the redemption fee chargeable to certain Shareholders.

### Conversion Fee

It is not the current intention of the Directors to charge a conversion fee. However, the Directors are empowered to

charge a conversion fee of up to 2% of the Net Asset Value per Share to be issued in the US Dollar Liquidity Fund into which conversion has been requested and may exercise their discretion in this respect on the giving of one month's notice to Shareholders.

#### **Other Fees**

As set out in the section headed "Liquidity Management Procedures for LVNAV MMFs", the Directors may apply liquidity fees to redemptions in circumstances where the weekly maturing assets of a Fund that is a LVNAV MMF falls below certain liquidity thresholds to ensure that the remaining Shareholders in the Fund are not unfairly disadvantaged by the redemption.

### **13. DIVIDENDS AND DISTRIBUTIONS**

#### **Fund with Stable Value and Daily Distributions**

In order to stabilise the Net Asset Value per Share of US\$1.00, dividends will be declared out of the net income of the US Dollar Liquidity Fund on each Dealing Day in proportion to the number of Shares held by Shareholders in the US Dollar Liquidity Fund. However, there is no guarantee that the Company will achieve stabilisation of the Net Asset Value. Income for dividend purposes will normally consist of all of the US Dollar Liquidity Fund's net investment income and net realised and unrealised gains (i.e. realised and unrealised gains net of all realised and unrealised losses) subject to certain adjustments. Net income earned on days which are not Business Days will be declared as dividends on the immediately preceding Business Day. No interest will be paid on accrued but unpaid dividends.

Shares begin to accrue dividends on the Dealing Day on which they are purchased and continue to accrue dividends until the Dealing Day immediately preceding the Dealing Day on which the relevant Shares are redeemed. Investors whose subscription monies are not received in cleared funds on the relevant Dealing Day by the Administrator by the time specified in the Application Form may, at the Directors' or their delegates' discretion, not be entitled to receive or accrue dividends for that Dealing Day and dividends may accrue from the next Dealing Day.

Dividends will be declared daily and payable monthly in the form of additional Shares or, at the option of Shareholders at the time of application for/acquisition of Shares, in cash on the first Business Day of each calendar month in respect of dividends accrued in the immediately preceding calendar month. Shareholders who choose to have their dividends paid in cash must do so in respect of the entire shareholding and must notify the Company at the time of the original subscription. A Shareholder who elects to receive dividends in cash will be deemed to have made a similar election in respect of any further Shares acquired by the Shareholder in the Company until the Shareholder formally revokes the election by notice in writing to the Administrator, which notice must be received 10 Business Days before the applicable dividend payment date. Dividends will be declared to 10 decimal places.

If a Shareholder redeems all of his Shares in the US Dollar Liquidity Fund at any time during a calendar month, all dividends declared up to but not including the Dealing Day on which redemption is effected will be paid to the Shareholder in cash with the redemption proceeds.

Dividends which are not claimed or collected within six years of payment shall revert to and form part of the assets of the US Dollar Liquidity Fund.

The Directors may at any time determine to change the policy of the US Dollar Liquidity Fund with respect to distribution. If the Directors so determine full details of any such change will be disclosed in an updated prospectus or supplement and all shareholders will be notified in advance of such change becoming effective. In particular, in the event the Directors determine in their sole discretion that any Class within the US Dollar Liquidity Fund may not be able to maintain a Stable Net Asset Value per Share due to a Net Negative Yield, the Directors may accrue for that Net Negative Yield in the Net Asset Value per Share of the applicable Class and change the distribution policy of that Class so that, as noted above, dividends will not accrue and any net investment income and net realised and unrealised capital gains, subject to certain adjustments, will be retained and reflected in the Net Asset Value per Share of that Class. In such a scenario, the issue and redemption price of the Shares of the relevant Class shall be the Net

Asset Value per Share as determined at the Valuation Point on the preceding Dealing Day. Notice will be provided to the Shareholders of the relevant Class of any such change. The Directors intend that such notice will be provided in advance, allowing the Shareholders in the relevant Class to redeem prior to the change if they wish; however, in the event that a Net Negative Yield begins abruptly, this may not be possible. For the avoidance of doubt, in the event that the Directors determine that, due to a Net Negative Yield, the distribution policy of a distributing Class move to accumulating, this change shall apply to all of the distributing Classes of the US Dollar Liquidity Fund. For more information please refer to the section “Use of Historic Pricing” under “Section 14- Risk Factors”.

No dividends will be declared in the case of accumulating Share Classes and accordingly the value of these Share Classes will rise and fall as income and capital gains or losses accrue to accumulating Share Classes.

The Directors may, upon notice to Shareholders of the relevant Class, reverse this change to the distribution policy of that Class such that dividends will be applied as normal where the yield environment so permits. As noted above and for the avoidance of doubt, any such reversal shall apply to all of the accumulating Classes of the US Dollar Liquidity Fund.

#### **14. RISK FACTORS**

The attention of investors is drawn to the “Risk Factors” section of the Prospectus. In addition to the risks outlined in the Prospectus, investors should bear in mind the following additional risk factors applicable to the US Dollar Liquidity Fund;

##### **Money market type fund risk**

An investment in the US Dollar Liquidity Fund is neither insured nor guaranteed by the any government, government agencies or instrumentalities or any bank guarantee fund. Although the Company seeks to maintain a Net Asset Value per Share of US\$1.00 in the US Dollar Liquidity Fund, maintenance of a stable Net Asset Value is not guaranteed. An investment in the US Dollar Liquidity Fund involves certain investment risks, including the possible loss of principal.

##### **Changes to Net Asset Value**

The price of Shares as well as the income may go down as well as up to reflect changes in the Net Asset Value in the event that (i) the Net Asset Value is calculated using MTM Net Asset Value Per Share; or (ii) a Net Negative Yield results in the distribution policy of any distributing Class in the US Dollar Liquidity Fund changing to accumulating as detailed below.

In circumstances where there is Net Negative Yield attributable to any distributing Class within the US Dollar Liquidity Fund and the distribution policy of that Class is changed to accumulating as described above under “Section 13- Dividends and Distributions”, the Net Negative Yield will be accrued and reflected in the Net Asset Value per Share of the applicable Class. In such circumstances, the Net Asset Value per Share of the Class will decline to reflect the proportionate amount of the Net Negative Yield attributable to the Shares of that Class.

##### **Use of Historic Pricing**

In the event that it may not be possible to maintain a Stable Net Asset Value per Share of \$1.00 due to a Net Negative Yield and the distribution policy of a distributing Class of the US Dollar Liquidity Fund moves to accumulating, the issue and redemption price of Shares of that Class will be the Net Asset Value per Share determined at the Valuation Point on the immediately preceding Dealing Day (“Historic Pricing”).

Historic Pricing is used only in these specific circumstances and where Historic Pricing is used it is intended to monitor any movements in the value of each portfolio security since the Valuation Point, but there is a risk that Shares could be purchased or redeemed at a price that is lower or higher than it would have been if calculated on the Dealing Day. In order to mitigate this risk, the Company and its delegates will employ oversight and monitoring to assess if there has been a material deviation from the Net Asset Value per Share as determined for the previous Dealing Day compared to the Net Asset Value per Share as determined for the Dealing Day. In the event there is a material deviation between these prices, the Company will not employ Historic Pricing. As a result, even in a Net Negative Yield scenario where the distribution policy of the

distributing Class changes to accumulating, the Company reserves the right not to use Historic Pricing to determine the issue and redemption price of Shares if the Company in its absolute discretion determines that it is necessary to ensure the fair treatment of Shareholders. This may result in more Shares being redeemed or less redemption proceeds being paid than would have been the case had the redemption been effected using the Historic Price. It may also result in a delay in the settlement of redemption proceeds.

## **15. TRANSPARENCY**

The Company, or the Investment Manager on its behalf, will make available the following information in respect of the US Dollar Liquidity Fund to its Shareholders on a weekly basis:

- i. the maturity breakdown of the portfolio;
- ii. the credit profile;
- iii. the WAM and WAL;
- iv. details of the 10 largest holdings, including the name, country, maturity and asset type, and the counterparty in the case of repurchase and reverse repurchase agreements;
- v. the total value of the assets; and
- vi. the net yield.

# Supplement 3

Supplement 3 dated 18 December 2023 to the Prospectus issued for

LGIM Liquidity Funds plc

LGIM Sterling Liquidity Plus Fund

This Supplement contains information relating specifically to the LGIM Sterling Liquidity Plus Fund (the “Fund”), a Fund of LGIM Liquidity Funds plc (the “Company”), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank on 18th December, 2007 as a UCITS pursuant to the UCITS Regulations. The Company currently has the following other sub-funds; LGIM Sterling Liquidity Fund, LGIM US Dollar Liquidity Fund and LGIM Euro Liquidity Fund.

This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 18 December 2023 (the “Prospectus”).

The Directors of the Company whose names appear in the Prospectus under the heading “Management and Administration” accept responsibility for the information contained in this Supplement and 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 Supplement and in the Prospectus 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 Fund may invest in financial derivative instruments for efficient portfolio management and hedging purposes. Further information relating to same (including the expected effect of the use of such instruments) is set out below at the section entitled “Financial Derivative Instruments”.

Investors should read and consider the section of the Prospectus entitled “Risk Factors” before investing in the Fund.

The Fund may invest substantially in deposits and in money market instruments. Investors’ attention is drawn to the fact that Shares in the Fund are not the same as deposits or obligations which are guaranteed or endorsed by any bank and accordingly, the amount invested in the Fund may fluctuate up or down.

## 1. INTERPRETATION

The expressions below shall have the following meanings:

“Business Day” means any day (except Saturday or Sunday) on which banks in London are generally open for business or such other day or days as may be determined by the Director and notified to Shareholders.

“CBI UCITS Regulations” 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 or replaced from time to time.

“Dealing Day” means each Business Day or such other day or days as may be determined by the Directors and notified to shareholders in advance provided that there shall be at least one Dealing Day per fortnight.

“Dealing Deadline” means 1.00 p.m. Irish time on any Dealing Day or such other time as the Directors may determine and notify to Shareholders provided always that the Dealing Deadline is before the Valuation Point.

“Initial Offer Price” means £1,000.00.

“Settlement Date” means two Business Days following the relevant Dealing Day, or otherwise at the discretion of the Directors, as shall be notified in advance to Shareholders.



“Valuation Point” means 4.00 p.m. Irish time on the relevant Dealing Day.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## 2. BASE CURRENCY

The Base Currency shall be Sterling.

## 3. INVESTMENT OBJECTIVE

The principal investment objective of the Fund is to preserve capital and to generate income.

## 4. INVESTMENT POLICY

### General

In seeking to achieve the Investment Objective, the Fund may invest in a diversified portfolio of:

- money market instruments (including but not limited to certificates of deposit, commercial paper and treasury bills);
- Fixed income and floating rate securities issued or guaranteed by banks or other corporations, governments or supranationals (including but not limited to the following; asset backed securities, mortgage backed securities, eurobonds, government bonds, supranational bonds, corporate bonds etc.) and which are rated investment grade or sub-investment grade by Standard & Poor's or another internationally recognised credit rating agency;
- shares of other open-ended collective investment schemes constituted as UCITS (including shares of the LGIM Sterling Liquidity Fund, a sub-fund of the Company);
- deposits with credit institutions.

With the exception of permitted investment in unlisted securities, the Fund will only invest in securities that are listed or traded on a Recognised Exchange. The Fund does not have any specific geographic or sector focus and is not required to invest any particular percentage of its Net Asset Value in any type of investment outlined above.

The Fund measures its performance against the Sterling Overnight Index Average (SONIA) (hereinafter referred to

as the 'Benchmark'). The Fund also aims to outperform the Benchmark. This objective is before the deduction of any charges and measured over rolling three-year periods. However, the Fund is actively managed and the Investment Manager has broad discretion over the composition of the Fund's portfolio.

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

### Investment Process

The Investment Manager will aim to provide capital preservation over a 3 year horizon through an investment process which incorporates macro and credit research with risk based portfolio construction designed to ensure a return above the Benchmark is achieved with a low sensitivity to changing market conditions.

The Investment Manager selects investments using a risk based integrated top-down and bottom-up security selection approach as follows;

#### Top down-Macro Strategy

The Investment Manager's economists produce macroeconomic analysis (e.g. analysis on global growth outlook and global banking systems) which is then assessed by the credit strategists to guide the risk, market and sector allocations of the portfolio;

#### Top down-Credit Strategy

The credit strategy focuses on assessing quantitative and qualitative issuer and security level data for security selection. This includes reviewing the capital structure and position, asset quality, earnings outlook, earnings potential, liquidity/ funding profile, management quality, external ratings action, litigation etc. to develop a forward looking credit opinion and gauge attractiveness relative to similar issuers/securities in the market. Other factors such as yield, duration and sector focus are taken into consideration to determine its overall weighting in the portfolio.

### Bottom Up-Credit Research

Credit analysts generate recommendations based on balance sheet analysis and market research of industry themes (e.g. if a particular industry sector is performing particularly well) combined with qualitative factors such as credibility of management which they will assess through market research or due diligence meetings. Scenario and stress testing to 'stressed' market conditions, credit events and investor activity and the cumulative effect of these on the portfolio and individual issuers are assessed.

### Risk-based Portfolio Construction

The Investment Manager will select investments based on the outputs from its credit research and strategy teams. Individual assets are selected based on the research conducted by the credit analysts, with the aim of holding instruments which have a limited risk of distress and default.

The investment process aims for a wide degree of diversification among money market issuers, regional risk exposures and industry sectors where applicable.

The Fund will also follow the ESG investment strategies below:

- Excludes investments in issuers in the Future World Protection List and in accordance with the Investment Manager's Climate Impact Pledge.
- Systematically applies ESG factor evaluation as part of the investment decision-making process.

This Fund promotes environmental and social characteristics and therefore it is a financial product referred to in Article 8 of the SFDR. Further information on the environmental and social characteristics of the Fund can be found in the Sustainability Disclosure Annex of this Prospectus.

### Investments

Where investment is made in a collective investment scheme which is managed, directly or by delegation by the Investment Manager or by any other company by which the Investment Manager is linked by common management or control or by a substantial direct or indirect holding, the

Investment Manager or other company, may not charge subscription, conversion or redemption fees on account of such investment by the Fund and where a commission (including a rebated commission) is received by the Investment Manager by virtue of an investment in the shares of another collective investment scheme, this commission must be paid into the assets of the Fund.

In addition to the above, where an investment is made in another sub-fund of the Company, that investment will be subject to the following additional requirements;

- a. investment is not permitted in sub-funds of the Company which in turn invest in other sub-funds of the Company;
- b. the maximum amount of annual management/ investment management fees which may be paid in respect of that portion of the Fund's assets invested in another sub-fund (the "Receiving Fund") (whether such fee is paid directly at the Fund level, indirectly at the level of the Receiving Fund or a combination of both) shall not exceed the rate of the maximum annual management/investment management fee which investors in the Fund may be charged in respect of the balance of the Funds' assets, such that there shall be no double charging of the annual management/investment management fee to the Fund as a result of its investments in the Receiving Fund.

Any investment in other collective investment schemes (including investment in other sub-funds of the Company) will be limited to a maximum limit of 10% in aggregate of the Fund's net assets. Any investment in collective investment schemes will be for the purposes of meeting the Fund's Investment Objective.

In respect of any instruments which may contain an embedded derivative element (i.e. mortgage backed securities), the derivative component of that instrument shall be of a type which the Fund could otherwise invest in directly. In circumstances where leverage arises from an investment in an instrument embedding a derivative, such leverage will be monitored, measured and managed in accordance with the risk management process in place for the Fund.

In addition, the Fund may use the following instruments and techniques for efficient portfolio management purposes;

- repurchase and reverse repurchase agreements; and
- financial derivative instruments, as described below in the section titled 'Financial Derivative Instruments'.

For further information on what is meant by the term efficient portfolio management, please see the section of the Prospectus titled '1. The Company; Efficient Portfolio Management'.

### Repurchase and Reverse Repurchase Agreements

Subject to and in accordance with the conditions and limits set out in the UCITS Regulations and the Central Bank UCITS Regulations, the Fund may use repurchase agreements or reverse repurchase agreements for efficient portfolio management purposes. Further details on Repurchase and Reverse Repurchase Agreements are set out in the section of the Prospectus titled '1. The Company; Repurchase/Reverse Repurchase and Stocklending Agreements'.

The assets underlying any repurchase/reverse repurchase agreement shall be consistent with the types of assets the Fund may invest in and shall not result in a change to the Investment Objective outlined herein.

Up to 100% of the Fund's net assets may be utilised for repurchase/reverse repurchase agreements, however, the Investment Manager does not expect that the LGIM Sterling Liquidity Plus Fund's exposure to such instruments will exceed 20% of the Fund's net asset value. The collateral supporting repurchase/reverse repurchase agreements will be valued daily at mark-to-market prices and daily variation margin will be used if the value of collateral falls below coverage requirements.

### Financial Derivative Instruments

Subject to the Regulations, the Central Bank UCITS Regulations and the conditions and limits laid down by the Central Bank from time to time, the Fund may invest in exchange-traded or over-the-counter (OTC) derivative instruments for efficient portfolio management purposes.

The Fund will not generate synthetic short positions for investment purposes using OTC derivatives.

The Fund may invest in the following derivative instruments.

### Forwards

Forward contracts are an obligation to purchase or sell a specific asset at a specific price in a specified quantity and on a specified future date at a price set at the time of the contract. Forwards may also be cash settled.

The Fund may invest in Foreign exchange forwards which may be used for the reduction of currency risk in the Fund. The Investment Manager will hedge the non-Sterling denominated assets of the Fund into Sterling, the Base Currency of the Fund, in order to mitigate the impact of currency fluctuations on the value of non-Sterling denominated assets. Such hedging might incur costs, especially if forward interest rate levels are higher in non-Sterling currencies.

### Swaps

A swap is an agreement negotiated between two parties, whereby one party agrees to exchange a specific cash flow stream at set dates against another cash flow stream received from the counterparty at set dates. Typically, the cash flow streams are computed with reference to a specific underlying and on specified notionals.

- **Interest rate swaps** The Fund may invest in interest rate swaps which are agreements negotiated between two parties to exchange fixed or floating cash flow streams typically referencing a particular interest rate calculated on a specified notional amounts at specified dates during the life of the swap. The Fund will use interest rate swaps for duration and yield curve management by swapping fixed to floating interest rates. The use of interest rate swaps may allow the interest rate sensitivity of the Fund to be changed faster or more cheaply than through the use of physical cash markets. They may also be used to express views on the direction of interest rate movements.
- **Foreign exchange swaps** The Fund may invest in foreign exchange /cross currency basis swaps which

are agreements between two parties to exchange different currencies at the beginning and end of the life of the swap. For example in order to protect against Sterling depreciating against Euro, the Investment Manger may choose to enter into an FX swap whereby the Fund pays a fixed Sterling amount against receiving a fixed Euro amount at maturity.

- **Credit default swaps** The Fund may invest in credit default swaps which allows one party (the “protection buyer”) to transfer credit risk of a reference entity (the “reference entity”) to one or more other parties (the “protection seller”). The protection buyer pays a periodic fee to the protection seller in return for protection against the occurrence of a number of events (each, a “credit event”) experienced by the reference entity. The Fund may invest in single name and index credit default swaps (which will aim to protect the Fund in the event of a default or credit event on a particular investment or index).

### **Futures**

Futures are contracts to buy or sell a standard quantity of a specific asset (or in some cases, receive or pay cash based on the performance of any underlying asset, instrument or index) at a pre-determined future date and at a price agreed through a transaction undertaken on an exchange.

The Fund may purchase and sell various kinds of futures contracts, including bond and interest rate futures in order to seek to reduce cash flow, duration and yield curve risk. Any investments to which exposure is obtained through futures will be consistent with the investment policies of the Sub-Fund.

### **Global Exposure and Leverage**

In relation to the use of financial derivatives, it is expected that any leverage that arises as a result of using these financial derivatives for efficient portfolio management purposes will be minimal and in any event aggregate exposure to the financial derivatives will not exceed 100% of the Fund’s Net Asset Value. The Fund will use the commitment approach to calculate global exposure as part of the risk management process. The commitment approach requires the Fund to convert each derivative position into the market value of an equivalent position in

the underlying asset of that derivative. The Fund may take into account netting and hedging arrangements when calculating its global exposure where these arrangements do not disregard the obvious and material risks and result in a clear reduction in risk exposure.

### **Counterparty Selection Process**

The counterparty to any repurchase/reverse repurchase agreement or OTC Derivative entered into by the Fund shall be an entity which is subject to an appropriate internal credit assessment carried out by the Investment Manager, which shall include amongst other considerations, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, country of origin of the counterparty, legal status of the counterparty, industry sector risk and concentration risk (“Internal Credit Assessment”). Any such counterparty to any repurchase/reverse repurchase agreement entered into by the Fund must be a credit institution or corporate entity based in the OECD with a minimum credit rating of at least A2. Where such counterparty (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Investment Manager on behalf of the Company without delay.

Further information relating to the risks associated with investment in derivatives and repurchase/reverse repurchase agreements is disclosed in the Risk Factors section of the Prospectus.

Details of the Collateral management policy adopted by the Fund are set out in the section of the Prospectus titled “1. The Company- Collateral Management”. Any collateral received by the Fund shall comply with the conditions for collateral received by a UCITS set out in the CBI UCITS Regulations, particularly with regard to asset types, issuers, maturity, liquidity and diversification.

## Risk Management Process

The Fund will employ a risk management process which will enable it to accurately measure, monitor and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank. The Company 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 and cleared in advance by the Central Bank. The Company will provide on request to Shareholders supplementary information relating to the risk management methods employed by the Company 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

The general investment restrictions are set out in Section 1 and Appendix I of the Prospectus.

## Asset Valuation

Investor's attention is drawn to the section of the Prospectus headed "Net Asset Value and Valuation of Assets".

## 5. PROFILE OF A TYPICAL INVESTOR

The Fund may be suitable for investors seeking capital preservation over a three year rolling period, a SONIA return and who understand the risk associated with this type of investment.

## 6. SHARE CLASSES

Shares shall be issued to investors as Shares of a Class in this Fund. The Directors may from time to time, create more than one Class of Shares in this Fund in accordance with the requirements of the Central Bank. The Directors may in their absolute discretion differentiate between Classes of Shares, without limitation, as to currency of denomination of a particular Class, dividend policy, hedging strategies if any applied to the designated currency of a particular Class, fees and expenses or the Minimum Subscription applicable.

The Classes available in this Sub-Fund and their respective designated currency, distribution policy and Minimum Subscription are as follows:

Share Class	Designated Currency	Distribution Policy	Minimum Subscription*
Class 1 GBP**	Sterling	Accumulation	£50,000,000
Class 2 GBP	Sterling	Accumulation	£1,000,000
Class 3 GBP	Sterling	Accumulation	£10,000,000
Class 4 GBP	Sterling	Accumulation	£20,000,000
Class 5 GBP	Sterling	Distribution	£20,000,000

\*The Directors reserve their right to differentiate between Shareholders and to waive or reduce the Minimum Subscription for certain investors, provided that Shareholders in the same position in the same Class shall be treated equally and fairly.

\*\*Shares in this Class are only available to investors who have entered into an agreement with the Investment Manager or an affiliate of the Investment Manager.

## Offer

Shares shall be issued to investors as Shares of a Class in this Fund. The Directors may from time to time create more than one Class of Shares in this Fund in accordance with the requirements of the Central Bank. The Directors may in their absolute discretion differentiate between Classes of Shares as to currency of denomination of a particular Class, dividend policy, hedging strategies if any applied to the designated currency of a particular Class, fees and expenses or the Minimum Subscription applicable.

The initial offer period of Class 3 and Class 5 Shares, which were previously in issue and were subsequently fully redeemed, will commence from 9.00 a.m. (Irish time) on 19 December 2023 and will conclude at 5 p.m. (Irish time) on 17 June 2024 (the "Initial Offer Period"). During the Initial Offer Period, Shares will be offered at the Initial Offer Price and subject to acceptance of applications for Shares by the Company and will be issued as at the Dealing Day on or after expiry of the Initial Offer Period. The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any such



shortening or extension if subscriptions for Shares have been received and otherwise on an annual basis.

Class 1 shares will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or other appropriate agreement with the Investment Manager or any associate of the Investment Manager.

## **7. APPLICATION FOR SHARES**

Please refer to the sub-sections entitled “ACCOUNT OPENING” and “APPLICATION FOR SHARES” within the section entitled “The Shares” in the Prospectus for additional information on the process to apply for Shares.

### **Currency of Payment**

Subscription monies are payable in Sterling. However, the Company may accept payment in such other currencies, with prior approval by the Administrator, as the Directors may agree at the prevailing exchange rate quoted by the Administrator. The cost and risk of converting currency in such circumstances will be borne by the investor.

### **Timing of Payment**

Payment in respect of subscriptions should be received no later than the Settlement Date and the Manager reserves the right to defer the issue of Shares until receipt of cleared subscription monies by the Company. If payment in cleared funds in respect of a subscription has not been received by the Settlement Date, the Manager or its delegate may (and in the event of non-clearance of funds, shall) cancel the allotment and/or charge the investor interest at a reasonable rate. The Company may waive either of such charges in whole or in part, provided that Shareholders in the same position in the same Class shall be treated equally and fairly. In addition, the Company has the right to sell all or part of the investor’s holding of Shares in the Fund or any other Fund of the Company in order to meet such charges. For the avoidance of doubt, the relevant investor will not be entitled to any profit arising from such a (cancellation of shares) in the event that the redemption proceeds are worth more than the amount original subscribed for. This is in addition to the Company’s and the

Manager’s rights under the heading “Application for Shares” in the Prospectus.

## **8. REDEMPTION OF SHARES**

Requests for the redemption of Shares should be made to the Administrator whose details are set out in the Application Form on behalf of the Company by facsimile or written communication or telephone, electronically or such other means in accordance with the requirements of the Central Bank and as may be permitted by the Directors (in consultation with the Administrator) and should include such information as may be specified from time to time by the Directors or their delegate. Redemption orders will be paid to the account of record. Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be processed on that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless the Company in its absolute discretion and in exceptional circumstances determines otherwise and provided that such request has been received prior to the Valuation Point for the particular Dealing Day. Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions. As mentioned above in the section entitled “Account Opening”, no redemption payment will be made from an investor holding until the original Application Form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) has been received from the investor (unless otherwise determined by the Directors) and the anti-money laundering procedures have been completed. In such circumstances, the Administrator will process any redemption request received by a Shareholder, however the proceeds of that redemption shall remain an asset of the relevant Fund and the Shareholder will rank as a general creditor of the Company 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.



The redemption price per Share shall be the Net Asset Value per Share less any applicable duties or charges and any redemption fee. Please see the section below entitled “Fees and Expenses; Redemption Fee” for further information in this regard.

#### **Method of Payment**

Redemption payments will be made to the bank account detailed on the Application Form or as subsequently notified to the Administrator (in original form or electronic form as determined by the Directors). Redemption payments will only be made to the account of record of a Shareholder and not to third party accounts.

#### **Currency of Payment**

Shareholders will be repaid in Sterling. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

#### **Timing of Payment**

Redemption proceeds in respect of Shares will usually be paid by the Settlement Date (and in any event within 10 business days of the relevant Dealing Day) after receipt by the Administrator of all of the required documentation, provided that such documentation is received by the Administrator prior to the Dealing Deadline on that Dealing Day.

Any failure to supply the Manager or the Administrator with any documentation requested by them for anti-money laundering or anti-fraud purposes may result in a delay in the settlement of redemption proceeds. In such circumstances, the Administrator will process any redemption request received by a Shareholder, however the proceeds of that redemption shall remain an asset of the Fund and the Shareholder will rank as a general creditor of the Company until such time as the Administrator is satisfied that its anti-money- laundering and anti-fraud procedures have been fully complied with., following which redemption proceeds will be released.

#### **Operation of Umbrella Cash Accounts in the name of the Company**

Redemption monies payable to an investor subsequent to a Dealing Day of the Fund as of which Shares of that investor were redeemed (and consequently the investor is no longer a Shareholder of the Fund as of the relevant Dealing Day) will be held in an Umbrella Cash Account and will be treated as an asset of the 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 Fund with respect to the redemption amount held by the Company until paid to the investor.

In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full. Investors due redemption monies which are held in an Umbrella Cash Account will rank equally with all other unsecured creditors of the Fund and will be entitled to a pro-rata share of monies which are made available to all unsecured creditors by the insolvency practitioner. Therefore in such circumstances, the investor may not recover all monies originally paid into an Umbrella Cash Account for onward transmission to that investor.

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

#### **Withdrawal of Redemption Requests**

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Fund.

#### **Compulsory/Total Redemption**

Shares of the Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings “Compulsory Redemption of Shares” and “Total Redemption of Shares”.

## 9. CONVERSION OF SHARES

Subject to the Minimum Subscription requirements of the relevant Fund or Classes, Shareholders may request conversion of some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading “Conversion of Shares”.

## 10. SUSPENSION OF DEALING

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the relevant Fund is suspended in the manner described in the Prospectus under the heading “Suspension of Valuation of Assets”. Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion will be processed as at the next Dealing Day following the ending of such suspension.

## 11. FEES AND EXPENSES

Subject to the second paragraph below, the Fund shall bear its attributable portion of the fees and operating expenses of the Company. The fees and operating expenses of the Company are set out in detail under the heading “Fees and Expenses” in the Prospectus.

The fees and operating expenses referred to above will be borne by the Fund unless the Investment Manager and the Directors agree the Investment Manager will discharge such fees and expenses (excluding any taxes).

### Manager’s Fee

The Manager is entitled to charge a percentage fee per annum of the Net Asset Value of the Sterling Liquidity Plus Fund (before deduction of fees, expenses, borrowings and interest) in respect of each of the share classes as set out below:

Class of Shares	Annual Charge*
Class 1 GBP	up to 0.15%
Class 2 GBP	0.25%

Class of Shares	Annual Charge*
Class 3 GBP	0.20%
Class 4 GBP	0.15%
Class 5 GBP	0.15%

\*The above chart outlines the current Annual Charge for each Class. The Manager is entitled to increase the Annual Charge up to a maximum of 1 per cent per annum of the Net Asset Value of the Sterling Liquidity Plus Fund in respect of each Class. Shareholders in the relevant Class will be notified in writing in advance of any proposed increase of such fees up to such maximum. Shareholders in the relevant Class will be given one months’ notice to redeem their shares prior to the implementation of an increased fee.

The Manager shall pay the Investment Manager out of its own fee as detailed above, an annual fee as a percentage of the Net Asset Value of the assets attributable to the Sterling Liquidity Plus Fund. The Investment Manager shall also be entitled to be repaid all of its out-of-pocket expenses out of the assets of the Sterling Liquidity Plus Fund at normal commercial rates.

The Manager shall also be responsible for discharging from its fee the fees payable to the Depositary, any sub-custodian (which shall be at normal commercial rates together with value added tax, if any, thereon), the Administrator and the Distributor. The fee payable to the Manager shall accrue daily and be calculated monthly in arrears and will be calculated as of the Net Asset Value of the Sterling Liquidity Plus Fund on the relevant Dealing Day and shall be payable monthly in arrears.

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

The Manager may differentiate between the Shareholders of the Sterling Liquidity Plus Fund by waiving or reducing the annual management fees charged to certain Shareholders.

Any such waiver shall be effected by way of a rebate to the relevant Shareholder’s account.

### Redemption Fee

It is not the current intention of the Directors to charge a redemption fee. However, the Directors are empowered to charge a redemption fee of up to 2% of the Net Asset Value per Share and may exercise their discretion in this respect if they have reason to believe that any Shareholder requesting redemption is attempting any form of arbitrage on the yield of Shares in the Fund.

The Directors will give not less than one month's notice to Shareholders of their intention to introduce a redemption fee generally. The Directors may differentiate between Shareholders of the Fund by waiving or reducing the redemption fee chargeable to certain Shareholders.

### Conversion Fee

It is not the current intention of the Directors to charge a conversion fee. However, the Directors are empowered to charge a conversion fee of up to 2% of the Net Asset Value per Share to be issued in the Fund into which conversion has been requested and may exercise their discretion in this respect on the giving of one month's notice to Shareholders.

### Anti-Dilution Levy

An Anti-Dilution Levy may be charged at the discretion of the Directors as outlined in the Prospectus in the section entitled "Anti-Dilution Levy/Duties and Charges".

## 12. DIVIDENDS AND DISTRIBUTIONS

The distribution policy applicable to each Class of the Fund is set out in the table included in section 6, titled 'Shares Classes'.

The Directors may at any time determine to change the policy of the Fund with respect to dividends distribution. If the Directors so determine full details of any such change will be disclosed in an updated prospectus or supplement and Shareholders will be notified in advance.

### Accumulating Share Classes

In the case of Accumulating Share Classes, all net income and net realised and unrealised gains (i.e. realised and unrealised capital gains net of all realised and unrealised losses) less accrued expenses of the Fund attributable to the relevant Class, subject to certain adjustments will be

accumulated and reflected in the Net Asset Value per Share.

### Distributing Share Classes

Class 5 GBP Shares are Distributing Shares and accordingly it is the intention that dividends will be distributed on the last day of every month commencing November 2018.

Dividends may be paid out of the net income of the Fund (whether in the form of dividends received, interest or otherwise), subject to certain adjustments. It is intended to distribute all such net income that is eligible for distribution.

Dividends which are not claimed or collected within six years of payment shall revert to and form part of the assets of the Fund. Dividends will be paid by bank transfer at the expense of Shareholders

Dividends declared shall not be paid to Shareholders until the Application Form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) have been received from the relevant Shareholder(s), unless otherwise determined by the Directors. Until the relevant anti-money laundering procedures have been completed, any sums payable by way of dividend to Shareholders shall remain an asset of the Fund until such time as the Administrator is satisfied that its anti-money-laundering and anti-fraud procedures have been fully complied with.

Pending payment to the Shareholder, distributions payments will be held in an account in the name of the Company and Shareholders entitled to such distributions will be unsecured creditors of the Fund. In the event of an insolvency of the Fund or the Company, there is no guarantee that the Fund or the Company will have sufficient funds to pay unsecured creditors in full.

## 13. RISK FACTORS

The attention of investors is drawn to the "Risk Factors" section in the Section of the Prospectus entitled "Risk Factors".

# Supplement 4

Supplement 4 dated 18 December 2023 to the Prospectus issued for

LGIM Liquidity Funds plc

LGIM Euro Liquidity Fund

This Supplement contains information relating specifically to the LGIM Euro Liquidity Fund (the “Euro Liquidity Fund”), a sub-fund of LGIM Liquidity Funds plc (the “Company”), an open-ended umbrella fund with segregated liability between sub-funds authorised by the Central Bank on 18th December, 2007 as a UCITS pursuant to the UCITS Regulations. The Euro Liquidity Fund is a Short-Term Money Market Fund and a LVNAV Money Market Fund. The Company currently has the following other sub-funds; LGIM Sterling Liquidity Fund, LGIM US Dollar Liquidity Fund and LGIM Sterling Liquidity Plus Fund.

**This Supplement forms part of and should be read in the context of and in conjunction with the Prospectus for the Company dated 18 December 2023 (the “Prospectus”).**

The Directors of the Company whose names appear in the Prospectus under the heading “Management and Administration” accept responsibility for the information contained in this Supplement and 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 Supplement and in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. The Directors accept responsibility accordingly.

Investors should read and consider the section of the Prospectus entitled “Risk Factors” before investing in the Euro Liquidity Fund.

The Euro Liquidity Fund may invest in Money Market Instruments, deposits with credit institutions, eligible securitisations and ABCPs and other eligible assets permitted under the MMF Regulation. Investors’ attention is drawn to the fact that Shares in the Euro Liquidity Fund are not the same as deposits or obligations which are guaranteed or endorsed by any bank and accordingly, the amount invested in the Euro Liquidity Fund may fluctuate up or down with the risk of any loss of investment to be borne by the Shareholder. Investment in the Euro Liquidity Fund is not a guaranteed investment. The Euro Liquidity Fund may not rely on external support for guaranteeing its liquidity or stabilising the Net Asset Value per Share.

## 1. INTERPRETATION

The expressions below shall have the following meanings:

“**Business Day**” means any day (except Saturday or Sunday) on which banks in London are generally open for business, or such other day or days as may be determined by the Directors and notified to Shareholders .

“**Dealing Day**” means each Business Day or such other day or days as may be determined by the Directors and notified to Shareholders in advance provided that there shall be at least one Dealing Day per fortnight.

“**Dealing Deadline**” means 1.00p.m. Irish time on any Dealing Day or such other time as the Directors may determine and notify to Shareholders, provided always that the Dealing Deadline is no later than the Valuation Point. The Dealing Deadline may change if, prior to the Dealing Deadline on a Dealing Day, the Company determines that there has been a Valuation Deviation. In such circumstances, the Dealing Deadline will change to 11.30a.m. Irish time.

“Net Negative Yield” means the yield net of all costs and expenses attributable to a Class of the Euro Liquidity Fund is negative.

“Stable Net Asset Value” means the Net Asset Value of the Euro Liquidity Fund calculated using the amortised cost method.

“Stable Net Asset Value per Share” means the Net Asset Value per Share of €1.00 for the Distributing Shares and the equivalent adjusted for accumulation of income for the Accumulating Shares of the Euro Liquidity Fund calculated using the amortised cost method.

“Initial Offer Price” means €1.00.

“Valuation Deviation” means either (i) a deviation of more than 0.20%, or other such lower number if the deviation is deemed by the Company to be material, in the Stable Net Asset Value per Share and the MTM Net Asset Value per Share, or (ii) the Company, upon notification from the Investment Manager, believes that there has been a material movement in market prices which may lead to a deviation of more than 0.20%, or other such lower number if the deviation is deemed by the Company to be material, in the Stable Net Asset Value per Share and the MTM Net Asset Value per Share.

“Valuation Point” means 1.00p.m. Irish time on the Dealing Day unless otherwise described in this Supplement or such other time as the Directors may determine and notify to Shareholders. The Valuation Point may change if, prior to the Dealing Deadline on a Dealing Day, the Company determines that there has been a Valuation Deviation. In such circumstances, the Valuation Point will change to 12.00p.m. Irish time.

All other defined terms used in this Supplement shall have the same meaning as in the Prospectus.

## 2. BASE CURRENCY

The Base Currency shall be Euro. The Net Asset Value per Share will be published and settlement and dealing will be effected in Euro.

## 3. INVESTMENT OBJECTIVE

The principal investment objective of the Euro Liquidity Fund is to maintain the principal of the Euro Liquidity Fund and to provide a return in line with money market rates by providing capital stability, liquidity and income through investment in a diversified portfolio of high credit quality short term fixed income and variable rate securities including but not limited to certificates of deposit, fixed and floating rate notes, fixed rate commercial paper and bonds listed or traded on one or more Recognised Exchanges. In addition, the Euro Liquidity Fund will seek to obtain and maintain a triple-A rating from at least one internationally recognised rating agency (for example, AAAM by Standard & Poor's).

## 4. INVESTMENT POLICY

The Euro Liquidity Fund will invest in Money Market Instruments which include short term debt securities and notes (including for example, certificates of deposit, commercial paper, treasury bills, floating and variable rate notes, eurobonds, government bonds, supranational bonds etc.) issued or guaranteed by banks or other corporations or OECD Governments or their agencies or associated entities, or debt securities which have been established by or sponsored by such governments, agencies or entities and eligible securitisations and ABCPs. Any investment by the Euro Liquidity Fund in listed or traded investments shall be restricted to those investments listed or traded on the exchanges and markets detailed in the Prospectus in the section entitled “Recognised Exchanges”. The Euro Liquidity Fund may invest substantially in deposits with eligible credit institutions.

The Euro Liquidity Fund may, in aggregate, invest up to 10% of its net assets in units or shares of other MMFs.

### Investment Process

The Euro Liquidity Fund will invest in Money Market Instruments which have a residual maturity (the length of time remaining until the legal maturity of a security) until the legal redemption date of not more than 397 days and have been awarded one of the two highest available short-term credit ratings by each recognised credit rating agency that has rated the security or instrument. The Euro Liquidity Fund may only invest in Euro denominated instruments that



mature in 397 days or fewer from the date of purchase. The WAM of the Euro Liquidity Fund may not exceed 60 days. In addition, the WAL of the Euro Liquidity Fund must not exceed 120 days.

When calculating the WAL, the Euro Liquidity Fund is required to base the maturity calculation on the residual maturity until the legal redemption of the instruments.

The Euro Liquidity Fund will invest only in high-quality eligible investments listed or traded on Recognised Exchanges that the Investment Manager believes present minimal credit risk. The Credit Quality Assessment Procedure outlined in the Prospectus is used for determining the credit quality of the Money Market Instruments in which Euro Liquidity Fund invests, taking into account the issuer of the instrument and the characteristics of the instrument itself. The Euro Liquidity Fund may invest in variable or floating rate Money Market Instruments which bear interest at rates subject to periodic adjustment or provide for periodic recovery of principal on demand. Under certain conditions, these Money Market Instruments may be deemed to have remaining maturities equal to the time remaining until the next interest adjustment date or the date on which principal may be recovered on demand, while at all times ensuring that the maturity limits set out above are complied with. The Shares of the Euro Liquidity Fund attempt to maintain a Stable Net Asset Value per Share, although there is no assurance that it will be successful in doing so. The Euro Liquidity Fund shall not invest in below investment grade securities.

The Fund uses the euro short term rate (€STR) (the “Comparator Benchmark”) for performance comparison purposes only and the Fund is actively managed.

The Fund will also follow the ESG investment strategies below:

- Excludes investments in issuers in the Future World Protection List and in accordance with the Investment Manager’s Climate Impact Pledge.
- Systematically applies ESG factor evaluation as part of the investment decision-making process.

This Fund promotes environmental and social characteristics and therefore it is a financial product referred to in Article 8 of the SFDR. Further information on the environmental and social characteristics of the Fund can be found in the Sustainability Disclosure Annex of this Prospectus.

### **Repurchase and Reverse Repurchase Agreements**

Subject to and in accordance with the conditions and limits set out in the section of the Prospectus entitled “MMF Repurchase/Reverse Repurchase Agreements”, the Euro Liquidity Fund may enter into repurchase and reverse repurchase agreements for efficient portfolio management purposes.

The assets underlying any repurchase/reverse repurchase agreement will be in accordance with the requirements of the MMF Regulation and shall not result in a change to the Investment Objective outlined herein.

Up to 100% of the Euro Liquidity Fund’s net assets may be utilised for repurchase/reverse repurchase agreements, however, the Investment Manager does not expect that the Euro Liquidity Fund’s exposure to such instruments will exceed 20% of the Euro Liquidity Fund’s Net Asset Value and investment in repurchase agreements will be limited to 10% of the Net Asset Value.

The collateral supporting reverse repurchase agreements will be valued daily at mark-to-market prices to monitor that the market value of the assets is equal to the value of the cash paid out. Any assets received as such collateral by the Euro Liquidity Fund shall comply with the conditions for such assets set out in the section of the Prospectus entitled “MMF Repurchase/Reverse Repurchase Agreements”.

### **Financial Derivative Instruments**

The Euro Liquidity Fund does not currently use financial derivative instruments.

### **Counterparty Selection Process**

The counterparty to any repurchase/reverse repurchase agreement or OTC Derivative entered into by the Euro Liquidity Fund shall be an entity which is subject to an appropriate internal credit assessment carried out by the Investment Manager, which shall include amongst other



considerations, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, country of origin of the counterparty, legal status of the counterparty, industry sector risk and concentration risk (“Internal Credit Assessment”). Any such counterparty to any repurchase/reverse repurchase agreement entered into by the Euro Liquidity Fund must be a credit institution, corporate entity or pension fund based in the OECD. Where such counterparty (a) was subject to a credit rating by an agency registered and supervised by ESMA that rating shall be taken into account by the Company in the credit assessment process; and (b) where a counterparty is downgraded to A-2 or below (or comparable rating) by the credit rating agency referred to in subparagraph (a) this shall result in a new credit assessment being conducted of the counterparty by the Investment Manager on behalf of the Company without delay.

Further information relating to the risks associated with investment in repurchase/reverse repurchase agreements is disclosed in the Risk Factors section of the Prospectus.

### **Liquidity Management**

At least 10% of the Euro Liquidity Fund’s assets must be comprised of daily maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of one Business Day or cash which is able to be withdrawn by giving prior notice of one Business Day.

The Euro Liquidity Fund may not acquire any asset other than a daily maturing asset when its acquisition would result in the Euro Liquidity Fund investing less than 10% of its portfolio in daily maturing assets.

At least 30% of the Euro Liquidity Fund’s assets are to be comprised of weekly maturing assets, reverse repurchase agreements which are able to be terminated by giving prior notice of five Business Days or cash which is able to be withdrawn by giving prior notice of five Business Days.

The Euro Liquidity Fund may not acquire any asset other than a weekly maturing asset when its acquisition would result in the Euro Liquidity Fund investing less than 30% of its portfolio in weekly maturing assets.

Assets which are highly liquid and can be redeemed and settled within one working day and have a residual maturity of up to 190 days may also be included within the Euro Liquidity Fund’s weekly maturing assets up to a 17.5% limit.

If the maximum WAM or maximum WAL outlined in the Investment Process above or the minimum daily maturing assets and minimum weekly maturing assets limits are exceeded for reasons beyond the Investment Manager’s control or as a result of the exercise of subscription or redemption rights, the Company and the Investment Manager shall adopt as a priority objective the correction of that situation, taking due account of the interests of the Shareholders.

Liquidity management procedures are applied in managing the Euro Liquidity Fund, as described in further detail in the section of the Prospectus headed “Liquidity Management Procedures for LVNAV MMFs”.

### **Investment Restrictions**

The general investment restrictions that apply to the Euro Liquidity Fund are set out in Section 1 and Appendix II of the Prospectus.

By way of derogation, the Central Bank has authorised the Euro Liquidity Fund to invest, in accordance with the principle of risk-spreading, up to 100% of its net assets in different Money Market Instruments issued or guaranteed separately or jointly by the European Union, the national, regional and local administrations of the EU Member States or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a third country, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which one or more Member States belong. It is expected that the Fund will have limited exposure to such securities and instruments, except for certain limited circumstances where increased exposure is necessary to help meet the Fund’s investment objective.

## Asset Valuation and Share Price

Investor's attention is drawn to the section of the Prospectus headed "Net Asset Value and Valuation of Assets". The Directors have resolved to operate a policy of smoothing in relation to the Euro Liquidity Fund and as such any cumulative net realised capital gains or losses arising within the Euro Liquidity Fund may be spread across the daily yield calculations within such value and time limits as agreed between the Directors and the Investment Manager where this is considered to be in the best interests of Shareholders.

The assets of the Euro Liquidity Fund having a residual maturity of up to 75 days will be valued using the amortised cost method. Any other assets of the Euro Liquidity Fund will be valued using the mark-to-market method where possible or, if not, the mark-to-model method. Furthermore, if the valuation of an asset of the Euro Liquidity Fund with the amortised cost method deviates by more than 0.10% from its valuation using the mark-to-market method or mark-to-model method, the price of that asset will be valued using the mark-to market method or the mark-to-model method if it is not possible to use the mark-to-market method or if the market is not regarded as being of sufficient quality.

The Stable Net Asset Value per Share for Distributing Shares will be rounded to the nearest two decimal places or such other number of decimal places as the Directors may determine. The Stable Net Asset Value of the Accumulating Shares will be rounded to the nearest six decimal places or such other number of decimal places as the Directors may determine.

In addition, the Euro Liquidity Fund shall calculate a Net Asset Value per Share where all of the assets of the Euro Liquidity Fund are valued using the mark-to market method where possible or, if not, the mark-to-model method. The Net Asset Value of the Euro Liquidity Fund calculated using the mark-to-market method or mark-to-model method shall be referred to as the "MTM Net Asset Value" and the Net Asset Value per Share shall be referred to as the "MTM Net Asset Value per Share". The MTM Net Asset Value per Share will be rounded to the nearest four decimal places for the Distributing Shares and will be rounded to the

nearest six decimal places for the Accumulating Shares or such other number of decimal places as the Directors may determine.

The Stable Net Asset Value per Share and any difference between it and the MTM Net Asset Value per Share will be published daily on [www.lgim.com](http://www.lgim.com).

Distributing and Accumulating Shares will be issued and redeemed at the Stable Net Asset Value per Share calculated at the Valuation Point with the addition or deduction of any applicable duties and charges outlined below. If the Stable Net Asset Value per Share deviates from the MTM Net Asset Value per Share by more than 0.2%, subscriptions and redemptions will be undertaken at a price that is equal to the MTM Net Asset Value per Share calculated at the Valuation Point.

The Company has policies and procedures in place to monitor any movements in the value of each portfolio security since the Valuation Point.

The Company reserves the right to determine the issue and redemption price of Shares based on the Stable Net Asset Value per Share or the MTM Net Asset Value per Share as outlined above at the time of the Valuation Point on the relevant Dealing Day if the Company in its absolute discretion determines that a Shareholder is purchasing or selling shares in the Euro Liquidity Fund in order to gain an unfair advantage. In such circumstances, settlement may be close of business on the Business Day following the relevant Dealing Day.

## 5. PROFILE OF A TYPICAL INVESTOR

The Euro Liquidity Fund may be suitable for investors seeking a lower than average risk with returns slightly higher than cash. This investment is more suitable for medium to long-term investors.

## 6. SHARE CLASSES

Shares shall be issued to investors as Shares of a Class in this Fund. The Directors may from time to time, create more than one Class of Shares in this Fund in accordance with the requirements of the Central Bank. The Directors may in their absolute discretion differentiate between Classes of Shares as to currency of denomination of a particular

Class, dividend policy, hedging strategies if any applied to the designated currency of a particular Class, fees and expenses or the Minimum Subscription applicable.

The Classes available in this Sub-Fund and their respective designated currency and Minimum Subscription are as follows:

Class of Shares	Distribution Policy	Minimum Subscription*
Class 1**	Accumulation	€0
Class 3	Accumulation	€10,000,000
Class 4	Accumulation	€20,000,000
Class 5	Distribution	€20,000,000
Class 6	Accumulation	€40,000,000

\*The Directors reserve their right to differentiate between Shareholders and to waive or reduce the Minimum Subscription for certain investors, provided that Shareholders in the same position in the same Class shall be treated equally and fairly.

\*\*Shares in this Class are only available to investors who have entered into an agreement with the Investment Manager or an affiliate of the Investment Manager

## Offer

Class 1, Class 3, Class 4 Shares and Class 6 Shares have received subscriptions.

Class 5 Shares in the Fund will be offered at the Initial Offer Price during the initial offer period which shall be from 9 a.m. (Irish time) on 18 December 2023 until 5 p.m. (Irish time) on 17 June 2024 (hereinafter referred to as the “**Initial Offer Period**” in respect of each unlaunched Share Class), subject to acceptance of applications for Shares by the Company and will be issued for the first time as at the Dealing Day on or after expiry of the Initial Offer Period. The Initial Offer Period may be shortened or extended by the Directors. The Central Bank will be notified in advance of any such shortening or extension if subscriptions for Shares have been received and otherwise on an annual basis.

Class 1 shares will be limited to investors (whether institutional or individual clients) who maintain a discretionary investment management agreement or other

appropriate agreement with the Investment Manager or any associate of the Investment Manager.

## 7. APPLICATION FOR SHARES

Please refer to the sub-sections entitled “ACCOUNT OPENING” and “APPLICATION FOR SHARES” within the section entitled “The Shares” in the Prospectus for additional information on the process to apply for Shares.

### Currency of Payment

Subscription monies are payable in Euro.

### Timing of Payment

Payment in respect of subscriptions should be received no later than close of business on the relevant Dealing Day and the Manager reserves the right to defer the issue of Shares until receipt of cleared subscription monies by the Company. If payment in cleared funds in respect of a subscription has not been received by the relevant time, the Manager or its delegate may (and in the event of non-clearance of funds, shall) cancel the allotment and/or charge the investor interest at a reasonable rate. The Company may waive either of such charges in whole or in part, provided that Shareholders in the same position in the same Class shall be treated equally and fairly. In addition, the Company has the right to sell all or part of the investor’s holding of Shares in the Euro Liquidity Fund or any other Fund of the Company in order to meet such charges. This is in addition to the Company’s and the Manager’s rights under the heading “Application for Shares” in the Prospectus.

## 8. REDEMPTION OF SHARES

Requests for the redemption of Shares should be made to the Company care of the Administrator whose details are set out in the Application Form, in writing, by facsimile, telephone, electronically or such other means in accordance with the requirements of the Central Bank and as may be permitted by the Directors (in consultation with the Administrator) and should include such information as may be specified from time to time by the Directors or their delegate. Redemption orders will only be paid to the account of record. Requests for redemption received prior to the Dealing Deadline for any Dealing Day will be

processed on that Dealing Day. Any requests for redemption received after the Dealing Deadline for a Dealing Day will be processed on the next Dealing Day unless the Company in its absolute discretion and in exceptional circumstances determines otherwise and provided that such request has been received prior to the Valuation Point for the particular Dealing Day. Redemption requests will only be accepted for processing where cleared funds and completed documents including documentation relating to money laundering prevention checks are in place from original subscriptions.

The redemption price per Share of the Distributing Shares shall be the Stable Net Asset Value per Share calculated at the Valuation Point less any applicable duties or charges and any redemption fee. The redemption price for the Accumulating Shares shall be the Stable Net Asset Value Per Share calculated at the Valuation Point with the addition or deduction of any applicable duties and charges and any redemption fee. If the Stable Net Asset Value per Share deviates from the MTM Net Asset Value per Share by more than 0.2%, subscriptions and redemptions will be undertaken at a price that is equal to the MTM Net Asset Value per Share. Please see the section below entitled “Fees and Expenses; Redemption Fee” for further information in this regard.

#### **Method of Payment**

Redemption payments will be made to the bank account detailed on the Application Form or as subsequently notified to the Administrator (in original form or electronic form as determined by the Directors). Redemption payments will only be made to the account of record of a Shareholder and not to third party accounts.

#### **Currency of Payment**

Shareholders will be repaid in Euro. If, however, a Shareholder requests to be repaid in any other freely convertible currency, the necessary foreign exchange transaction may be arranged by the Administrator (at its discretion) on behalf of and for the account, risk and expense of the Shareholder.

#### **Timing of Payment**

Redemption proceeds in respect of Shares will usually be paid on the same Dealing Day (and in any event within 10

business days of the relevant Dealing Day) after receipt by the Administrator of all of the required documentation, provided that such documentation is received by the Administrator prior to the Dealing Deadline on that Dealing Day.

As mentioned above in the section entitled “Account Opening”, no redemption payment will be made from an investor holding until the original Application Form and all documentation required by or on behalf of the Company (including any documents in connection with anti-money laundering procedures) have been received from the investor (unless otherwise determined by the Directors) and the anti-money laundering procedures have been completed. In such circumstances, the Administrator will process any redemption request received by a Shareholder, however the proceeds of that redemption shall remain an asset of the Euro Liquidity Fund and the Shareholder will rank as a general creditor of the Company 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.

#### **Operation of Umbrella Cash Accounts in the name of the Company**

Redemption monies payable to an investor subsequent to a Dealing Day of the Euro Liquidity Fund as of which Shares of that investor were redeemed (and consequently the investor is no longer a Shareholder of the Euro Liquidity Fund as of the relevant Dealing Day) will be held in a cash account in the name of the Company (herein defined as an Umbrella Cash Account) and will be treated as an asset of the Euro Liquidity 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 Euro Liquidity Fund with respect to the redemption amount held by the Company until paid to the investor.

In the event of an insolvency of the Euro Liquidity Fund or the Company, there is no guarantee that the Euro Liquidity Fund or the Company will have sufficient funds to pay

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

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

### Withdrawal of Redemption Requests

Requests for redemption may not be withdrawn save with the written consent of the Company or its authorised agent or in the event of suspension of calculation of the Net Asset Value of the Euro Liquidity Fund.

### Compulsory/Total Redemption

Shares of the Euro Liquidity Fund may be compulsorily redeemed and all the Shares may be redeemed in the circumstances described in the Prospectus under the sub-headings “Compulsory Redemption of Shares” and “Total Redemption of Shares”.

## 9. CONVERSION OF SHARES

Subject to the Minimum Subscription requirements of the relevant Fund or Classes, Shareholders may request conversion of some or all of their Shares in one Fund or Class to Shares in another Fund or Class or another Class in the same Fund in accordance with the procedures specified in the Prospectus under the heading “Conversion of Shares”.

## 10. SUSPENSION OF DEALING

Shares may not be issued, redeemed or converted during any period when the calculation of the Net Asset Value of the Euro Liquidity Fund is suspended in the manner described in the Prospectus under the heading “Suspension of Valuation of Assets”. Applicants for Shares and Shareholders requesting redemption and/or conversion of Shares will be notified of such suspension and, unless withdrawn, applications for Shares will be considered and requests for redemption and/or conversion

will be processed as at the next Dealing Day following the ending of such suspension.

## 11. FEES AND EXPENSES

Subject to the paragraph below, the Euro Liquidity Fund shall bear its attributable portion of the fees and operating expenses of the Company. The fees and operating expenses of the Company are set out in detail under the heading “Fees and Expenses” in the Prospectus.

The fees and operating expenses referred to above will typically be borne by the Euro Liquidity Fund unless the Investment Manager and the Directors agree the Investment Manager will discharge such fees and expenses (excluding any taxes).

### Manager’s Fee

The Manager is entitled to charge a percentage fee per annum of the Net Asset Value of the Euro Liquidity Fund (before deduction of fees, expenses, borrowings and interest) in respect of each of the share classes as set out below:

Class of Shares	Annual Charge*
Class 1	up to 0.10%
Class 3	0.15%
Class 4	0.10%
Class 5	0.10%
Class 6	up to 0.10%

\*The above chart outlines the current Annual Charge for each Class. The Manager is entitled to increase the Annual Charge up to a maximum of 1 per cent per annum of the Net Asset Value of the Euro Liquidity Fund in respect of each Class. Shareholders in the relevant Class will be notified in writing in advance of any proposed increase of such fees up to such maximum. Shareholders in the relevant Class will be given one months’ notice to redeem their shares prior to the implementation of an increased fee.

The Manager shall pay the Investment Manager out of its own fee as detailed above, an annual fee as a percentage of the Net Asset Value of the assets attributable to the Euro Liquidity Fund. The Investment Manager shall also be entitled to be repaid all of its out-of-pocket expenses out of the assets of the Euro Liquidity Fund at normal commercial rates.



The Manager shall also be responsible for discharging from its fee the fees payable to the Depositary, any sub-custodian (which shall be at normal commercial rates together with value added tax, if any, thereon), the Administrator and the Distributor.

The Manager's fee shall accrue daily and be paid in arrears at such intervals as agreed between the Manager and the Company.

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

The Manager may differentiate between the Shareholders of the Euro Liquidity Fund by waiving or reducing the annual management fees charged to certain Shareholders.

Any such waiver shall be effected by way of a rebate to the relevant Shareholder's account.

#### **Redemption Fee**

It is not the current intention of the Directors to charge a redemption fee. However, the Directors are empowered to charge a redemption fee of up to 2% of the Net Asset Value per Share and may exercise their discretion in this respect if they have reason to believe that any Shareholder requesting redemption is attempting any form of arbitrage on the yield of Shares in the Euro Liquidity Fund. The Directors will give not less than one month's notice to Shareholders of their intention to introduce a redemption fee generally. The Directors may differentiate between Shareholders of the Euro Liquidity Fund by waiving or reducing the redemption fee chargeable to certain Shareholders.

#### **Conversion Fee**

It is not the current intention of the Directors to charge a conversion fee. However, the Directors are empowered to charge a conversion fee of up to 2% of the Net Asset Value per Share to be issued in the Euro Liquidity Fund into which conversion has been requested and may exercise their discretion in this respect on the giving of one month's notice to Shareholders.

#### **Other Fees**

As set out in the section headed "Liquidity Management Procedures for LVNAV MMFs", the Directors may apply liquidity fees to redemptions in circumstances where the weekly maturing assets of a Fund that is a LVNAV MMF falls below certain liquidity thresholds to ensure that the remaining Shareholders in the Fund are not unfairly disadvantaged by the redemption.

## **12. DIVIDENDS AND DISTRIBUTIONS**

#### **Accumulating Shares**

Class 1 Shares, Class 3 Shares, Class 4 Shares and Class 6 Shares are Accumulating Shares. Accordingly, any net income and net realised and unrealised gains (i.e. realised and unrealised capital gains net of all realised and unrealised losses) less accrued expenses of the Fund attributable to the Class 1 Shares, Class 3 Shares, Class 4 Shares and Class 6 Shares, subject to certain adjustments, will be retained within the Fund and reflected in the value of the Shares.

#### **Distributing Shares**

In order to stabilise the Net Asset Value per Share of €1.00 for the Distributing Shares, dividends will be declared out of the net income of the Distributing Shares of the Euro Liquidity Fund on each Dealing Day in proportion to the number of Shares held by Shareholders in the Distributing Shares of the Euro Liquidity Fund. However, there is no guarantee that the Company will achieve stabilisation of the Net Asset Value for the Distributing Shares. Income for dividend purposes will normally consist of all the Distributing Shares net investment income and net realised and unrealised gains (i.e. realised and unrealised gains net of all realised and unrealised losses) subject to certain adjustments. Net income earned on days which are not Business Days will be declared as dividends on the immediately preceding Business Day. No interest will be paid on accrued but unpaid dividends.

The Distributing Shares begin to accrue dividends on the Dealing Day on which they are purchased and continue to accrue dividends until the Dealing Day immediately preceding the Dealing Day on which the relevant Shares are redeemed. Investors whose subscription monies are not received in cleared funds on the relevant Dealing Day



by the Administrator by the time specified in the Application Form may, at the Directors' or their delegates' discretion, not be entitled to receive or accrue dividends for that Dealing Day and dividends may accrue from the next Dealing Day.

Dividends will be declared daily and payable monthly in the form of additional Shares or, at the option of Shareholders at the time of application for/acquisition of Shares, in cash on the first Business Day of each calendar month in respect of dividends accrued in the immediately preceding calendar month. Shareholders who choose to have their dividends paid in cash must do so in respect of the entire shareholding and must notify the Company at the time of the original subscription. A Shareholder who elects to receive dividends in cash will be deemed to have made a similar election in respect of any further Shares acquired by the Shareholder in the Company until the Shareholder formally revokes the election by notice in writing to the Administrator, which notice must be received 10 Business Days before the applicable dividend payment date. Dividends will be declared to 10 decimal places.

If a Shareholder redeems all of his Distributing Shares in the Euro Liquidity Fund at any time during a calendar month, all dividends declared up to but not including the Dealing Day on which redemption is effected will be paid to the Shareholder in cash with the redemption proceeds.

Dividends which are not claimed or collected within six years of payment shall revert to and form part of the assets of the Euro Liquidity Fund.

The Directors may at any time determine to change the policy of the Distributing Shares of the Euro Liquidity Fund with respect to distribution. If the Directors so determine full details of any such change will be disclosed in an updated prospectus or supplement and all shareholders will be notified in advance of such change becoming effective. In particular, in the event the Directors determine in their sole discretion that any Distributing Share Class within the Euro Liquidity Fund may not be able to maintain a Stable Net Asset Value per Share due to a Net Negative Yield, the Directors may accrue for that Net Negative Yield in the Net Asset Value per Share of the applicable Class and change the distribution policy of that Class so that, as noted above,

dividends will not accrue and any net investment income and net realised and unrealised capital gains, subject to certain adjustments, will be retained and reflected in the Net Asset Value per Share of that Class. In such a scenario, the issue and redemption price of the Shares of the relevant Class shall be the Net Asset Value per Share as determined at the Valuation Point on the preceding Dealing Day. Notice will be provided to the Shareholders of the relevant Class of any such change. The Directors intend that such notice will be provided in advance, allowing the Shareholders in the relevant Class to redeem prior to the change if they wish; however, in the event that a Net Negative Yield begins abruptly, this may not be possible

No dividends will be declared in the case of Accumulating Shares and accordingly the value of these Share Classes will rise and fall as income and capital gains or losses accrue to Accumulating Shares.

The Directors may, upon notice to Shareholders of the relevant Class, reverse this change to the distribution policy of that Class such that dividends will be applied as normal where the yield environment so permits.

### 13. Risk Factors

The attention of investors is drawn to the "Risk Factors" section of the Prospectus. In addition to the risks outlined in the Prospectus, investors should bear in mind the following additional risk factors applicable to the Euro Liquidity Fund;

#### Money market type fund risk

An investment in the Euro Liquidity Fund is neither insured nor guaranteed by any government, government agencies or instrumentalities or any bank guarantee fund. Although the Company seeks to maintain a Stable Net Asset Value per Share in the Euro Liquidity Fund, maintenance of a Stable Net Asset Value is not guaranteed. An investment in the Euro Liquidity Fund involves certain investment risks, including the possible loss of principal.

#### Changes to Net Asset Value and Net Negative Income

The price of Shares as well as the income therefrom may go down as well as up to reflect changes in the Net Asset Value.

In circumstances where there is Net Negative Yield attributable to any Accumulating Shares, the Net Negative Yield will be accrued and reflected in the Net Asset Value per Share of the applicable Class. In such circumstances, the Net Asset Value per Share of the Class will decline to reflect the proportionate amount of the Net Negative Yield attributable to the Shares of that Class. This is most likely to occur during extended periods of low or even negative base interest rates in Europe.

#### **Use of Historic Pricing**

The issue and redemption price of Accumulating Shares will be the Stable Net Asset Value per Share determined at the Valuation Point on the immediately preceding Dealing Day ("Historic Pricing").

While it is intended to monitor any movements in the value of each portfolio security since the Valuation Point, there is a risk that Shares could be purchased or redeemed at a price that is lower or higher than it would have been if calculated on the Dealing Day. In order to mitigate this risk, the Company and its delegates will employ oversight and monitoring to assess if there has been a material deviation from the Net Asset Value per Share as determined for the previous Dealing Day compared to the Net Asset Value per Share as determined for the Dealing Day. In the event there is a material deviation between these prices, the Company will not employ Historic Pricing. As a result, the Company reserves the right not to use Historic Pricing to determine the issue and redemption price of Shares if the Company in its absolute discretion determines that it is necessary to ensure the fair treatment of Shareholders. This may result in more Shares being redeemed or less redemption proceeds being paid than would have been the case had the redemption been effected using the Historic Price. It may also result in a delay in the settlement of redemption proceeds.

#### **14. TRANSPARENCY**

The Company, or the Investment Manager on its behalf, will make available the following information in respect of the Euro Liquidity Fund to its Shareholders on a weekly basis:

- i. the maturity breakdown of the portfolio;
- ii. the credit profile;

- iii. the WAM and WAL;
- iv. details of the 10 largest holdings, including the name, country, maturity and asset type, and the counterparty in the case of repurchase and reverse repurchase agreements;
- v. the total value of the assets; and
- vi. the net yield.

**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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**  
LGIM Sterling Liquidity Fund

**Legal entity identifier:**  
213800MF8KVVTOR4D185

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**
   **No**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> __% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> __%	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>
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**What environmental and/or social characteristics are promoted by this financial product?**

The Fund promotes the following environmental characteristics relating to climate change:

- reduction of greenhouse gas emissions intensity;
- avoiding investments in certain fossil fuels; and
- support of better practices in energy consumption (or usage).

The Fund also promotes the following other environmental characteristics:

- support of biodiversity and responsible land use.

The Fund promotes the following social characteristics relating to social norms and standards:

- human rights, labour rights and anti-corruption as set out in the principles of the UN Global Compact; and
- avoiding the financing of controversial weapons.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

Through applying ESG factor evaluation the Fund will also promote other environmental and social characteristics, such as the reduction of waste including hazardous waste, the reduction of emissions to water, supporting water management and renewable energy, and supporting social matters such as gender diversity. These additional characteristics are always linked to, and determined by, the environmental and social factors that are considered as part of the ESG factor evaluation process (as further explained below). The evaluation process allows for the Investment Manager to consider a number of environmental and social factors; however, the applicability of the factors is dependent on the issuers held by the Fund from time to time. Accordingly, whilst the Fund has the ability to promote the above additional characteristics, the Fund may not promote all such characteristics at all times.

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

Whilst environmental and social characteristics are promoted through the application of the sustainability-related investment strategy set out below, investors are reminded that these environmental and social characteristics are not sustainable investment objectives.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

1. Proportion of the Fund's portfolio exposed to companies on LGIM's Future World Protection List
2. Proportion of the Fund's portfolio exposed to companies that meet the divestment criteria of LGIM's Climate Impact Pledge
3. Aggregate exposure to issuers that are not aligned with the Investment Manager's requirements for ESG factor evaluation
4. Proportion of the eligible investment universe excluded through the application of the exclusionary criteria set out below

● ***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?***

The Fund does not commit to making any sustainable investments.

● ***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?***

Not applicable

*- How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

*- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

**Principal adverse impacts** are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and anti-bribery matters.

*The EU Taxonomy sets out a "do not significantly harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significantly 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, the Fund considers principal adverse impacts on sustainability factors. The Investment Manager has identified a subset of the adverse sustainability indicators outlined in Table 1 of Annex I of Commission Delegated Regulation (EU) 2022/1288 (the "SFDR Level 2 Measures") that are relevant to the Fund's investments. The Fund considers principal adverse impacts, that are identified using the above-mentioned sustainability indicators, through the implementation of the sustainability-related investment strategy outlined below. For example, the Fund uses the 'Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises' indicator (indicator 10 of Table 1 of Annex I of the SFDR Level 2 Measures) to identify any principal adverse impacts relating to social matters set out in the UN Global Compact principles. The Fund then considers and takes actions in relation to principal adverse impacts identified by excluding companies that violate such principles.

Further information on how the Manager and the Investment Manager consider principal adverse impacts on an entity level can be found in the Sustainability Policy which is available on LGIM's website. Reporting on principal adverse impacts on sustainability factors will be made available in the annual report of the Fund.

- No



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

The Fund seeks to implement the Investment Manager's Responsible Investment Framework which aims to provide a consistent and systematic approach to exclusions, refined criteria and thresholds for setting environmental and social characteristics with a defined terminology and approach to support the implementation of such characteristics across the financial products managed by the Investment Manager.

The Responsible Investment Framework sets out the various types of investment strategies that the Investment Manager's financial products can follow and the responsible investing methodologies that explain how such investment strategies are defined and implemented.

The Fund follows the following sustainability-related investment strategy:

i. **LGIM's Future World Protection List:** The Fund excludes investments in companies on the Future World Protection List. The list consists of companies that fail to meet minimum standards of globally accepted business practices, including for example perennial violators of the United Nations Global Compact, companies involved in the manufacture and production of controversial weapons, and certain companies involved in mining and extraction of thermal coal or oil sands and thermal coal power generation. The Investment Manager aims to continuously evolve the methodology of this list in line with developing market practices.

ii. **LGIM's Climate Impact Pledge:** The Fund excludes companies that fail to meet the Investment Manager's minimum requirements on climate change following engagement under the Climate Impact Pledge. The Climate Impact Pledge maps out a large number of companies worldwide, in climate-critical sectors, against key indicators. Using quantitative and qualitative measures, such companies are assessed under a traffic light system drawing on independent data providers and the Investment Manager's pioneering climate modelling. Based on the results of engagement with these companies, the Investment Manager uses escalating methods as necessary, which includes a period of engagement with companies and in the event that a company continues to make insufficient progress and fails to meet the Investment Manager's minimum standard expectation, may include sanction through voting and divestment.

iii. **ESG Factor Evaluation:** The Investment Manager will consider ESG factors when making investment decisions on behalf of the Fund which include a number of environmental and social factors, for example relating to climate change, water and waste, supply chain, environmental policies and controls, labour rights, health and safety, bribery and corruption. The evaluation process starts with the identification of ESG factors using both top-down and bottom-up approaches. The top-down research analysis focuses on determining the resiliency of sectors on a macro level, while the bottom-up research process evaluates the ESG credentials of individual companies. The Investment Manager has developed a proprietary research tool called Active ESG View which brings together granular quantitative and qualitative ESG inputs. The quantitative inputs consist of two components: i) an ESG score calculated in Active ESG View which evaluates and scores issuers from an environmental, social and governance perspective, and ii) a screening of investee companies in respect of their involvement in certain products and services, and certain controversies and violations of norms and standards. The Investment Manager set minimum thresholds for both of these components in Active ESG View. These are then supplemented by the Investment Manager's qualitative assessment of the sustainability risks and opportunities relating to the relevant issuer. This qualitative assessment is performed by the Global Research and Engagement Groups ("GREGs") which bring together representatives from the Investment Manager's investment and investment stewardship teams across regions and asset classes. Where issuers fail to meet either of the components of the quantitative assessment, and the GREGs have reviewed and agreed with the assessment through qualitative analysis, such issuer shall be excluded from the Fund.



- ***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 above-listed investment strategy are as follows:

- i. The Fund excludes investments in companies on the Future World Protection List and in accordance with the Climate Impact Pledge.
- ii. The Fund systematically applies ESG factor evaluation as part of the investment decision-making process.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund excludes investments in issuers as set out in the investment strategy and binding requirements outlined above; however, the Fund does not target a specific minimum rate of reduction from its investment universe.

- ***What is the policy to assess good governance practices of the investee companies?***

The Investment Manager has processes in place to assess whether the investments held by the Fund in investee companies follow good governance practices. The Investment Manager's proprietary research tool, Active ESG View, is utilised to provide an overall governance score for each investee company. Several data inputs feed into the compilation of this score, including but not limited to, board composition, investor rights and audit oversight. The Investment Manager set certain minimum standards relating to good governance practices that issuers, that are considered by the Investment Manager for investment, are required to meet. These standards incorporate a pre-determined minimum governance score in Active ESG View which is supplemented by the Investment Manager's qualitative assessment of the good governance practices of the relevant issuers. If an investee company fails to meet the Investment Manager's good governance test as described above, such issuer is excluded from the Fund.

The Investment Manager also integrates the principles of good governance practices into its stewardship and engagement approach by setting expectations with investee companies' management regarding good governance practices; actively engaging with the investee companies; and supporting policymakers and legislators to ensure there is strong regulation and standards.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



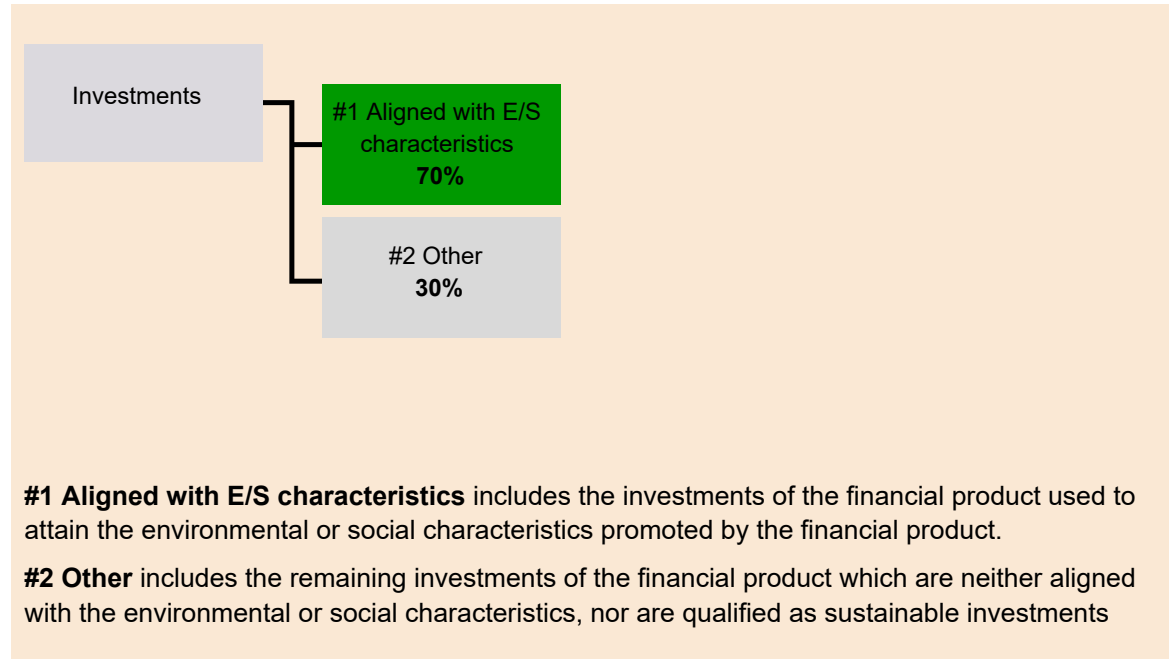
**Asset allocation** describes the share of investments in specific assets.

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.

## What is the asset allocation planned for this financial product?

The Fund invests at least 70% of its portfolio in investments to meet the environmental and social characteristics that it promotes (#1). The remaining portion of investments are not used to attain the environmental and social characteristics and will fall under #2 Other. The purpose of the remaining portion of investments, including a description of any minimum environmental or social safeguards, is set out below. The Fund does not commit to making any sustainable investments.



## ● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund does not make use of derivatives to attain the environmental and social characteristics it promotes.

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.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investments” within the meaning of the SFDR. Accordingly, it should be noted that the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

### ● Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?

Yes:

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.*

#### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned (no fossil gas & nuclear)
- Non Taxonomy-aligned



100%

#### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned (no fossil gas & nuclear)
- Non Taxonomy-aligned



100%

This graph represents up to 100% of the total Investments.

\* For the purpose of these graphs, 'sovereigns 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.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



● **What is the minimum share of investments in transitional and enabling activities?**

The Fund does not commit to making any investment in transitional and enabling activities.



● **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Fund does not commit to a minimum share of sustainable investments.

● **What is the minimum share of socially sustainable investments?**

The Fund does not commit to a minimum share of socially sustainable investments.



● **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

In accordance with the Fund’s investment policy, “#2 Other” may include cash deposits held with the Fund’s Depository. There are no minimum environmental or social safeguards applicable to these instruments.



**Reference benchmarks** are indexes to measure whether the financial products attain the environmental or social characteristics that they promote.

● **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?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable

● **How does the designated index differ from a relevant broad market index?**

Not applicable

● **Where can the methodology used for the calculation of the designated index be found?**

Not applicable



### **Where can I find more product specific information online?**

More product-specific information can be found on the website: [Sterling Liquidity Fund - LGIM Fund Centre](#)

The latest version of the Future World Protection List Methodology is available at: [www.lgim.com/fwpl](http://www.lgim.com/fwpl)

A summary of LGIM's Climate Impact Pledge is available at: [Climate Impact Pledge overview](#)

**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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**  
LGIM US Dollar Liquidity Fund

**Legal entity identifier:**  
213800LH4XMETKH1ZM48

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**
   **No**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> __% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> __%	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>
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**What environmental and/or social characteristics are promoted by this financial product?**

The Fund promotes the following environmental characteristics relating to climate change:

- reduction of greenhouse gas emissions intensity;
- avoiding investments in certain fossil fuels; and
- support of better practices in energy consumption (or usage).

The Fund also promotes the following other environmental characteristics:

- support of biodiversity and responsible land use.

The Fund promotes the following social characteristics relating to social norms and standards:

- human rights, labour rights and anti-corruption as set out in the principles of the UN Global Compact; and
- avoiding the financing of controversial weapons.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



Through applying ESG factor evaluation the Fund will also promote other environmental and social characteristics, such as the reduction of waste including hazardous waste, the reduction of emissions to water, supporting water management and renewable energy, and supporting social matters such as gender diversity. These additional characteristics are always linked to, and determined by, the environmental and social factors that are considered as part of the ESG factor evaluation process (as further explained below). The evaluation process allows for the Investment Manager to consider a number of environmental and social factors; however, the applicability of the factors is dependent on the issuers held by the Fund from time to time. Accordingly, whilst the Fund has the ability to promote the above additional characteristics, the Fund may not promote all such characteristics at all times.

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

Whilst environmental and social characteristics are promoted through the application of the sustainability-related investment strategy set out below, investors are reminded that these environmental and social characteristics are not sustainable investment objectives.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

1. Proportion of the Fund's portfolio exposed to companies on LGIM's Future World Protection List
2. Proportion of the Fund's portfolio exposed to companies that meet the divestment criteria of LGIM's Climate Impact Pledge
3. Aggregate exposure to issuers that are not aligned with the Investment Manager's requirements for ESG factor evaluation
4. Proportion of the eligible investment universe excluded through the application of the exclusionary criteria set out below

● ***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?***

The Fund does not commit to making any sustainable investments.

● ***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?***

Not applicable

*- How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

*- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

**Principal adverse impacts** are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and anti-bribery matters.

*The EU Taxonomy sets out a "do not significantly harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significantly 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, the Fund considers principal adverse impacts on sustainability factors. The Investment Manager has identified a subset of the adverse sustainability indicators outlined in Table 1 of Annex I of Commission Delegated Regulation (EU) 2022/1288 (the "SFDR Level 2 Measures") that are relevant to the Fund's investments. The Fund considers principal adverse impacts, that are identified using the above-mentioned sustainability indicators, through the implementation of the sustainability-related investment strategy outlined below. For example, the Fund uses the 'Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises' indicator (indicator 10 of Table 1 of Annex I of the SFDR Level 2 Measures) to identify any principal adverse impacts relating to social matters set out in the UN Global Compact principles. The Fund then considers and takes actions in relation to principal adverse impacts identified by excluding companies that violate such principles.

Further information on how the Manager and the Investment Manager consider principal adverse impacts on an entity level can be found in the Sustainability Policy which is available on LGIM's website. Reporting on principal adverse impacts on sustainability factors will be made available in the annual report of the Fund.

- No



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

The Fund seeks to implement the Investment Manager's Responsible Investment Framework which aims to provide a consistent and systematic approach to exclusions, refined criteria and thresholds for setting environmental and social characteristics with a defined terminology and approach to support the implementation of such characteristics across the financial products managed by the Investment Manager.

The Responsible Investment Framework sets out the various types of investment strategies that the Investment Manager's financial products can follow and the responsible investing methodologies that explain how such investment strategies are defined and implemented.

The Fund follows the following sustainability-related investment strategy:

i. **LGIM's Future World Protection List:** The Fund excludes investments in companies on the Future World Protection List. The list consists of companies that fail to meet minimum standards of globally accepted business practices, including for example perennial violators of the United Nations Global Compact, companies involved in the manufacture and production of controversial weapons, and certain companies involved in mining and extraction of thermal coal or oil sands and thermal coal power generation. The Investment Manager aims to continuously evolve the methodology of this list in line with developing market practices.

ii. **LGIM's Climate Impact Pledge:** The Fund excludes companies that fail to meet the Investment Manager's minimum requirements on climate change following engagement under the Climate Impact Pledge. The Climate Impact Pledge maps out a large number of companies worldwide, in climate-critical sectors, against key indicators. Using quantitative and qualitative measures, such companies are assessed under a traffic light system drawing on independent data providers and the Investment Manager's pioneering climate modelling. Based on the results of engagement with these companies, the Investment Manager uses escalating methods as necessary, which includes a period of engagement with companies and in the event that a company continues to make insufficient progress and fails to meet the Investment Manager's minimum standard expectation, may include sanction through voting and divestment.

iii. **ESG Factor Evaluation :** The Investment Manager will consider ESG factors when making investment decisions on behalf of the Fund which include a number of environmental and social factors, for example relating to climate change, water and waste, supply chain, environmental policies and controls, labour rights, health and safety, bribery and corruption. The evaluation process starts with the identification of ESG factors using both top-down and bottom-up approaches. The top-down research analysis focuses on determining the resiliency of sectors on a macro level, while the bottom-up research process evaluates the ESG credentials of individual companies. The Investment Manager has developed a proprietary research tool called Active ESG View which brings together granular quantitative and qualitative ESG inputs. The quantitative inputs consist of two components: i) an ESG score calculated in Active ESG View which evaluates and scores issuers from an environmental, social and governance perspective, and ii) a screening of investee companies in respect of their involvement in certain products and services, and certain controversies and violations of norms and standards. The Investment Manager set minimum thresholds for both of these components in Active ESG View. These are then supplemented by the Investment Manager's qualitative assessment of the sustainability risks and opportunities relating to the relevant issuer. This qualitative assessment is performed by the Global Research and Engagement Groups ("GREGs") which bring together representatives from the Investment Manager's investment and investment stewardship teams across regions and asset classes. Where issuers fail to meet either of the components of the quantitative assessment, and the GREGs have reviewed and agreed with the assessment through qualitative analysis, such issuer shall be excluded from the Fund.

- ***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 above-listed investment strategy are as follows:

- i. The Fund excludes investments in companies on the Future World Protection List and in accordance with the Climate Impact Pledge.
- ii. The Fund systematically applies ESG factor evaluation as part of the investment decision-making process.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund excludes investments in issuers as set out in the investment strategy and binding requirements outlined above; however, the Fund does not target a specific minimum rate of reduction from its investment universe.

- ***What is the policy to assess good governance practices of the investee companies?***

The Investment Manager has processes in place to assess whether the investments held by the Fund in investee companies follow good governance practices. The Investment Manager's proprietary research tool, Active ESG View, is utilised to provide an overall governance score for each investee company. Several data inputs feed into the compilation of this score, including but not limited to, board composition, investor rights and audit oversight. The Investment Manager set certain minimum standards relating to good governance practices that issuers, that are considered by the Investment Manager for investment, are required to meet. These standards incorporate a pre-determined minimum governance score in Active ESG View which is supplemented by the Investment Manager's qualitative assessment of the good governance practices of the relevant issuers. If an investee company fails to meet the Investment Manager's good governance test as described above, such issuer is excluded from the Fund.

The Investment Manager also integrates the principles of good governance practices into its stewardship and engagement approach by setting expectations with investee companies' management regarding good governance practices; actively engaging with the investee companies; and supporting policymakers and legislators to ensure there is strong regulation and standards.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



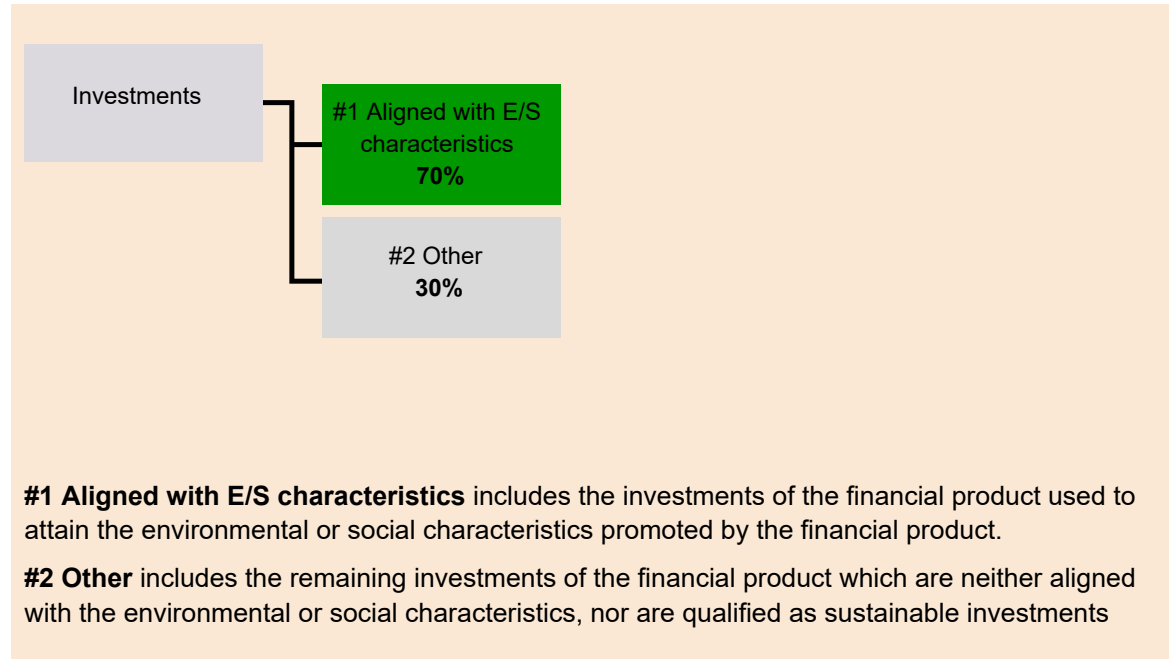
**Asset allocation** describes the share of investments in specific assets.

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.

## What is the asset allocation planned for this financial product?

The Fund invests at least 70% of its portfolio in investments to meet the environmental and social characteristics that it promotes (#1). The remaining portion of investments are not used to attain the environmental and social characteristics and will fall under #2 Other. The purpose of the remaining portion of investments, including a description of any minimum environmental or social safeguards, is set out below. The Fund does not commit to making any sustainable investments.



## ● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund does not make use of derivatives to attain the environmental and social characteristics it promotes.

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.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investments” within the meaning of the SFDR. Accordingly, it should be noted that the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?

Yes:

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.*

#### 1. Taxonomy-alignment of investments including sovereign bonds\*

Taxonomy-aligned (no fossil gas & nuclear)

Non Taxonomy-aligned



100%

#### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

Taxonomy-aligned (no fossil gas & nuclear)

Non Taxonomy-aligned



100%

This graph represents up to 100% of the total Investments.

\* For the purpose of these graphs, 'sovereigns 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.





are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



● **What is the minimum share of investments in transitional and enabling activities?**

The Fund does not commit to making any investment in transitional and enabling activities.



● **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Fund does not commit to a minimum share of sustainable investments.

● **What is the minimum share of socially sustainable investments?**

The Fund does not commit to a minimum share of socially sustainable investments.



● **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

In accordance with the Fund’s investment policy, “#2 Other” may include cash deposits held with the Fund’s Depository. There are no minimum environmental or social safeguards applicable to these instruments.



**Reference benchmarks** are indexes to measure whether the financial products attain the environmental or social characteristics that they promote.

● **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?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable

● **How does the designated index differ from a relevant broad market index?**

Not applicable

● **Where can the methodology used for the calculation of the designated index be found?**

Not applicable



## Where can I find more product specific information online?

More product-specific information can be found on the website: [US Dollar Liquidity Fund - LGIM Fund Centre](#)

The latest version of the Future World Protection List Methodology is available at: [www.lgim.com/fwpl](http://www.lgim.com/fwpl)

A summary of LGIM's Climate Impact Pledge is available at: [Climate Impact Pledge overview](#)

**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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**  
LGIM Sterling Liquidity Plus Fund

**Legal entity identifier:**  
213800DBB4A9OPYN9154

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**
   **No**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective: __%</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective: __%</b>	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>
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**What environmental and/or social characteristics are promoted by this financial product?**

The Fund promotes the following environmental characteristics relating to climate change:

- reduction of greenhouse gas emissions intensity;
- avoiding investments in certain fossil fuels; and
- support of better practices in energy consumption (or usage).

The Fund also promotes the following other environmental characteristics:

- support of biodiversity and responsible land use.

The Fund promotes the following social characteristics relating to social norms and standards:

- human rights, labour rights and anti-corruption as set out in the principles of the UN Global Compact; and
- avoiding the financing of controversial weapons.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

Through applying ESG factor evaluation the Fund will also promote other environmental and social characteristics, such as the reduction of waste including hazardous waste, the reduction of emissions to water, supporting water management and renewable energy, and supporting social matters such as gender diversity. These additional characteristics are always linked to, and determined by, the environmental and social factors that are considered as part of the ESG factor evaluation process (as further explained below). The evaluation process allows for the Investment Manager to consider a number of environmental and social factors; however, the applicability of the factors is dependent on the issuers held by the Fund from time to time. Accordingly, whilst the Fund has the ability to promote the above additional characteristics, the Fund may not promote all such characteristics at all times.

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

Whilst environmental and social characteristics are promoted through the application of the sustainability-related investment strategy set out below, investors are reminded that these environmental and social characteristics are not sustainable investment objectives.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

1. Proportion of the Fund's portfolio exposed to companies on LGIM's Future World Protection List
2. Proportion of the Fund's portfolio exposed to companies that meet the divestment criteria of LGIM's Climate Impact Pledge
3. Aggregate exposure to issuers that are not aligned with the Investment Manager's requirements for ESG factor evaluation
4. Proportion of the eligible investment universe excluded through the application of the exclusionary criteria set out below

● ***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?***

The Fund does not commit to making any sustainable investments.

● ***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?***

Not applicable

*- How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

*- How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

**Principal adverse impacts** are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and anti-bribery matters.

*The EU Taxonomy sets out a "do not significantly harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significantly 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, the Fund considers principal adverse impacts on sustainability factors. The Investment Manager has identified a subset of the adverse sustainability indicators outlined in Table 1 of Annex I of Commission Delegated Regulation (EU) 2022/1288 (the "SFDR Level 2 Measures") that are relevant to the Fund's investments. The Fund considers principal adverse impacts, that are identified using the above-mentioned sustainability indicators, through the implementation of the sustainability-related investment strategy outlined below. For example, the Fund uses the 'Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises' indicator (indicator 10 of Table 1 of Annex I of the SFDR Level 2 Measures) to identify any principal adverse impacts relating to social matters set out in the UN Global Compact principles. The Fund then considers and takes actions in relation to principal adverse impacts identified by excluding companies that violate such principles.

Further information on how the Manager and the Investment Manager consider principal adverse impacts on an entity level can be found in the Sustainability Policy which is available on LGIM's website. Reporting on principal adverse impacts on sustainability factors will be made available in the annual report of the Fund.

- No



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

The Fund seeks to implement the Investment Manager's Responsible Investment Framework which aims to provide a consistent and systematic approach to exclusions, refined criteria and thresholds for setting environmental and social characteristics with a defined terminology and approach to support the implementation of such characteristics across the financial products managed by the Investment Manager.

The Responsible Investment Framework sets out the various types of investment strategies that the Investment Manager's financial products can follow and the responsible investing methodologies that explain how such investment strategies are defined and implemented.

The Fund follows the following sustainability-related investment strategy:

i. **LGIM's Future World Protection List:** The Fund excludes investments in companies on the Future World Protection List. The list consists of companies that fail to meet minimum standards of globally accepted business practices, including for example perennial violators of the United Nations Global Compact, companies involved in the manufacture and production of controversial weapons, and certain companies involved in mining and extraction of thermal coal or oil sands and thermal coal power generation. The Investment Manager aims to continuously evolve the methodology of this list in line with developing market practices.

ii. **LGIM's Climate Impact Pledge:** The Fund excludes companies that fail to meet the Investment Manager's minimum requirements on climate change following engagement under the Climate Impact Pledge. The Climate Impact Pledge maps out a large number of companies worldwide, in climate-critical sectors, against key indicators. Using quantitative and qualitative measures, such companies are assessed under a traffic light system drawing on independent data providers and the Investment Manager's pioneering climate modelling. Based on the results of engagement with these companies, the Investment Manager uses escalating methods as necessary, which includes a period of engagement with companies and in the event that a company continues to make insufficient progress and fails to meet the Investment Manager's minimum standard expectation, may include sanction through voting and divestment.

iii. **ESG Factor Evaluation:** The Investment Manager will consider ESG factors when making investment decisions on behalf of the Fund which include a number of environmental and social factors, for example relating to climate change, water and waste, supply chain, environmental policies and controls, labour rights, health and safety, bribery and corruption. The evaluation process starts with the identification of ESG factors using both top-down and bottom-up approaches. The top-down research analysis focuses on determining the resiliency of sectors on a macro level, while the bottom-up research process evaluates the ESG credentials of individual companies. The Investment Manager has developed a proprietary research tool called Active ESG View which brings together granular quantitative and qualitative ESG inputs. The quantitative inputs consist of two components: i) an ESG score calculated in Active ESG View which evaluates and scores issuers from an environmental, social and governance perspective, and ii) a screening of investee companies in respect of their involvement in certain products and services, and certain controversies and violations of norms and standards. The Investment Manager set minimum thresholds for both of these components in Active ESG View. These are then supplemented by the Investment Manager's qualitative assessment of the sustainability risks and opportunities relating to the relevant issuer. This qualitative assessment is performed by the Global Research and Engagement Groups ("GREGs") which bring together representatives from the Investment Manager's investment and investment stewardship teams across regions and asset classes. Where issuers fail to meet either of the components of the quantitative assessment, and the GREGs have reviewed and agreed with the assessment through qualitative analysis, such issuer shall be excluded from the Fund.



- ***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 above-listed investment strategy are as follows:

- i. The Fund excludes investments in companies on the Future World Protection List and in accordance with the Climate Impact Pledge.
- ii. The Fund systematically applies ESG factor evaluation as part of the investment decision-making process.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund excludes investments in issuers as set out in the investment strategy and binding requirements outlined above; however, the Fund does not target a specific minimum rate of reduction from its investment universe.

- ***What is the policy to assess good governance practices of the investee companies?***

The Investment Manager has processes in place to assess whether the investments held by the Fund in investee companies follow good governance practices. The Investment Manager's proprietary research tool, Active ESG View, is utilised to provide an overall governance score for each investee company. Several data inputs feed into the compilation of this score, including but not limited to, board composition, investor rights and audit oversight. The Investment Manager set certain minimum standards relating to good governance practices that issuers, that are considered by the Investment Manager for investment, are required to meet. These standards incorporate a pre-determined minimum governance score in Active ESG View which is supplemented by the Investment Manager's qualitative assessment of the good governance practices of the relevant issuers. If an investee company fails to meet the Investment Manager's good governance test as described above, such issuer is excluded from the Fund.

The Investment Manager also integrates the principles of good governance practices into its stewardship and engagement approach by setting expectations with investee companies' management regarding good governance practices; actively engaging with the investee companies; and supporting policymakers and legislators to ensure there is strong regulation and standards.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



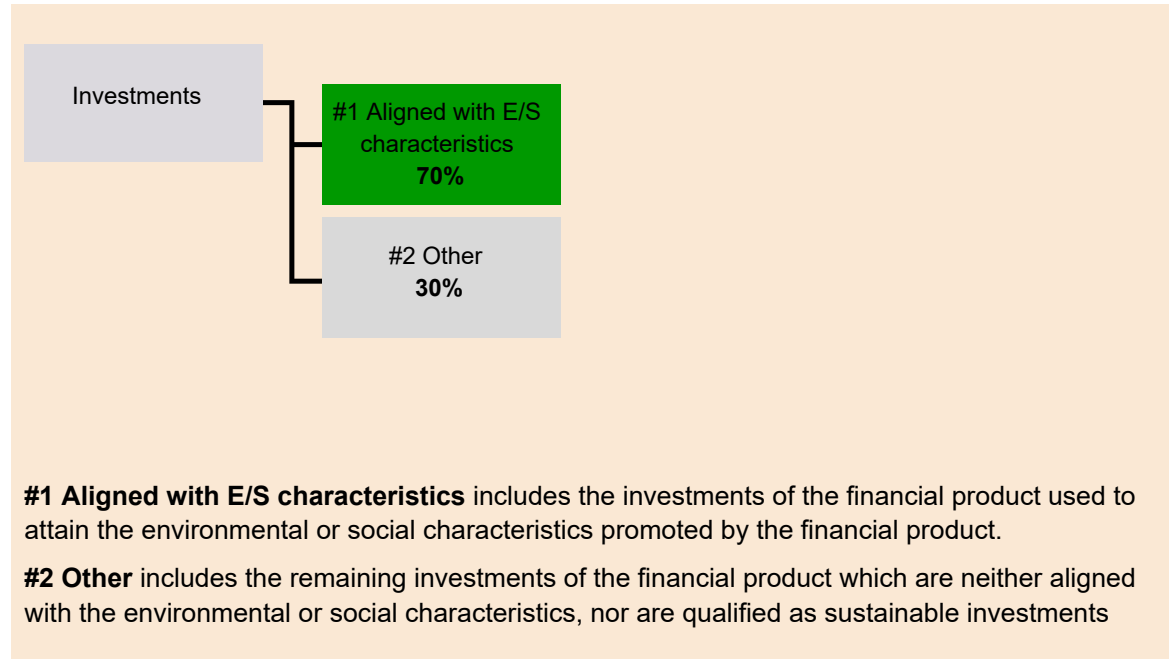
**Asset allocation** describes the share of investments in specific assets.

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.

## What is the asset allocation planned for this financial product?

The Fund invests at least 70% of its portfolio in investments to meet the environmental and social characteristics that it promotes (#1). The remaining portion of investments are not used to attain the environmental and social characteristics and will fall under #2 Other. The purpose of the remaining portion of investments, including a description of any minimum environmental or social safeguards, is set out below. The Fund does not commit to making any sustainable investments.



## ● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund does not make use of derivatives to attain the environmental and social characteristics it promotes.

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.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



## To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

While the Fund promotes environmental and social characteristics within the meaning of Article 8 of the SFDR, it does not currently commit to investing in any “sustainable investments” within the meaning of the SFDR. Accordingly, it should be noted that the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities within the meaning of the Taxonomy Regulation.

### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?

Yes:

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.*

#### 1. Taxonomy-alignment of investments including sovereign bonds\*

Taxonomy-aligned (no fossil gas & nuclear)

Non Taxonomy-aligned



100%

#### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

Taxonomy-aligned (no fossil gas & nuclear)

Non Taxonomy-aligned



100%

This graph represents up to 100% of the total Investments.

\* For the purpose of these graphs, 'sovereigns 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.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



● **What is the minimum share of investments in transitional and enabling activities?**

The Fund does not commit to making any investment in transitional and enabling activities.



● **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Fund does not commit to a minimum share of sustainable investments.

● **What is the minimum share of socially sustainable investments?**

The Fund does not commit to a minimum share of socially sustainable investments.



● **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

In accordance with the Fund’s investment policy, “#2 Other” may include cash deposits held with the Fund’s Depository. There are no minimum environmental or social safeguards applicable to these instruments.



**Reference benchmarks** are indexes to measure whether the financial products attain the environmental or social characteristics that they promote.

● **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?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable

● **How does the designated index differ from a relevant broad market index?**

Not applicable

● **Where can the methodology used for the calculation of the designated index be found?**

Not applicable



## **Where can I find more product specific information online?**

More product-specific information can be found on the website: [Sterling Liquidity Plus Fund - LGIM Fund Centre](#)

The latest version of the Future World Protection List Methodology is available at: [www.lgim.com/fwpl](http://www.lgim.com/fwpl)

A summary of LGIM's Climate Impact Pledge is available at: [Climate Impact Pledge overview](#)

**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 include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

**Product name:**  
LGIM Euro Liquidity Fund

**Legal entity identifier:**  
213800SH16GUU1ZUNX26

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

**Yes**
   **No**

<input type="checkbox"/> It will make a minimum of <b>sustainable investments with an environmental objective:</b> __% <ul style="list-style-type: none"> <li><input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> </ul> <input type="checkbox"/> It will make a minimum of <b>sustainable investments with a social objective:</b> __%	<input type="checkbox"/> It promotes <b>Environmental/Social (E/S) characteristics</b> and while it does not have as its objective a sustainable investment, it will have a minimum proportion of __% of sustainable investments <ul style="list-style-type: none"> <li><input type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy</li> <li><input type="checkbox"/> with a social objective</li> </ul> <input checked="" type="checkbox"/> It promotes E/S characteristics, but <b>will not make any sustainable investments</b>
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**What environmental and/or social characteristics are promoted by this financial product?**

The Fund promotes the following environmental characteristics relating to climate change:

- reduction of greenhouse gas emissions intensity;
- avoiding investments in certain fossil fuels; and
- support of better practices in energy consumption (or usage).

The Fund also promotes the following other environmental characteristics:

- support of biodiversity and responsible land use.

The Fund promotes the following social characteristics relating to social norms and standards:

- human rights, labour rights and anti-corruption as set out in the principles of the UN Global Compact; and
- avoiding the financing of controversial weapons.

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.



Through applying ESG factor evaluation the Fund will also promote other environmental and social characteristics, such as the reduction of waste including hazardous waste, the reduction of emissions to water, supporting water management and renewable energy, and supporting social matters such as gender diversity. These additional characteristics are always linked to, and determined by, the environmental and social factors that are considered as part of the ESG factor evaluation process (as further explained below). The evaluation process allows for the Investment Manager to consider a number of environmental and social factors; however, the applicability of the factors is dependent on the issuers held by the Fund from time to time. Accordingly, whilst the Fund has the ability to promote the above additional characteristics, the Fund may not promote all such characteristics at all times.

No reference benchmark has been designated for the purpose of attaining the environmental and social characteristics promoted by the Fund.

Whilst environmental and social characteristics are promoted through the application of the sustainability-related investment strategy set out below, investors are reminded that these environmental and social characteristics are not sustainable investment objectives.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

1. Proportion of the Fund's portfolio exposed to companies on LGIM's Future World Protection List
2. Proportion of the Fund's portfolio exposed to companies that meet the divestment criteria of LGIM's Climate Impact Pledge
3. Aggregate exposure to issuers that are not aligned with the Investment Manager's requirements for ESG factor evaluation
4. Proportion of the eligible investment universe excluded through the application of the exclusionary criteria set out below

● ***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?***

The Fund does not commit to making any sustainable investments.

● ***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?***

Not applicable

- *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable

- *How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

Not applicable

**Principal adverse impacts** are the most significant negative impact of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and anti-bribery matters.

*The EU Taxonomy sets out a "do not significantly harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.*

The "do not significantly 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, the Fund considers principal adverse impacts on sustainability factors. The Investment Manager has identified a subset of the adverse sustainability indicators outlined in Table 1 of Annex I of Commission Delegated Regulation (EU) 2022/1288 (the "SFDR Level 2 Measures") that are relevant to the Fund's investments. The Fund considers principal adverse impacts, that are identified using the above-mentioned sustainability indicators, through the implementation of the sustainability-related investment strategy outlined below. For example, the Fund uses the 'Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises' indicator (indicator 10 of Table 1 of Annex I of the SFDR Level 2 Measures) to identify any principal adverse impacts relating to social matters set out in the UN Global Compact principles. The Fund then considers and takes actions in relation to principal adverse impacts identified by excluding companies that violate such principles.

Further information on how the Manager and the Investment Manager consider principal adverse impacts on an entity level can be found in the Sustainability Policy which is available on LGIM's website. Reporting on principal adverse impacts on sustainability factors will be made available in the annual report of the Fund.

- No



**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

## What investment strategy does this financial product follow?

The Fund seeks to implement the Investment Manager's Responsible Investment Framework which aims to provide a consistent and systematic approach to exclusions, refined criteria and thresholds for setting environmental and social characteristics with a defined terminology and approach to support the implementation of such characteristics across the financial products managed by the Investment Manager.

The Responsible Investment Framework sets out the various types of investment strategies that the Investment Manager's financial products can follow and the responsible investing methodologies that explain how such investment strategies are defined and implemented.

The Fund follows the following sustainability-related investment strategy:

i. **LGIM's Future World Protection List:** The Fund excludes investments in companies on the Future World Protection List. The list consists of companies that fail to meet minimum standards of globally accepted business practices, including for example perennial violators of the United Nations Global Compact, companies involved in the manufacture and production of controversial weapons, and certain companies involved in mining and extraction of thermal coal or oil sands and thermal coal power generation. The Investment Manager aims to continuously evolve the methodology of this list in line with developing market practices.

ii. **LGIM's Climate Impact Pledge:** The Fund excludes companies that fail to meet the Investment Manager's minimum requirements on climate change following engagement under the Climate Impact Pledge. The Climate Impact Pledge maps out a large number of companies worldwide, in climate-critical sectors, against key indicators. Using quantitative and qualitative measures, such companies are assessed under a traffic light system drawing on independent data providers and the Investment Manager's pioneering climate modelling. Based on the results of engagement with these companies, the Investment Manager uses escalating methods as necessary, which includes a period of engagement with companies and in the event that a company continues to make insufficient progress and fails to meet the Investment Manager's minimum standard expectation, may include sanction through voting and divestment.

iii. **ESG Factor Evaluation:** The Investment Manager will consider ESG factors when making investment decisions on behalf of the Fund which include a number of environmental and social factors, for example relating to climate change, water and waste, supply chain, environmental policies and controls, labour rights, health and safety, bribery and corruption. The evaluation process starts with the identification of ESG factors using both top-down and bottom-up approaches. The top-down research analysis focuses on determining the resiliency of sectors on a macro level, while the bottom-up research process evaluates the ESG credentials of individual companies. The Investment Manager has developed a proprietary research tool called Active ESG View which brings together granular quantitative and qualitative ESG inputs. The quantitative inputs consist of two components: i) an ESG score calculated in Active ESG View which evaluates and scores issuers from an environmental, social and governance perspective, and ii) a screening of investee companies in respect of their involvement in certain products and services, and certain controversies and violations of norms and standards. The Investment Manager set minimum thresholds for both of these components in Active ESG View. These are then supplemented by the Investment Manager's qualitative assessment of the sustainability risks and opportunities relating to the relevant issuer. This qualitative assessment is performed by the Global Research and Engagement Groups ("GREGs") which bring together representatives from the Investment Manager's investment and investment stewardship teams across regions and asset classes. Where issuers fail to meet either of the components of the quantitative assessment, and the GREGs have reviewed and agreed with the assessment through qualitative analysis, such issuer shall be excluded from the Fund.

- ***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 above-listed investment strategy are as follows:

- i. The Fund excludes investments in companies on the Future World Protection List and in accordance with the Climate Impact Pledge.
- ii. The Fund systematically applies ESG factor evaluation as part of the investment decision-making process.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Fund excludes investments in issuers as set out in the investment strategy and binding requirements outlined above; however, the Fund does not target a specific minimum rate of reduction from its investment universe.

- ***What is the policy to assess good governance practices of the investee companies?***

The Investment Manager has processes in place to assess whether the investments held by the Fund in investee companies follow good governance practices. The Investment Manager's proprietary research tool, Active ESG View, is utilised to provide an overall governance score for each investee company. Several data inputs feed into the compilation of this score, including but not limited to, board composition, investor rights and audit oversight. The Investment Manager set certain minimum standards relating to good governance practices that issuers, that are considered by the Investment Manager for investment, are required to meet. These standards incorporate a pre-determined minimum governance score in Active ESG View which is supplemented by the Investment Manager's qualitative assessment of the good governance practices of the relevant issuers. If an investee company fails to meet the Investment Manager's good governance test as described above, such issuer is excluded from the Fund.

The Investment Manager also integrates the principles of good governance practices into its stewardship and engagement approach by setting expectations with investee companies' management regarding good governance practices; actively engaging with the investee companies; and supporting policymakers and legislators to ensure there is strong regulation and standards.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax compliance.



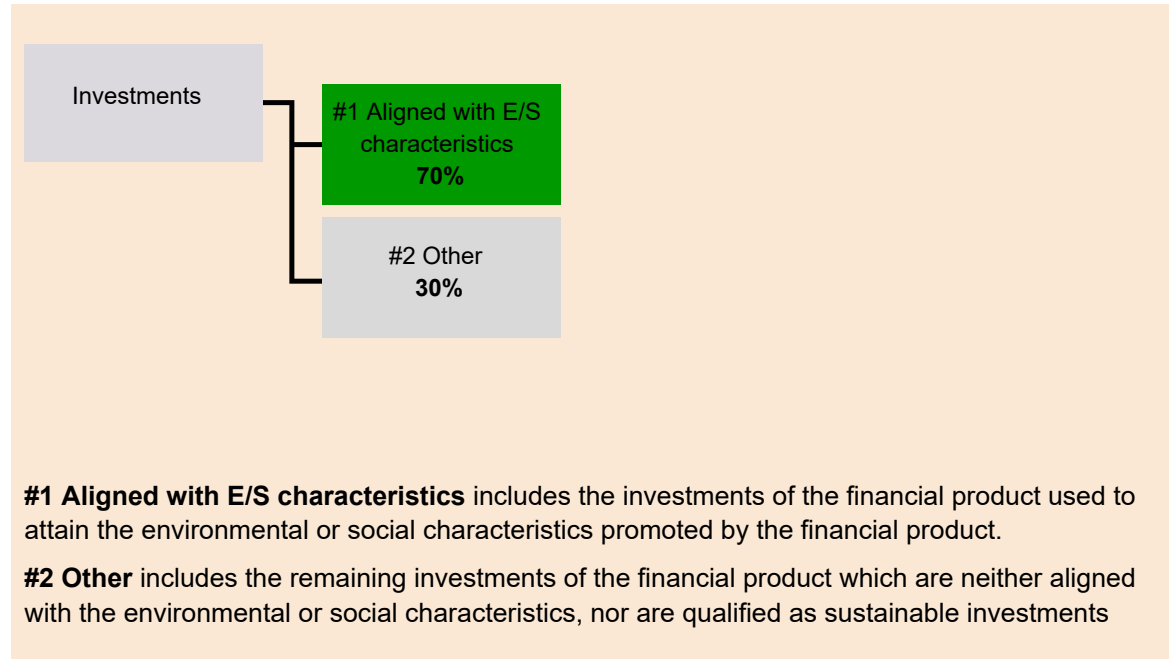
**Asset allocation** describes the share of investments in specific assets.

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.

## What is the asset allocation planned for this financial product?

The Fund invests at least 70% of its portfolio in investments to meet the environmental and social characteristics that it promotes (#1). The remaining portion of investments are not used to attain the environmental and social characteristics and will fall under #2 Other. The purpose of the remaining portion of investments, including a description of any minimum environmental or social safeguards, is set out below. The Fund does not commit to making any sustainable investments.



## ● How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund does not make use of derivatives to attain the environmental and social characteristics it promotes.

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.

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### Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy<sup>(1)</sup>?

Yes:

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.*

#### 1. Taxonomy-alignment of investments including sovereign bonds\*

- Taxonomy-aligned (no fossil gas & nuclear)
- Non Taxonomy-aligned



100%

#### 2. Taxonomy-alignment of investments excluding sovereign bonds\*

- Taxonomy-aligned (no fossil gas & nuclear)
- Non Taxonomy-aligned



100%

This graph represents up to 100% of the total Investments.

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are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



**Reference benchmarks** are indexes to measure whether the financial products attain the environmental or social characteristics that they promote.

● **What is the minimum share of investments in transitional and enabling activities?**

The Fund does not commit to making any investment in transitional and enabling activities.



● **What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?**

The Fund does not commit to a minimum share of sustainable investments.



● **What is the minimum share of socially sustainable investments?**

The Fund does not commit to a minimum share of socially sustainable investments.



● **What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?**

In accordance with the Fund's investment policy, “#2 Other” may include cash deposits held with the Fund's Depository. There are no minimum environmental or social safeguards applicable to these instruments.

● **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?**

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

● **How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?**

Not applicable

● **How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?**

Not applicable

● **How does the designated index differ from a relevant broad market index?**

Not applicable

● **Where can the methodology used for the calculation of the designated index be found?**

Not applicable



### **Where can I find more product specific information online?**

More product-specific information can be found on the website: [Euro Liquidity Fund - LGIM Fund Centre](#)

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